Quarterly Economic Review

Vol. 26, No. 2

June, 2017

The Quarterly Economic Review (QER) is a publication of the Central Bank of The Bahamas, prepared by the Research Department, for issue in March, June, September and December. All correspondence pertaining to the QER should be addressed to:

The Manager
Research Department
The Central Bank of The Bahamas
P.O. Box N-4868
Nassau, Bahamas

www.centralbankbahams.com
Email address: research@centralbankbahamas.com

Contents

REVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS

DOMESTIC ECONOMIC DEVELOPMENTS

OVERVIEW

Indications are that domestic economic activity was mildly positive during the second quarter of 2017, as foreign investment projects and, to a lesser extent, public sector hurricane rebuilding activity, continued to support construction sector output. Tourism earnings were relatively weak, reflecting in part the ongoing constraints from the weather-related loss of significant hotel capacity in one major market a year earlier; although the phased opening of the Baha Mar resort—combined with hiring for one-off events—undergirded the improvement in employment conditions. Preliminary data suggests that inflation remained relatively benign over the review quarter, despite a slight uptick in domestic fuel costs.

In fiscal sector developments, the Government's overall deficit widened over the eleven months of FY2016/17, as the capital-spending led expansion in aggregate expenditure, outstripped the growth in overall revenue. The deficit was financed primarily from domestic entities, and comprised a mix of both long and short-term debt.

On the monetary front, as the growth in the deposit base outpaced the rise in domestic credit, bank liquidity expanded during the second quarter, reflecting an increase in Central Bank financing to the Government. Further, higher public sector demand for foreign currency slowed the growth in external reserves. Banks credit quality indicators deteriorated over the review period, amid some increase in delinquency rates, while the latest available data for the first quarter of 2017, showed a decline in banks' overall profitability levels, occasioned by reduced net interest margins and a rise in core operating costs— outside of staffing and occupancy expenses.

External sector developments featured a significant deterioration in the current account deficit, led by a widening in the merchandise trade deficit, a reduction in the services account surplus and a marked gain in net current transfer outflows. Further, the surplus on the capital and financial account contracted, owing in large measure to a tapering in the public sector's net external borrowing as compared to 2016. That said, the composition of net private investment inflows, which increased, was more pronounced in debt financing activities as opposed to equity transactions.

REAL SECTOR

TOURISM

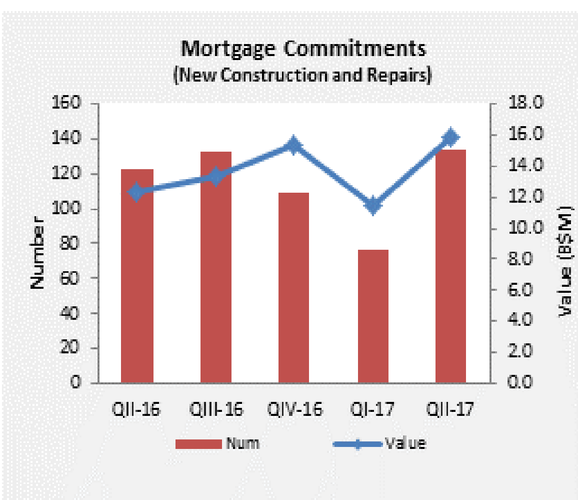
Preliminary evidence suggests that the tourism sector continued to face headwinds during the second quarter, reflecting in part the ongoing adverse effects of the weather-related loss of significant hotel capacity in one major market in late 2016. According to data from the Ministry of Tourism, total visitor arrivals declined by 1.7%, a turnaround from the prior year's 4.3% growth. The dominant sea passenger component—which comprised 75.0% of the total—fell by 1.4% to 1.2 million, a reversal from a 4.7% rise a year earlier. In addition, the high value-added air segment decreased by 2.7% to 0.4 million, vis-à-vis a 3.2% increase in 2016.

By major port of call, visitors to New Providence grew at a lower rate of 6.4% to 0.9 million, vis-a-vis the prior year's 13.8% expansion. In particular, the 3.2% contraction in air travel, contrasted with the 10.8% growth in the sea component. Further, attributed to the closure of a few large-scale properties following the hurricane in October 2016, arrivals to Grand Bahama decreased sharply by 32.8% to 0.2 million, extending the 8.6% contraction last year, when the appreciation of the Dollar contributed to the slowdown in non-US visitors to the region. In terms of the components, air and sea passengers fell by 47.4% and 30.2%, respectively. Supported by an increase in flight capacity, air traffic to the Family Islands strengthened by 20.2%; however, a 5.2% contraction in the dominant sea component, resulted in total visitor arrivals falling slightly by 0.6%, after recording a 4.2% reduction in 2016.

Data from the Bahamas Hotel Association and The Ministry of Tourism for a sample of large properties in New Providence and Paradise Island also showed the weakness in the tourism sector, as total room revenues contracted by 2.9% over the second quarter, compared to the same period a year earlier; although a slowdown from the 5.7% reduction in 2016. In terms of the components, given the fall in the key stopover visitor segment, the average hotel occupancy rate narrowed by 5.7 percentage points to 70.5%. In contrast, the average daily room rate (ADR) firmed by 4.6% to $244.27, vis-à-vis an 8.1% decline in the prior year.

CONSTRUCTION

Construction sector output during the second quarter continued to be dominated by large-scale foreign investment projects, while hurricane rebuilding work provided a modest impetus. In contrast, other, private sector related activity remained subdued over the review quarter.



Indicative of the softness in private sector trends, total mortgage disbursements for new construction and repairs—as reported by domestic banks, insurance companies and the Bahamas Mortgage Corporation—declined by 23.3% ($7.9 million) to $25.9 million, reversing the prior year's 14.5% expansion. This outturn was due in large measure to a 27.1% ($8.3 million) reduction in residential disbursements to $22.3 million, in contrast to a 24.8% gain in 2016. Funding for commercial developments, while moderate at $3.6 million, rose slightly in comparison to 2016.

Indications are that activity in the domestic market could improve modestly over the near-term, as mortgage commitments for new buildings and repairs—a forward looking indicator—rose in number by 11 to 134 and in value by 29.3% ($3.6 million) to $15.9 million. Underpinning this outturn, the dominant residential component—at 90.0% of the total—increased in number, by 11 to 133 and in value by 21.8% ($2.6 million) to $14.4 million. Meanwhile, a single commercial approval was again noted, valued at $1.6 million.

In terms of interest rates, the average financing cost for commercial mortgages firmed by 20 basis points to 7.5% over the review quarter; however, the average rate on residential loans declined by 10 basis points to 7.5%.

Employment

Labour market conditions improved in the year over year comparisons through May 2017, attributed to several factors, including the on-boarding of employees for the phased opening of the multi-billion dollar Baha Mar resort, rebuilding activities following Hurricane Matthew and short-term stimulus from international and cultural events.

According to the Department of Statistics' Labour Force Survey, the year-over-year jobless rate narrowed by 2.9 percentage points to 9.9%—the lowest since the 2008 global recession—as an additional 11,975 persons were added to employers' payrolls, including a significant number of persons hired for the Baha Mar resort. The reduction in the unemployment rate occurred despite a 22.1% fall in the number of discouraged workers to 1,925, in a sign of improving job prospects.

A disaggregation of the data revealed broad-based reductions in the major job centers, as the unemployment rate for New Providence decreased by 2.7 percentage points to 10.4%, with the number of employed persons increasing by 7,540. Similarly, the jobless rates in Grand Bahama and Abaco declined by 2.3 percentage points each, to 12.4% and 7.8%, respectively.

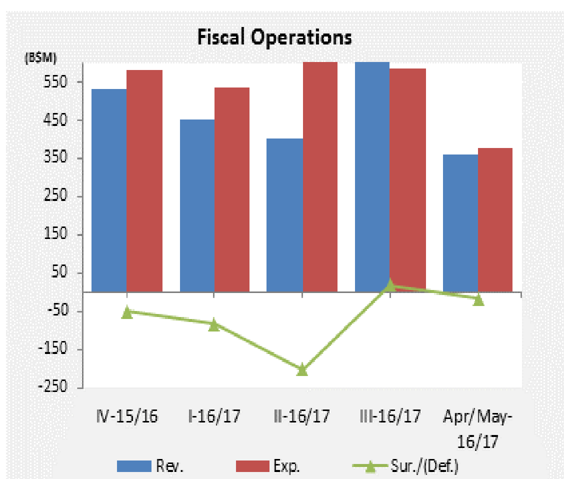
Prices

Indications are that domestic energy-related costs firmed during the review quarter, as The Bahamas Power & Light's (BPL) fuel charge increased modestly by 4.8% over the three-month period, to $13.98 per kilowatt hour (kWh), and over the prior year, costs were 51.5% higher.

Fiscal Operations

Overview

The Government's overall deficit increased by $32.9 million (13.0%) to $285.3 million during the eleven months of FY2016/2017. A capital spending-led $98.2 million (4.9%) increase in total expenditure to $2,104.5 million, outpaced a $65.3 million (3.7%) gain in aggregate revenue to $1,819.2 million.



Revenue

Tax revenue—which comprised 90.2% of total receipts—grew by $59.2 million (3.7%), to $1,640.1 million. Underlying this outturn was an increase in taxes on international trade by $16.2 million (3.4%) to $497.7 million, supported by a $13.5 million (6.3%) gain in excise taxes and a $7.9 million (3.1%) uptick in import taxes.

Conversely, value added tax (VAT) receipts—the single largest component—declined marginally by $4.3 million (0.7%) to $596.0 million. Otherwise, business & professional licence fees firmed by $5.2 million (3.7%) to $147.0 million, buoyed by gains in general business license fees. Intensified efforts to collect outstanding arrears, boosted property taxes by $16.9 million (16.7%) to $118.0 million. Also of note, other non-trade related stamp taxes also rose by $11.5 million (12.6%) to $102.7 million, associated with the financial sector. However, selective taxes on services (mainly gaming) were reduced by $1.9 million (7.1%) to $24.9 million, while departure and motor vehicle taxes declined by $1.7 million (1.3%) and $1.2 million (4.9%), to $122.3 million and $23.9 million, respectively.

Government Revenue By Source
(Apr. - May)

	FY15/16		FY16/17	
	B$M	%	B$M	%
Property Tax	12	3.3	12	3.4
Selective Services Tax	17	4.6	3	0.8
Business. & Prof Lic. Fees	40	11.1	35	9.8
Motor Vehicle Tax	5	1.5	6	1.7
Departure Tax	30	8.3	26	7.2
Import Duties	56	15.6	49	13.7
Stamp Tax from Imports	--	--	--	--
Excise Tax	47	13.1	49	13.6
Export Tax	2	0.7	0	0.1
Stamp Tax from Exports	--	--	--	--
Other Stamp Tax	16	4.5	21	5.7
Value Added Tax	126	35.2	131	36.2
Other Tax Revenue	(20)	(5.5)	(0)	(0.1)
Fines, Forfeits, etc.	26	7.2	27	7.6
Sales of Govt. Property	1	0.3	0	--
Income	3	0.9	2	0.6
Other Non-Tax Rev.	0	0.0	0	--
Capital Revenue	0	0.0	0	--
Grants	--	--	--	--
Less: Refunds	4	1.0	1	0.2
Total	**356**	100.0	**361**	**100.0**

Non-tax receipts—at 9.8% of total revenue—grew by $6.2 million (3.6%) to $179.0 million. The income-related category advanced by $3.7 million (9.6%) to $42.6 million, supported by a $3.0 million (8.7%) gain in income from other sources and a slight $0.7 million increase in revenues from public enterprises. Similarly, inflows from fines, forfeitures & administration fees expanded by $3.7 million (2.8%) to $135.9 million. In contrast, receipts from the sale of Government property decreased by $1.2 million to a mere $0.4 million.

Expenditure

The growth in expenditure over the 11-month period was attributed to increases in the capital component by 56.9% ($93.7 million) to $258.4 million and in current spending, by 2.3% ($42.1 million) to $1,846.1 million. Conversely, net lending to public corporations declined sharply by $37.6 million to a negligible $0.1 million.

By economic classification, current outlays included a $65.4 million (7.3%) rise in consumption spending, with purchases of goods and services higher by $35.9 million (12.3%), and wages & salaries, by $29.5 million (4.9%). In contrast, transfer payments declined by $23.3 million (2.6%) to $882.8 million. This was paced by a $29.3 million (4.4%) reduction in subsidies and other transfers to $638.0 million, reflecting a $34.2 million (10.0%) decrease in subsidies—mainly to the Ministry of Tourism. Declines were also recorded for transfers to households by $14.4 million (10.8%); transfers abroad, by $12.1

million (51.1%) and transfers to non-profit institutions, by $6.0 million (11.6%). However, transfers to public corporations increased by $36.7 million (35.9%), due mainly to a rise in disbursements to a local airline and an environmental agency. Also, interest payments on government debt firmed by $6.0 million (2.5%) to $244.8 million, due to higher costs on the external portion.

On a functional basis, the expansion in recurrent payments was associated with higher spending for general public services, by 18.2% ($96.4 million) to $627.6 million, owing to advances in outlays for both general administration and public order & safety, by 24.9% ($90.7 million) and 3.5% ($5.7 million), respectively. Further, payments for health services firmed by $18.3 million (6.8%) to $285.6 million, related in part to preparations for the implementation of the National Health Insurance (NHI) programme, while costs for other community & social services expanded by $3.8 million (8.9%) to $47.2 million. More muted spending increases were posted for defense and education, by 0.9% ($0.4 million) and 0.8% ($2.0 million) to $47.5 million and $249.7 million, respectively. In contrast, outlays for economic services fell by $81.5 million (28.3%) to $206.3 million, attributed to a halving in tourism-related spending and a significant reduction in outlays for public works & water supply. Further, expenditure on social benefits & services and housing decreased by $3.0 million (2.2%) to $134.1 million and by $0.3 million (8.7%) to $3.3 million, respectively.

Capital spending growth was led by higher infrastructure investments of $70.2 million (54.7%) to $198.4 million, related in large measure to restoration works following the 2016 hurricane. In addition, asset acquisitions increased by $23.6 million (64.7%) to $60.0 million, explained by the near five-fold growth in investments in public/private partnership-related equities, to $19.1 million, while "other" miscellaneous acquisitions grew by $11.8 million (54.2%) to $33.6 million. However, land purchases fell by $3.5 million (32.5%) to $7.3 million.

FINANCING AND THE DEBT

Budgetary financing for the eleven months of FY2016/17, was secured principally from the domestic market, and comprised drawdowns from bond issues ($545.0 million), loans & advances ($249.5 million) and Treasury bills & notes ($137.6 million), while external project-based funding amounted to $35.5 million. With significant refinancing operations included in these transactions, the Government's repaid debt totalled $591.8 million, with the largest portion (94.1%) being absorbed by Bahamian dollar obligations.

Estimates of the Debt-to-GDP Ratios*
June (%)[1]

	2015p	2016p**	2017p**
Direct Charge	64.5	67.9	73.3
National Debt	72.9	76.3	81.4
Total Public Debt	82.2	85.5	90.7

Source: The Central Bank of The Bahamas and the Department of Statistics
**GDP estimates are an average of the two years, which overlap the fiscal period.*
***GDP estimate for 2016 & 2017 are derived from the IMF projections.*
[1] In the absence of actual quaterly GDP data, the ratios presented should be taken as broad estimates of the relevant debt ratios and are therefore subject to revision

As a consequence of these developments, and the net effect of the accounting for the final month of the year[1], the Direct Charge on the Government rose by $220.8 million

[1] The data for the final month of the year is not available; however, this information will include the settlement of expenditure commitments which were incurred in prior periods, and therefore will likely result in a higher deficit than that reported for the 11-month period.

(3.5%) on a quarterly basis to June 2017, placing the fiscal year's increase at $577.5 million (9.7%), to $6,542.2 million. By component, Bahamian dollar debt represented 73.2% of the total, while foreign currency liabilities accounted for the remaining 26.8%. The largest block of the local debt was held by banks (38.8%), followed by "other" private institutional investors (30.5%), the Central Bank (17.9%) and public corporations (12.8%). A breakdown by instrument type showed that long-term bonds constituted the majority of the domestic currency debt (72.2%) and featured an average maturity of 8.3 years. Treasury notes & bills and loans & advances accounted for the remaining 18.2% and 9.6%, respectively.

Government's contingent liabilities declined marginally by $1.4 million (0.2%) during the second quarter and by $21.3 million (2.9%) on a fiscal year basis, to $720.7 million. As a result, the National Debt—inclusive of contingent liabilities—expanded by $219.4 million (3.1%), relative to the previous quarter, and by $556.1 million (8.3%) vis-à-vis June 2016, to $7,262.9 million.

With regard to other debt indicators, the Direct Charge was estimated at 73.3% of GDP[2], compared to 67.9% at June 2016. In addition, the National Debt-to-GDP ratio rose by 5.1 percentage points to 81.4% at end-June, vis-à-vis the same quarter of 2016.

PUBLIC SECTOR FOREIGN CURRENCY DEBT

During the second quarter, public sector foreign currency debt grew by $8.0 million (0.3%) to $2,641.3 million, as new drawings of $15.9 million and changes in the debt stock of $17.0 million, outstripped amortization payments of $25.0 million. On an annual basis; however, foreign currency obligations declined by $80.6 million (3.0%). For the quarter, the Government's component grew by $15.8 million (0.9%) to $1,755.7 million; however, the public corporations' segment decreased by $7.8 million (0.9%) to $885.6 million.

Relative to 2016, total foreign currency debt service payments were reduced by more than one-half to $64.4 million. The Government's debt servicing narrowed to $31.0 million from $85.5 million, with debt amortization outlays contracting sharply to $7.1 million from $57.2 million, while interest payments decreased by $4.8 million to $24.0 million. Similarly, the public corporations' outflows declined marginally by $1.5 million to $33.3 million, as amortization payments fell by $2.1 million to $17.9 million; however, interest charges rose slightly by $0.6 million to $15.4 million. At end-June, the sector's debt service ratio stood at 6.7%, a decrease of 5.9 percentage points over the prior year.

A disaggregation by creditor profile showed that non-resident investors represented the largest holders of foreign currency debt (41.3%), followed by international capital market investors (34.1%), multilateral institutions (11.0%), banks (10.5%) and bilateral institutions (3.1%). At end-June, the average age of the outstanding debt stock stood at 11.6 years, a decline from the 12.3 years recorded in the prior year. The majority of the debt stock was denominated in US Dollars (84.3%), with the euro, Swiss Franc and the Chinese Yuan comprising the remaining 8.8%, 3.8% and 3.1%, respectively.

2017/2018 BUDGET HIGHLIGHTS

The FY2017/18 Budget was communicated to Parliament in May and approved in June. The Budget outlined the Government's plans for improving the fiscal situation, with measures geared towards constraining expenditure growth and enhancing revenue administration, while simultaneously

[2] Nominal GDP is based on the International Monetary Fund's estimates, as at September, 2017.

promoting economic activity and job creation. In this regard, the new administration signalled its intention to undertake a careful and in-depth review of all major expenditure programmes and to enhance transparency and accountability through several key pieces of legislation, including a foreshadowed Fiscal Responsibility Act. The Government also stated its intention to reform unprofitable state owned enterprises (SOE), with the aim of either making them self-sufficient or divesting their ownership stakes.

In combination with the plans to improve revenue collections, the Government proposed some tax rate reductions, to provide relief to consumers and businesses. In particular, Parliament approved a lowering of the maximum rate of the business license taxes to 1.25% from 1.5% of annual total turnover. Further, hotels with turnover exceeding $400 million were approved a reduced license fee of 1.0%, from 1.25% of gross turnover. In an effort to provide support to the construction sector, customs duties were also eliminated for asphalt singles, on panel boards, durock and cement boards. Further, some relief was provided for households and businesses, via reduced duties for a number of imported food and beverage products.

To spur economic activity, the Government also committed to employ—where prudent—public-private partnerships to both build and upgrade public infrastructure. In addition, the Budget highlighted the intent to increase procurement from domestic firms and to target significant reforms to improve its "ease of doing business" indicators. Finally, the revitalisation of the country's second largest economic centre (Grand Bahama) through promotional, legislative and other initiatives, was another key economic measure outlined by the administration.

Within this context, the Government forecast a deficit of $321.3 million for FY2017/18, premised on approved expenditures of $2,460.4 million and projected revenue of $2,139.0 million. Since passage of the budget, new targets were announced in July 2017, to constrain spending by 10 percent below the budgeted amounts; this would further narrow the forecasted deficit.

In the Budget, tax revenue is expected to decline marginally in FY2017/2018, by 1.4% ($26.9 million) to $1,941.6 million, in comparison to FY2016/2017 projections. Similarly, non-tax receipts are forecasted to decrease by 1.5% ($2.9 million) to $195.2 million, with scaled-back expectations for income from public enterprises and fines, forfeits & administrative fees, outweighing anticipated gains in income from other "miscellaneous" sources and the sale of Government property.

A breakdown of the projected tax revenue, revealed a $46.5 million (7.2%) falloff in taxes on international trade and transactions, occasioned by lower receipts from excises taxes, import duties and export levies. Property tax receipts are scaled back from the previous year's forecast, by $10.0 million (6.5%) to $143.5 million and motor vehicle taxes, by $3.2 million (9.2%) to $31.1 million. However, "other" non-trade stamp taxes are targeted to improve by $11.1 million (10.6%) to $115.6 million, and VAT receipts are expected to grow modestly by $9.6 million (1.5%) to $661.5 million. Also noteworthy, despite the downward adjustment in rates, business and professional license taxes are slated to firm over prior period's forecast by $6.9 million (3.5%) to $205.6 million, and departure taxes by $2.1 million (1.5%) to $144.7 million, while selective taxes—largely on gaming services—are forecasted to firm marginally by $1.5 million (4.3%) to $36.5 million.

Approved expenditure allocations, which do not factor into anticipated savings that have subsequently been targeted, rose by 8.6% ($194.0 million) to $2,460.4 million, attributed primarily to a 10.3% ($207.5 million) rise in current provisions to $2,231.9 million. Conversely, a 4.6% ($11.3 million) reduction was registered in capital outlays to $230.9 million and planned net lending to public enterprises was scaled by $2.3 million.

By economic classification, approved current expenditure included a $123.1 million (11.0%) increase in consumption allocations, to $1,238.6 million. This reflected a projected 20.0% rise in allocations for the purchase of goods and services, while personal emoluments are expected to firm by 6.4%. Further, transfer payments are authorised to firm by 9.3% to $993.4 million, due to expanded provisions for subsidies & other transfers and interest payments of 10.0% and 7.6%, to $700.9 million and $292.5 million, respectively.

On a functional basis, increased allocations were directed for general public services, by $103.6 million to $794.6 million, health, by $43.7 million to $338.7 million, social benefits & services, by $32.4 million to $188.1 million and education, by $11.3 million to $290.9 million. In contrast, reductions were approved for economic services, of $4.6 million to $229.7 million, defense, of $1.5 million to $55.4 million, other community & social services, of $1.0 million to $30.4 million and housing, of $0.1 million to $11.6 million.

The reduction in the capital budget reflected a 13.1% decline in planned asset acquisitions to $71.5 million, with decreased amounts for "miscellaneous" assets ($24.8 million) and equity investments ($35.0 million), while land purchases are expected to remain at $11.6 million. Meanwhile, transfers to public corporations are set at $1.1 million.

As a result of these developments, the fiscal deficit is projected to increase relative to the previous budget by $223.8 million to $321.3 million in FY2017/18. As the Government forecasts an actual outturn for FY2016/17 of $500.0 million, this would result in a consolidation of 35.7%. Meanwhile, the deficit to GDP ratio for 2017/18 could reach 3.5%, slightly higher than the previous 2016/17 target of 3.1% outturn and the likely outturn for 2016/17 of 3.0% of GDP.

Inclusive of amortisation and the rollover of existing maturities, budgetary financing requirements are estimated at $747.6 million for FY2017/18; this would also cover debt repayments of $426.2 million. As a result, the Budget projected that the Direct Charge could grow by $326.8 million (5.0%) to $6,869.0 million during FY2017/18. Correspondingly, the budgeted debt-to-GDP ratio is expected to rise to 72.7%, from the estimated 72.3% recorded for FY2016/2017. Nevertheless, the debt-to-GDP ratio is forecasted to fall steadily over the next two years to approximately 70.8% of GDP in FY2019/2020.

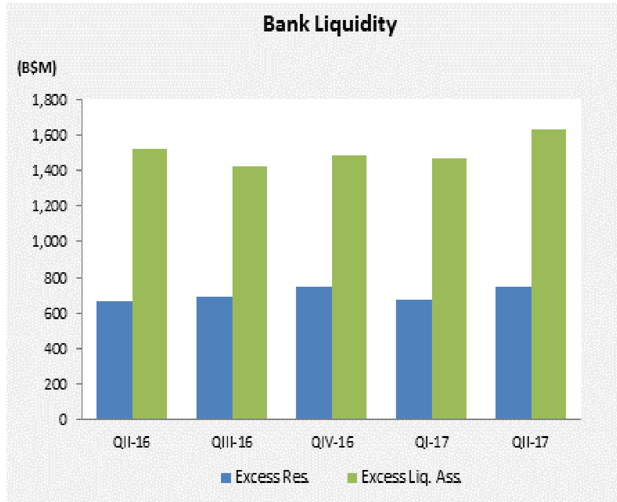
MONEY, CREDIT AND INTEREST RATES

OVERVIEW

Monetary developments featured a stronger deposit base expansion, in comparison to domestic credit growth during the quarter. As deposit growth was also fueled by Central Bank lending to Government, this contributed to a strong build-up in bank liquidity, alongside a moderate improvement in the banking system's net foreign assets. Further, banks' credit quality indicators deteriorated during the review quarter, reflecting increased delinquency rates. In addition, the latest profitability measures for the first quarter of the year showed a reduction in net income, amid a narrowing in the net interest margin and an increase in non-staffing costs.

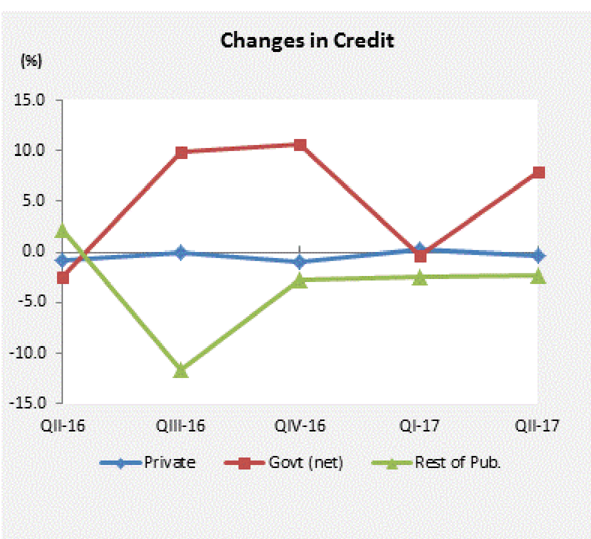
LIQUIDITY

During the review quarter, banks' net free cash reserves firmed by $77.6 million (11.5%) to $749.9 million, albeit lower than the $88.9 million (15.4%) growth recorded a year earlier. At end-June, the ratio of free cash reserves to Bahamian dollar deposits stood at 11.2%, 80 basis points higher than the prior year's rate. Reflecting mainly increases in banks' balances with the Central Bank and Government securities' holdings, the broader surplus liquid assets rose by $154.3 million (10.5%) to $1,626.2 million, extending the previous year's $48.7 million (3.3%) expansion and exceeding the statutory minimum by 142.4%, higher than the prior year's 139.8% ratio.



DEPOSITS AND MONEY

Overall money supply (M3) strengthened by $257.6 million (3.7%), to $7,142.8 million, outpacing the prior year's growth of $78.3 million (1.2%). Narrow money (M1), expanded by $229.2 million (9.4%), compared to a gain of $54.9 million (2.6%) in 2016. In particular, as funds partly shifted to take advantage of capital market investment opportunities in public and private sector instruments, demand deposits rose by $216.6 million (10.1%), while currency in circulation firmed by $12.6 million (4.5%). Similarly, the gains in broad money (M2) widened to $232.1 million (3.5%), from a $54.0 million (0.9%) advance a year earlier, reflecting a private sector-led rise in savings balances of $64.2 million (4.9%), which contrasted with a $61.3 million (2.2%) falloff in fixed deposits. Further, residents' foreign currency balances rose by $25.5 million (8.6%), vis-à-vis a $24.3 million (11.8%) gain in the prior year, attributed to growth in private sector balances.



By composition, fixed deposits represented 38.9% of the overall money stock, followed by demand balances (33.1%) and savings deposits (19.4%). Smaller shares were accounted for by residents' foreign currency holdings (4.5%) and currency in active circulation (4.1%).

DOMESTIC CREDIT

Led by an expansion in net claims on the Government, total domestic credit grew by $169.2 million (1.9%), a reversal from a $92.1 million (1.0%) contraction in 2016. The Bahamian dollar component—at 95.5% of the total—advanced by $173.9 million (2.0%), in contrast to the previous year's $10.0 million (0.1%) falloff. In addition, the reduction in foreign currency credit slowed to a mere $4.6 million (1.1%) from $82.1 million (14.0%) in the prior year, when a local airline repaid its outstanding obligations.

From a sectoral perspective, net claims on the Government rose by $201.4 million (7.9%), a turnaround from a $52.7 million (2.5%) contraction in 2016, owing primarily to short-term financing from the banking system. Further, the contraction in private sector credit narrowed to $23.1 million (0.4%), from $49.5 million (0.8%) in the preceding period, while the reduction in claims on the rest of the public sector almost steadied at $9.1 million (2.3%).

With regard to private sector credit, personal loans—which accounted for the bulk (79.5%) of the Bahamian dollar total—decreased further by $19.0 million (0.4%), extending the $15.8 million (0.3%) reduction in 2016. In particular, consumer loans and overdrafts fell by $11.8 million (0.5%) and $9.1 million (13.3%), respectively, while residential mortgages rose marginally by $2.0 million (0.1%).

A detailed breakdown of consumer credit revealed contractions in amounts owed for debt consolidation ($15.0 million), land purchases ($3.4 million), private cars ($2.1 million), education ($1.9 million), credit cards ($1.5 million) and home improvement ($0.5 million). In contrast, positive net lending was recorded for "miscellaneous" purposes ($9.5 million), travel ($2.4 million) and furnishings & domestic appliances ($0.6 million).

The remaining private sector categories featured net repayments for distribution ($9.2 million), "miscellaneous" purposes ($3.7 million), tourism ($2.8 million) and fisheries ($1.1 million). In addition, reductions of less than $1.0 million were noted for private financial institutions, construction, transport and agriculture categories. Conversely, net lending expanded for manufacturing ($16.5 million), professional & other services ($1.2 million), and entertainment & catering ($0.4 million).

Distribution of Bank Credit By Sector

(End-June)

	2017		**2016**	
	B$M	%	B$M	%
Agriculture	7.3	0.1	8.6	0.1
Fisheries	4.7	0.1	5.2	0.1
Mining & Quarrying	1.8	0.0	2.0	0.0
Manufacturing	34.1	0.5	21.0	0.3
Distribution	194.2	2.8	175.3	2.6
Tourism	13.8	0.2	15.3	0.2
Enter. & Catering	73.8	1.1	74.0	1.1
Transport	42.8	0.6	40.0	0.6
Construction	347.9	5.1	351.7	5.1
Government	516.0	7.5	404.9	5.9
Public Corps.	214.4	3.1	245.8	3.6
Private Financial	20.5	0.3	19.2	0.3
Prof. & Other Ser.	54.6	0.8	57.2	0.8
Personal	5,160.4	75.2	5,219.2	76.1
Miscellaneous	178.8	2.6	221.0	3.2
TOTAL	**6,865.1**	**100.0**	**6,860.4**	**100.0**

Mortgages

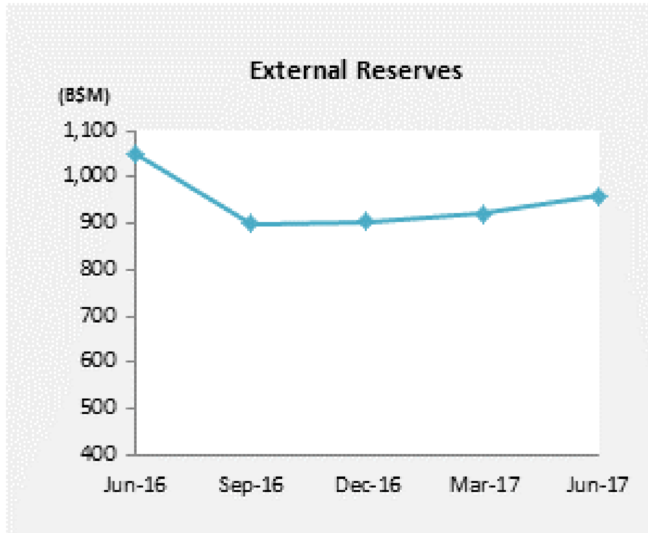
Preliminary data obtained from banks, insurance companies and the Bahamas Mortgage Corporation, showed that the total value of mortgages outstanding edged-up by $1.4 million (0.04%) to $3,125.3 million, after a $27.8 million (0.9%) reduction in 2016. Residential loans—which comprised 92.5% of the total—grew by $1.4 million to $2,889.9 million, relative to a $33.3 million (1.1%) falloff last year. However, the commercial component was unchanged at $235.4 million, versus a $5.5 million (2.6%) accretion a year earlier.

At end-June, domestic banks held the bulk of outstanding mortgages (88.4%), followed by insurance companies (6.2%) and the Bahamas Mortgage Corporation (5.4%).

THE CENTRAL BANK

Corresponding to increased holdings of Treasury bills, the Central Bank's net claims on the Government rose by $136.0 million (19.7%) to $826.5 million, exceeding a $58.6 million (12.0%) rise in 2016. Further, the Bank's net liabilities to the rest of the public sector (mainly deposits) firmed by $3.8 million (56.6%) to $10.6 million, albeit lower than the $4.3 million (89.6%) increase recorded a year earlier. In addition, amid a gain in deposit holdings, net liabilities to commercial banks advanced by $148.9 million (15.1%) to $1,136.0 million, outpacing the $112.0 million (12.4%) expansion in 2016.

The quarterly growth in external reserves of $39.5 million (4.3%) to $960.0 million, was less than the $57.2 million (5.7%) increase a year earlier. In the underlying transactions, net foreign currency purchases by the Central Bank decreased by $20.6 million to $33.3 million, as transactions with the Government reverted to a net sale of $7.0 million from a net purchase of $9.6 million in 2016. In addition, net sales to public corporations—mainly for fuel payments—rose by $14.6 million (29.3%) to $64.3 million. In contrast, the net intake from commercial banks firmed by $10.6 million to $104.6 million.



At end-June, the stock of external reserves was equivalent to an estimated 16.0 weeks of the current year's total merchandise imports (inclusive of oil purchases), relative to 19.5 weeks in 2016. After adjusting for the 50% statutorily required support for the Central Bank's Bahamian dollar liabilities, "useable" reserves declined by $182.5 million to $216.4 million.

DOMESTIC BANKS

Domestic banks' net foreign liabilities contracted by a further $92.7 million (29.6%), following a reduction of $116.5 million (22.7%) in 2016, as growth in local deposits outpaced the rise in domestic credit.

During the second quarter, domestic banks' credit grew by $33.4 million (0.4%), a turnaround from a $148.4 million (1.8%) decline in the preceding year. This reflected mainly a $65.4 million (3.5%) growth in net claims on the Government, vis-à-vis a $109.0 million (6.6%) reduction in the prior year, largely attributed to an increase in bond holdings. Further, the contraction in private sector credit slowed to $23.1 million (0.4%), from $49.5 million (0.8%) in 2016. In contrast, credit to the public corporations decreased by $8.9 million (2.3%), a reversal from a $10.1 million (2.2%) advance in the prior year.

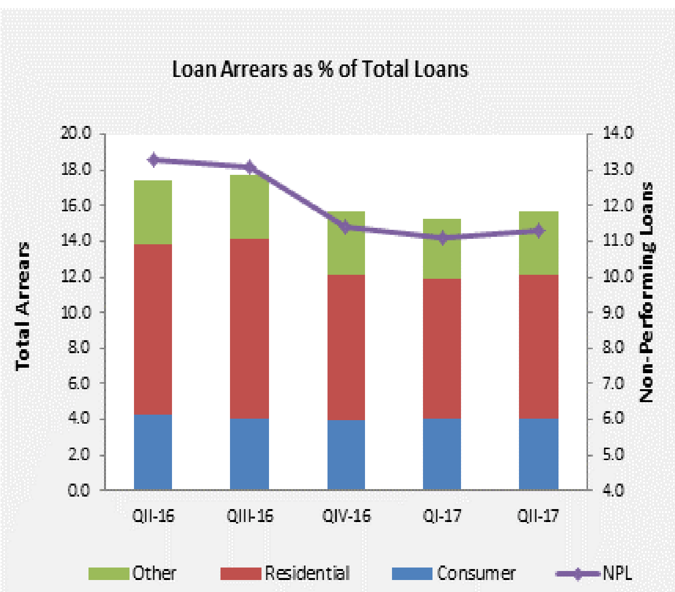
Banks' total deposit liabilities—inclusive of Government balances—rose by $211.5 million (3.1%) to $7,011.3 million, surpassing 2016's $113.3 million (1.7%) growth. Specifically, private sector balances expanded by $245.9 million (3.9%), exceeding the $54.3 million (0.9%) increase last year. In contrast, Government deposits declined by $29.9 million (14.1%), vis-à-vis a $39.8 million (12.1%) rise in the preceding year. For public corporations, balances decreased by $4.4 million (1.3%), following a $19.3 million (5.6%) expansion a year earlier.

The majority of deposit liabilities remained denominated in Bahamian dollars (95.3%), with the US dollar and other "miscellaneous" currencies accounting for smaller shares, of 4.6% and 0.1%, respectively. An analysis by holder, showed that the bulk of the total local currency accounts were held by private individuals (49.3%), followed by business firms (30.8%), the public sector (7.6%), "other" private entities (6.5%) and private financial institutions (5.8%).

Meanwhile, fixed balances comprised the largest deposit share (42.3%), followed by demand (37.1%) and savings (20.6%). By range of value and number of accounts, the majority (87.3%) held Bahamian dollar funds of less than $10,000, but comprised only 6.1% of the total value. Accounts with balances between $10,000 and $50,000 constituted 8.6% of the total number and 11.1% of the overall value, while deposits in excess of $50,000 represented 4.1% of the total, but a dominant 82.8% of the aggregate.

CREDIT QUALITY

Banks' credit quality indicators softened during the second quarter, although they improved in comparison to June 2016. Total private sector loan arrears rose by $22.6 million (2.3%) to $1,007.0 million over the three-month period, but declined by $101.1 million (10.0%) relative to June 2016. As a result, the corresponding ratio of arrears to total private sector loans firmed by 0.4 of a percentage point to 17.1% on a quarterly basis, but decreased by 1.6 percentage points, year-on-year.



An analysis by the average age of delinquencies, showed that the short-term (31-90 days) component rose by $12.4 million (4.6%) to $280.3 million, resulting in the attendant ratio increasing by 22 basis points to 4.8%. Similarly, the non-performing segment—arrears in excess of 90 days and on which banks stopped accruing interest—grew by $10.2 million (1.4%) to $726.8 million, and by 20 basis points to 12.3% of total private sector loans.

In terms of the main components, the expansion in total private sector loan arrears was led by a $14.4 million (6.6%) increase in commercial delinquencies to $231.8 million, which moved the associated loan ratio higher by 1.8 percentage points to 27.4%. In addition, mortgage arrears—at a dominant 50.9% of the total—grew by $4.1 million (0.8%) to $512.1 million, elevating the relevant ratio by 14 basis points to 19.0%. Similarly, the consumer component firmed by $4.0 million (1.5%) to $263.2 million, with the corresponding ratio advancing by 24 basis points to 11.1%.

CAPITAL ADEQUACY AND PROVISIONS

Banks maintained their robust capital levels during the second quarter, as the ratio of capital to risk-weighted assets increased slightly by 20 basis points to 28.2% over the three-month period. This remained well in excess of the Central Bank's regulatory prescribed target and trigger ratios of 17.0% and 14.0%, respectively. Given the rise in loan delinquencies, commercial banks increased their total provisions against loan losses by $29.1 million (6.1%) to $507.5 million. As a result, the ratios of provisions to both non-performing loans and total arrears, increased by 3.1 and 1.8 percentage points, to 69.8% and 50.4%, respectively. Banks also wrote-off an estimated $21.6 million in delinquent loans and recovered approximately $7.8 million.

BANK PROFITABILITY

During the first quarter of 2017—the latest period for which data is available—banks' overall profitability declined by $20.4 million (31.4%) to $44.5 million, amid a falloff in interest income and a rise in operating costs.

Banks' net interest margin narrowed by $7.8 million (5.7%) to $129.6 million, as the $10.0 million (6.3%) decrease in interest income, outstripped the $2.1 million (10.2%) decline in interest expense. In a slight offset, commission & foreign exchange income rose modestly by $1.7 million (28.9%) to $7.4 million, which tempered the falloff in the gross earnings margin to $6.2 million (4.3%), for an ending balance of $137.0 million.

Total operational outlays firmed by $9.5 million (10.9%) at $96.5 million, owing to a $10.6 million (26.9%) rise in operating expenses—mainly professional fees—which eclipsed the falloff in staff and occupancy costs by $0.7 million (1.8%) and $0.3 million (4.9%), respectively.

Net earnings from non-core activities were more than halved to $4.1 million, due to a $2.3 million (7.0%) reduction in "miscellaneous" income, combined with a rise in bad debt and depreciation costs by $2.1 million (10.2%) and $0.4 million (9.7%), respectively.

Reflecting the reduction in income, banks' overall profitability ratios—as a percentage of average assets— weakened during the review quarter. The gross earnings margin ratio narrowed by 24 basis points to 5.43%, with the interest margin ratio decreasing by 30 basis points to 5.14%. In contrast, the commission & foreign exchange income ratio firmed marginally by 7 basis points to 0.29%. Further, the operating cost ratio moved higher by 38 basis points to 3.83%, contributing to a 62 basis point decline in the net earnings ratio to 1.61%. After netting out expenses for bad debt provisions and depreciation costs, the net income (return on assets) ratio contracted by 81 basis points to 1.77%.

INTEREST RATES

During the second quarter, commercial banks' weighted average interest rate spread widened by 16 basis points to 11.04 percentage points, due to a 14 basis point increase in the average lending rate to 12.02%, and a 2 basis point softening in the average deposit rate to 0.98%.

Consistent with the robust liquidity conditions, the average savings rate fell by 5 basis points to 0.72%. Similarly, the average rate offered on demand balances moved slightly lower by 1 basis point to 0.25%; however, the average return on fixed deposits broadened to a range of 0.66%-1.80% from 0.65%-1.45% in the preceding quarter.

With regard to lending, the average cost of borrowing increased for both consumer loans and commercial mortgages, by 22 and 20 basis points, to 13.82% and 6.58%, respectively. In contrast, the average interest rate charged on residential mortgages softened by 14 basis points to 6.00%, while overdraft rates decreased by 13 basis points to 10.65%.

Among other key interest rates, the average 90-day Treasury bill rate decreased by 19 basis points to 1.77%, while the Central Bank's Discount Rate and the commercial banks' Prime rate remained unchanged at 4.00% and 4.25%, respectively.

Banking Sector Interest Rates

Period Average (%)

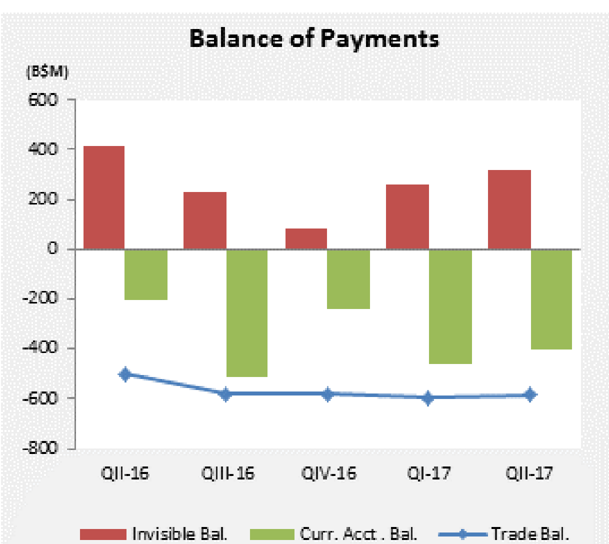
	Qtr. II 2016	Qtr. I 2017	Qtr. II 2017
Deposit Rates			
Demand Deposits	0.26	0.26	0.25
Savings Deposits	0.87	0.77	0.72
Fixed Deposits			
Up to 3 months	0.98	0.80	0.68
Up to 6 months	1.03	0.65	0.66
Up to 12 months	1.44	1.27	1.32
Over 12 months	1.66	1.45	1.80
Weighted Avg Deposit	**1.25**	**1.00**	**0.98**
Lending Rates			
Residential mortgages	6.21	6.14	6.00
Commercial mortgages	7.00	6.38	6.58
Consumer loans	14.14	13.60	13.82
Other Local Loans	8.13	7.17	6.23
Overdrafts	11.04	10.78	10.65
Weighted Avg Loan Rate	**12.54**	**11.88**	**12.02**

Capital Markets Developments

Domestic capital market developments were mixed during the review quarter. Specifically, the total volume of securities traded rose by a further 35.9% to 1,354166, following a more than two-fold increase in 2016, when there was a sharp rise in the trading of one entity. Correspondingly, the aggregate value of shares traded rose by 49.2% to $9.4 million, extending the prior year's 10.6% growth.

Conversely, owing to broad-based reductions in share prices, the BISX All Share Index declined by 1.9% to 1,865.87 points—this contrasted to a 4.8% increase in 2016. Similarly, market capitalization fell by 2.0% to $4.8 billion, vis-à-vis an 8.5% increase a year earlier.

As at end-June, the number of publicly traded securities listed on the exchange remained unchanged at 52, and comprised 20 common shares, 13 preference shares and 19 debt tranches.



International Trade and Payments

Provisional estimates for the second quarter of 2017 revealed a deterioration in the current account deficit to an estimated $400.8 million, relative to $203.8 million in the preceding year. This was due to a rise in the merchandise trade deficit, alongside a reduction in the services account surplus and a sharp increase in net current transfer outflows. In contrast, the recorded surplus on the capital and financial account decreased to $21.4 million from $63.8 million, attributed mainly to a reversal in net public and private sector transactions to a net outflow from a net receipt a year earlier.

The estimated merchandise trade deficit increased by $86.1 million (17.2%) to $585.8 million, as the $118.5 million (18.3%) growth in imports to $767.2 million, outstripped the $32.4 million (21.7%) rise in exports to $181.4 million. In terms of the composition, net non-oil imports rose by $54.1 million (12.5%) to $486.4 million, due in part to the purchase of construction materials for hurricane rebuilding activities and hotel sector developments. Similarly, the net payment for fuel purchases rose by $42.5 million (45.1%) to $136.6 million, reflecting broad-based gains in average costs. Specifically, the average cost per barrel for aviation gas expanded by 38.8% to $109.79 per barrel; gas oil (by 16.3% to $56.85); jet fuel (by 7.9% to $61.65) and motor gas (by 6.6% to $72.01); however, propane declined by 8.9% to $34.98 per barrel.

The estimated surplus on the services account narrowed by $98.7 million (23.6%) to $318.9 million. Underpinning this outturn, net outflows for construction services advanced to $24.0 million from $3.3 million a year earlier, due in part to ongoing work to complete a major resort development. Further, net outflows for other "miscellaneous" services, increased by $52.0 million (46.0%) to $165.1 million. In addition, receipts related to offshore companies' local expenses, fell by $34.5 million (62.5%) to $20.7 million, while net payments for transportation services rose by $17.0 million (22.4%) to $92.9 million, due mainly to higher net external payments for passenger and air & sea freight charges. Net travel receipts—the largest component of the services account—also declined by $9.7 million (1.5%) to $639.3 million, as incremental visitor spending growth was outweighed by strengthened demand for overseas travel by residents. Providing some offset, net outflows for insurance services decreased by $18.1 million (39.8%) to $27.4 million, owing in part to a contraction in non-merchandise insurance payments by one-half to $21.1 million. Also net payments for Government services fell by $15.0 million (35.2%) to $27.6 million, and net outflows for royalty & license fees decreased by $2.2 million to $4.1 million.

For the quarter, estimated net income outflows decreased by $19.3 million (16.4%) to $98.5 million. This reflected a $20.9 million (19.1%) decline in net investment income outflows to $88.6 million, as private companies' net interest and dividend payments fell by $16.2 million (19.0%) to $69.1 million, as repatriations by both banks and other private entities contracted. Similarly, net outflows for official transactions decreased by $4.7 million (19.3%) to $19.5 million, due mostly to reductions in the public sector interest payment on external debt. In contrast, labor income remittances rose by $1.7 million (20.1%) to $9.9 million.

Net current transfer payments expanded to a projected $35.4 million, from just $4.0 million a year earlier. This captured a hike in private sector net payments by $32.4 million to $71.8 million, as workers' net remittances firmed to $79.1 million from $36.0 million last year. Conversely, net transfer receipts to the Government expanded to $35.5 million from $29.4 million, reflecting higher indirect tax related receipts from non-residents.

The falloff in the surplus on the capital and financial account was attributed mainly to reduced net external debt financing by the public sector, which overshadowed the overall gain in net private inflows. That said, there was a reversal in private equity transactions (direct flows) to a net outflow of $10.4 million from a $27.4 million net receipt a year earlier. In combination, there was significant debt financing of private transactions in real estate, which alongside similar flows to the hotel sector, boosted net funding receipts to $134.4 million from $57.8 million in 2016. Conversely, the public sector recorded a net debt repayment of $1.5 million, following from a net inflow of $103.3 million a year earlier, when Government received proceeds from its external loan. The public sector's reduced external borrowing also outweighed the narrowing in domestic banks' liabilities repayment to $92.7 million from $116.5 million in 2016. Meanwhile, migrants' net remittances rose marginally by $0.8 million to $3.7 million.

As a result of these developments, and after adjusting for net errors and omissions, the surplus on the overall balance, which corresponds to the change in the Central Bank's external reserves, contracted by $17.7 million to $39.5 million.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The global economy sustained its positive—although modest—growth momentum during the second quarter of 2017, as most of the major economies recorded real GDP expansions. As a result, the IMF maintained its forecast for global growth at 3.5% for 2017, slightly higher than the 3.2% expansion recorded in the prior year. In this environment, employment conditions continued to improve gradually, while inflationary pressures remained relatively subdued, reflecting the continued softness in global oil prices. Despite the generally positive economic indicators, and low inflation rate, most of the major central banks retained their accommodative monetary policy stance, in an effort to provide further support to their economies.

Real GDP growth in the United States quickened to an annualized rate of 3.0% in the second quarter, from the 1.2% recorded in the previous three-month period, reflecting an acceleration in personal consumption expenditure growth, as well as increases in private inventory investment and federal government spending, which offset declines in non-residential fixed investment and a slowdown in the expansion in exports. Similarly, in the United Kingdom, real output firmed by 0.3%, after a 0.2% rate recorded in the prior three-month period, due largely to gains in the retail services industries. Supported in part by the European Central Bank's ongoing "quantitative easing" programme, euro area economies grew by 0.6%, after an increase of 0.5% recorded in the previous quarter, as exports recovered and domestic demand expanded. Further, in Asia, buoyed by positive contributions from industrial output, retail sales and fixed assets investment, China's economy grew by 6.9%, in line with first quarter's growth. Economic output in Japan expanded by 4.0%, outpacing the 1.5% increase recorded in the previous three-month period, reflecting gains in both consumer and business demand.

Given the continued improvement in economic conditions, the downward trajectory in jobless rates was sustained in the major economies. In the United States, led by hiring in the healthcare, professional & business services, and the mining sectors, non-farm payrolls increased by an estimated 571,000 persons, contributing to a 30 basis points reduction in the unemployment rate to an average of 4.4% over the review quarter. Similarly, the United Kingdom's jobless rate decreased by 20 basis points to 4.4% during the second quarter, as the number of employed persons rose by 125,000. In addition, the unemployment rate in the euro area fell by 20 basis points to 9.2% over the review period—the lowest level since March 2009. In contrast, the jobless rates for Japan and China steadied at 2.9% and 4.0%, respectively.

Given the softness in consumer demand, global inflation rates remained relatively benign over the review quarter. In the United States, annualized inflation moderated to 1.6% in June from 2.4% in March, underpinned by declines in energy and food costs. Similarly, in the euro area, lower energy, food and alcohol & tobacco prices, contributed to a slowdown in the annual inflation rate by 20 basis points to 1.3% in the second quarter. In contrast, the growth in the United Kingdom's average prices quickened by 30 basis points to an annualized 2.6% over the review quarter, as gains in furniture and furnishings costs, offset the reduction in motor fuels, recreational and cultural goods and services prices. Developments in Asia markets reflected similar trends, as Japan's annual inflation rate edged-up by 10 basis points to 0.3%, reflecting higher prices for fuel, light and water. In addition, China's year-on-year inflation rate firmed to 1.5% from 0.9% in the first quarter, amid gains in non-food prices.

The United States dollar weakened against most of the major currencies during the second quarter, owing in part to concerns over the new Government's ability to implement significant fiscal reforms. As a result, the dollar depreciated relative to the euro, the Swiss Franc and the British pound, by 6.8% to €0.88, by 4.5% to CHF 1.0 and by 3.6% to £0.77, respectively. Similarly, the dollar declined against the Canadian dollar by 2.7% to CAD$1.30 and the Chinese Yuan by 1.6% to CNY6.77. In contrast, the dollar rose slightly versus the Japanese Yen, by 0.9% to ¥112.4.

Global equity market developments were mixed over the review period, reflecting mainly domestic factors. Specifically, in the United States, both the Dow Jones Industrial Average (DIJA) and S&P 500, increased by 3.3% and 2.6%, respectively, buoyed by gains in the shares of apparel and the information technology stocks. In addition, the German DAX edged-up by a muted 0.1%, while the French CAC 40 steadied at 5,120.7 points; however, the United Kingdom's FTSE 100 fell slightly by 0.1%. In Asia, buoyed by a weaker yen and positive economic developments, Japan's Nikkei 225 index rose by 6.0%. In contrast, China's SE Composite Index fell marginally by 0.9%, due in part to the efforts by regulators to curtail "shadow banking" activities and speculative trading.

Reflecting in part a rebound in US shale oil production and a rise in supply from the Middle East, average crude oil prices fell sharply by 11.4% to $50.33 per barrel during the second quarter. In terms of other key commodities, both gold and silver costs rose by 7.8% to $1,241.55 per troy ounce and by 4.4% to $16.62 per troy ounce, respectively, due to lower production levels.

External sector developments were mixed during the review quarter. In the United States, the deficit on goods and services widened by 1.4% to $137.6 million, as the 0.5% growth in primarily consumer goods-related imports, outpaced the 0.2% rise in exports of mainly consumer and capital goods. Similarly, the United Kingdom's trade deficit firmed by 1.1% to £8.9 billion over the prior quarter, reflecting a gain in mainly material manufactures imports, which eclipsed higher chemicals and mechanical machinery-led exports. In contrast, the euro area's trade surplus expanded by 29.0% to €65.9 billion during the review period, supported by an 11.8% increase in exports, which outweighed the 9.8% growth in imports. In addition, China's trade surplus grew sharply to US$121.6 billion from US$65.6 billion in the prior quarter, as exports climbed by 17.6%, outstripping the 6.9% increase in imports. In contrast, Japan's annualized trade surplus fell sharply by 28.4% to ¥718.0 billion in the quarter, with the 15.5% expansion in imports of mainly mineral fuel, raw material, manufactured goods and machinery, outweighing the 9.7% expansion in exports.

Buoyed by the relatively positive economic environment and weak inflationary pressures, almost all the major central banks maintained their accommodative monetary policy stance. Specifically, the Bank of England retained its benchmark interest rate at 0.25% and kept its asset purchase programme at £435.0 billion, while the European Central Bank maintained its key interest rates at their historic lows and sustained its monthly asset purchase programme at €60.0 billion. In Asia, the Bank of Japan continued with its purchases of exchange-traded funds and real estate investment trusts at ¥6.0 trillion and ¥90.0 trillion per year, respectively. In addition, the People's Bank of China left its main policy rates unchanged at 4.35%. In contrast, given the modest economic growth, low inflation and relatively robust employment levels, the United States' Federal Reserve sustained its efforts to gradually tighten monetary policy, by raising the target range for the Federal funds rate by 25 basis points to 1.0%–1.25%.

STATISTICAL APPENDIX (TABLES 1-16)

TABLE 1
FINANCIAL SURVEY

Period	2013	2014	2015	2016				2017	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
				(B$ Millions)					
Net foreign assets	46.7	286.4	280.2	482.6	656.2	524.1	678.5	607.3	739.5
Central Bank	741.6	787.7	811.9	994.9	1,052.1	898.8	904.0	920.5	960.0
Domestic Banks	(694.9)	(501.2)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)	(313.2)	(220.5)
Net domestic assets	6,270.6	6,103.7	6,093.7	6,013.8	5,920.8	6,050.8	6,251.4	6,277.6	6,403.0
Domestic credit	8,957.1	8,870.5	8,966.2	8,900.4	8,810.5	8,961.1	9,128.4	9,116.4	9,285.7
Public sector	2,406.0	2,503.6	2,666.4	2,614.3	2,574.1	2,725.7	2,957.6	2,936.4	3,128.7
Government (net)	1,946.6	2,024.0	2,198.0	2,150.9	2,100.6	2,307.5	2,551.4	2,540.2	2,741.6
Rest of public sector	459.4	479.7	468.4	463.4	473.5	418.2	406.3	396.1	387.0
Private sector	6,551.1	6,366.9	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8	6,180.1	6,157.0
Other items (net)	(2,686.5)	(2,766.8)	(2,872.4)	(2,886.6)	(2,889.6)	(2,910.3)	(2,877.0)	(2,838.8)	(2,882.7)
Monetary liabilities	6,317.2	6,390.0	6,373.8	6,498.8	6,577.2	6,575.1	6,930.1	6,885.2	7,142.8
Money	1,641.2	1,995.7	2,071.2	2,143.1	2,198.0	2,298.0	2,460.6	2,430.2	2,659.3
Currency	214.4	232.8	246.6	246.9	247.6	255.5	280.5	281.5	294.1
Demand deposits	1,426.8	1,762.9	1,824.7	1,896.1	1,950.4	2,042.5	2,180.1	2,148.7	2,365.2
Quasi-money	4,676.0	4,394.3	4,302.6	4,355.8	4,379.2	4,277.0	4,469.5	4,455.0	4,483.5
Fixed deposits	3,288.0	3,101.9	2,966.5	2,970.9	2,931.2	2,865.2	2,866.3	2,840.5	2,779.3
Savings deposits	1,114.0	1,067.5	1,148.3	1,178.5	1,217.3	1,218.6	1,295.6	1,316.7	1,380.9
Foreign currency	274.0	224.8	187.8	206.4	230.7	193.2	307.6	297.8	323.3
				(percentage changes)					
Total domestic credit	3.1	(1.0)	1.1	(0.7)	(1.0)	1.7	1.9	(0.1)	1.9
Public sector	16.6	4.1	6.5	(2.0)	(1.5)	5.9	8.5	(0.7)	6.5
Government (net)	22.1	4.0	8.6	(2.1)	(2.3)	9.8	10.6	(0.4)	7.9
Rest of public sector	(1.9)	4.4	(2.4)	(1.1)	2.2	(11.7)	(2.9)	(2.5)	(2.3)
Private sector	(1.2)	(2.8)	(1.1)	(0.2)	(0.8)	(0.0)	(1.0)	0.1	(0.4)
Monetary liabilities	0.2	1.2	(0.3)	2.0	1.2	(0.0)	5.4	(0.6)	3.7
Money	4.2	21.6	3.8	3.5	2.6	4.6	7.1	(1.2)	9.4
Currency	(1.0)	8.6	5.9	0.1	0.3	3.2	9.8	0.4	4.5
Demand deposits	5.0	23.6	3.5	3.9	2.9	4.7	6.7	(1.4)	10.1
Quasi-money	(1.1)	(6.0)	(2.1)	1.2	0.5	(2.3)	4.5	(0.3)	0.6

Source: The Central Bank of The Bahamas

TABLE 2
MONETARY SURVEY

Period	2013	2014	2015	2016 Mar.	2016 Jun.	2016 Sept.	2016 Dec.	2017 Mar.	2017 Jun.
				(B$ Millions)					
Net foreign assets	76.4	334.2	360.1	571.6	750.1	596.1	730.5	675.8	790.1
Central Bank	741.6	787.7	811.9	994.9	1,052.1	898.8	904.0	920.5	960.0
Commercial banks	(665.2)	(453.5)	(451.8)	(423.4)	(302.0)	(302.7)	(173.5)	(244.6)	(169.9)
Net domestic assets	6,189.3	6,002.0	5,956.8	5,872.0	5,769.5	5,921.7	6,131.5	6,161.6	6,279.0
Domestic credit	8,929.8	8,837.0	8,926.2	8,855.5	8,766.7	8,930.9	9,097.0	9,074.4	9,239.6
Public sector	2,396.6	2,492.5	2,653.2	2,604.4	2,563.2	2,710.0	2,941.4	2,925.1	3,101.5
Government (net)	1,937.7	2,013.2	2,187.2	2,143.3	2,092.1	2,292.2	2,535.5	2,529.3	2,714.8
Rest of public sector	458.9	479.3	466.0	461.0	471.2	417.8	405.9	395.8	386.7
Private sector	6,533.2	6,344.5	6,273.0	6,251.1	6,203.5	6,221.0	6,155.6	6,149.4	6,138.2
Other items (net)	(2,740.5)	(2,834.9)	(2,969.4)	(2,983.5)	(2,997.2)	(3,009.2)	(2,965.5)	(2,912.9)	(2,960.6)
Monetary liabilities	6,265.6	6,336.1	6,316.8	6,446.1	6,519.9	6,518.0	6,862.1	6,837.8	7,069.4
Money	1,610.9	1,955.0	2,024.9	2,101.0	2,155.6	2,257.6	2,406.8	2,397.4	2,603.7
Currency	214.4	232.8	246.6	246.9	247.6	255.5	280.5	281.5	294.1
Demand deposits	1,396.5	1,722.2	1,778.3	1,854.0	1,908.0	2,002.1	2,126.4	2,115.9	2,309.6
Quasi-money	4,654.7	4,381.1	4,291.9	4,345.1	4,364.3	4,260.5	4,455.3	4,440.4	4,465.7
Savings deposits	1,114.0	1,067.5	1,148.3	1,178.5	1,216.5	1,218.0	1,295.0	1,316.5	1,380.8
Fixed deposits	3,266.7	3,088.8	2,955.9	2,960.2	2,917.1	2,853.7	2,854.8	2,828.0	2,766.3
Foreign currency deposits	274.0	224.8	187.8	206.4	230.7	188.8	305.5	295.9	318.6
				(percentage change)					
Total domestic credit	3.1	(1.0)	1.0	(0.8)	(1.0)	1.9	1.9	(0.2)	1.8
Public sector	16.9	4.0	6.4	(1.8)	(1.6)	5.7	8.5	(0.6)	6.0
Government (net)	22.5	3.9	8.6	(2.0)	(2.4)	9.6	10.6	(0.2)	7.3
Rest of public sector	(1.9)	4.4	(2.8)	(1.1)	2.2	(11.3)	(2.9)	(2.5)	(2.3)
Private sector	(1.2)	(2.9)	(1.1)	(0.3)	(0.8)	0.3	(1.1)	(0.1)	(0.2)
Monetary liabilities	0.3	1.1	(0.3)	2.0	1.1	(0.0)	5.3	(0.4)	3.4
Money	4.5	21.4	3.6	3.8	2.6	4.7	6.6	(0.4)	8.6
Currency	(0.9)	8.6	5.9	0.1	0.3	3.2	9.8	0.4	4.5
Demand deposits	5.4	23.3	3.3	4.3	2.9	4.9	6.2	(0.5)	9.2
Quasi-money	(1.1)	(5.9)	(2.0)	1.2	0.4	(2.4)	4.6	(0.3)	0.6

Source: The Central Bank of The Bahamas

TABLE 3
CENTRAL BANK BALANCE SHEET

(B$ Millions)

Period	2013	2014	2015	2016				2017	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Net foreign assets	741.6	787.7	811.9	994.9	1,052.1	898.8	904.0	920.5	960.0
Balances with banks abroad	122.4	155.2	206.6	380.1	389.6	260.3	254.8	251.6	286.0
Foreign securities	551.0	544.9	521.7	511.5	559.9	536.0	550.5	569.3	571.9
Reserve position in the Fund	9.6	9.1	8.7	27.2	27.0	26.9	25.9	26.2	26.8
SDR holdings	58.6	78.5	75.0	76.2	75.7	75.5	72.7	73.4	75.2
Net domestic assets	374.7	375.6	340.6	333.1	387.3	513.5	555.3	520.6	647.0
Net claims on Government	493.1	523.4	493.7	487.4	546.1	668.5	716.6	690.5	826.5
Claims	545.3	571.4	523.1	511.3	568.9	696.9	731.9	711.1	860.3
Treasury bills	186.6	119.7	126.6	114.2	171.7	259.5	223.9	202.1	357.5
Bahamas registered stock	223.5	316.5	261.1	261.5	261.5	301.5	372.6	373.4	367.1
Loans and advances	135.2	135.2	135.4	135.5	135.7	135.9	135.4	135.5	135.7
Deposits	(52.1)	(48.0)	(29.4)	(23.8)	(22.9)	(28.4)	(15.3)	(20.6)	(33.8)
In local currency	(52.1)	(48.0)	(29.4)	(23.8)	(22.9)	(28.4)	(15.3)	(20.6)	(33.8)
In foreign currency	-	-	-	-	-	-	-	-	-
Deposits of rest of public sector	(11.7)	(26.0)	(17.3)	(13.6)	(17.8)	(7.5)	(12.6)	(15.7)	(19.3)
Credit to commercial banks	-	-	-	-	-	-	-	-	-
Official capital and surplus	(140.0)	(152.3)	(163.7)	(158.7)	(159.3)	(159.4)	(173.1)	(172.5)	(170.8)
Net unclassified assets	23.0	21.1	19.0	9.2	9.5	3.0	15.4	9.4	1.9
Loans to rest of public sector	4.6	4.2	3.7	3.7	3.6	3.6	3.6	3.7	3.4
Public Corp Bonds/Securities	5.7	5.2	5.2	5.2	5.2	5.2	5.3	5.3	5.3
Liabilities To Domestic Banks	(710.3)	(750.2)	(733.5)	(905.8)	(1,017.8)	(983.1)	(1,011.4)	(990.7)	(1,139.6)
Notes and coins	(138.1)	(142.5)	(142.4)	(113.9)	(96.9)	(101.3)	(145.1)	(97.6)	(93.7)
Deposits	(572.2)	(607.7)	(591.1)	(791.9)	(920.9)	(881.8)	(866.3)	(893.1)	(1,046.0)
SDR allocation	(191.6)	(180.3)	(172.4)	(175.3)	(174.0)	(173.7)	(167.3)	(168.9)	(173.3)
Currency held by the private sector	(214.4)	(232.8)	(246.6)	(246.9)	(247.6)	(255.5)	(280.5)	(281.5)	(294.1)

Source: The Central Bank of The Bahamas

TABLE 4
DOMESTIC BANKS BALANCE SHEET

(B$ Millions)

Period	2013	2014	2015	2016 Mar.	2016 Jun.	2016 Sept.	2016 Dec.	2017 Mar.	2017 Jun.
Net foreign assets	(694.9)	(501.2)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)	(313.2)	(220.5)
Net claims on Central Bank	651.7	749.2	730.0	906.5	1,018.7	984.0	1,012.4	991.7	1,140.6
Notes and Coins	138.1	142.5	142.4	113.9	96.9	101.3	145.1	97.6	93.7
Balances	513.6	606.7	587.5	792.6	921.8	882.8	867.3	894.0	1,046.9
Less Central Bank credit	-	-	-	-	-	-	-	-	-
Net domestic assets	5,803.7	5,537.6	5,569.8	5,499.6	5,325.1	5,345.6	5,483.7	5,563.5	5,567.8
Net claims on Government	1,453.5	1,500.5	1,704.4	1,663.5	1,554.5	1,639.0	1,834.8	1,849.8	1,915.2
Treasury bills	392.4	454.5	662.6	680.0	627.8	557.9	531.9	489.3	475.1
Other securities	962.2	907.0	895.4	892.3	889.6	891.1	987.1	1,055.5	1,105.9
Loans and advances	253.6	352.1	416.8	419.2	404.9	389.7	502.7	516.6	516.0
Less: deposits	154.7	213.1	270.5	328.1	367.8	199.6	186.9	211.7	181.8
Net claims on rest of public sector	118.6	124.6	117.6	109.9	100.9	52.1	31.0	41.2	36.7
Securities	119.4	219.0	221.0	221.0	218.9	168.6	163.9	163.9	163.9
Loans and advances	329.8	251.3	238.4	233.6	245.8	240.7	233.5	223.3	214.4
Less: deposits	330.6	345.7	341.8	344.6	363.9	357.2	366.4	346.0	341.6
Other net claims	56.4	24.8	43.9	25.7	18.6	24.3	(2.9)	1.0	(5.2)
Credit to the private sector	6,551.1	6,366.9	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8	6,180.1	6,157.0
Securities	16.6	16.8	24.4	25.9	26.7	18.6	19.6	25.8	22.4
Mortgages	3,310.3	3,211.4	3,164.7	3,165.8	3,139.8	3,139.1	3,035.5	3,024.8	3,028.0
Loans and advances	3,224.2	3,138.7	3,110.7	3,094.4	3,069.9	3,077.8	3,115.7	3,129.4	3,106.6
Private capital and surplus	(2,586.4)	(2,499.2)	(2,651.2)	(2,600.8)	(2,601.5)	(2,638.8)	(2,594.4)	(2,580.9)	(2,639.7)
Net unclassified assets	210.6	20.0	55.5	15.2	16.3	33.5	44.5	72.5	103.7
Liabilities to private sector	5,760.6	5,785.5	5,768.1	5,893.7	5,948.0	5,954.9	6,270.7	6,242.0	6,487.9
Demand deposits	1,593.5	1,830.6	1,868.3	1,949.9	1,998.5	2,075.0	2,287.4	2,261.3	2,482.6
Savings deposits	1,119.9	1,074.1	1,162.0	1,195.6	1,234.7	1,238.8	1,315.0	1,335.1	1,400.9
Fixed deposits	3,047.1	2,880.8	2,737.8	2,748.3	2,714.8	2,641.0	2,668.3	2,645.7	2,604.3

Source: The Central Bank of The Bahamas

TABLE 5

PROFIT AND LOSS ACCOUNTS OF BANKS IN THE BAHAMAS*

(B$'000s)

Period	2012	2013	2014	2015				2016				2017
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I
1. Interest Income	667,055	646,083	617,808	148,510	156,468	160,233	161,209	158,211	152,709	150,401	153,783	148,243
2. Interest Expense	144,897	117,811	98,321	21,307	21,850	21,273	20,984	20,807	20,410	18,595	18,547	18,688
3. **Interest Margin (1-2)**	522,158	528,272	519,487	127,203	134,618	138,960	140,225	137,404	132,299	131,806	135,236	129,555
4. Commission & Forex Income	23,005	23,278	22,484	5,657	11,373	5,590	6,910	5,756	6,636	5,802	6,648	7,417
5. **Gross Earnings Margin (3+4)**	545,163	551,550	541,971	132,860	145,991	144,550	147,135	143,160	138,935	137,608	141,884	136,972
6. Staff Costs	162,348	181,910	171,579	42,852	45,619	41,628	40,297	40,906	41,677	41,468	40,840	40,170
7. Occupancy Costs	29,744	30,120	27,797	7,043	7,235	6,944	5,796	6,883	7,025	7,574	7,020	6,549
8. Other Operating Costs	111,914	132,475	279,278	38,156	39,715	34,005	38,753	39,236	40,452	47,833	38,464	49,797
9. **Operating Costs (6+7+8)**	304,006	344,505	478,654	88,051	92,569	82,577	84,846	87,025	89,154	96,875	86,324	96,516
10. **Net Earnings Margin (5-9)**	241,157	207,045	63,317	44,809	53,422	61,973	62,289	56,135	49,781	40,733	55,560	40,456
11. Depreciation Costs	13,364	16,969	14,637	4,005	4,021	4,231	3,512	3,632	3,560	4,099	3,808	3,985
12. Provisions for Bad Debt	168,098	149,114	266,624	42,791	36,705	25,659	27,419	20,347	36,032	30,344	29,405	22,425
13. Other Income	88,284	98,023	103,893	27,284	24,456	27,866	31,657	32,759	32,657	34,300	33,459	30,470
14. **Other Income (Net) (13-11-12)**	(93,178)	(68,060)	(177,368)	(19,512)	(16,270)	(2,024)	726	8,780	(6,935)	(143)	246	4,060
15. **Net Income (10+14)**	147,979	138,985	(114,051)	25,297	37,152	59,949	63,015	64,915	42,846	40,590	55,806	44,516
16. **Effective Interest Rate Spread (%)**	6.41	6.85	6.83	6.92	7.28	7.20	7.12	7.24	7.16	7.28	7.24	6.96
						(Ratios To Average Assets)						
Interest Margin	5.41	5.42	5.31	5.21	5.35	5.56	5.63	5.44	5.21	5.27	5.38	5.14
Commission & Forex Income	0.24	0.22	0.23	0.23	0.45	0.22	0.28	0.23	0.26	0.23	0.26	0.29
Gross Earnings Margin	5.65	5.64	5.54	5.44	5.81	5.78	5.91	5.67	5.47	5.50	5.64	5.43
Operating Costs	3.15	3.68	4.89	3.61	3.68	3.30	3.41	3.45	3.51	3.87	3.43	3.83
Net Earnings Margin	2.50	1.96	0.65	1.84	2.12	2.48	2.50	2.22	1.96	1.63	2.21	1.61
Net Income/Loss	1.53	1.43	-1.16	1.04	1.48	2.40	2.53	2.57	1.69	1.62	2.22	1.77

***Commercial Banks and OLFIs with domestic operations**

Source: The Central Bank of The Bahamas

TABLE 6
MONEY SUPPLY

(B$ Millions)

End of Period	2013	2014	2015	2016				2017	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
Money Supply (M1)	1,641.2	1,995.7	2,071.2	2,143.1	2,198.0	2,298.0	2,460.6	2,430.2	2,659.3
1) Currency in active circulation	214.4	232.8	246.6	246.9	247.6	255.5	280.5	281.5	294.1
2) Demand deposits	1,426.8	1,762.9	1,824.7	1,896.1	1,950.4	2,042.5	2,180.1	2,148.7	2,365.2
Central Bank	11.7	26.0	17.3	13.6	17.8	7.5	12.6	15.7	19.3
Domestic Banks	1,415.1	1,736.9	1,807.3	1,882.6	1,932.7	2,035.1	2,167.6	2,133.0	2,346.0
Factors affecting money (M1)									
1) Net credit to Government	1,946.6	2,024.0	2,198.0	2,150.9	2,100.6	2,307.5	2,551.4	2,540.2	2,741.6
Central Bank	493.1	523.4	493.7	487.4	546.1	668.5	716.6	690.5	826.5
Domestic banks	1,453.5	1,500.5	1,704.4	1,663.5	1,554.5	1,639.0	1,834.8	1,849.8	1,915.2
2) Other credit	7,010.5	6,846.5	6,768.1	6,749.5	6,709.9	6,653.6	6,577.1	6,576.2	6,544.0
Rest of public sector	459.4	479.7	468.4	463.4	473.5	418.2	406.3	396.1	387.0
Private sector	6,551.1	6,366.9	6,299.7	6,286.1	6,236.4	6,235.5	6,170.8	6,180.1	6,157.0
3) External reserves	741.6	787.7	811.9	994.9	1,052.1	898.8	904.0	920.5	960.0
4) Other external liabilities (net)	(694.9)	(501.2)	(531.7)	(512.4)	(395.9)	(374.7)	(225.4)	(313.2)	(220.5)
5) Quasi money	4,676.0	4,394.3	4,302.6	4,355.8	4,379.2	4,277.0	4,469.5	4,455.0	4,483.5
6) Other items (net)	(2,686.5)	(2,766.8)	(2,872.4)	(2,886.6)	(2,889.6)	(2,910.3)	(2,877.0)	(2,838.8)	(2,882.7)

Source: The Central Bank of The Bahamas

TABLE 7

CONSUMER INSTALMENT CREDIT*

(B$' 000)

End of Period	2013	2014	2015	2016				2017	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
CREDIT OUTSTANDING									
Private cars	175,407	186,731	181,447	177,367	179,811	177,103	176,178	176,368	174,265
Taxis & rented cars	1,077	853	1,026	947	879	855	777	735	770
Commercial vehicles	2,334	1,958	1,498	1,381	1,290	1,109	1,050	1,274	1,238
Furnishings & domestic appliances	7,919	7,911	8,081	7,833	7,994	8,015	8,302	8,491	9,089
Travel	33,011	30,033	36,836	36,170	38,928	43,721	41,197	40,030	42,427
Education	33,858	36,571	41,117	40,343	39,369	52,837	52,245	50,540	48,614
Medical	12,010	11,744	12,471	13,294	13,118	13,144	12,824	13,140	13,170
Home Improvements	123,943	131,723	114,265	111,294	108,346	108,671	121,959	123,739	123,237
Land Purchases	225,065	216,760	193,163	187,987	181,767	177,984	169,847	164,302	160,905
Consolidation of debt	802,727	777,804	802,034	805,547	795,914	979,674	984,569	984,153	969,146
Miscellaneous	563,322	625,074	640,154	649,073	685,088	515,430	546,313	549,889	559,433
Credit Cards	241,241	245,254	249,164	243,919	243,214	253,828	256,166	247,825	246,364
TOTAL	2,221,914	2,272,416	2,281,256	2,275,155	2,295,718	2,332,371	2,371,427	2,360,486	2,348,658
NET CREDIT EXTENDED									
Private cars	(2,120)	11,324	(5,284)	(4,080)	2,444	(2,708)	(925)	190	(2,103)
Taxis & rented cars	(4)	(224)	173	(79)	(68)	(24)	(78)	(42)	35
Commercial vehicles	93	(376)	(460)	(117)	(91)	(181)	(59)	224	(36)
Furnishings & domestic appliances	(4,091)	(8)	170	(248)	161	21	287	189	598
Travel	3,519	(2,978)	6,803	(666)	2,758	4,793	(2,524)	(1,167)	2,397
Education	(686)	2,713	4,546	(774)	(974)	13,468	(592)	(1,705)	(1,926)
Medical	647	(266)	727	823	(176)	26	(320)	316	30
Home Improvements	(3,594)	7,780	(17,458)	(2,971)	(2,948)	325	13,288	1,780	(502)
Land Purchases	(7,687)	(8,305)	(23,597)	(5,176)	(6,220)	(3,783)	(8,137)	(5,545)	(3,397)
Consolidation of debt	21,034	(24,923)	24,230	3,513	(9,633)	183,760	4,895	(416)	(15,007)
Miscellaneous	62,097	61,752	15,080	8,919	36,015	(169,658)	30,883	3,576	9,544
Credit Cards	(2,504)	4,013	3,910	(5,245)	(705)	10,614	2,338	(8,341)	(1,461)
TOTAL	66,704	50,502	8,840	(6,101)	20,563	36,653	39,056	(10,941)	(11,828)

Source: The Central Bank of The Bahamas

TABLE 8
SELECTED AVERAGE INTEREST RATES

(%)

Period	2013	2014	2015	2016				2017	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
DOMESTIC BANKS									
Deposit rates									
Savings deposits	0.97	0.89	0.83	0.80	0.87	0.72	0.87	0.77	0.72
Fixed deposits									
Up to 3 months	1.37	1.16	1.13	1.05	0.98	0.94	0.90	0.80	0.68
Up to 6 months	1.35	1.22	1.08	1.05	1.03	0.89	1.00	0.65	0.66
Up to 12 months	2.15	1.76	1.71	1.87	1.44	1.43	1.57	1.27	1.32
Over 12 months	2.20	1.64	1.57	1.64	1.66	2.02	2.15	1.45	1.80
Weighted average rate	1.68	1.42	1.41	1.36	1.25	1.14	1.22	1.00	0.98
Lending rates									
Residential mortgages	7.27	7.16	6.47	6.32	6.21	6.20	6.13	6.14	6.00
Commercial mortgages	8.21	8.02	7.89	7.42	7.00	8.29	8.33	6.38	6.58
Consumer loans	13.65	13.91	14.26	13.65	14.14	14.37	13.96	13.60	13.82
Overdrafts	9.32	9.76	10.36	10.78	11.04	11.60	11.09	10.78	10.65
Weighted average rate	11.10	11.81	12.29	11.83	12.54	12.93	12.68	11.88	12.02
Other rates									
Prime rate	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.25	4.25
Treasury bill (90 days)	0.30	0.53	0.68	1.03	1.48	1.94	2.11	1.96	1.77
Treasury bill re-discount rate	0.80	1.03	1.18	1.53	1.98	2.44	2.61	2.46	2.27
Bank rate (discount rate)	4.50	4.50	4.50	4.50	4.50	4.50	4.33	4.00	4.00

Source: The Central Bank of The Bahamas

TABLE 9
SELECTED CREDIT QUALITY INDICATORS OF DOMESTIC BANKS

(%)

Period	2013	2014	2015	2016				2017	
				Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Loan Portfolio									
Current Loans (as a % of total loans)	**78.4**	**79.7**	**80.9**	**81.1**	**82.6**	**82.3**	**84.3**	**84.7**	**84.3**
Arrears (% by loan type)									
Consumer	5.0	5.2	4.7	4.5	4.3	4.1	4.0	4.0	4.1
Mortgage	11.0	11.0	10.9	10.8	9.6	10.0	8.1	7.9	8.0
Commercial	5.5	4.1	3.5	3.6	3.6	3.7	3.6	3.4	3.6
Public	0.1	0.0	-	-	-	0.0	-	0.0	0.0
Total Arrears	**21.6**	**20.3**	**19.1**	**18.9**	**17.4**	**17.7**	**15.7**	**15.3**	**15.7**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Loan Portfolio									
Current Loans (as a % of total loans)	**78.4**	**79.7**	**80.9**	**81.1**	**82.6**	**82.3**	**84.3**	**84.7**	**84.3**
Arrears (% by days outstanding)									
30 - 60 days	3.6	2.9	3.1	3.0	2.5	2.9	2.8	2.7	2.7
61 - 90 days	2.5	2.0	1.8	1.6	1.7	1.7	1.6	1.5	1.7
90 - 179 days	2.1	2.0	1.6	1.7	1.6	1.7	1.5	1.4	1.5
over 180 days	13.3	13.3	12.6	12.6	11.7	11.4	9.8	9.8	9.8
Total Arrears	**21.6**	**20.3**	**19.1**	**18.9**	**17.4**	**17.7**	**15.7**	**15.3**	**15.7**
Total B$ Loan Portfolio	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non Accrual Loans (% by loan type)									
Consumer	21.5	23.6	22.2	21.7	22.8	20.9	23.2	23.5	23.9
Mortgage	50.7	53.8	57.4	56.3	54.0	56.1	50.7	50.3	49.6
Other Private	27.2	22.6	20.4	22.0	23.2	23.0	26.1	26.1	26.5
Public	0.6	-	-	-	-	-	-	0.0	0.0
Total Non Accrual Loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Provisions to Loan Portfolio									
Consumer	6.1	6.5	7.1	7.4	7.3	7.2	7.4	7.1	7.1
Mortgage	5.6	8.9	9.9	10.0	10.1	9.8	8.9	7.6	7.8
Other Private	7.9	11.4	10.2	10.6	11.9	12.2	11.6	12.3	15.4
Public	-	-	-	-	-	-	-	-	-
Total Provisions to Total Loans	6.0	7.9	8.3	8.6	8.6	8.5	8.0	7.4	7.9
Total Provisions to Non-performing Loans	39.0	51.2	58.5	60.0	65.1	65.4	70.6	66.8	69.8
Total Non-performing Loans to Total Loans	15.4	15.3	14.2	14.3	13.2	13.1	11.4	11.1	11.3

Source: The Central Bank of The Bahamas
Figures may not sum to total due to rounding.

TABLE 10
SUMMARY OF BANK LIQUIDITY

(B$ Millions)

Period	2013	2014	2015	2016				2017	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
I. Statutory Reserves									
Required reserves	303.3	311.2	316.9	319.0	324.3	328.4	325.1	330.1	333.8
Average Till Cash	117.4	122.7	123.0	115.3	96.9	104.3	130.4	99.8	101.3
Average balance with central bank	593.3	676.6	598.7	782.8	895.5	921.3	945.1	902.6	982.4
Free cash reserves (period ended)	407.4	488.0	404.9	579.2	668.1	697.1	750.5	672.3	749.9
II. Liquid Assets (period)									
A. Minimum Required Liquid Assets	988.3	1,025.5	1,044.6	1,078.4	1,085.5	1,079.4	1,098.6	1,116.7	1,142.2
B. Net Eligible Liquid Assets	2,126.1	2,182.2	2,361.6	2,547.7	2,603.4	2,504.8	2,579.9	2,588.6	2,768.4
i) Balance with Central Bank	513.6	606.7	587.5	792.6	921.8	882.8	867.3	894.0	1,046.9
ii) Notes and Coins	138.6	143.0	142.9	114.4	97.4	101.8	145.6	98.1	94.2
iii) Treasury Bills	392.4	454.5	662.6	680.0	627.8	557.9	531.9	489.3	475.1
iv) Government registered stocks	962.2	907.0	895.4	892.3	889.6	891.1	987.1	1,055.5	1,105.9
v) Specified assets	56.6	56.0	55.6	55.6	53.5	51.0	51.0	51.0	50.9
vi) Net Inter-bank dem/call deposits	62.7	15.1	17.4	12.8	13.3	20.3	(3.0)	0.7	(4.5)
vii) Less: borrowings from central bank	-	-	-	-	-	-	-	-	-
C. Surplus/(Deficit)	1,137.7	1,156.8	1,316.9	1,469.3	1,518.0	1,425.4	1,481.3	1,471.9	1,626.2

Source: The Central Bank of The Bahamas
Figures may not sum to total due to rounding.

TABLE 11
GOVERNMENT OPERATIONS AND FINANCING

(B$ Millions)

Period	2014/15p	2015/16p	Budget 2016/17	Budget 2017/18	2015/16p Qtr. III	2015/16p Qtr. IV	2016/17p Qtr. I	2016/17p Qtr. II	2016/17p Qtr. III	2016/17p Qtr. IV*
Total Revenue & Grants	1,701.5	1,929.6	2,168.8	2,139.0	501.2	532.1	450.4	401.4	605.9	361.5
Current expenditure	1,711.3	2,005.0	2,024.4	2,231.9	530.4	522.2	469.8	533.9	512.1	330.3
Capital expenditure	280.3	231.3	242.1	230.9	49.0	92.9	65.1	69.9	75.0	48.4
Net lending	92.0	3.6	(0.1)	(2.4)	34.8	(33.6)	0.1	(0.0)	(0.0)	(0.0)
Overall balance	**(382.0)**	**(310.4)**	**(97.6)**	**(321.3)**	**(113.0)**	**(49.4)**	**(84.6)**	**(202.3)**	**18.8**	**(17.2)**
FINANCING (I+II-III+IV+V)	382.0	310.4	97.6	321.3	113.0	49.4	84.6	202.3	(18.8)	17.2
I. Foreign currency borrowing	**148.1**	**264.8**	**85.1**	**9.5**	**126.4**	**14.7**	**11.7**	**14.0**	**4.0**	**5.8**
External	148.1	214.8	85.1	9.5	113.0	14.7	11.7	14.0	4.0	5.8
Domestic	-	50.0	-	-	13.4	-	-	-	-	-
II. Bahamian dollar borrowing	**580.0**	**411.1**	**299.5**	**743.5**	**38.4**	**22.7**	**206.6**	**546.2**	**86.6**	**92.6**
i)Treasury bills	30.0	301.2	-	-	28.3	12.7	37.6	70.7	11.6	17.6
ii)Long-term securities	275.0	87.3	-	-	-	-	155.0	240.0	75.0	75.0
iii)Loans and Advances	275.0	22.6	-	-	10.1	10.0	14.0	235.5	-	-
III. Debt repayment	**221.4**	**322.7**	**287.1**	**426.2**	**34.4**	**107.3**	**146.8**	**265.1**	**88.5**	**91.4**
Domestic	206.0	294.3	258.9	388.6	26.2	100.1	136.2	258.0	75.2	87.3
Bahamian dollars	140.0	244.3	258.9	388.6	26.2	50.1	136.2	258.0	75.2	87.3
Internal foreign currency	66.0	50.0	-	-	-	50.0	-	-	-	-
External	15.4	28.5	28.2	37.6	8.2	7.2	10.6	7.1	13.3	4.1
IV.Net Sale of Shares & Other Equity	**-**	**-**	**-**	**-**	**-**	**-**	**(102.5)**	**-**	**(10.0)**	**-**
V.Cash balance change	**(76.8)**	**(110.4)**	**-**	**-**	**(49.4)**	**(41.1)**	**162.3**	**25.8**	**22.7**	**50.0**
VI.Other Financing	**(47.9)**	**67.6**	**-**	**(5.5)**	**32.0**	**160.4**	**(46.7)**	**(118.6)**	**(33.7)**	**(39.8)**

Source: Treasury Monthly Printouts. Data compiled according to the International Monetary Fund's Government Finance Statistics format.

*Quarter IV includes April & May only

TABLE 12

NATIONAL DEBT

(B$' 000s)

End of Period	2014p	2015p	2016p	2016p				2017p	
				Mar.	Jun.	Sept.	Dec.	Mar.	Jun.
TOTAL EXTERNAL DEBT	1,572,394	1,641,210	1,745,483	1,753,830	1,753,276	1,757,003	1,745,483	1,739,915	1,755,698
By Instrument									
Government Securities	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Loans	672,394	741,210	845,483	853,830	853,276	857,003	845,483	839,915	855,698
By Holder									
Commercial Banks	--	--	--	--	--	--	--	--	--
Offshore Financial Institutions	--	--	--	--	--	--	--	--	--
Multilateral Institutions	237,002	221,348	216,959	220,285	214,910	219,422	216,959	217,306	216,100
Bilateral Institutions	70,731	72,352	80,846	72,009	73,093	74,671	80,846	81,594	82,917
Private Capital Markets	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Other Financial Institutions	364,661	447,510	547,678	561,536	565,273	562,910	547,678	541,015	556,681
TOTAL INTERNAL DEBT	4,009,658	4,263,352	4,570,098	4,288,905	4,211,490	4,281,896	4,570,098	4,581,539	4,786,541
By Instrument									
Foreign Currency	--	36,615	--	50,000	--	--	--	--	--
Government Securities	--	--	--	--	--	--	--	--	--
Loans	--	36,615	--	50,000	--	--	--	--	--
Bahamian Dollars	4,009,658	4,226,737	4,570,098	4,238,905	4,211,490	4,281,896	4,570,098	4,581,539	4,786,541
Advances	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657	134,657
Treasury Bills/Notes	579,282	816,513	793,896	843,606	856,336	857,971	793,896	730,479	870,626
Government Securities	3,025,473	3,072,783	3,314,783	3,057,783	3,047,783	3,142,783	3,314,783	3,389,783	3,454,783
Loans	270,246	202,784	326,762	202,859	172,714	146,485	326,762	326,620	326,475
By Holder									
Foreign Currency	--	36,615	--	50,000	--	--	--	--	--
Commercial Banks	--	36,615	--	50,000	--	--	--	--	--
Other Local Financial Institutions	--	--	--	--	--	--	--	--	--
Bahamian Dollars	4,009,658	4,226,737	4,570,098	4,238,905	4,211,490	4,281,896	4,570,098	4,581,539	4,786,541
The Central Bank	567,399	519,533	727,531	507,299	565,484	692,598	727,531	695,407	856,295
Commercial Banks	1,585,768	1,708,532	1,778,952	1,727,174	1,641,247	1,529,449	1,778,952	1,809,508	1,829,538
Other Local Financial Iinstitutions	10,217	26,395	14,171	9,857	9,857	13,639	14,171	12,285	28,157
Public Corporations	665,267	650,289	600,691	637,789	632,020	620,523	600,691	610,691	612,684
Other	1,181,007	1,321,988	1,448,753	1,356,786	1,362,882	1,425,687	1,448,753	1,453,648	1,459,867
TOTAL FOREIGN CURRENCY DEBT	1,572,394	1,677,825	1,745,483	1,803,830	1,753,276	1,757,003	1,745,483	1,739,915	1,755,698
TOTAL DIRECT CHARGE	5,582,052	5,904,562	6,315,581	6,042,735	5,964,766	6,038,899	6,315,581	6,321,454	6,542,239
TOTAL CONTINGENT LIABILITIES	702,613	755,310	729,156	751,406	742,027	730,272	729,156	722,078	720,696
TOTAL NATIONAL DEBT	6,284,665	6,659,872	7,044,737	6,794,141	6,706,793	6,769,171	7,044,737	7,043,532	7,262,935

Source: Treasury Accounts & Treasury Statistical Summary Printouts
Public Corporation Reports
Creditor Statements, Central Bank of The Bahamas

TABLE 13
PUBLIC SECTOR FOREIGN CURRENCY DEBT OPERATIONS

(B$' 000s)

Period	2014p*	2015p	2016p	2016p				2017p	
				Mar.	Jun.**	Sept.	Dec.	Mar.	Jun.
Outstanding Debt at Beginning of Period	**2,139,696**	**2,453,016**	**2,574,001**	**2,574,001**	**2,691,398**	**2,721,880**	**2,669,275**	**2,646,751**	**2,633,273**
Government	1,315,109	1,572,394	1,677,825	1,677,825	1,803,830	1,753,276	1,757,003	1,745,483	1,739,915
Public Corporations	824,587	880,622	896,176	896,176	887,568	968,604	912,272	901,268	893,358
Plus: New Drawings	**787,151**	**188,993**	**282,333**	**129,322**	**115,822**	**14,576**	**22,613**	**7,106**	**15,921**
Government	491,378	143,384	166,786	126,406	14,723	11,653	14,004	4,037	5,811
Public Corporations	295,773	45,609	115,547	2,916	101,099	2,923	8,609	3,069	10,110
Less: Amortization	**444,774**	**51,486**	**193,524**	**19,732**	**77,224**	**69,864**	**26,704**	**24,284**	**24,974**
Government	205,060	21,448	83,071	8,202	57,164	10,608	7,097	13,303	7,059
Public Corporations	239,714	30,038	110,453	11,530	20,060	59,256	19,607	10,981	17,915
Other Changes in Debt Stock	**(29,057)**	**(16,522)**	**(16,059)**	**7,807**	**(8,116)**	**2,683**	**(18,433)**	**3,700**	**17,037**
Government	(29,033)	(16,505)	(16,057)	7,801	(8,113)	2,682	(18,427)	3,698	17,031
Public Corporations	(24)	(17)	(2)	6	(3)	1	(6)	2	6
Outstanding Debt at End of Period	**2,453,016**	**2,574,001**	**2,646,751**	**2,691,398**	**2,721,880**	**2,669,275**	**2,646,751**	**2,633,273**	**2,641,257**
Government	1,572,394	1,677,825	1,745,483	1,803,830	1,753,276	1,757,003	1,745,483	1,739,915	1,755,698
Public Corporations	880,622	896,176	901,268	887,568	968,604	912,272	901,268	893,358	885,559
Interest Charges	**125,009**	**133,117**	**143,906**	**27,926**	**43,182**	**33,312**	**39,486**	**31,718**	**39,383**
Government	75,372	79,963	87,648	15,038	28,354	20,088	24,168	17,086	23,950
Public Corporations	49,637	53,154	56,258	12,888	14,828	13,224	15,318	14,632	15,433
Debt Service	**569,783**	**184,603**	**337,430**	**47,658**	**120,406**	**103,176**	**66,190**	**56,002**	**64,357**
Government	280,432	101,411	170,719	23,240	85,518	30,696	31,265	30,389	31,009
Public Corporations	289,351	83,192	166,711	24,418	34,888	72,480	34,925	25,613	33,348
Debt Service Ratio (%)	16.0	5.4	9.9	5.4	12.6	12.9	8.6	6.1	6.7
Government Debt Service/ Government Revenue (%)	19.0	5.3	9.1	4.6	16.1	6.8	7.8	5.0	n.a.
MEMORANDUM									
Holder Distribution (B$ Mil):									
Banks	276.8	319.1	297.8	329.3	359.6	304.8	297.8	289.0	278.6
Offshore Financial Institutions	-	-	-	-	-	-	-	-	-
Multilateral Institutions	288.9	281.9	285.8	280.6	278.4	282.7	285.8	285.9	290.1
Bilateral Institutions	70.7	72.4	80.8	72.0	73.1	74.7	80.8	81.6	82.9
Other	916.6	1,000.6	1,082.3	1109.5	1110.8	1107.1	1082.3	1076.8	1089.7
Private Capital Markets	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0

Source: Treasury Accounts, Treasury Statistical Printouts and Quarterly Reports from Public Corporations, Central Bank of The Bahamas.

* Debt servicing for 2014 includes the refinancing of $191 million & $210.2 million in Government's & Public Corporations' debt. Net of these transactions, the Debt Service Ratio was 4.7% and the Government Debt Service/Revenue Ratio was 6.1%.

** Debt servicing for the 2nd quarter of 2016 includes the refinancing of $50 million in Public Sector debt. Net of these transactions, the Debt Service Ratio was 7.9%.

TABLE 14
BALANCE OF PAYMENTS SUMMARY*

(B$ Millions)

Period	2014	2015	2016	2015		2016				2017	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
A. Current Account Balance (I+II+III+IV)	**(1,885.3)**	**(1,203.2)**	**(1,177.7)**	**(162.2)**	**(367.3)**	**(219.8)**	**(203.4)**	**(512.4)**	**(242.0)**	**(462.5)**	**(400.8)**
I. Merchandise (Net)	**(2,510.3)**	**(2,433.5)**	**(2,169.8)**	**(535.9)**	**(562.4)**	**(507.4)**	**(499.3)**	**(581.0)**	**(582.0)**	**(597.5)**	**(585.8)**
Exports	833.9	520.5	481.1	117.7	120.9	96.1	148.8	104.6	131.6	133.8	181.4
Imports	3,344.2	2,954.0	2,650.9	653.5	683.3	603.5	648.1	685.6	713.6	731.4	767.2
II. Services (Net)	**997.0**	**1,617.6**	**1,116.0**	**414.6**	**299.3**	**387.5**	**417.6**	**228.6**	**82.3**	**257.8**	**318.9**
Transportation	(288.0)	(258.1)	(267.6)	(59.6)	(65.7)	(61.0)	(75.8)	(68.1)	(62.7)	(93.8)	(92.9)
Travel	2,104.8	2,299.2	2,261.3	521.2	474.7	652.2	649.0	502.4	457.7	641.4	639.3
Insurance Services	(143.8)	(141.9)	(155.1)	(39.7)	(33.8)	(32.4)	(45.5)	(45.6)	(31.6)	(17.9)	(27.4)
Offshore Companies Local Expenses	200.9	165.7	168.8	46.8	39.4	35.2	55.2	47.5	30.9	30.8	20.7
Other Government	33.1	29.8	(208.7)	9.3	6.1	(75.6)	(42.6)	(48.5)	(42.0)	(43.2)	(27.6)
Other Services	(910.0)	(477.1)	(682.6)	(63.4)	(121.5)	(131.0)	(122.7)	(159.0)	(269.9)	(259.5)	(193.2)
III. Income (Net)	**(438.1)**	**(402.6)**	**(439.9)**	**(53.8)**	**(91.2)**	**(70.0)**	**(117.7)**	**(142.3)**	**(109.9)**	**(102.0)**	**(98.5)**
1. Compensation of Employees	(64.4)	(66.5)	(38.9)	(15.2)	(18.9)	(11.1)	(8.2)	(10.0)	(9.6)	(10.4)	(9.9)
2. Investment Income	(373.8)	(336.1)	(401.0)	(38.6)	(72.3)	(58.9)	(109.5)	(132.3)	(100.3)	(91.7)	(88.6)
IV. Current Transfers (Net)	**66.2**	**15.3**	**316.0**	**12.8**	**(13.0)**	**(29.9)**	**(4.0)**	**(17.7)**	**367.6**	**(20.7)**	**(35.4)**
1. General Government	118.3	130.0	118.4	29.0	26.7	29.4	35.5	33.1	20.4	23.2	36.4
2. Private Sector	(52.1)	(114.7)	197.6	(16.2)	(39.8)	(59.3)	(39.4)	(50.8)	347.2	(43.9)	(71.8)
B. Capital and Financial Account (I+II) (excl. Reserves)	**1,508.5**	**349.8**	**461.3**	**63.2**	**129.6**	**9.6**	**63.8**	**(56.0)**	**443.9**	**294.0**	**21.4**
I. Capital Account (Net Transfers)	**(8.9)**	**(18.9)**	**(13.8)**	**(3.5)**	**(6.4)**	**(4.4)**	**(2.9)**	**(2.6)**	**(3.9)**	**(9.6)**	**(3.7)**
II. Financial Account (Net)	**1,517.4**	**368.7**	**475.1**	**66.6**	**136.0**	**14.0**	**66.8**	**(53.4)**	**447.8**	**303.5**	**25.1**
1. Direct Investment	251.3	76.1	73.7	9.9	13.0	(16.3)	27.4	38.6	23.9	50.3	(10.4)
2. Portfolio Investment	(26.9)	(12.4)	(21.7)	(3.1)	(1.8)	(4.2)	(5.2)	(7.4)	(4.9)	(4.4)	(4.6)
3. Other Investments	1,293.0	305.0	423.1	59.9	124.8	34.4	44.5	(84.6)	428.8	257.6	40.1
Central Gov't Long Term Capital	411.3	94.7	118.5	8.6	65.2	104.8	7.6	1.0	5.1	(9.3)	(1.2)
Other Public Sector Capital	93.8	6.5	100.4	(0.3)	1.3	(2.6)	95.7	(1.8)	9.0	(3.1)	(0.3)
Banks	(161.9)	29.6	(306.3)	54.8	5.9	(19.3)	(116.5)	(20.6)	(149.8)	87.8	(92.7)
Other	949.8	174.2	510.5	(3.2)	52.4	(48.5)	57.8	(63.3)	564.5	182.3	134.4
C. Net Errors and Omissions	**422.8**	**877.6**	**808.4**	**(27.4)**	**223.0**	**393.3**	**196.7**	**415.1**	**(196.7)**	**185.0**	**418.9**
D. Overall Balance (A+B+C)	**46.0**	**24.3**	**92.0**	**(126.4)**	**(14.8)**	**183.0**	**57.2**	**(153.3)**	**5.1**	**16.5**	**39.5**
E. Financing (Net)	**(46.0)**	**(24.3)**	**(92.0)**	**126.4**	**14.8**	**(183.0)**	**(57.2)**	**153.3**	**(5.1)**	**(16.5)**	**(39.5)**
Change in SDR holdings	(19.9)	3.5	2.3	0.2	0.9	(1.2)	0.6	0.2	2.8	(0.6)	(1.8)
Change in Reserve Position with the IMF	0.6	0.4	(17.3)	0.0	0.1	(18.5)	0.2	0.1	1.0	(0.2)	(0.7)
Change in Ext. Foreign Assets ( ) = Increase	(26.7)	(28.1)	(77.0)	126.2	13.7	(163.3)	(57.9)	153.1	(8.9)	(15.6)	(37.0)

Source: The Central Bank of the Bahamas
* Figures may not sum to total due to rounding

TABLE 15
EXTERNAL TRADE

(B$ '000s)

Period	2014	2015	2016	2015 Qtr. II	2015 Qtr. III	2015 Qtr. IV	2016 Qtr. I	2016 Qtr. II	2016 Qtr. III	2016 Qtr. IV
I. OIL TRADE										
i) Exports	165,337	70,350	45,510	27,073	12,511	8,236	9,366	11,439	12,320	12,386
ii) Imports	868,460	535,306	402,527	106,870	243,845	116,962	69,639	94,856	113,049	124,983
II. OTHER MERCHANDISE										
Domestic Exports										
Crawfish	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fish Conch & other Crustacea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other cordials &Similar Materials/Sponge	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Fruits & Vegs.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aragonite	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Natural Sands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rum/Beverages/Spirits & Vinegar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Crude Salt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Polystrene Products	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
i) Total Domestic Exports	353,216	230,074	202,190	44,702	58,931	68,938	45,892	52,595	48,025	55,678
ii) Re-Exports	170,627	148,616	155,016	68,078	24,518	28,904	23,443	66,974	17,998	46,601
iii) Total Exports (i+ii)	523,843	378,690	357,206	112,780	83,449	97,842	69,335	119,569	66,023	102,279
iv) Imports	2,921,525	2,626,736	2,529,125	694,289	575,844	682,553	572,308	641,450	637,705	677,662
v) Retained Imports (iv-ii)	2,750,898	2,478,120	2,374,109	626,211	551,326	653,649	548,866	574,476	619,706	631,061
vi) Trade Balance (i-v)	(2,397,682)	(2,248,046)	(2,171,919)	(581,509)	(492,395)	(584,711)	(502,974)	(521,881)	(571,682)	(575,383)

Source: Department of Statistics Quarterly Statistical Summaries

TABLE 16
SELECTED TOURISM STATISTICS

Period	2014	2015	2016	2015		2016				2017	
				Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II
Visitor Arrivals	6,320,188	6,112,093	6,265,019	1,334,600	1,498,846	1,764,910	1,571,231	1,455,632	1,473,246	1,726,664	1,544,025
Air	1,343,093	1,390,911	1,391,813	330,722	299,211	384,504	397,446	344,647	265,216	348,549	386,672
Sea	4,977,095	4,721,182	4,873,206	1,003,878	1,199,635	1,380,406	1,173,785	1,110,985	1,208,030	1,378,115	1,157,353
Visitor Type											
Stopover	1,427,066	1,484,063	1,481,832	366,025	308,682	403,556	432,197	374,717	271,362	n.a.	n.a.
Cruise	4,804,701	4,513,458	4,690,260	939,688	1,163,710	1,338,961	1,112,983	1,051,719	1,186,597	1,343,940	1,095,430
Day/Transit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tourist Expenditure(B$ 000's)	2,316,347	2,237,382	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stopover	1,976,080	1,924,289	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cruise	336,600	309,426	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Day	3,667	3,667	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Number of Hotel Nights	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Length of Stay	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Hotel Occupancy Rates (%)											
New Providence	61	61	n.a.	30	60	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Grand Bahama	48	57	n.a.	31	53	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	43	41	n.a.	23	31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average Nightly Room Rates ($)											
New Providence	231	235	n.a.	156	315	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Grand Bahama	100	66	n.a.	70	65	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Family Islands	202	217	n.a.	155	323	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: The Ministry of Tourism: Average Hotel Occupancy and Nightly Room Rates were amended for Quarter II, 2014