



Monthly Economic and Financial Developments June 2019

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:

2019: July 29, September 2, September 30, November 4



1. Domestic Economic Developments

Overview

Indications are that the domestic economy maintained its modest pace of expansion over the review period, as increased visitor traffic for the Easter holiday period, sustained the growth in tourism, while ongoing medium and small-scale foreign investment projects supported activity in the construction sector. Inflation rose modestly during the twelve months to March, reflecting the pass-through effects of the increase in the value added tax (VAT) rate in prior periods. In monetary developments, bank liquidity declined over the review period, amid an increase in credit—mainly to the Government—while deposits firmed mildly.

Real Sector

Tourism

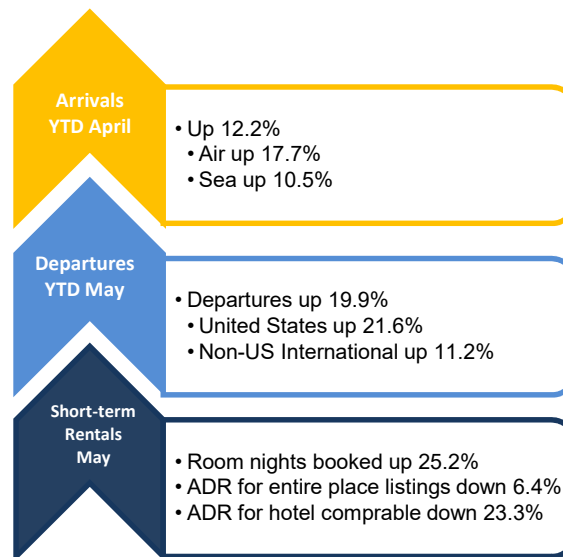
Tourism output continued to improve over the review period, led by gains in the high value-added stopover visitor segment. According to the latest data from the Ministry of Tourism, total arrivals rose by 11.9% in April, outpacing the 0.9% increase recorded in the corresponding month last year, as hotels benefitted from the Easter holiday traffic. Specifically, the growth in air arrivals quickened to 18.8% from 4.3%, and sea passengers advanced by 9.6%, a reversal from a slight 0.1% reduction in 2018.

Underpinning this improvement, visitors to New Providence recovered by 23.0%, a turnaround from 2018's 10.9% contraction, amid gains in both air and sea tourists. In contrast, gains in Family Island visitors slowed to 6.9%, from 31.3% a year earlier, as changes in major cruise lines' port itineraries, resulted in a deceleration in sea arrivals' growth, although the higher value-added air component recorded an upturn over the prior period's outcome. In contrast, conditions in Grand Bahama remained relatively weak, as total arrivals contracted further by 26.7%, as the decline in calls from major cruise lines, outweighed the air segment's marginal gain.

On a year to date basis, total arrivals firmed by 12.2% to a record level of 2.6 million, outpacing the 2.3% increase during the same period last year, amid growth in air and sea tourists of 17.7% and 10.5%, respectively. A breakdown by island, showed that total tourists to New Providence rose broadly, by 26.0%, while Family Island traffic increased by a tapered 1.2% pace, as the onshore visitor boost was muted by weaker sea volume. Further, visitors to Grand Bahama contracted by 21.2%, owing to a falloff in the cruise segment, which overshadowed the incremental improvement in air arrivals.

Buoyed by gains in the high value-added stopover segment of the market, total hotel room revenue firmed during the month of April. The latest data from The Bahamas Hotel & Tourism Association (BHTA) and the Ministry of Tourism,

Chart 1: Tourism Indicators at a Glance



Sources: Ministry of Tourism, NAD and AirDNA

showed a 27.9% improvement in room revenue during April, as the average occupancy rate firmed by 5.9 percentage points to 78.5%, while the average daily room rate (ADR), increased by 14.8% to \$304.68. Similarly, on a year-to-date basis, total room revenue expanded by 34.0%, with the average occupancy rate advancing by 11.9 percentage points to 77.9%. In addition, the ADR firmed by 10.4% to approximately \$300.00.

For May, data from the Nassau Airport Development Company Ltd. (NAD), tracing stopover activity, showed that total departures—net of domestic traffic—grew by 15.8%, following an increase of a similar magnitude in 2018. Specifically, the growth in non-U.S. departures accelerated to 15.1% from 11.8%, while the dominant U.S. component advanced by 15.9% for the second consecutive year. Further, over the first five months of 2019, aggregate departures rose by 19.9%, extending the 12.7% expansion recorded in the prior period, as the growth rate for U.S. traffic nearly doubled to 21.6%; although gains in the non-U.S. component tempered to an albeit healthy 11.2%.

Similar strengthening trends were evident in the short-term rental market. Data from AirDNA revealed a 25.2% increase in total room nights sold during May, with bookings for hotel comparable and entire place listings firming by 30.8% and 24.6%, respectively. An analysis of the major markets, showed that Exuma recorded the strongest growth of 34.7%, followed by New Providence (19.3%) and Abaco (21.5%); however, bookings for Grand Bahama fell by 5.2%, on account of a decrease in the entire place category. In terms of pricing, the ADR for hotel comparable listings contracted by 23.3% to \$150.43, due to broad-based declines across all major destinations. Similarly, rates for entire place listings narrowed by 6.4% to \$399.28, with declines in all of the markets—with the exception of Exuma.

Prices

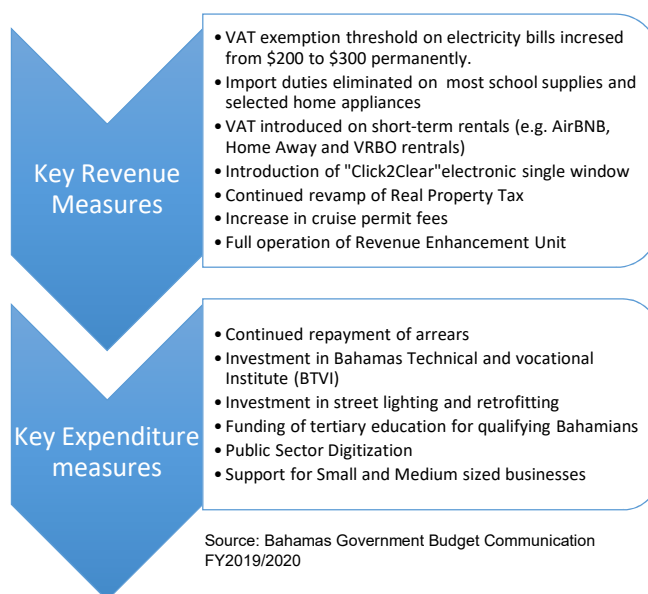
During the twelve months to March—domestic inflation as measured by the All Bahamas Retail Price Index—firmed by 1.7 percentage points to 2.9%, reflecting the pass-through effects of the increase in the VAT rate and the rise in global oil prices. In particular, accretions to average costs accelerated for transport, alcoholic beverages, tobacco & narcotics, food & non-alcoholic beverages, healthcare, and restaurants & hotels. Moreover, average prices rose for furnishing, household equipment & routine household maintenance, miscellaneous goods & services and clothing & footwear, after contracting in the prior year. In contrast, inflation slowed for housing, water, gas, electricity & other fuels, and recreation & culture; while, communication and education costs decreased during the period, when compared to the prior year.

2019/2020 Budget Communication Highlights

The Government’s Budget Communication for FY2019/2020, with an overarching theme of implementing fiscal reforms, through spending restraint and increased efficiency in tax administration, was presented in parliament on May 29, 2019 and approved in June.

New tax measures were largely geared towards improving administration, and despite some targeted relief, are expected to yield an additional \$215.0 million in revenue relative to the FY2018/2019 projection. With regard to improving revenue collection efficiency, the Government announced plans to implement an “Electronic Single Window” or “Click2Clear” at the Customs Department; revamp the real property tax system; enforce the implementation of VAT on

Chart 2: FY2018/2019 Budget Highlights



electronically booked short-term rental properties; and make the Revenue Enhancement Unit (REU) fully operational within the new fiscal year, to promote tax compliance. These measures, combined with increased VAT receipts, are expected to offset the tax relief measures, which include the reduction or elimination of customs duties on almost 20 products. Such relief is centered on items such as school supplies, select home appliances & furniture, and an increase in the residential VAT exemption thresholds on electricity usage.

In terms of the major expenditure measures, the Government outlined its intent to continue to reduce expenditure payment arrears, with an additional \$100.4 million allotted to this objective. In addition, funds are also earmarked for the modernization of the Bahamas Technical and Vocational Institute (BTVI), a “Street Lighting and Retrofitting Project”, and socio-economic policies, such as educational enhancements at every school level, public sector digitization, and small & medium sized business support. These and other initiatives are expected to result in a \$95 million increase in recurrent spending and a \$28 million rise in capital outlays.

Given the revenue and expenditure policies proposed, the Government projects that the fiscal deficit will decrease to \$137.0 million in FY2019/2020, from a projected \$237.0 million in the previous year’s budget. This would represent a reduced 1.0% of FY2019/2020’s GDP, compared to 1.8% for the prior fiscal year.

2. Domestic Monetary Trends

May 2019 vs. 2018

Liquidity

Bank liquidity declined slightly during the review month, despite an expansion in Bahamian dollar credit that trailed local currency deposit gains. Amid a shift in assets from cash to Government securities, excess reserves—a narrow measure of liquidity—contracted by \$44.7 million to \$850.0 million, following a decline of the same magnitude in the previous year. However, the broader excess liquid assets fell by a more muted \$5.4 million to \$1,824.2 million, a reversal from an increase of \$14.6 million in 2018.

External Reserves

External reserves rose by \$2.9 million to \$1,586.6 million, a reversal from a \$30.1 million decline a year earlier. In the underlying developments, supported by tourism sector inflows, the Central Bank’s net purchase from commercial banks improved by \$51.1 million to \$56.0 million, as banks in turn, recorded a reversal in transactions with consumers from a net sale of \$37.2 million in 2018, to a net purchase of \$45.8 million in 2019. In contrast, the Bank’s net sale to the public sector expanded by \$18.8 million to \$53.1 million, reflecting mainly, an uptick in fuel imports.

Exchange Control Sales

Preliminary data on foreign currency sales for current account transactions, revealed an \$89.9 million contraction in outflows to \$425.0 million in May, relative to the prior year. In particular, “other”, non-merchandise current items (49.2% of the total)—comprising mainly insurance services, remittances, royalties and credit card financed imports—decreased by \$46.4 million. In addition, non-oil imports (30.2% of the total) fell by \$24.1 million, while factor income (2.4% of the total) and oil imports (9.0% of the total) declined by \$12.1 million and \$10.1 million, respectively. Conversely, sales relative to travel (5.8% of the total) rose by \$2.1 million, while transfers (3.4% of the total), registered a more muted gain of \$0.8 million.

Domestic Credit

Bahamian Dollar Credit

During May, accretions to Bahamian dollar credit tapered to \$22.7 million, from \$53.6 million in the previous year. This outturn reflected a slowdown in the growth of net claims on the Government to \$17.4 million, from a \$63.4 million hike a year earlier. In contrast, credit to the private sector rose by \$5.6 million, a reversal from a \$15.0 million reduction in 2018, as mortgages and consumer credit grew by \$5.5 million and by \$0.1 million, respectively, while outstanding credit to the commercial sector remained relatively unchanged. However, credit to the rest of the public sector fell by \$0.4 million, after rising by \$0.3 million in 2018.

Foreign Currency Credit

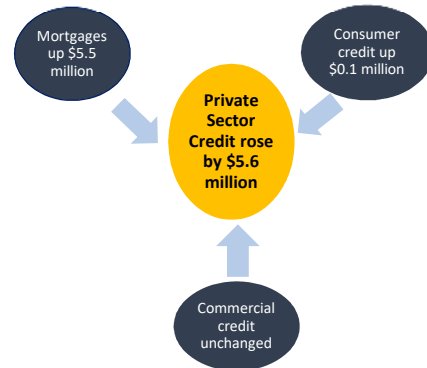
Domestic foreign currency credit decreased by \$6.8 million in May, in line with the prior year's contraction, owing mainly to a \$5.5 million reduction in net claims on the Government. In addition, credit to the rest of the public sector softened by \$0.9 million, after a \$0.7 million decline in the prior year. Similarly, credit to the private sector lessened by \$0.8 million, extending the previous year's \$0.2 million falloff, as the \$1.0 million decline in commercial credit, negated the \$0.3 million increase in mortgages.

Credit Quality

Banks' credit quality indicators continued to improve in May. Total private sector arrears contracted by \$11.2 million (1.5%) to \$719.2 million, while the corresponding ratio fell by 19 basis points to 12.7% of total private sector loans. This development was led by a reduction of \$6.2 million (1.2%) in non-performing loans (NPLs) to \$502.1 million, with the non-accruals rate decreasing by 11 basis points to 8.9% of total private sector loans—the lowest rate recorded since 2008. Similarly, short-term arrears—between 31-90 days—fell by \$5.0 million (2.3%) to \$217.1 million, and the attendant ratio narrowed by 9 basis points to 3.8% of total private sector arrears.

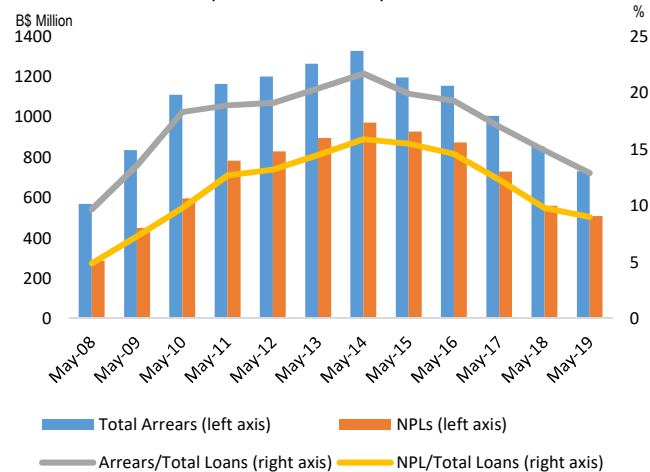
These developments reflected improvements across all the major loan categories. Specifically, commercial arrears fell by \$4.1 million (5.8%) to \$66.2 million, as the NPL component contracted by \$4.0 million (7.3%) to \$50.7 million, while short-term delinquencies registered a marginal decline of \$0.1 million (0.9%) to \$15.5 million. Further, consumer arrears decreased by \$3.6 million (1.8%) to \$202.4 million, owing to a \$4.0 million (3.1%) reduction in non-performing arrears to \$127.6 million, which surpassed the \$0.4 million (0.6%) uptick in the short-term segment to \$74.8 million. Meanwhile, the \$3.5 million (0.8%) decline in mortgage arrears, to \$450.7 million, was led by a \$5.3 million (4.0%) contraction in short-term delinquencies to \$126.8 million, which eclipsed the \$1.8 million (0.6%) rise in mortgage NPLs to \$323.8 million.

Chart 3: B\$ Private Sector Credit



Source: Central Bank of The Bahamas

Graph 1: Credit Quality Indicators



Source: Central Bank of The Bahamas

In this environment, banks reduced their total provisions for loan losses by \$2.2 million (0.5%) to \$425.2 million in May. However, the corresponding ratio to total arrears increased by 60 basis points to 59.1%, as the decrease in total delinquencies, outpaced the contraction in total provisions. Similarly, the ratio of provisions to NPLs rose by the same magnitude to 84.7%.

On a year-on-year basis, the ratio of private sector arrears to total private sector loans fell by 2.1 percentage points, amid declines of 130 and 78 basis points in both the short-term and non-accrual categories, respectively. Moreover, contractions were noted for the commercial, consumer and mortgage segments, by 3.7, 2.1 and 1.7 percentage points, respectively.

Deposits

Accretions to total Bahamian dollar deposits quickened by \$12.2 million to \$25.4 million, as demand deposits rose by \$4.4 million, reversing the \$13.9 million contraction in the previous year. In addition, fixed balances firmed by \$4.8 million, relative to a \$1.5 million gain a year earlier; however, the growth in savings deposits slowed to \$16.3 million, vis-à-vis an increase of \$25.5 million in the prior year. Meanwhile, residents' foreign currency deposits decreased by \$21.1 million, after a gain of \$10.2 million in 2018.

Interest rates

In interest rate developments, the weighted average deposit rate softened by 1 basis point to 0.54% in May, with the highest rate of 4.00% offered on fixed balances of over 12 months. In contrast, the weighted average loan rate increased by 88 basis points to 11.30%.

3. Domestic Outlook

Expectations are that the domestic economy will maintain its mildly positive upward trajectory over the remainder of the year, as the ongoing improvement in several key source markets, combined with the increase in high-end hotel room capacity, provide impetus to tourism sector output. In addition, a number of varied-scale foreign investment projects, will continue to support construction sector activity. In this environment, employment conditions are expected to improve gradually, while domestic inflationary pressures are anticipated to remain mild; although a modest uptick in the rate is expected to persist over the remainder of the year, reflecting the lingering pass-through effects from the hike in the VAT rate and higher global oil prices.

In the fiscal sector, the Government's success in lowering the deficit and corresponding debt indicators, will remain contingent on the effectiveness of measures to enhance revenue administration and curtail expenditure growth. Similarly, passage of the relevant legislation and implementation of the fiscal responsibility safeguards, should serve to strengthen Government's debt management operations.

Monetary sector developments are expected to remain dominated by robust levels of bank liquidity, as institutions maintain their conservative lending practices and consumers continue to deleverage. In keeping with seasonal patterns, some erosion in external reserve balances is projected to occur over the remainder of the year, reflecting mainly the normal increase in foreign currency demand; however, reserve indicators are projected to remain well above international benchmarks.

4. Monetary Policy Implications International Developments

Given the relatively modest level of economic growth, robust external reserve balances and subdued private sector credit conditions, the Central Bank will maintain its accommodative monetary policy stance.

Nevertheless, the Bank will continue to monitor potential risks to the economy, including the ongoing uncertainty in the international trade environment, given the associated potential to slow global growth and by extension tourism

prospects. On the monetary front, the Bank will sustain its efforts to reign in the liquidity overhang in the banking system, in order to mitigate the potential risks posed to external reserves from accelerated consumer-related credit growth over the near-term. In this regard, the Bank will continue with net sales of its holdings of Government securities, to absorb the excess liquidity over time. In addition, the establishment of a credit bureau will serve to reduce the potential for lending institutions to extend credit on an unsound basis to unqualified borrowers.

APPENDIX

International Developments

Global economic conditions remained modestly positive during the review period; despite heightened concerns regarding the negative impact of ongoing trade disputes and higher tariff rates on global growth. In this environment, all of the major central banks maintained their accommodative policy stance.

Indications are that the United States economy sustained its modest growth trajectory over the review period, as industrial production increased by 0.4% in May, a turnaround from a reduction of the same magnitude a month earlier. Further, retail sales firmed by 0.5%, following a 0.3% increase in April. Labour market conditions remained positive, as total nonfarm payrolls firmed by 75,000 in May; although the unemployment rate steadied at 3.6%. On the international front, the goods and services deficit narrowed by \$1.1 billion to \$50.8 billion in April, as the \$5.7 billion decrease in imports, outpaced the \$4.6 billion decline in exports; with the latter reflecting in part the falloff in aircraft sales abroad after a major manufacturer halted production of a passenger jet. In addition, average consumer prices rose marginally by 0.1%, following a 0.3% increase in the prior month, as higher food costs were partly offset by lower energy prices. Against this backdrop, the Federal Reserve kept its key interest rate unchanged.

Despite the uncertainty caused by the failure of UK policy makers to conclude their "BREXIT" negotiations, European economies sustained their mildly positive growth trajectory over the review period. In the UK, real GDP expanded by 0.3% over the three months to April, after rising by 0.5% in the March quarter. Further, during the month of April, a reduction in manufacturing sector output resulted in a 2.7% decline in total production, compared to a 0.7% gain a month earlier. In addition, the volume of retail sales was unchanged in April after a 1.2% advance in the prior period. Industrial production in the euro area contracted by 0.5% in April, following a 0.4% falloff in the previous month, while the volume of retail sales decreased by 0.4%, after being flat in March. In terms of prices, the euro zone's inflation rate softened to 1.2% in May from 1.7% a month earlier, while the UK's annualized inflation rate declined marginally by 10 basis points, month-on-month, to 2.0%. In terms of the labour market, the UK's unemployment rate steadied at 3.8% over the three months to April, while the unemployment rate in the euro area was reduced by 0.1 percentage points to 7.6% in April. Faced with weak economic growth and low inflation, both the European Central Bank and the Bank of England left their benchmark rates unchanged.

Asian economies continued to show signs of modest improvement during the review period; although China's unfolding trade dispute with the United States remained a drag on the region's growth prospects. In China, retail sales advanced by 0.7% in May, following a 0.5% gain in the prior month. In contrast, Japan's retail sales remained flat in April, compared to the previous period's 0.2% expansion. In addition, industrial production in Japan rose by 0.6% in April, vis-a-vis a contraction of similar magnitude recorded a month earlier. Meanwhile, industrial production in China firmed by 0.4% for the second consecutive month. Inflation remained subdued in the region, as average consumer prices firmed marginally by 0.1% in Japan during April; similarly, average prices in China rose slightly by 0.1% in May. Further, the region's unemployment rates remained low, with the jobless rate in Japan declining by 10 basis points to 2.4% in April. Amid these conditions, the Bank of Japan kept its key policy rate at -0.1% and the People's Bank of China maintained its reserve requirements for large and small institutions at 13.5% and 11.5%, respectively, and its reverse repo rate at 2.55%.

Reflecting in large measure trade tensions between the United States and its major trading partners, most of the major global stock indices recorded broad-based declines in May. In the United States, the Dow Jones Industrial Average (DJIA) fell by 6.7%, and the S&P 500 index declined by 6.6%. Similarly, in Europe, France's CAC 40, Germany's DAX and the United Kingdom's FTSE moved lower by 6.8%, 5.0% and 3.5%, respectively. Asian markets also deteriorated, with Japan's Nikkei 225 contracting sharply by 7.5%, and China's SE Composite falling by 5.8%.

The dollar's performance varied versus other major currencies during the review month. Specifically, the dollar gained against the British Pound by 3.2% to £0.7916, the Chinese Yuan by 2.5% to CNY6.9051, the Canadian dollar by 0.9% to CAD\$1.3509 and the euro by 0.4% to €0.8953. In contrast, the dollar fell relative to both the Japanese Yen and the Swiss Franc by 2.9% and 1.9% to ¥108.28, and CHF1.0007, respectively.

The ongoing geo-political risks in a number of key oil producing regions, along with production cuts by major producers, contributed to the price of crude oil firming by 6.5% to \$72.79 per barrel in May; with OPEC's monthly crude production stabilizing at 29.88 million barrels per day (b/d). In terms of precious metals, the price of gold rose by 1.7% to \$1,305.45 per troy ounce, while silver costs fell by 2.6% to \$14.57 per troy ounce.

Recent Monetary and Credit Statistics

(B\$ Millions)

MAY						
Value		Change		Change YTD		
2018	2019	2018	2019	2018	2019	

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	1,079.75	850.02	-44.37	-44.71	222.20	178.67
1.2 Excess Liquid Assets	2,020.09	1,824.18	14.57	-5.43	221.81	292.26
1.3 External Reserves	1,661.79	1,586.64	-30.14	2.92	253.50	389.27
1.4 Bank's Net Foreign Assets	-153.73	73.70	-7.58	-12.76	17.26	11.67
1.5 Usable Reserves	813.08	826.05	-3.37	35.16	144.18	303.70

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,924.03	5,818.30	-15.23	4.88	-52.45	-36.67
a. B\$ Credit	5,701.26	5,627.48	-15.03	5.64	-50.81	-19.82
of which: Consumer Credit	2,159.85	2,082.25	15.65	0.14	-37.67	-35.66
Mortgages	2,877.65	2,865.69	-8.08	5.54	-4.35	-0.53
Commercial and Other Loans B\$	663.75	679.54	-22.61	-0.03	-8.78	16.37
b. F/C Credit	222.77	190.82	-0.19	-0.76	-1.64	-16.85
of which: Mortgages	66.55	57.53	0.11	0.26	4.36	-0.58
Commercial and Other Loans F/C	156.21	133.29	-0.30	-1.02	-6.00	-16.27
2.2 Central Government (net)	2,341.97	2,450.34	62.36	11.95	-36.04	-79.14
a. B\$ Loans & Securities	2,563.84	2,714.77	49.52	2.44	-45.11	-27.16
Less Deposits	214.01	262.00	-18.84	-14.97	-12.14	51.63
b. F/C Loans & Securities	0.00	7.00	-0.21	0.00	0.00	-0.00
Less Deposits	7.86	9.43	5.80	5.46	3.06	0.35
2.3 Rest of Public Sector	264.12	307.94	-0.50	-1.29	-6.77	-10.17
a. B\$ Credit	99.16	120.80	0.25	-0.37	-1.04	-7.53
b. F/C Credit	164.97	187.15	-0.74	-0.92	-5.73	-2.64
2.4 Total Domestic Credit	8,530.33	8,577.88	46.84	15.86	-95.05	-124.77
a. B\$ Domestic Credit	8,150.25	8,201.05	53.58	22.68	-84.83	-106.14
b. F/C Domestic Credit	380.08	376.83	-6.74	-6.82	-10.22	-18.62

3.0 DEPOSIT BASE

3.1 Demand Deposits	2,507.47	2,701.10	-13.90	4.38	147.00	243.83
a. Central Bank	22.06	30.34	-9.85	-1.87	7.99	-44.63
b. Banks	2,485.41	2,670.76	-4.04	6.25	139.01	288.46
3.2 Savings Deposits	1,424.72	1,496.21	25.54	16.25	57.05	75.48
3.3 Fixed Deposits	2,699.04	2,531.95	1.49	4.75	-43.61	-30.31
3.4 Total B\$ Deposits	6,631.23	6,729.26	13.14	25.38	160.44	289.00
3.5 F/C Deposits of Residents	340.94	512.60	10.17	-21.08	38.92	-5.47
3.6 M2	6,931.05	7,036.51	23.64	25.98	153.25	292.63
3.7 External Reserves/M2 (%)	23.98	22.55	-0.52	-0.04	3.20	4.79
3.8 Reserves/Base Money (%)	99.95	110.58	0.22	3.50	2.33	14.92
3.9 External Reserves/Demand Liabilities (%)	97.90	104.30	1.27	4.43	2.67	15.61

Value		Year to Date		Change	
2018	2019	2018	2019	Month	YTD

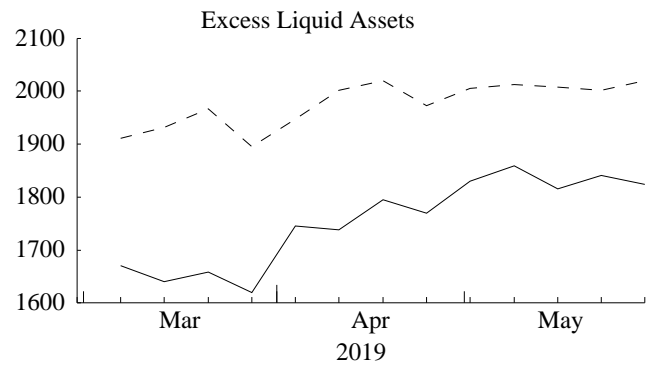
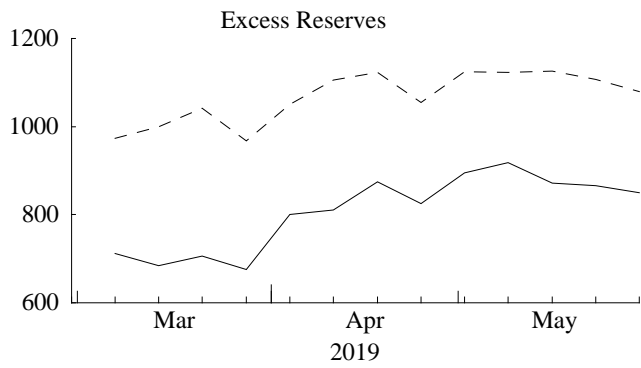
4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	-29.35	2.92	238.78	371.51	32.27	132.73
a. Net Purchase/(Sale) from/to Banks	4.88	55.99	289.62	530.18	51.10	240.57
i. Sales to Banks	18.27	0.00	67.48	4.35	-18.27	-63.13
ii. Purchases from Banks	23.16	55.99	357.10	534.53	32.83	177.44
b. Net Purchase/(Sale) from/to Others	-34.23	-53.07	-50.84	-158.68	-18.83	-107.83
i. Sales to Others	56.75	74.61	293.12	383.27	17.86	90.15
ii. Purchases from Others	22.52	21.54	242.28	224.60	-0.98	-17.68
4.2 Banks Net Purchase/(Sale)	-37.20	45.83	199.51	514.56	83.03	315.05
a. Sales to Customers	478.14	350.06	2,111.36	1,990.42	-128.08	-120.95
b. Purchases from Customers	440.94	395.90	2,310.87	2,504.98	-45.05	194.11
4.3 B\$ Position (change)	16.84	-21.29				

5.0 EXCHANGE CONTROL SALES

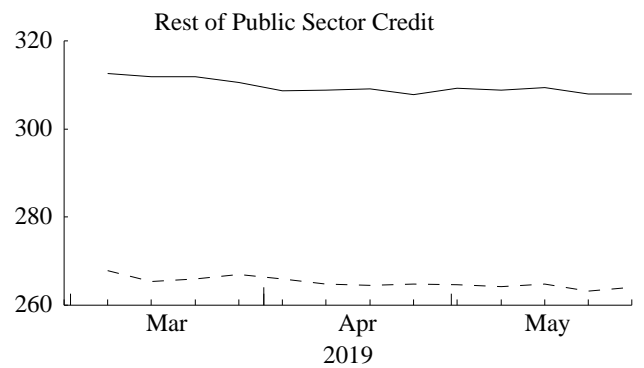
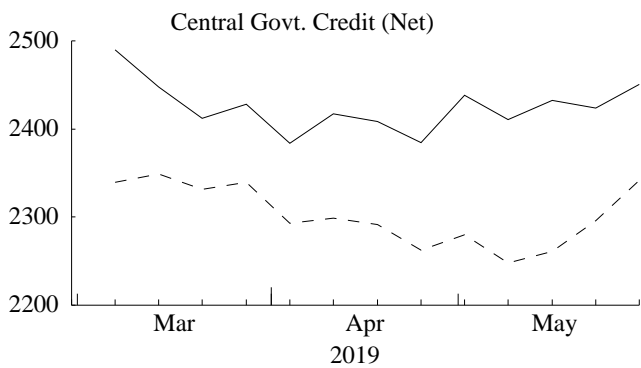
5.1 Current Items	514.89	425.04	2,142.50	2,337.03	-89.85	194.53
of which Public Sector	35.30	3.35	195.04	132.14	-31.95	-62.90
a. Nonoil Imports	152.21	128.15	679.45	586.50	-24.06	-92.95
b. Oil Imports	48.46	38.34	187.53	214.66	-10.12	27.12
c. Travel	22.77	24.86	112.58	118.88	2.09	6.29
d. Factor Income	22.25	10.13	115.53	108.58	-12.12	-6.95
e. Transfers	13.49	14.27	93.22	100.99	0.78	7.77
f. Other Current Items	255.71	209.28	954.18	1,207.43	-46.42	253.25
5.2 Capital Items	39.54	7.44	114.93	90.68	-32.10	-24.25
of which Public Sector	34.82	0.96	77.85	44.99	-33.86	-32.86
5.3 Bank Remittances	0.00	0.00	0.00	0.00	0.00	0.00

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



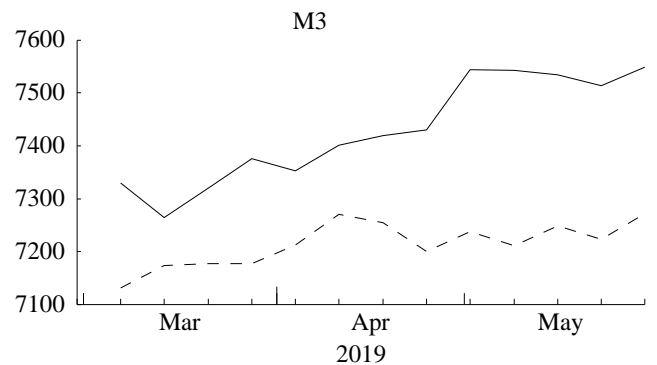
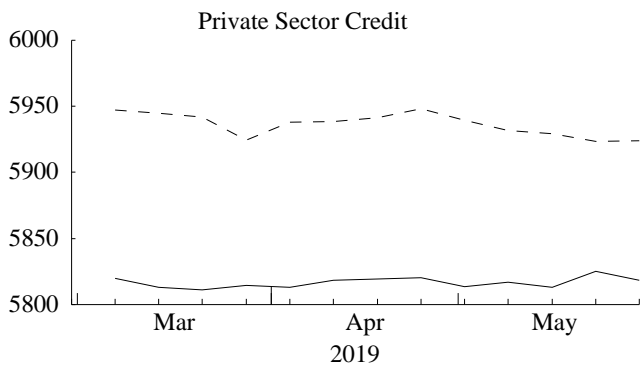
— 2019
- - - 2018

— 2019
- - - 2018



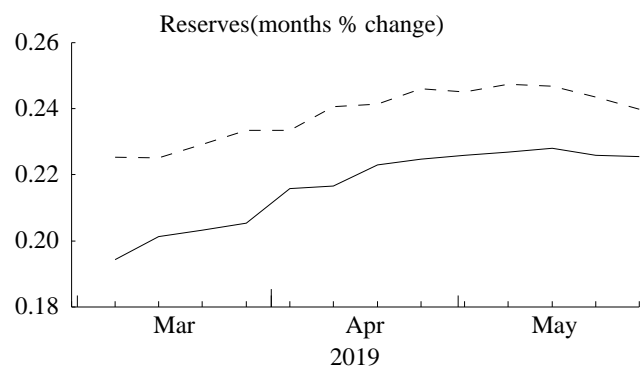
— 2019
- - - 2018

— 2019
- - - 2018



— 2019
- - - 2018

— 2019
- - - 2018



— 2019
- - - 2018

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2017	2018	2017	2018	2017	2018
Bahamas	1.4	2.3	1.4	2.5	10.1	10.7
United States	2.2	2.9	2.1	2.4	4.4	3.8
Euro-Area	2.4	2.0	1.5	1.7	9.1	8.3
<i>Germany</i>	<i>2.5</i>	<i>1.9</i>	<i>1.7</i>	<i>1.8</i>	<i>3.8</i>	<i>3.5</i>
Japan	1.7	1.1	0.5	1.2	2.9	2.9
China	6.9	6.6	1.6	2.2	3.9	4.0
United Kingdom	1.7	1.4	2.7	2.7	4.4	4.1
Canada	3.0	2.1	1.6	2.6	6.3	6.1
<i>Source: IMF World Economic Outlook October 2018, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
<i>from</i>	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
May 2017	4.00	0.00	1.75	1.00-1.25	0.25
June 2017	4.00	0.00	1.75	1.00-1.25	0.25
July 2017	4.00	0.00	1.75	1.00-1.25	0.25
August 2017	4.00	0.00	1.75	1.00-1.25	0.25
September 2017	4.00	0.00	1.75	1.00-1.25	0.25
October 2017	4.00	0.00	1.75	1.00-1.25	0.25
November 2017	4.00	0.00	1.75	1.00-1.25	0.50
December 2017	4.00	0.00	2.00	1.25-1.50	0.50
January 2018	4.00	0.00	2.00	1.25-1.50	0.50
February 2018	4.00	0.00	2.00	1.25-1.50	0.50
March 2018	4.00	0.00	2.25	1.50-1.75	0.50
April 2018	4.00	0.00	2.25	1.50-1.75	0.50
May 2018	4.00	0.00	2.50	1.75-2.00	0.50
June 2018	4.00	0.00	2.50	1.75-2.00	0.50
July 2018	4.00	0.00	2.50	1.75-2.00	0.50
August 2018	4.00	0.00	2.50	1.75-2.00	0.75
September 2018	4.00	0.00	2.75	2.00-2.25	0.75
October 2018	4.00	0.00	2.75	2.00-2.25	0.75
November 2018	4.00	0.00	2.75	2.00-2.25	0.75
December 2018	4.00	0.00	3.00	2.25-2.50	0.75
January 2019	4.00	0.00	3.00	2.25-2.50	0.75
February 2019	4.00	0.00	3.00	2.25-2.50	0.75
March 2019	4.00	0.00	3.00	2.25-2.50	0.75
April 2019	4.00	0.00	3.00	2.25-2.50	0.75
May 2019	4.00	0.00	3.00	2.25-2.50	0.75

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	May-18	Apr-19	May-19	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.8552	0.8916	0.8953	0.41	2.68	4.68
Yen	108.82	111.42	108.28	-2.82	-1.29	-0.50
Pound	0.7522	0.7672	0.7916	3.18	1.01	5.25
Canadian \$	1.2957	1.3389	1.3509	0.90	-0.97	4.26
Swiss Franc	0.9858	1.0193	1.0007	-1.82	1.95	1.51
Renminbi	6.4104	6.7348	6.9051	2.53	0.39	7.72

Source: Bloomberg as of May 31st, 2019

D. Selected Commodity Prices (\$)					
Commodity	May 2018	April 2019	May 2019	Mthly % Change	YTD % Change
Gold / Ounce	1298.52	1283.53	1305.45	1.71	1.79
Silver / Ounce	16.42	14.95	14.57	-2.56	-5.97
Oil / Barrel	75.17	68.35	72.79	6.50	39.23

Source: Bloomberg as of May 31, 2019

E. Equity Market Valuations – May 31, 2019 (% change)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.75	-6.69	-6.58	-3.46	-6.78	-5.00	-7.45	-5.84
3 month	5.10	-4.25	-1.16	1.23	-0.63	1.83	-3.67	-1.44
YTD	6.38	-5.10	4.32	-1.53	1.91	-6.41	-3.63	-11.56
12-month	10.59	-4.43	-5.15	-3.64	-3.68	-5.15	-9.90	6.36

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	2.45	0.70	-0.50
1 Month	2.47	0.76	-0.39
3 Month	2.53	0.80	-0.35
6 Month	2.55	0.90	-0.29
9 Month	2.51	1.02	-0.23
1 year	2.66	1.16	-0.19

Source: Bloomberg as of May 31st, 2019

SUMMARY ACCOUNTS OF THE CENTRAL BANK
(B\$ Millions)

	VALUE												CHANGE											
	Apr. 03	Apr. 10	Apr. 17	Apr. 24	May. 01	May. 08	May. 15	May. 22	May. 29	Apr. 03	Apr. 10	Apr. 17	Apr. 24	May. 01	May. 08	May. 15	May. 22	May. 29						
I. External Reserves	1,464.39	1,475.22	1,530.06	1,542.04	1,583.72	1,584.67	1,589.95	1,576.25	1,586.64	72.10	10.84	54.84	11.98	41.67	0.96	5.28	-13.70	10.38						
II. Net Domestic Assets (A + B + C + D)	-84.96	-100.84	-89.51	-147.81	-104.77	-103.19	-150.73	-138.33	-151.81	56.45	-15.88	11.33	-58.30	43.03	1.58	-47.54	12.40	-13.48						
A. Net Credit to Gov't (i + ii + iii - iv)	311.02	333.24	313.37	297.31	286.22	297.83	273.61	242.18	233.16	7.33	22.23	-19.88	-16.06	-11.08	11.60	-24.21	-31.44	-9.01						
i) Advances	69.66	69.66	59.66	59.66	59.66	59.66	34.66	34.66	34.66	0.00	0.00	-10.00	0.00	0.00	0.00	-25.00	0.00	0.00						
ii) Registered Stock	236.42	237.28	241.88	241.93	247.55	245.71	246.35	235.11	226.61	8.27	0.86	4.60	0.05	5.62	-1.85	0.64	-11.24	-8.50						
iii) Treasury Bills	67.98	82.97	67.98	67.98	53.24	53.24	53.24	27.64	27.64	0.00	14.99	-14.99	0.00	-14.74	0.00	0.00	-25.60	0.00						
iv) Deposits	63.04	56.66	56.15	72.26	74.23	60.78	60.63	55.23	55.74	0.94	-6.38	-0.51	16.11	1.97	-13.45	-0.14	-5.41	0.51						
B. Rest of Public Sector (Net) (i + ii - iii)	-37.31	-39.80	-20.40	-21.57	-29.71	-40.08	-36.46	-16.80	-27.97	-5.81	-2.50	19.40	-1.17	-8.14	-10.37	3.62	19.65	-11.16						
i) BDB Loans	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.13						
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	39.81	42.30	22.90	24.07	32.21	42.58	38.96	19.30	30.34	5.81	2.50	-19.40	1.17	8.14	10.37	-3.62	-19.65	11.04						
C. Loans to/Deposits with Banks	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						
D. Other Items (Net)*	-358.67	-394.28	-382.47	-423.54	-361.28	-360.94	-387.89	-363.70	-357.00	54.93	-35.61	11.81	-41.07	62.26	0.35	-26.95	24.18	6.70						
III. Monetary Base	1,379.42	1,374.38	1,440.55	1,394.24	1,478.94	1,481.48	1,439.22	1,437.92	1,434.83	128.55	-5.04	66.17	-46.32	84.71	2.54	-42.26	-1.30	-3.09						
A. Currency in Circulation	427.05	421.10	424.64	425.51	434.55	424.06	424.35	420.61	424.16	14.41	-5.95	3.54	0.88	9.04	-10.50	0.29	-3.74	3.55						
B. Bank Balances with CBOB	952.37	953.28	1,015.92	968.72	1,044.39	1,057.43	1,014.87	1,017.31	1,010.66	114.14	0.91	62.63	-47.19	75.67	13.04	-42.55	2.43	-6.64						

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

FISCAL/REAL SECTOR INDICATORS

(B\$ MILLIONS)

(% change represents current period from previous period)

	JUL-SEP			OCT-DEC			JAN-MAR			APR-JUN			YEAR TO DATE	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2017-2018	2018-2019
Fiscal Operations*														
1. Government Revenue & Grants														
% change: over previous quarter														
2. Value Added Tax														
% change: over previous quarter														
3. Import/Excise Duties														
% change: over previous quarter														
4. Recurrent Expenditure														
% change: over previous quarter														
5. Capital Expenditure														
% change: over previous quarter														
6. Deficit/Surplus*														
% change: over previous quarter														

	JAN		FEB		MAR		APR		MAY		JUN		AUG		SEP		OCT		NOV		DEC		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
Debt**																							
7. Total Direct Debt	7,209.3	7,514.2	7,198.9	7,476.9	7,205.4	7,476.9	7,175.1	7,473.4	7,217.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2	7,465.2
% change: over previous month	0.4%	0.2%	-0.1%	0.1%	0.1%	0.0%	-0.4%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8. External Debt	2,675.9	2,592.5	2,662.4	2,588.6	2,661.2	2,557.1	2,651.3	2,552.1	2,643.1	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4	2,552.4
% change: over previous month	2.3%	0.0%	-0.5%	-0.9%	0.0%	-0.4%	-0.4%	-0.2%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9. Internal FIC Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% change: over previous month																							
10. Bahamian Dollar Debt	4,533.4	4,921.7	4,536.5	4,908.3	4,544.2	4,919.7	4,523.8	4,921.3	4,574.1	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8	4,912.8
% change: over previous month	-0.7%	0.3%	0.1%	-0.3%	0.2%	0.2%	-0.4%	0.0%	1.1%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11. Total Amortization	34.7	41.4	29.0	36.3	91.8	112.5	100.4	118.5	0.1	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8
% change: over previous month	4.9%	-1.8%	-19.7%	-1.1%	217.1%	209.9%	9.3%	5.3%	-99.9%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%	-71.5%
12. Total Public Sector FIC Debt	3,364.4	3,473.3	3,528.8	3,449.9	3,526.7	3,432.0	3,516.8	3,427.0	3,506.6	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3	3,427.3
% change: over previous month	-3.4%	3.7%	4.7%	-0.7%	-0.1%	-0.5%	-0.3%	-0.1%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN		FEB		MAR		APR		MAY		JUN		AUG		SEP		OCT		NOV		DEC		
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	
Real Sector Indicators																							
13. Retail Price Index	103.9	106.7	104.3	108.1	104.0	108.2	104.0	108.2	104.0	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2	108.2
% change: over previous month	0.00%	0.70%	0.35%	1.26%	-0.30%	0.12%	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%
14. Tourist arrivals (000's)	533.7	636.9	534.2	608.4	707.5	749.0	587.8	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6
% change: over previous year	4.7%	19.3%	-0.08%	13.85%	3.63%	5.87%	0.94%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%	11.88%
15. Air arrivals (000's)	100.9	129.9	126.3	151.1	184.1	201.6	144.0	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2
% change: over previous year	6.95%	28.58%	16.73%	19.65%	20.09%	9.45%	4.32%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%
16. Occupied Room Nights																							
% change: over previous year																							
17. Res. Mortgage Commitments-Value of New Const. & Rehab. (B\$Millions)																							
% change: over previous year																							
% change: over previous year																							

* Includes Net Lending to Public Corporations
 ** Debt figures include Central Government only, unless otherwise indicated
 p - provisional