



Monthly Economic and Financial Developments March 2013

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

Future Release Dates:

2013: June 3, July 1, July 29, September 2, September 30, November 4, December 2, December 23.

Monthly Economic and Financial Developments

March 2013

1. Domestic Economic Developments

Indications are that domestic economic conditions were somewhat flat during the review month, as softness in tourism output occurred, alongside stable foreign investment-led construction activity. In other real sector developments, domestic energy costs increased modestly over the review month, influenced by the elevated global oil price levels. The fiscal outcome featured the combination of higher spending and lower revenue collections, which caused a further deterioration in the overall deficit over the eight months of FY2012/13. In the monetary sector, net inflows of foreign currency from real sector activities supported gains in both bank liquidity and external reserves over the review period.

Preliminary data from the Ministry of Tourism showed growth in tourist arrivals of 3.3% during the first quarter, to 1.75 million, down from the 10.4% advance reported a year ago. Sea visitors rose by 5.0%; however, the high value-added air segment fell by 3.4%. In terms of the major markets, visitors to New Providence increased by 9.8%, as growth in sea passengers of 15.6% outpaced a 3.7% contraction in air tourists. The arrivals count to Grand Bahama decreased by 5.8%, owing to reductions in both the air and sea components, by 19.1% and 3.6%, respectively. Similarly, visitors to the Family Islands decreased by 3.8%, with the 5.0% falloff in the dominant sea segment, countering the 8.4% gain in air passengers.

In energy price developments, the average prices for both gasoline and diesel rose by 5.8% and 4.0% over the month, and by 1.1% and 0.9% on an annual basis, to \$5.65 and \$5.42 per gallon, respectively. Similarly, the Bahamas Electricity Corporation's fuel charge firmed by 4.5% month-on-month to 26.47¢ per kilowatt hour (kWh), and by 1.8% over the previous year.

Based on preliminary data for the Government's budgetary operations over the eight months of FY2012/13, the overall deficit worsened by \$141.8 million (68.0%) to \$350.5 million at end-February 2013. This outturn reflected a \$67.4 million (7.1%) decline in total receipts to \$888.0 million (57.8% of budget estimates), coupled with a \$74.5 million (6.4%) gain in aggregate expenditure to \$1,238.5 million (59.5% of budget projections). In terms of revenue, the contraction resulted mainly from a \$54.8 million (6.5%) reduction in tax collections to \$788.2 million, attributed to a \$92.2 million (18.5%) falloff in taxes on international trade, as excise taxes returned to trend levels after a significant one-time inflow in the preceding year. In a partial offset, other "miscellaneous" taxes firmed by \$32.4 million (12.0%), as the repayment of arrears resulted in departure tax receipts expanding by \$38.1 million (62.5%). Growth in non-tax collections, of \$5.1 million (5.4%) to \$99.7 million, was explained by a timing-related hike of \$6.7 million in airport landing fees from negligible levels in the prior period and a \$4.5 million expansion in fines, forfeits and administrative fees, which outweighed a \$7.1 million reduction in income from other "miscellaneous" sources.

Spending growth was fuelled by a \$44.6 million (4.6%) increase in current outlays to \$1,004.0 million. In particular, transfer payments grew by \$24.9 million (6.9%), and were dominated by flows to the health sector. Consumption outlays also rose by \$19.7 million (3.3%), on account of higher salary (\$17.5 million) and purchases of goods & services (\$2.2 million) payments. In addition, capital spending firmed by \$33.3 million (26.1%) to \$160.7 million, primarily earmarked for infrastructure projects. In contrast, net lending to public corporations decreased by \$3.4 million (4.4%) to \$73.8 million.

To date, financing for the deficit, in the amount of \$702.8 million, was predominately sourced from the domestic market and included Registered Stocks (\$325.0 million), Treasury bills (\$104.9 million) and short-term advances (\$53.0 million). External borrowing totalled \$220.0 million, inclusive of a US\$180.0 million loan and project-based debt drawdowns.

2. International Developments

Preliminary evidence suggests that the mild pace of the global recovery was sustained over the review month, as the United States' economy continued to recover and robust consumer demand conditions supported growth in Asian countries' output, although with some moderation. In contrast, the ongoing adverse effects of the austerity measures implemented in several southern states in prior periods, depressed consumer demand in Europe and kept unemployment rates at record high levels. With Europe's economic performance continuing to place a drag on the world economy, the International Monetary Fund (IMF), in the April edition of its World Economic Outlook, lowered its forecast for global real GDP growth, by 20 basis points to 3.3%, in 2013.

Despite ongoing fragilities, the United States' economy continued to improve. Higher consumer spending and increased exports supported real GDP gains of 2.5% during the first quarter, outpacing the 0.4% expansion for the previous three months. Housing starts and completions firmed by 7.0% and 11.0%, respectively in March, although building permits—the forward looking indicator—fell by 3.9%. On the external side, the trade deficit narrowed by \$2.0 billion to \$43.0 billion in February, as the increase in exports offset a marginal rise in imports. In contrast, industrial production growth slowed to 0.4%, following the prior month's 1.1% increase, due to declines in manufacturing and mining output, while retail sales decreased by 0.4%—the largest dip in nine months—a reversal from a 1.0% advance in February. With the addition of 138,000 non-farm payroll jobs, mainly in the business services and health care sectors, the unemployment rate fell by 10 basis points to 7.6% in March, while a reduction in energy costs moderated the rate of inflation by 50 basis points to an annualized 1.5%. Faced with above target unemployment and weak capacity utilisation, the Federal Reserve maintained its target federal funds rate within the 0-0.25% range.

Economic weakness continued to plague European economies during the review period, as harsh austerity measures—such as the financial bailout package negotiated for Cyprus in March—constrained consumer demand. In the United Kingdom, output firmed by 0.3% over the first quarter, a reversal from a similar decline in the prior three-month period, owing to gains in the services sector. In contrast, the goods and services deficit deteriorated to £3.6 billion in February from £2.5 billion in the prior month, as the expansion in the deficit on goods eclipsed the slight increase in the services account surplus. Consumer price inflation stabilized at 2.8% in March and the unemployment rate rose by 10 basis points to 7.9% in the three-months to February. The euro area's economic indicators were mixed, as industrial production improved by 0.4% in February, to reverse a 0.6% reduction a month earlier; however, retail sales fell by 0.3%, vis-a-vis a 0.9% gain in the prior period. In terms of trade, the combination of a 0.1% increase in exports and a 2.1% decline in imports, led to a €10.4 billion surplus on trade in goods, a turnaround from a deficit of €4.7 billion in February. In this environment, the unemployment rate steadied at a record high of 12.1% in March, while lower energy costs secured a 10 basis points reduction in inflation to 1.7% in March. Amid the persistent challenging economic conditions, both the Bank of England and European Central Bank decided to maintain their accommodative policy positions.

In Asia, China's growth momentum was sustained at a healthy level over the review period, as real GDP expanded by 7.7% year-on-year in the first quarter, following a gain of 7.9% in the previous three-month period. In addition, retail sales firmed by 1.2% in March, up slightly from a 1.0% increase a month earlier. Amid heightened demand for imports, the country recorded a trade deficit of US\$884.0 million, vis-à-vis a small US\$15.3 billion surplus in February. In terms of inflation, consumer prices softened by 0.9% in March, a turnaround from a 1.1% gain a month earlier, due chiefly to a decline in food costs. In Japan, economic conditions remained subdued, as a decrease in the production of electronics resulted in industrial output falling by 0.1% in February, compared to the previous month's 0.3% gain. Retail sales also declined by 2.3% year-on-year, extending January's 1.1% decrease, while consumer prices fell by 0.7%, following the prior month's 0.3% contraction. In a modest offset, the country's key manufacturing sector showed signs of improvement in March, as increased exports, combined with a reduction in imports, led to the trade deficit narrowing by ¥417.0 billion to ¥362.4 billion. On the policy front, the People's Bank of China left its key rates unchanged and the Bank of Japan (BOJ) maintained its highly accommodative monetary policy stance, after a series of stimulus measures announced in February.

Amid concerns over the weak pace of global growth, crude oil prices declined by 2.9% to \$109.51 per barrel in March; notwithstanding the fall-off in OPEC's average production for the quarter by 100,000 barrels per day (bpd) to 30.2 million bpd. In terms of precious metals, the price of gold rose modestly by 1.2% to \$1,598.75 per troy ounce, while silver costs fell marginally by 0.3% to \$28.46 per troy ounce.

A combination of domestic factors supported gains across most major equity markets in March. In the United States, generally higher than forecasted corporate earnings contributed to gains in the Dow Jones Industrial Average (3.7%) and the S&P 500 index (3.6%). The rallies were less robust in Europe, with the United Kingdom's FTSE 100, Germany's DAX and France's CAC 40 increasing marginally by 0.8%, 0.7% and 0.2%, respectively, supported in part, by improved investor confidence following the conclusion of Cyprus' bailout package. Asian markets were mixed, as the continuation of the BOJ's stimulus measures buoyed gains in Japan's Nikkei 225 by 7.3%; however, China's SE composite contracted by 5.5%.

In exchange rate developments, the United States dollar's performance varied relative to the other major currencies. The dollar weakened against the Canadian dollar, by 1.3% to CAD\$1.0176, and fell relative to the British pound, by 0.2% to £0.6579. Conversely, the dollar appreciated vis-a-vis the euro and the Swiss Franc, by 1.8% and 1.4%, to €0.7800 and CHF0.9493, respectively. In Asia, the dollar advanced in comparison to the Japanese Yen, by 1.8% to ¥94.21, but declined relative to the Chinese Yuan, by 0.2% to CNY6.2108.

3. Domestic Monetary Trends

March 2013 vs. 2012

Monetary developments during the month of March featured a build-up in bank liquidity, due to a combination of net foreign currency inflows arising from real sector developments and Central Bank short-term financing to the Government. Excess reserves surged by \$150.3 million to \$472.6 million, outpacing the prior year's growth of \$24.1 million. As private sector demand remained mild, banks' excess liquid assets also rose by a robust \$143.9 million to \$1,095.1 million, vis-à-vis a \$21.8 million gain in 2012.

External reserves improved by \$37.1 million to \$793.0 million, a turnaround from the \$6.8 million contraction a year ago, as the Bank's foreign exchange transactions reversed from a net sale of \$12.4

million last year to a net purchase of \$36.8 million. Specifically, net inflows from mainly real sector activities elevated the net purchase from commercial banks, by \$21.0 million to \$56.4 million, as they, in turn, recorded a hike in their net purchase from clients, of \$25.3 million to \$68.0 million. Additionally, the Bank's net sale to public corporations decreased by \$28.2 million to \$19.6 million, the bulk of which related to fuel import payments.

Growth in Bahamian dollar credit rose by \$21.6 million to \$36.8 million, as net claims on the Government firmed by \$37.4 million, outpacing the preceding year's \$11.0 million rise, and was mainly in the form of increased holdings of Treasury bills by the banking sector following two debt issues. Credit to the rest of the public sector also rose modestly by \$5.3 million, slightly below the \$7.4 million gain a year ago. In contrast, the dominant credit to the private sector category, decreased by \$6.0 million, extending 2012's \$3.2 million contraction. Specifically, the fall-off in consumer credit broadened to \$6.4 million from \$2.5 million, while mortgages contracted by \$4.9 million, to reverse last year's \$1.1 million gain. In a modest offset, commercial loans increased by \$5.3 million, to contrast with the \$1.9 million decrease in 2012.

Banks' credit quality indicators deteriorated in March, as total private sector loan arrears grew by \$19.3 million (1.6%) to \$1,217.0 million, and represented 19.68% of total private sector loans—an increase of 32 basis points. Short-term (31 to 90 day) delinquencies expanded by \$24.1 million (7.6%) to \$339.7 million, corresponding to a 39 basis points rise to 5.49% of total private sector loans. In contrast, non-performing loans (arrears over 90 days and on which banks have stopped accruing interest) contracted by \$4.8 million (0.6%) to \$877.3 million, resulting in a 7 basis point narrowing to 14.19% of the total.

The deterioration in total arrears continued to be concentrated in the mortgage component, which grew by \$21.7 million (3.3%) to \$672.4 million, with the \$22.8 million (15.3%) advance in delinquencies outpacing a marginal \$1.1 million (0.2%) reduction in non-performing loans. Commercial loan arrears rose slightly by \$1.5 million (0.5%) to \$291.7 million, due to a \$1.7 million (2.0%) increase in 31-90 day arrears, while the non-performing component fell slightly by \$0.1 million (0.1%). In contrast, consumer loan delinquencies were reduced by \$3.9 million (1.5%) to \$252.9 million, owing to declines in both the short-term and non-accrual segments, by \$0.3 million (0.4%) and \$3.6 million (2.1%), respectively.

As a result of the deterioration in loan portfolios, banks increased their loan loss provisions, by \$7.7 million (2.0%) to \$400.3 million. Therefore, the ratio of provisions to both arrears and non-accrual loans rose by 11 and 112 basis points, to 32.89% and 45.62%, respectively.

During the review month, domestic foreign currency credit fell by \$2.6 million vis-à-vis a similar decline in the prior period. This outturn reflected a decrease in private sector liabilities, by \$2.3 million, surpassing the preceding year's \$1.5 million decrease, as a \$3.7 million reduction in the commercial component completely offset mortgage growth of \$1.3 million. Claims on the public corporations also declined marginally, by \$0.7 million, after last year's \$0.8 million contraction. Conversely, net credit to the Government grew by \$0.4 million, a reversal from an equivalent decline in 2012.

Total Bahamian dollar deposits firmed by \$89.0 million over the review month, outpacing the \$20.7 million increase in 2012, due to broad-based expansions in all three deposit categories. The largest gain was recorded for demand deposits, which surged by \$38.8 million, a turnaround from a \$17.1 million contraction last year, while growth in fixed deposits firmed by almost three-fold to \$32.2 million. In addition, the gains in savings deposits slackened to \$18.0 million from \$27.2 million.

With banking liquidity remaining at very elevated levels, the weighted average deposit rate fell by 42 basis points to 1.73%, with the highest rate of 5.00% offered on fixed balances over 12 months. In contrast, the weighted average loan rate expanded by 72 basis points to 11.42%.

First Quarter 2013 vs. 2012

Monetary developments during the first quarter of 2013 featured modest growth in banking sector liquidity, as excess reserves rose by \$22.6 million, outpacing the \$16.6 million increase last year. However, accretions to excess liquid assets accelerated by nearly four-fold to \$123.7 million, reflecting higher short-term lending to the Government.

Heightened demand for foreign currency to facilitate current payments contributed to a contraction in external reserves, by \$19.1 million, a reversal from 2012's \$4.8 million expansion. In the underlying transactions, the Bank's net sale of foreign currency firmed by \$17.4 million to \$22.3 million, as the net intake from commercial banks fell by over 50% to \$39.2 million, following on a similar decline in their net purchase from clients to \$51.0 million. Some offset was provided by a reduction in the Bank's net sale to the public sector, by over one-third, to \$61.5 million.

Reflecting increased short-term borrowings by the Government, accretions to Bahamian dollar credit accelerated over the first three months of 2013, to \$102.1 million from \$65.9 million in the same period last year. The system's net claims on the Government surged by \$157.6 million, surpassing the preceding year's \$58.4 million expansion, and were mainly in the form of Treasury bills and short-term advances. Growth in credit to the rest of the public sector subsided to \$0.5 million from \$20.4 million in 2012. The combination of enhanced borrowing conditions, mild economic growth and elevated unemployment continued to constrain private sector credit, which fell further by \$55.4 million vis-à-vis a decrease of \$12.9 million a year ago. Both consumer and commercial liabilities contracted, by \$23.7 million and \$21.3 million, following smaller declines of \$15.2 million and \$3.7 million, respectively, in 2012. Similarly, mortgages declined by \$10.4 million, in contrast to the \$6.0 million advance in 2012.

Reflecting, in part, seasonal factors, banks' credit quality indicators improved over the review quarter, as total private sector loan arrears decreased by \$33.5 million (2.7%) to \$1,217.0 million, bringing the ratio of arrears to total loans lower by 36 basis points to 19.7%. This outcome was due to the contraction in short-term delinquencies, by \$43.3 million (11.3%) to \$339.7 million, which constituted 5.5% of private sector loans—a decrease of 64 basis points. In contrast, as the average age of loan delinquencies increased, the non-performing component expanded by \$9.7 million (1.1%) to \$877.3 million, for a rise in the relevant loan ratio by 29 basis points to 14.2%.

A further analysis revealed that the improvement in total arrears was due to a \$27.4 million (9.8%) reduction in the consumer component, to \$252.9 million, as both the short-term and non-performing segments decreased by \$19.4 million (19.2%) and \$8.0 million (4.5%), respectively. Further, mortgage delinquencies fell by \$27.0 million (3.9%) to \$672.4 million, reflecting a \$30.6 million (15.2%) decrease in 31-90 day arrears, which outpaced the \$3.6 million (0.7%) increase in non-accrual loans. Conversely, the \$20.9 million (7.7%) growth in commercial arrears to \$291.7 million was the result of a \$6.8 million (8.5%) expansion in the short-term category and a \$14.1 million (7.4%) widening in the non-performing segment.

Despite the decline in loan arrears over the quarter, banks remained cautious and increased their loan loss provisions, by \$27.5 million to \$400.3 million at end-March, resulting in the percentage of provisions to

arrears and nonperforming loans firming, by 3.1 and 2.7 percentage points, to 32.9%, and 45.6%, respectively.

Over the review period, domestic foreign currency credit contracted by \$29.5 million, a turnaround from a similar \$23.2 million increase in 2012. In the underlying movements, private sector claims declined by \$25.5 million, vis-à-vis a \$28.0 million gain last year, as a local utility company reduced its outstanding liabilities. The falloff in credit to the rest of the public sector was slightly lower at \$4.5 million from \$5.0 million in 2012; whereas, the gain in the net claim on the Government was relatively steady at \$0.4 million.

Accretions to Bahamian dollar deposits accelerated to \$94.3 million from \$55.1 million in 2012, as fixed deposits expanded by \$51.1 million to reverse last year's \$3.6 million contraction. Savings deposits were higher by \$27.0 million, slightly above 2012's growth of \$23.8 million. In contrast, the gain in demand deposits was more than halved to \$16.2 million from \$34.9 million.

4. Outlook and Policy Implications

Domestic economic activity is projected to maintain a mildly positive uptrend over the remainder of 2013, supported by expected improvements in the stopover segment of the tourism market, and steady foreign investment-led construction sector activity. However, among the downside risks are the faltering recovery of the United States' economy and the volatility in oil markets. Against this backdrop, gains in employment are likely to remain muted over the near-term, while consumer price inflation should stay broadly benign, although subject to the short-term movements in global oil prices.

Progress in reining in the fiscal deficit and the debt over the near to medium-term will continue to depend, to a large extent, on the level of economic growth, as well as the success of Government's initiatives to increase the revenue intake and curtail expenditures.

In the monetary sector, liquidity is projected to remain elevated, amid the outlook for continued weakness in private demand conditions and a continuation of banks' conservative lending practises. External reserves are forecasted to remain above international benchmarks, although the overall outturn will depend on the balance between domestic foreign currency demand and the economy's ability to generate receipts from real sector activities. As consumers and businesses face continued challenges in meeting financial obligations, private sector loan delinquencies are likely to remain elevated over the near-term. However, banks are anticipated to retain capital levels in excess of the regulatory requirements, thereby mitigating any financial stability concerns.

Recent Monetary and Credit Statistics

(B\$ Millions)

		MARCH					
		Value		Change		Change YTD	
		2012	2013	2012	2013	2012	2013

1.0 LIQUIDITY & FOREIGN ASSETS

1.1 Excess Reserves	451.44	472.64	24.09	150.29	16.58	22.62
1.2 Excess Liquid Assets	933.80	1,095.14	21.77	143.87	36.65	123.66
1.3 External Reserves	896.81	793.00	-6.80	37.10	4.82	-19.10
1.4 Bank's Net Foreign Assets	-588.47	-522.24	-1.51	24.78	20.58	99.55
1.5 Usable Reserves	435.49	310.90	-21.88	-44.63	-3.21	-37.38

2.0 DOMESTIC CREDIT

2.1 Private Sector	6,629.42	6,535.47	-4.65	-8.29	15.05	-80.89
a. B\$ Credit	6,247.24	6,165.04	-3.20	-5.95	-12.91	-55.44
of which: Consumer Credit	2,131.45	2,097.16	-2.48	-6.35	-15.21	-23.68
Mortgages	3,092.59	3,092.62	1.12	-4.91	5.99	-10.44
Commercial and Other Loans B\$	1,023.20	975.25	-1.85	5.31	-3.68	-21.32
b. F/C Credit	382.18	370.43	-1.45	-2.34	27.96	-25.45
of which: Mortgages	131.49	147.46	1.65	1.34	2.34	2.72
Commercial and Other Loans F/C	250.69	222.97	-3.10	-3.68	25.62	-28.17
2.2 Central Government (net)	1,495.64	1,751.39	10.53	37.83	58.65	157.99
a. B\$ Loans & Securities	1,635.34	1,890.59	17.38	53.09	70.99	173.85
Less Deposits	138.24	138.38	6.41	15.67	12.61	16.26
b. F/C Loans & Securities	0.00	0.00	0.00	-0.00	0.00	0.00
Less Deposits	1.46	0.82	0.44	-0.42	-0.27	-0.40
2.3 Rest of Public Sector	422.96	403.13	6.55	4.65	15.40	-3.92
a. B\$ Credit	123.82	119.38	7.35	5.33	20.39	0.53
b. F/C Credit	299.14	283.75	-0.80	-0.68	-4.99	-4.45
2.4 Total Domestic Credit	8,548.10	8,689.99	12.46	34.18	89.17	72.62
a. B\$ Domestic Credit	7,868.23	8,036.63	15.15	36.79	65.94	102.12
b. F/C Domestic Credit	679.86	653.36	-2.69	-2.61	23.23	-29.50

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,270.22	1,374.12	-17.05	38.75	34.91	16.16
a. Central Bank	14.94	11.35	4.70	-3.35	6.72	-0.73
b. Banks	1,255.28	1,362.78	-21.75	42.10	28.19	16.90
3.2 Savings Deposits	1,089.86	1,094.63	27.15	18.03	23.84	26.96
3.3 Fixed Deposits	3,603.19	3,473.33	10.57	32.21	-3.61	51.13
3.4 Total B\$ Deposits	5,963.26	5,942.09	20.67	88.98	55.14	94.25
3.5 F/C Deposits of Residents	234.16	276.02	-7.33	11.27	41.29	52.87
3.6 M2	6,150.83	6,146.51	29.17	94.28	44.41	93.52
3.7 External Reserves/M2 (%)	14.58	12.90	-0.18	0.41	-0.03	-0.51
3.8 Reserves/Base Money (%)	100.69	85.63	-4.69	-12.54	-0.20	-4.31
3.9 External Reserves/Demand Liabilities (%)	97.20	82.24	-4.05	-12.16	-1.19	-5.30
	Value		Year to Date		Change	
	2012	2013	2012	2013	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

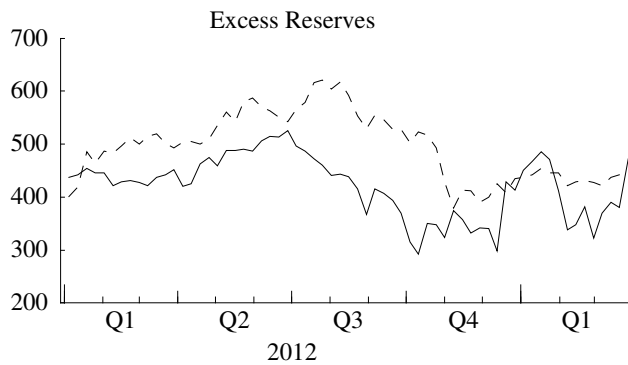
4.1 Central Bank Net Purchase/(Sale)	-12.35	36.80	-4.86	-22.29	49.14	-17.42
a. Net Purchase/(Sale) from/to Banks	35.42	56.37	91.88	39.21	20.95	-52.67
i. Sales to Banks	4.93	0.10	19.25	79.88	-4.83	60.62
ii. Purchases from Banks	40.35	56.47	111.13	119.09	16.12	7.96
b. Net Purchase/(Sale) from/to Others	-47.77	-19.57	-96.74	-61.50	28.20	35.25
i. Sales to Others	70.06	51.71	177.19	135.24	-18.35	-41.96
ii. Purchases from Others	22.29	32.14	80.45	73.74	9.85	-6.71
4.2 Banks Net Purchase/(Sale)	42.71	68.03	100.65	50.99	25.31	-49.66
a. Sales to Customers	253.92	272.63	856.29	898.62	18.72	42.33
b. Purchases from Customers	296.63	340.66	956.94	949.61	44.03	-7.33
4.3 B\$ Position (change)	-11.42	-21.40				

5.0 EXCHANGE CONTROL SALES

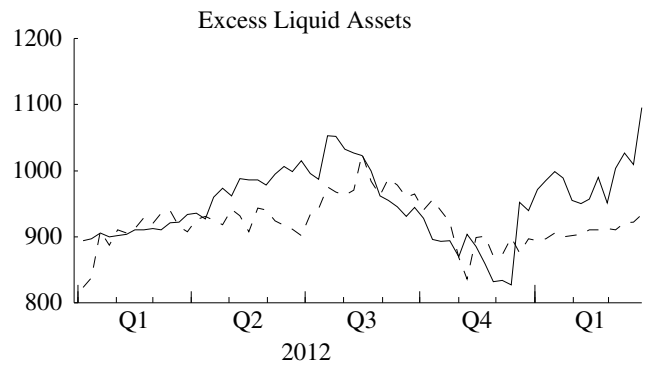
5.1 Current Items	266.14	ND	713.00	ND	ND	ND
of which Public Sector	1.80	ND	2.82	ND	ND	ND
a. Nonoil Imports	120.33	ND	329.55	ND	ND	ND
b. Oil Imports	35.08	ND	99.53	ND	ND	ND
c. Travel	16.69	ND	43.58	ND	ND	ND
d. Factor Income	17.43	ND	20.02	ND	ND	ND
e. Transfers	5.86	ND	19.08	ND	ND	ND
f. Other Current Items	70.76	ND	201.24	ND	ND	ND
5.2 Capital Items	3.41	ND	18.57	ND	ND	ND
of which Public Sector	1.08	ND	4.89	ND	ND	ND
5.3 Bank Remittances	0.00	ND	0.00	ND	ND	ND

SELECTED MONEY AND CREDIT INDICATORS

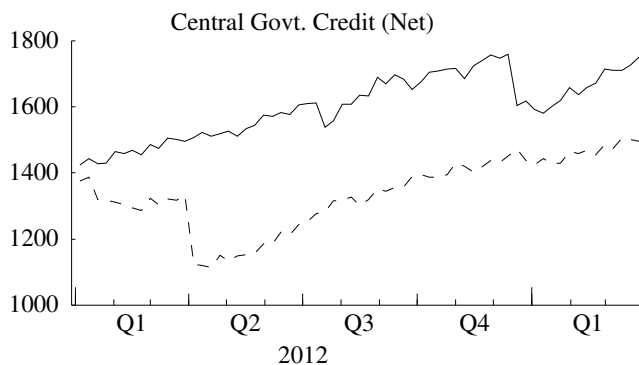
(B\$ Millions)



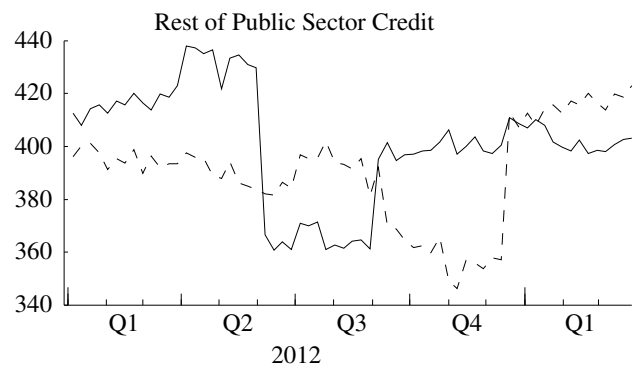
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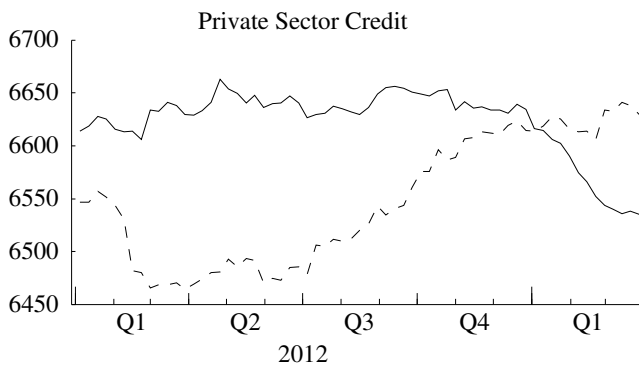
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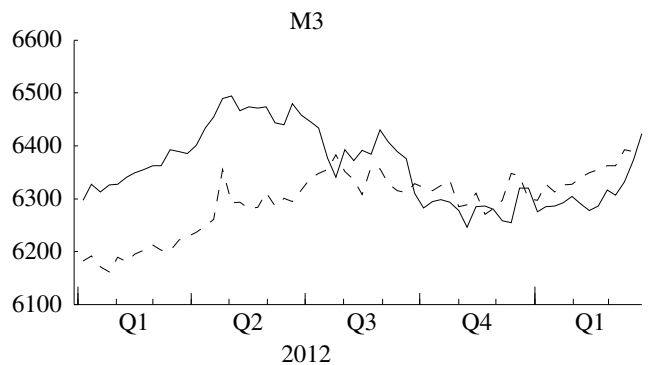
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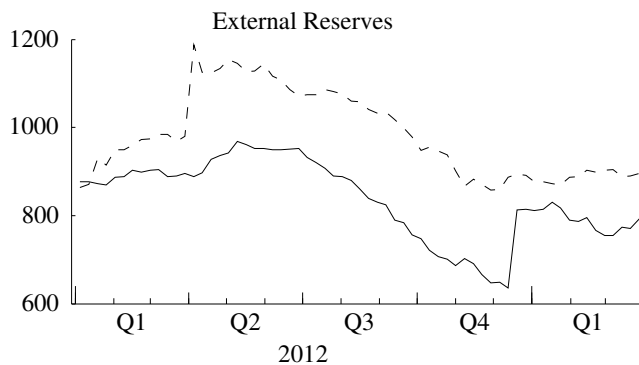
— 2013
- - - 2012



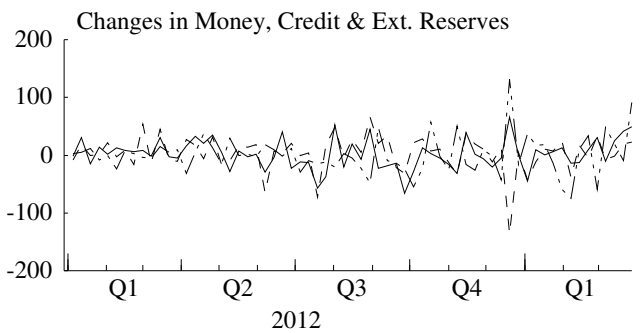
— 2013
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— 2013
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— 2013
- - - 2012



— M3
- - - Domestic Credit
- · - · External Reserves

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2012	2013	2012	2013	2012	2013
Bahamas	2.5	2.7	2.3	2.0	14.0	N/A
United States	2.2	1.9	2.1	1.8	8.1	7.7
Euro-Area	-0.6	-0.3	2.5	1.7	11.4	12.3
<i>Germany</i>	<i>0.9</i>	<i>0.6</i>	<i>2.1</i>	<i>1.6</i>	<i>5.5</i>	<i>5.7</i>
Japan	2.0	1.6	0.0	0.1	4.4	4.1
China	7.8	8.0	2.6	3.0	4.1	4.1
United Kingdom	0.2	0.7	2.8	2.7	8.0	7.8
Canada	1.8	1.5	1.5	1.5	7.3	7.3
<i>Source: IMF World Economic Outlook April 2013, Department of Statistics</i>						

B: Official Interest Rates – Selected Countries (%)					
<i>With effect</i> <i>from</i>	CBOB	ECB (EU)	Federal Reserve (US)		Bank of England
	Bank Rate	Refinancing Rate	Primary Credit Rate	Target Funds Rate	Repo Rate
March 2011	5.25	1.00	0.75	0-0.25	0.50
April 2011	5.25	1.25	0.75	0-0.25	0.50
May 2011	5.25	1.25	0.75	0-0.25	0.50
June 2011	4.50	1.25	0.75	0-0.25	0.50
July 2011	4.50	1.50	0.75	0-0.25	0.50
August 2011	4.50	1.50	0.75	0-0.25	0.50
September 2011	4.50	1.50	0.75	0-0.25	0.50
October 2011	4.50	1.50	0.75	0-0.25	0.50
November 2011	4.50	1.25	0.75	0-0.25	0.50
December 2011	4.50	1.00	0.75	0-0.25	0.50
January 2012	4.50	1.00	0.75	0-0.25	0.50
February 2012	4.50	1.00	0.75	0-0.25	0.50
March 2012	4.50	1.00	0.75	0-0.25	0.50
April 2012	4.50	1.00	0.75	0-0.25	0.50
May 2012	4.50	1.00	0.75	0-0.25	0.50
June 2012	4.50	1.00	0.75	0-0.25	0.50
July 2012	4.50	0.75	0.75	0-0.25	0.50
August 2012	4.50	0.75	0.75	0-0.25	0.50
September 2012	4.50	0.75	0.75	0-0.25	0.50
October 2012	4.50	0.75	0.75	0-0.25	0.50
November 2012	4.50	0.75	0.75	0-0.25	0.50
December 2012	4.50	0.75	0.75	0-0.25	0.50
January 2013	4.50	0.75	0.75	0-0.25	0.50
February 2013	4.50	0.75	0.75	0-0.25	0.50
March 2013	4.50	0.75	0.75	0-0.25	0.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Mar-12	Feb-13	Mar-13	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7494	0.7659	0.7800	1.84	2.90	4.09
Yen	82.87	92.56	94.21	1.78	8.60	13.68
Pound	0.6246	0.6595	0.6579	-0.23	6.90	5.34
Canadian \$	0.9985	1.0307	1.0176	-1.27	2.56	1.91
Swiss Franc	0.9024	0.9367	0.9493	1.35	3.68	5.20
Renminbi	6.2945	6.2211	6.2108	-0.17	-0.33	-1.33

Source: Bloomberg as of March 31, 2013

D. Selected Commodity Prices (\$)					
Commodity	March 2012	February 2013	March 2013	Mthly % Change	YTD % Change
Gold / Ounce	1668.15	1579.61	1598.75	1.21	-4.57
Silver / Ounce	32.24	28.54	28.46	-0.29	-6.21
Oil / Barrel	123.67	112.72	109.51	-2.85	-1.00

Source: Bloomberg as of March 31, 2013

E. Equity Market Valuations – March 31, 2013 (%chg)								
	BISX	DJIA	S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225	SE
1 month	0.92	3.73	3.60	0.80	0.23	0.69	7.25	-5.45
3 month	3.24	11.25	10.03	8.71	2.48	2.40	19.27	-1.43
YTD	3.24	11.25	10.03	8.71	2.48	2.40	19.27	-1.43
12-month	6.19	10.34	12.85	11.15	8.98	12.21	22.95	-1.16

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	0.20	0.48	0.04
1 Month	0.19	0.45	0.09
3 Month	0.28	0.48	0.11
6 Month	0.40	0.56	0.20
9 Month	0.55	0.68	0.36
1 year	0.70	0.83	0.47

Source: Bloomberg as of March 31, 2013

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE										CHANGE									
	Feb. 06	Feb. 13	Feb. 20	Feb. 27	Mar. 06	Mar. 13	Mar. 20	Mar. 27	Feb. 06	Feb. 13	Feb. 20	Feb. 27	Mar. 06	Mar. 13	Mar. 20	Mar. 27				
I. External Reserves	786.90	796.53	767.05	755.90	755.79	774.96	770.74	793.00	-3.06	9.63	-29.48	-11.15	-0.11	19.17	-4.23	22.27				
II. Net Domestic Assets (A + B + C + D)	-199.94	-199.42	-136.19	-184.70	-136.37	-135.70	-140.47	-71.01	-70.54	0.51	63.24	-48.51	48.33	0.67	-4.77	69.46				
A. Net Credit to Gov't (i + ii + iii - iv)	297.88	300.10	355.52	324.91	369.94	363.70	364.14	438.82	-68.69	2.22	55.43	-30.61	45.03	-6.24	0.44	74.68				
i) Advances	105.66	105.66	105.66	105.66	105.66	105.66	105.66	105.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
ii) Registered Stock	168.80	168.71	168.72	168.73	168.53	168.55	168.60	168.04	-0.18	-0.10	0.02	0.01	-0.20	0.02	0.05	-0.56				
iii) Treasury Bills	37.01	37.01	91.97	61.98	106.99	106.99	106.99	186.96	-68.18	0.00	54.96	-29.99	45.01	0.00	0.00	79.97				
iv) Deposits	13.59	11.27	10.83	11.46	11.24	17.50	17.11	21.83	0.33	-2.31	-0.45	0.63	-0.22	6.26	-0.39	4.72				
B. Rest of Public Sector (Net) (i + ii - iii)	-7.99	-12.47	-2.92	-9.95	-14.67	-14.04	-16.42	-6.60	-7.31	-4.48	9.55	-7.03	-4.72	0.63	-2.39	9.83				
i) BDB Loans	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
iii) Deposits	12.74	17.22	7.67	14.70	19.42	18.79	21.17	11.35	7.31	4.48	-9.55	7.03	4.72	-0.63	2.39	-9.83				
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
D. Other Items (Net)*	-489.83	-487.05	-488.79	-499.66	-491.64	-485.36	-488.18	-503.23	5.46	2.78	-1.74	-10.87	8.02	6.28	-2.82	-15.05				
III. Monetary Base	586.96	597.10	630.86	571.20	619.42	639.27	630.27	721.99	-73.60	10.15	33.76	-59.66	48.22	19.84	-9.00	91.73				
A. Currency in Circulation	103.46	101.84	99.94	95.15	100.27	108.15	98.99	102.49	6.31	-1.62	-1.90	-4.79	5.12	7.88	-9.15	3.50				
B. Bank Balances with CBOB	483.49	495.27	530.92	476.05	519.16	531.12	531.28	619.50	-79.91	11.77	35.66	-54.87	43.10	11.96	0.15	88.23				

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

FISCAL/REAL SECTOR INDICATORS

(\$5 MILLIONS)

(% change represents current month from previous month)

Fiscal Operations	JUL		AUG		SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR		MAY		JUN		YEAR TO DATE				
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013			
1. Government Revenue & Grants	94.9	107.3	93.4	97.1	96.3	92.5	82.0	94.6	122.1	117.5	228.1	155.8	121.2	123.1	117.5	100.1	958.4	888.0											
% change	-42.4%	-8.8%	-1.6%	-5.5%	3.1%	-4.7%	-14.8%	2.3%	48.9%	24.1%	86.8%	32.5%	-46.8%	-2.1%	-3.0%	-18.6%												72.2%	
2. Import/Excise Duties	44.0	50.4	44.9	48.2	54.8	47.8	43.3	50.4	53.7	48.7	135.2	45.8	48.2	51.8	54.8	45.1	478.9	388.2											37.3%
% change	-56.7%	-3.1%	2.6%	-4.3%	22.0%	-0.8%	-20.8%	5.5%	23.9%	-3.4%	151.6%	-5.9%	-64.3%	13.2%	13.7%	-13.0%													-18.9%
3. Recurrent Expenditure	111.4	117.4	110.3	123.8	123.8	128.7	124.9	126.8	133.0	130.5	108.5	122.3	128.7	143.4	118.8	111.4	958.5	1004.0											4.6%
% change	-49.8%	-45.9%	-0.9%	5.2%	12.2%	4.1%	0.8%	-1.4%	6.5%	2.9%	-18.4%	-6.2%	18.6%	17.2%	-7.6%	-22.3%													
4. Capital Expenditure	3.7	13.8	12.2	25.3	9.8	23.2	18.3	8.3	16.5	14.5	39.3	30.1	14.9	23.7	12.7	21.9	127.4	160.7											28.8%
% change	-92.3%	-72.2%	22.4%	83.2%	-19.6%	-8.2%	87.5%	-64.2%	-9.8%	75.1%	137.7%	108.1%	-62.1%	-2.1%	-14.7%	-7.6%													26.1%
5. Deficit/Surplus*	-20.8	-24.5	-33.8	-57.1	-40.3	-62.7	-68.9	-49.1	13.2	-30.9	-12.7	-45.3	-25.0	-47.0	-20.4	-33.9	-208.7	-380.5											-3.7%
% change	-84.4%	-84.1%	62.8%	133.4%	19.1%	9.9%	71.0%	-21.7%	-119.1%	-37.0%	-196.3%	-46.3%	96.0%	3.9%	-18.3%	-28.0%													

SEP

Debt, \$B	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		OCT		NOV		DEC		YEAR TO DATE						
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013					
6. Total Debt	3,804.5	4,364.5	3,815.0	4,409.6	3,854.0	4,526.2																							
% change	0.0%	-0.7%	0.3%	1.0%	1.0%	2.6%																							
7. External Debt	788.4	1,037.2	809.0	1,042.2	807.9	1,048.9																							
% change	0.0%	0.0%	1.3%	0.5%	-0.1%	0.6%																							
8. Internal F/C Debt	0.0	0.0	0.0	0.0	0.0	0.0																							
% change																													
9. Bahamian Dollar Debt	3,006.1	3,327.3	3,006.1	3,367.3	3,046.1	3,477.3																							
% change	0.0%	-0.9%	0.0%	1.2%	1.3%	3.3%																							
10. Total Amortization	0.3	30.2	0.0	10.0	1.1	21.1																							
% change	2766.2%	-58.2%		-66.9%		110.8%																							
11. Total Public Sector F/C Debt	1,450.1	1,866.9	1,460.6	1,873.2	1,473.8	1,876.4																							
% change	-0.2%	0.2%	0.7%	0.3%	0.9%	0.2%																							

* Includes Net Lending to Public Corporations

** Debt figures pertain to central government only unless otherwise indicated
p - provisional