



Monthly Economic and Financial Developments December 2007

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:

2008: March 3rd, March 31st, April 28th, June 2nd, July 28th, September 1st, November 3rd, December 1st, December 23rd

1. Domestic Economic Developments

Initial data for the month of December suggest a slowing in the pace of economic activity, as signs of weakness in the tourism and construction sectors offset growth in consumer demand. Monetary developments featured an expansion in external reserves and a moderation in the contraction in liquidity, consequent on the receipt of proceeds from Government's short-term foreign currency borrowings.

The latest information for the tourism sector, showed that total visitor arrivals fell by 3.8% (0.18 million) to 4.14 million over the eleven month period, reflecting contractions in the main air and sea components by 1.7% and 4.8%, respectively. In terms of the major markets, broad-based declines were noted for visitors to New Providence (1.3%), Grand Bahama (6.8%) and the Family Islands (7.4%).

Consumer price inflation for 2007 firmed to 2.5% from 1.8% last year. The main increases were registered for furniture & household operations (5.26%), recreation entertainment & services (3.78%), transport & communication (3.72%), food & beverages (3.59%) and medical & health care (3.01%). Average price gains of less than 3.0% were recorded for the remaining categories.

2. International Developments

The most recent economic indicators reveal that the deterioration in the US housing market and the credit crisis facing the world community moderated global output in the fourth quarter and reduced consumer and business confidence. In an attempt to address the risks facing their individual economies, several major central banks lowered their key interest rates and injected liquidity into the banking system.

Growth in US economic activity slowed significantly in the fourth quarter, as a decline in inventory investment, combined with slower expansions in exports, personal consumption expenditure and government spending, resulted in real GDP firming by a mere 0.6% compared to a 4.9% advance in the previous three-month period. In addition, the residential housing sector experienced a severe downturn in 2007, with the number of housing starts and building permits issued falling by 24.8% and 25.2% to 1.35 million and 1.38 million units, respectively. On the external sector, the goods and services trade deficit deteriorated by \$5.3 billion to \$63.1 billion in November. Retail sales softened by 0.4% in December compared to the previous month, while inflation advanced at an annualized 4.1% in 2007, buoyed by rising costs for fuel and food items. In December, due in part to the loss of jobs in the goods producing sector, the unemployment rate increased to 5.0% following a relatively stable level of 4.7% noted over each of the previous three-months. Given this backdrop, the Federal Reserve reduced its primary Federal Funds and Discount rates by 25 basis points each to 4.25% and 4.75%, respectively. Additionally, the central bank conducted two auctions under the Term Auction Facility (TAF) during the review month, which injected a total of \$40.0 billion into the domestic banking system.

China's economy continued along a path of export fuelled growth, with third quarter annualized GDP firming by 11.5%, slightly lower than the 11.9% advance in the previous quarter. During the year, the trade surplus increased by 48% to \$262.2 billion, buoyed by a 25.7% increase in exports to \$1.2 trillion. As a result of increased foreign currency receipts from exports and foreign

investments, external reserves grew by 43% to \$1.5 trillion; while the money supply (M2) expanded by 16.7%. In an attempt to tame domestic prices, which surged by 6% in November, the People's Bank of China raised its benchmark deposit and loan rates by 0.27 and 0.18 percentage points to 4.14% and 7.47%, respectively.

Preliminary estimates indicate that Japan's economy registered annualized growth of 2.0% in 2007, 0.2 percentage points lower than the previous year, as weakness in the US economy affected the export sector. Likewise, preliminary data suggests that industrial production fell by 1.6% in November from a 1.7% improvement a month earlier; while the current account surplus declined by 20.0% on a monthly basis due to a narrowing in the trade surplus and lower net income inflows. Despite signs of moderation in economic growth, the unemployment rate fell by 0.2 percentage points to 3.8%. Moreover, with average consumer prices contracting by 0.2% during the month, the Bank of Japan held its key uncollateralized overnight call rate unchanged at 0.5%.

In the UK, GDP advanced by 0.7% in the third quarter, compared to growth of 0.8% in the previous three-month period. In the external sector, the goods and services deficit increased by £0.1 billion to £4.4 billion in November, due to a decline in the service account surplus. The unemployment rate fell marginally by 0.1 percentage points to 5.3% over the quarter. On a monthly basis, consumer prices rose by 2.1% in December, due in large measure to higher costs for energy and food. With concerns over the deterioration in the financial market and constrained credit conditions, the Bank of England reduced its key bank rate by 25 basis points to 5.5%, the first change in policy in seven months.

Revised GDP figures for the Euro area suggest that annualized third quarter GDP increased by 2.7% in 2007, compared to growth of 2.6% in the previous quarter. In external account developments, the trade surplus in November narrowed to €2.6 billion vis-à-vis €5.4 billion a month earlier. The unemployment rate remained stable at 7.2% on a monthly basis; while consumer prices firmed by 3.1% over the year. Despite the inflation rate being well above the European Central Bank's (ECB) 2% target, the bank left the marginal lending and deposit facility rates unchanged at 5.0% and 3.0%, respectively. Additionally, the ECB, in coordination with other major central banks, announced its intention to provide approximately \$20 billion in funding to Euro area banks, in an effort to relieve the liquidity shortage.

Amid several adverse developments, including supply disruptions within oil exporting countries, and reduced stockpiles in major economies, oil prices surged to unprecedented levels in December. Average prices rose on a monthly basis by 3.9% to \$94.92 per barrel; however, in comparison to the previous year, prices advanced by approximately 56.1%. With the uncertainty in the financial markets, investors appeared to increase their holdings of relatively safe assets. Consequently, commodity prices trended higher during the month, as the price of gold moved up by 6.4% to \$833.92 per troy ounce and silver prices firmed by 5.6% at \$14.80 per troy ounce.

Occasioned by widespread volatility across all of the major markets as the US economy showed signs of easing and global credit conditions tightened, the majority of equity indices declined in December. The United States Dow Jones Industrial Average and S&P 500 moved lower by 0.8% to 3,264.82 points and 1.1% to 1477.20 points, respectively; while in Japan, the Nikkei 225 fell by 2.4% to 15,307.78. With respect to the European measures, the CAC 40 moderated by 1.0% to 5,614.08 points; however, the FTSE 100 & DAX indices moved higher by 0.4% to 6,456.90 points

and 2.5% to 8,067.32 points, respectively. China's SSE Composite (formerly called Shanghai Composite) recorded the largest gain of 8.0% to close at 5,261.56 points.

3. Domestic Monetary Trends

Monetary and credit trends for the month of December revealed some tightening in liquidity conditions, amid firming in both Government and private sector credit, while proceeds from Government's US\$20 million short-term credit facility provided for a modest expansion in external reserves. For the year, moderated credit growth, in the context of strong foreign investment inflows resulted in a robust build-up in deposits and improvements in both liquidity and external reserve levels¹.

December 2007 vs. 2006

During the month of December, excess reserves contracted by \$17.7 million vis-à-vis a decline of \$28.7 million in 2006. Similarly, excess liquid assets decreased by \$24.8 million, after falling by \$42.8 million a year earlier.

The gain in external reserves advanced to \$7.5 million from \$3.3 million in 2006 and was reflected in the Central Bank's higher net foreign currency purchase of \$5.5 million vis-à-vis \$2.1 million a year earlier. Specifically, the Bank made a net purchase from commercial banks of \$9.6 million, a reversal from a net sale of \$0.97 million in 2006, and sold a net of \$4.0 million to the public sector, which also contrasted with last year's \$3.1 million net purchase. Commercial banks' net purchase from customers rose more than three-fold to \$18.1 million.

Bahamian dollar credit growth receded by almost half to \$34.2 million, as Government utilized the proceeds from short-term borrowings to reduce its domestic obligations by \$24 million compared to an expansion of \$10.0 million a year earlier. In addition, credit to the rest of the public sector contracted by \$7.1 million vis-à-vis an expansion of \$4.3 million in 2006. Accretions to private sector credit, however, firmed by 29.7% to \$66.3 million, as growth in consumer credit and mortgages accelerated by \$6.8 million and \$7.2 million to \$31.3 million and \$32.5 million, respectively.

Foreign currency credit grew by \$36.6 million in contrast to a net repayment of \$7.1 million and was led by a \$21.5 million hike in claims on the Government, which was due mainly to the US\$20 million credit facility. Private sector credit also expanded by \$17.6 million, following the previous year's downturn of \$6.2 million, whereas, credit to the rest of the public sector contracted by \$2.5 million, to reverse growth of \$13.7 million in 2006.

The expansion in Bahamian dollar deposits strengthened to \$43.8 million from \$22.3 million in 2006, as increases in demand (\$29.4 million) and fixed deposits (\$25.1 million) outpaced respective gains of \$10.5 million and \$20.6 million posted a year ago. In contrast, saving deposits declined further by \$10.7 million behind 2006's \$8.8 million drop.

¹ The Central Bank's monthly monetary releases are prepared using weekly data (week-ending Wednesday) from banks. For 2007, the week-ending data for December included two days in 2008.

For December, the weighted average deposit rate rose by 12 basis points to 3.92%, with the highest rate registered at 7.00% for fixed maturities over 12 months; while the weighted average loan rate fell by 43 basis points to 10.38%.

January - December 2007

Liquidity conditions were relatively buoyant throughout 2007. For the year, banks' excess reserves grew by \$105.5 million, a turnaround from the \$59.2 million contraction registered in 2006. Similarly, the broader liquidity measure, excess liquid assets, expanded by \$145.4 million, recovering from the \$103.0 million contraction a year earlier.

Based on the weekly data utilized, external reserves firmed marginally by \$2.9 million during the year, in contrast to a \$131.0 million weakening in 2006. Reflective of this outturn, the Central Bank's net purchase of foreign currency from commercial banks increased more than four-fold to \$190.6 million; being supported out of the latter's net purchase from customers, which more than tripled to \$192.7 million. However, net sales to the public sector advanced by \$11.7 million to \$209.7 million, due in part to higher outlays for fuel.

Bahamian dollar credit growth abated by 4.1 percentage points to 10.5% (\$626.0 million), as accretions to private sector credit eased to 10.2% compared to a 15.6% advance a year earlier. This outturn mainly reflected moderations in consumer credit and mortgage growth by \$21.2 million to \$215.4 million and \$33.9 million to \$300.0 million, respectively. Net claims on the public corporations fell by \$68.7 million, in contrast to the \$33.5 million expansion in 2006; however increased net lending from the Central Bank facilitated an almost six-fold hike in net claims on the Government to \$170.1 million from \$28.8 million in 2006, as banks liquidated Treasury bills to support their lending activities and cash requirements.

The expansion in foreign currency credit at \$20.1 million was less than a third of the previous year's increase of \$64.2 million. This movement was largely attributed to the \$25.8 million contraction in credit to the public corporations, which reversed the \$27.0 million gain registered last year. For the private sector, credit growth slackened to \$27.0 million from \$32.5 million a year earlier, which contrasted with a \$13.3 million firming in accretions to net credit to Government to \$18.9 million.

Gains in Bahamian dollar deposits accelerated by \$134.1 million to \$427.1 million, led by strong firming in the higher yielding fixed deposits, by \$170.7 million to \$374.6 million. However, saving and demand deposit growth moderated by \$27.2 million and \$9.3 million to \$40.6 million and \$11.8 million, respectively.

4. Outlook

Moving into 2008, the economic prospects continue to be on balance, positive, despite persistently high oil prices and the continuing risks of a prolonged slowdown in the US economy, and its potentially negative impact on both domestic tourism and real estate markets in the medium term.

Recent Monetary and Credit Statistics

(B\$ Millions)

	DECEMBER					
	Value		Change		Change YTD	
	2006	2007	2006	2007	2006	2007
1.0 LIQUIDITY & FOREIGN ASSETS						
1.1 Excess Reserves	136.16	241.69	-28.66	-17.71	-59.21	105.53
1.2 Excess Liquid Assets	9.44	154.84	-42.79	-24.83	-103.01	145.41
1.3 External Reserves	451.91	454.80	3.33	7.50	-131.02	2.90
1.4 Bank's Net Foreign Assets	-632.39	-678.45	20.41	-34.67	-62.47	-46.06
1.5 Usable Reserves	158.71	104.49	6.33	3.32	-101.42	-54.22

2.0 DOMESTIC CREDIT

2.1 Private Sector	5,648.03	6,199.55	44.95	83.89	730.17	551.52
a. B\$ Credit	5,153.58	5,678.14	51.13	66.30	697.64	524.56
of which: Consumer Credit	1,886.35	2,101.71	24.53	31.30	236.52	215.36
Mortgages	2,240.27	2,540.23	25.28	32.48	333.88	299.95
b. F/C Credit	494.45	521.41	-6.19	17.59	32.53	26.96
of which: Mortgages	31.33	54.02	1.22	4.31	19.04	22.70
2.2 Central Government (net)	668.04	857.03	-4.64	-3.44	33.43	188.99
a. B\$ Loans & Securities	789.21	963.60	5.09	-7.58	38.30	174.39
Less Deposits	123.85	128.17	-4.89	17.37	9.48	4.32
b. F/C Loans & Securities	4.97	23.16	-14.90	19.84	4.97	18.19
Less Deposits	2.30	1.56	-0.29	-1.66	0.35	-0.73
2.3 Rest of Public Sector	373.68	279.19	17.92	-9.62	60.49	-94.49
a. B\$ Credit	131.77	63.09	4.26	-7.14	33.47	-68.68
b. F/C Credit	241.91	216.10	13.66	-2.48	27.02	-25.81
2.4 Total Domestic Credit	6,689.75	7,335.77	58.23	70.83	824.10	646.02
a. B\$ Domestic Credit	5,950.71	6,576.67	65.37	34.22	759.93	625.95
b. F/C Domestic Credit	739.04	759.11	-7.14	36.61	64.17	20.07

3.0 DEPOSIT BASE

3.1 Demand Deposits	1,076.76	1,088.58	10.47	29.41	21.14	11.82
a. Central Bank	17.22	9.82	1.14	3.28	-12.65	-7.40
b. Banks	1,059.54	1,078.76	9.33	26.13	33.79	19.22
3.2 Savings Deposits	950.71	991.35	-8.76	-10.74	67.82	40.64
3.3 Fixed Deposits	2,780.95	3,155.53	20.61	25.09	203.91	374.59
3.4 Total B\$ Deposits	4,808.42	5,235.47	22.31	43.76	292.87	427.05
3.5 F/C Deposits of Residents	180.92	199.68	23.04	-7.47	31.23	18.76
3.6 M2	5,033.58	5,448.55	51.03	56.59	312.56	414.97
3.7 External Reserves/M2 (%)	8.98	8.35	-0.03	0.05	-3.37	-0.63
3.8 External Reserves/Base Money (%)	80.39	67.57	0.59	1.43	-18.70	-12.82

	Value		Year to Date		Change	
	2006	2007	2006	2007	Month	YTD

4.0 FOREIGN EXCHANGE TRANSACTIONS

4.1 Central Bank Net Purchase/(Sale)	2.10	5.53	-152.14	-19.15	3.44	133.00
a. Net Purchase/(Sale) from/to Banks	-0.97	9.57	45.92	190.59	10.54	144.68
i. Sales to Banks	12.14	17.21	319.37	283.61	5.07	-35.76
ii. Purchases from Banks	11.17	26.78	365.29	474.20	15.60	108.92
b. Net Purchase/(Sale) from/to Others	3.06	-4.03	-198.06	-209.74	-7.10	-11.68
i. Sales to Others	28.38	56.64	432.29	505.31	28.26	73.03
ii. Purchases from Others	31.45	52.60	234.23	295.57	21.16	61.35
4.2 Banks Net Purchase/(Sale)	5.22	18.07	51.90	192.73	12.85	140.83
a. Sales to Customers	264.15	333.72	3,286.99	3,570.27	69.57	283.29
b. Purchases from Customers	269.37	351.79	3,338.89	3,763.01	82.42	424.12
4.3 B\$ Position (change)	1.96	-2.71				

5.0 EXCHANGE CONTROL SALES

5.1 Current Items	231.24	ND	3,413.80	ND	ND	ND
of which Public Sector	60.49	ND	543.36	ND	ND	ND
a. Nonoil Imports	81.75	ND	1,405.23	ND	ND	ND
b. Oil Imports	33.52	ND	522.18	ND	ND	ND
c. Travel	25.27	ND	273.16	ND	ND	ND
d. Factor Income	4.25	ND	137.28	ND	ND	ND
e. Transfers	5.21	ND	77.33	ND	ND	ND
f. Other Current Items	81.24	ND	998.63	ND	ND	ND
5.2 Capital Items	7.64	ND	175.31	ND	ND	ND
of which Public Sector	4.75	ND	33.64	ND	ND	ND
5.3 Bank Remittances	0.00	ND	48.60	ND	ND	ND

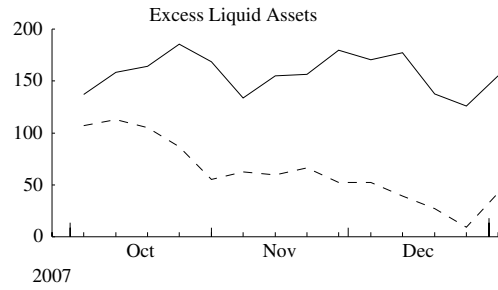
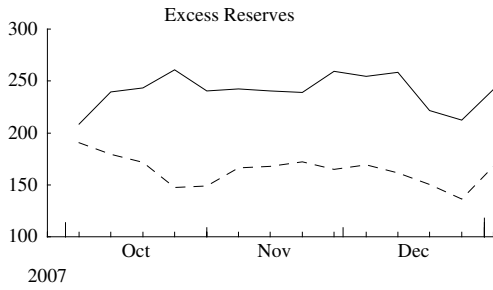
Sources: Research Department Weekly Brief Database and Banking Brief for the weeks ending: DECEMBER 27, 2006 and JANUARY 02, 2008

Exchange Control Sales figures are as at month end.

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

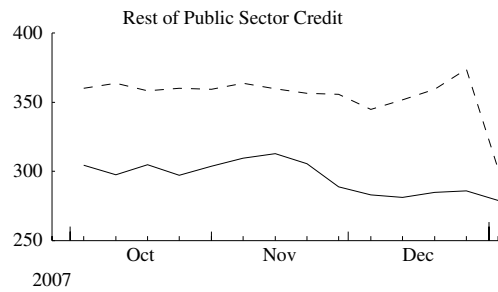
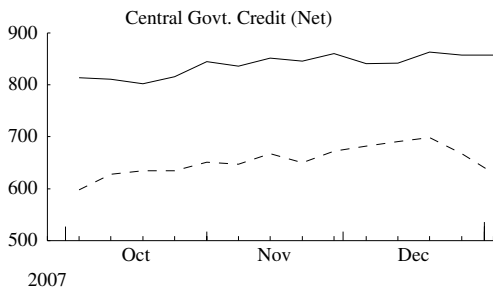
Components may not sum to totals due to round-off error.

SELECTED MONEY AND CREDIT INDICATORS (B\$ Millions)



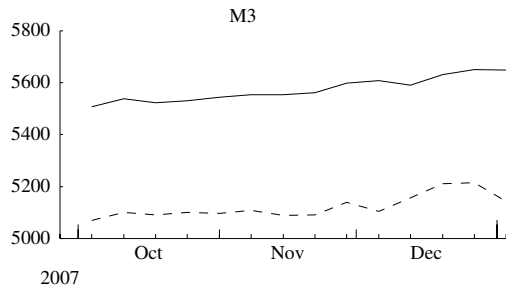
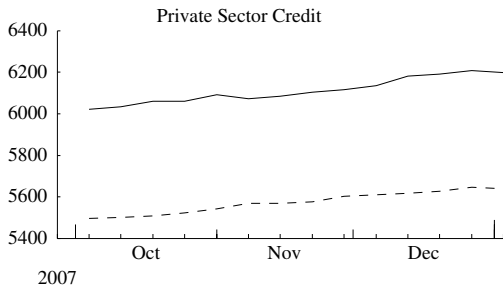
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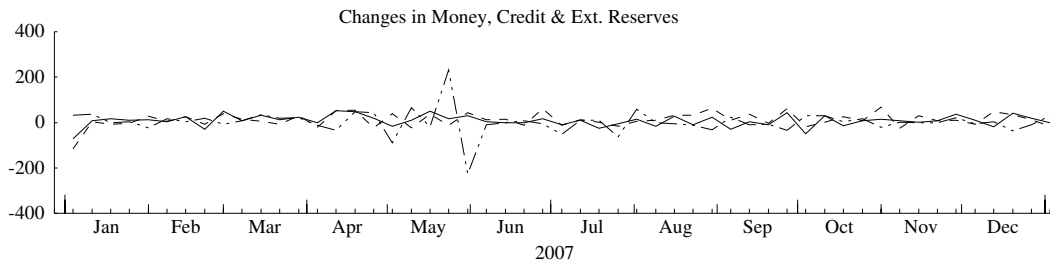
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Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2006	2007	2006	2007	2006	2007
Bahamas	4.0	4.5	1.9	1.9	7.6	n/a
United States	2.9	1.9	3.2	2.7	4.6	4.7
Euro-Area	2.8	2.5	2.2	2.0	7.8	6.9
<i>Germany</i>	<i>2.9</i>	<i>2.4</i>	<i>1.8</i>	<i>2.1</i>	<i>8.1</i>	<i>6.5</i>
Japan	2.2	2.0	0.3	--	4.1	4.0
United Kingdom	2.8	3.1	2.3	2.4	5.4	5.4
Canada	2.8	2.5	2.0	2.2	6.3	6.1

Sources: IMF World Economic Outlook, October 2007 & The Bahamas Department of Statistics.

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
August 2006	5.25	3.00	6.25	5.25	4.75
September 2006	5.25	3.00	6.25	5.25	4.75
October 2006	5.25	3.25	6.25	5.25	4.75
November 2006	5.25	3.25	6.25	5.25	5.00
December 2006	5.25	3.50	6.25	5.25	5.00
January 2007	5.25	3.50	6.25	5.25	5.25
February 2007	5.25	3.50	6.25	5.25	5.25
March 2007	5.25	3.75	6.25	5.25	5.25
April 2007	5.25	3.75	6.25	5.25	5.25
May 2007	5.25	3.75	6.25	5.25	5.50
June 2007	5.25	4.00	6.25	5.25	5.50
July 2007	5.25	4.00	6.25	5.25	5.75
August 2007	5.25	4.00	5.75	5.25	5.75
September 2007	5.25	4.00	5.25	4.75	5.75
October 2007	5.25	4.00	5.00	4.50	5.75
November 2007	5.25	4.00	5.00	4.50	5.75
December 2007	5.25	4.00	4.75	4.25	5.50

Selected International Statistics

C. Selected Currencies (Per United States Dollars)						
Currency	Dec-06	Nov-07	Dec-07	Mthly % Change	YTD % Change	12-Mth% Change
Euro	0.7576	0.6834	0.6854	0.3	-9.5	-9.5
Yen	119.07	111.23	111.71	0.4	-6.2	-6.2
Pound	0.5105	0.4863	0.5038	3.6	-1.3	-1.3
Canadian \$	1.1659	0.9985	0.9984	0.0	-14.4	-14.4
Swiss Franc	1.2190	1.1318	1.1335	0.2	-7.0	-7.0

Source: Bloomberg as at December 31, 2007

D. Selected Commodity Prices (\$)					
Commodity	Dec 2006	Nov 2007	Dec 2007	Mthly % Change	YTD % Change
Gold / Ounce	636.70	783.75	833.92	6.4	31.0
Silver / Ounce	12.90	14.01	14.79	5.6	14.7
Oil / Barrel	60.79	91.37	94.92	3.9	56.1

Source: Bloomberg as at December 31, 2007

E. Equity Market Valuations – December, 2007 (%chg)							
	BISX	DJIA	**S&P 500	FTSE 100	CAC 40	DAX	Nikkei 225
1 month	2.86	-0.80	-1.06	0.38	-1.00	2.50	-2.38
3 month	7.83	-4.78	-5.63	-3.94	-4.00	0.60	-8.54
YTD	23.30	6.43	2.51	3.80	1.31	22.29	-11.13
12-month	23.30	6.43	2.51	3.80	1.31	22.29	-11.13

Sources: Bloomberg and BISX

F: Short Term Deposit Rates in Selected Currencies (%)			
	USD	GBP	EUR
o/n	3.50	5.47	3.60
1 Month	4.37	5.67	4.16
3 Month	4.44	5.78	4.61
6 Month	4.28	5.74	4.58
9 Month	4.30	5.64	4.63
1 year	3.88	5.55	4.49

Source: Bloomberg, as at December 31, 2007

**Revised

SUMMARY ACCOUNTS OF THE CENTRAL BANK

(B\$ Millions)

	VALUE												CHANGE											
	Oct. 31	Nov. 07	Nov. 14	Nov. 21	Nov. 28	Dec. 05	Dec. 12	Dec. 19	Dec. 26	Oct. 31	Nov. 07	Nov. 14	Nov. 21	Nov. 28	Dec. 05	Dec. 12	Dec. 19	Dec. 26						
I. External Reserves	457.15	457.94	452.85	456.39	447.31	447.31	449.94	446.33	461.12	-10.15	0.79	-5.09	3.54	-9.08	0.00	2.64	-3.61	14.79						
II. Net Domestic Assets (A + B + C + D)	195.75	189.83	189.61	189.82	229.00	240.27	226.93	217.28	214.79	6.61	-5.92	-0.22	0.21	39.18	11.27	-13.34	-9.65	-2.49						
A. Net Credit to Gov¹ (i + ii + iii - iv)	321.59	318.41	316.75	311.76	337.57	342.79	335.30	327.27	326.86	5.31	-3.18	-1.66	-4.99	25.82	5.22	-7.49	-8.03	-0.41						
i) Advances	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	71.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) Registered Stock	124.69	124.73	124.69	124.65	149.15	142.83	132.67	132.39	132.40	-0.22	0.04	-0.04	-0.04	24.50	-6.32	-10.16	-0.28	0.00						
iii) Treasury Bills	132.62	132.62	128.57	125.59	125.59	143.48	143.48	143.48	143.48	0.00	0.00	-4.05	-2.98	0.00	17.89	0.00	0.00	0.00						
iv) Deposits	7.71	10.92	8.50	10.47	9.16	15.51	12.84	20.59	21.01	-5.53	3.21	-2.42	1.97	-1.32	6.36	-2.68	7.76	0.42						
B. Rest of Public Sector (Net) (i + ii - iii)	-17.02	-19.16	-17.50	-12.18	0.21	-6.40	1.55	-0.83	-1.23	2.82	-2.14	1.67	5.32	12.38	-6.60	7.95	-2.38	-0.40						
i) BDB Loans	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	-0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ii) BMC Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
iii) Deposits	23.77	25.91	24.25	18.93	6.54	13.15	5.20	7.58	7.98	-2.90	2.14	-1.67	-5.32	-12.38	6.60	-7.95	2.38	0.40						
C. Loans to/Deposits with Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
D. Other Items (Net)*	-108.82	-109.42	-109.64	-109.76	-108.77	-96.12	-109.92	-109.16	-110.83	-1.53	-0.60	-0.23	-0.11	0.98	12.66	-13.80	0.76	-1.67						
III. Monetary Base	652.90	647.77	642.46	646.21	676.31	687.58	676.88	663.62	675.91	-3.54	-5.13	-5.32	3.75	30.10	11.27	-10.70	-13.26	12.30						
A. Currency in Circulation	293.14	289.03	284.57	283.11	291.58	301.05	296.85	316.97	328.14	11.64	-4.11	-4.47	-1.46	8.47	9.47	-4.20	20.11	11.17						
B. Bank Balances with CBOB	359.76	358.74	357.89	363.10	384.73	386.53	380.02	346.65	347.78	-15.18	-1.02	-0.85	5.21	21.63	1.80	-6.51	-33.37	1.13						

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

FISCAL/REAL SECTOR INDICATORS

(RS MILLIONS)

(% change represents current month from previous month)

	JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Fiscal Operations:														
1. Government Revenue & Grants	106.1	111.5	106.7	94.3	114.1	87.9	79.4	107.0	115.7	109.5	107.0	109.5	522.0	510.2
% change	-25.6%	-19.47%	0.9%	-15.46%	6.7%	-6.7%	21.70%	45.83%	2.3%	2.3%	2.3%	2.3%	-3.35%	-2.28%
2. Import Duties	37.8	42.9	46.3	40.0	34.4	39.3	39.0	46.6	49.4	48.5	46.6	48.5	199.9	215.3
% change	-44.11%	-38.09%	22.49%	-6.99%	-33.76%	-1.79%	10.66%	18.63%	14.11%	-0.12%	-0.12%	-0.12%	-5.24%	7.67%
3. Recurrent Expenditure	99.6	101.6	93.1	99.1	90.7	102.8	103.3	107.3	111.1	104.4	104.4	111.1	497.8	515.1
% change	-21.70%	-34.02%	-6.57%	-2.50%	2.60%	3.76%	13.90%	4.41%	7.62%	-2.72%	-2.72%	-2.72%	-7.22%	3.47%
4. Capital Expenditure	5.6	7.6	11.7	14.0	13.0	9.0	11.3	8.4	10.3	14.6	11.3	14.6	51.9	53.6
% change	-73.70%	-77.87%	110.95%	83.10%	11.04%	-33.72%	-13.19%	-66.7%	-8.47%	73.81%	-66.7%	73.81%	-6.59%	3.26%
5. Deficit/Suplus*	-0.8	0.7	1.1	-23.8	3.2	-27.6	-41.8	-12.6	-8.6	-15.0	-12.6	-15.0	-46.8	-76.4
% change	-95.67%	-100.99%	-250.13%	-3762.37%	183.31%	157.76%	-1394.13%	-543.5%	-79.53%	19.03%	-543.5%	19.03%	-30.14%	67.38%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE			
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007		
Debt, as																												
6. Total Debt	2,092.2	2,386.8	2,100.0	2,376.8	2,093.9	2,437.5	2,090.3	2,437.5	2,115.6	2,316.6	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5	2,116.3	2,437.5
% change	-3.1%	0.13%	0.03%	-0.42%	-0.87%	0.00%	0.02%	-0.49%	1.14%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	
7. External Debt	296.5	292.8	297.3	292.7	293.4	285.9	288.0	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9
% change	0.67%	1.25%	0.27%	-0.03%	-0.02%	0.25%	-0.48%	-8.68%	0.00%	0.59%	-0.04%	0.44%	0.36%	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%	
8. Internal F/C Debt	0.0	1.9	0.0	1.9	0.0	1.9	0.0	1.9	2.3	1.0	2.5	1.0	2.5	1.0	2.5	1.0	2.5	1.0	2.5	1.0	2.5	1.0	2.5	1.0	2.5	1.0	2.5	1.0
% change	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	235.78%	-47.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9. Bahamian Dollar Debt	2,022.7	2,092.1	2,022.7	2,082.1	2,002.7	2,132.1	2,002.2	2,146.6	2,028.1	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1	2,166.9	2,028.1
% change	-3.80%	-0.02%	0.00%	-0.48%	-0.99%	2.49%	-0.02%	0.68%	1.29%	0.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
10. Total Amortization	1.0	0.5	0.1	10.1	20.6	0.7	1.9	32.9	26.6	25.0	0.1	0.1	20.0	0.5	10.1	0.1	5.6	20.7	16.5	1.6	0.5	1.6	0.5	1.4	0.1	0.1	0.1	0.1
% change	-90.12%	-50.94%	-92.10%	1915.09%	26165.94%	-93.22%	90.83%	4773.78%	1317.39%	-24.09%	-99.37%	16344.39%	309.25%	-49.01%	-81.14%	-81.14%	-44.39%	21806.33%	130.70%	-92.33%	-96.96%	-11.83%	102.84%	-91.77%	-91.77%	-91.77%	-91.77%	

11. Total Public Sector F/C Debt	
2006	545.5
2007	633.0
% change	-37.00%

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		YEAR TO DATE			
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007		
Real Sector Indicators																												
12. Retail Price Index	117.8	121.2	117.8	121.42	117.8	121.5	118.9	121.7	119.6	122.1	119.8	122.3	120.2	122.3	120.2	122.3	120.2	122.3	120.2	122.3	120.2	122.3	120.2	122.3	120.2	122.3	120.2	122.3
% change	-0.10%	0.51%	0.01%	0.16%	0.02%	0.04%	1.0%	0.2%	0.6%	0.2%	0.2%	0.2%	0.4%	0.2%	0.1%	0.0%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
13. Tourist arrivals (000s)	398.4	397.3	398.3	376.7	503.5	500.0	496.5	423.2	404.7	385.5	408.5	383.3	418.1	376.8	348.9	375.3	269.8	302.3	287.6	298.5	269.8	302.3	287.6	298.5	3930.3	3779.0		
% change	-8.7%	2.31%	-3.64%	-4.25%	-4.83%	-0.70%	0.27%	-14.8%	-0.22%	-3.39%	-3.9%	-10.96%	-9.9%	-6.56%	-7.6%	-6.97%	-6.97%	-14.17%	12.0%	-14.17%	-6.97%	12.0%	-14.17%	12.0%	-4.63%	-3.83%		
14. Air arrivals (000s)	109.8	103.4	129.7	118.1	171.6	168.0	189.3	144.0	139.4	138.4	152.2	139.0	151.1	130.4	113.3	134.9	69.5	84.7	89.5	108.7	69.5	84.7	89.5	108.7	1776.7	1566.7		
% change	-5.83%	2.4%	-8.22%	-3.6%	9.38%	-2.6%	-9.0%	-17.7%	1.24%	-0.6%	1.72%	-3.1%	-8.0%	-13.7%	-6.73%	10.2%	-4.57%	36.2%	-2.86%	36.2%	-2.86%	36.2%	-2.86%	36.2%	0.51%	-1.56%		
15. Occupied Room Nights	187.7	161.6	202.0	169.8	241.5	220.2	187.8	161.6	202.0	169.8	241.5	220.2	187.8	161.6	202.0	169.8	241.5	220.2	187.8	161.6	202.0	169.8	241.5	220.2	631.20	551.60		
% change	9.82%	-13.91%	6.71%	-15.94%	0.12%	-8.82%	-0.17%	9.41%	5.23%	-2.09%	-99.37%	16344.39%	309.25%	-49.01%	-81.14%	-81.14%	-44.39%	21806.33%	130.70%	-92.33%	-96.96%	-11.83%	102.84%	-91.77%	-91.77%	-91.77%		
16. Res. Mortgage Commitments-New Const.																												
% change																												

* Includes Net Lending to Public Companies
 ** Data from previous period to current government only unless otherwise indicated
 P - provisional
 Annualized Real Price-Index averages.