

PRESS RELEASE:

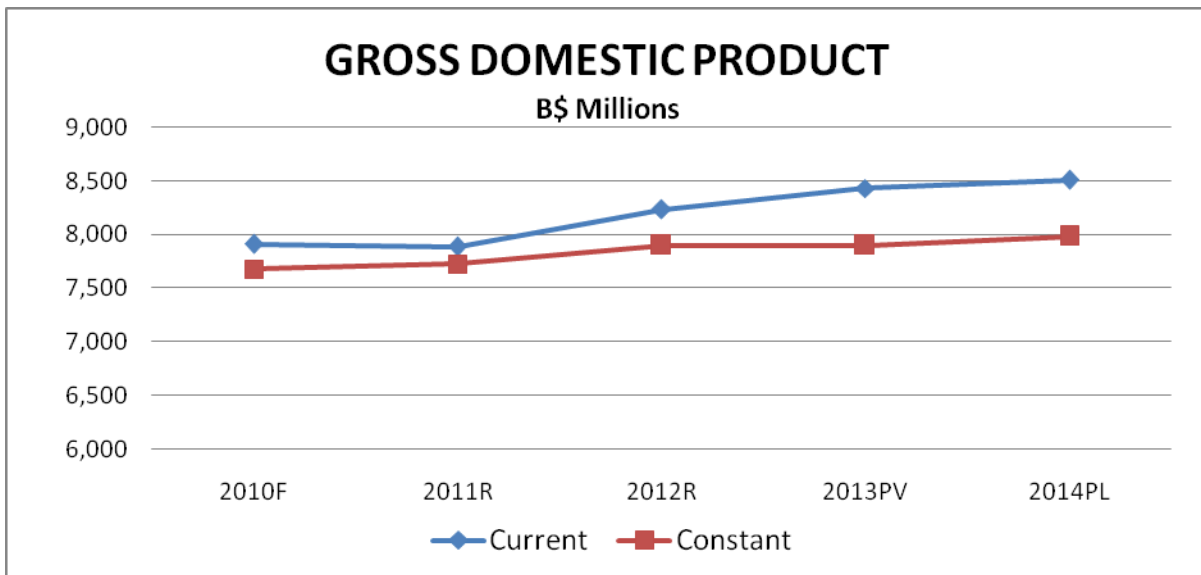
**THE DEPARTMENT OF STATISTICS RELEASES
GROSS DOMESTIC PRODUCT(GDP) 2014 FIGURES**

The National Accounts Section of the Department of Statistics announces the release of the estimates of Gross Domestic Product (GDP) for the period 2010 to 2014. The 2014 figures are Preliminary, 2013 are Provisional, 2012 and 2011 are Revised and the 2010 is Final until the next historical revision.

The 2014 annual preliminary results are based on early estimates from major data sources such as the Central Bank, Ministry of Tourism, and the Foreign Trade Section of the Department of Statistics, etc. They are also based on indicators which normally mimic movements of particular industries such as Hotel Room Rates, Megawatt Sales, Building Permits, Chargeable Telephone Minutes, Consumer Price Index, etc. The 2014 GDP figures are Preliminary and will be revised as more data become available.

The GDP is measured in both Current Market Prices and Constant 2006 Prices. The current measure utilizes current price levels and currency values, without factoring in inflation and determines the total value of the products and services produced in a particular year. The Constant Prices measures the effects of inflation and is more useful for studying trends in economic growth.¹

According to the preliminary results, the GDP in Current Prices for 2014 had a positive growth of 0.93%, while GDP in Constant Prices grew at 1.02%.



¹ website www.Diffen.com/diffence/NominalGDPvsRealGDP

The growth at constant prices was due mainly to increases in the Construction, Mining, Hotels and Marine Transport. In contrast, Wholesale & Retail Trade, Real Estate, Business Services, Education, Public Administration & Defense and Other Net Indirect Taxes declined, which mitigated the size of the increase.

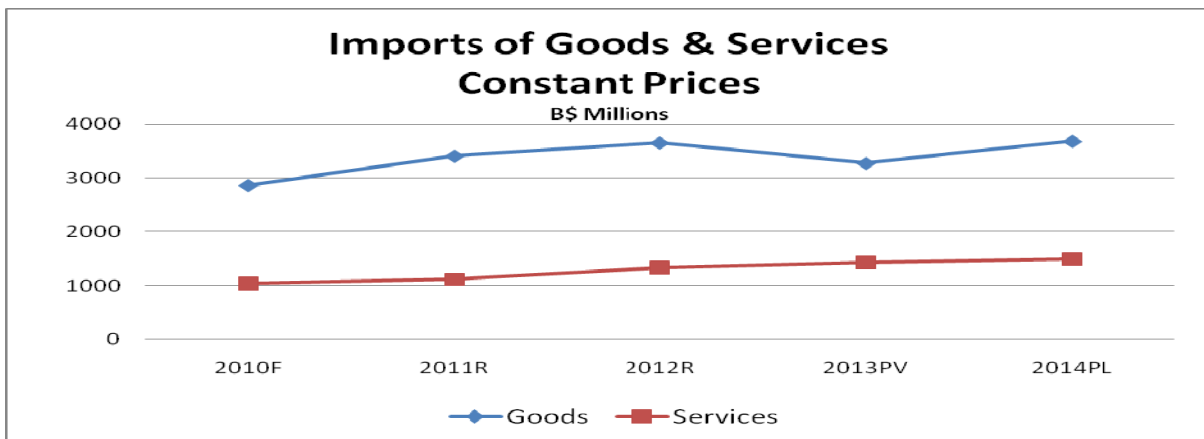
The Expenditure Approach to GDP is measured as Government and Household Final Consumption Expenditure plus Investments and Exports of Goods and Services minus Imports of Goods and Services.

The Exports of Goods and Services at Current Prices experienced a minimal growth of 0.6% in 2014 compared to 2013. This growth was negligible despite increases of 11.3% in the Local Expenses of Offshore Companies and a preliminary 1.7% in Tourism Expenditure. The negative impact on the growth was a result of a decrease of 5.8% in Exports of Goods, based on the first three quarters of 2014, and a 4% decline in the Transportation Services Exported. The Exports of Goods and Services at Constant Prices when deflated by a Combined Goods and Services Index, which moved from 97.3 in 2013 to 95.7 in 2014, showed an increase of 2.3%.

The Imports of Goods and Services have a dampening effect on the level of GDP as it is always deducted from the overall value, therefore any significant changes in these figures will have a noticeable impact.

In 2014, the Imports of Goods which usually account for approximately 70+% of all Imports grew by 12.5% in Current Prices. This growth was led mainly by increases in the Import of Mineral Products of \$61.5 million or 8.5%; Manufactured Goods Classified Chiefly by Materials of \$76.7 million or 16.7%; Food and Live Animals \$47.6 million or 10.2% and Machinery and Transport Equipment of \$65.9 million or 10%, all of which were based on the first three quarters of 2014. The Imports of Services at Current Prices increased by 4.3% led by Construction Services Imported, which grew by 33.3% or \$160.5 million of which the main contributors were major hotel construction projects.

In Constant Prices, there was an increase in the Imports of Goods and Services in the amount of 10.8% when deflated by the USA Export Price Index which moved from 132.96 in 2013 to 132.28 in 2014.

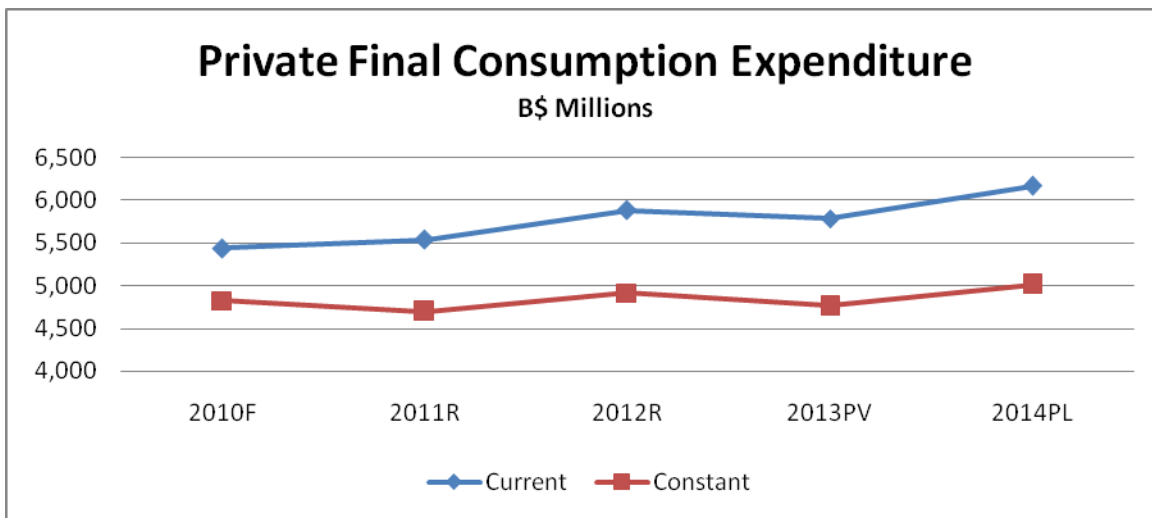


Gross Capital Formation measures the value of Investment in Buildings, Machinery and Infra-structure in the economy and is a combination of the materials and labour that are utilized to produce the various projects.

The Gross Capital Formation in Current Prices grew by 7.3% over 2013. The main contributor to this increase was that of the Non-Residential Construction which increased by 21.6% or \$125.6 million, driven by the aforementioned growth in the level of Construction Services Imported. Residential Construction (estimated based on the value of The Central Bank’s Residential Mortgage Commitment on New Construction) also had an impact, growing by \$23.3 million or 10.4%. The Machinery and Transport Equipment which represents on average 43+% of Gross Capital Formation had an increase of \$29.1 million or 2.9%.

The Gross Capital Formation in Constant Prices grew by \$150.5 million (6.6%) as a result of its composites being deflated using the Bahamas Building Construction Index and US Machinery & Transport Equipment Export Index.

The Private Final Consumption Expenditure (PFCE) or Household Expenditure which on average accounts for 70% of the GDP, increased in Current Prices by 6.6% and in Constant Prices by 5.3% as the All Items NP Consumer Price Index remained relatively constant.



The Government Final Consumption Expenditure (GFCE) is measured as Compensation of Employees, Depreciation Expense and Intermediate Consumption. This GFCE is split between Individual Consumption and Collective Consumption. In 2014, The Individual Consumption, which includes Health and Education, increased by 0.8% at Constant Prices and the Collective Consumption, which represents the remaining services, experienced a 1.1% growth.

The National Accounts 2014 Report with detailed tables will be available at the end of April 2015 on the Department’s website, <http://statistics.bahamas.gov.bs>.

**Table 1: EXPENDITURES ON THE GROSS DOMESTIC PRODUCT
at Current Market Prices**

(B\$ millions)						
Line	Item	2010F	2011R	2012R	2013PV	2014PL
1	Government Final Consumption Expenditure	1,150.37	1,261.32	1,277.24	1,353.26	1,340.88
1.1	Collective consumption expenditure	688.30	804.14	800.72	857.54	870.87
1.2	Individual consumption expenditure	462.07	457.18	476.52	495.72	470.01
2	Private Final Consumption Expenditure	5,436.29	5,535.72	5,881.78	5,784.72	6,166.98
3	Gross Capital Formation	1,994.36	2,171.76	2,330.44	2,280.19	2,446.89
3.1	Change In Stocks	93.69	131.41	79.48	67.14	91.36
3.2	Gross Fixed Capital Formation	1,900.67	2,040.35	2,250.96	2,213.05	2,355.53
3.2.1	Residential Construction	245.84	244.00	228.81	224.71	248.00
3.2.2	Non-Residential Construction	198.80	322.06	477.71	581.00	706.64
3.2.3	Capital-Work-In-Progress	186.04	88.22	104.55	90.11	91.93
3.2.4	Other Construction	373.65	369.40	327.95	300.26	262.91
3.2.5	Machinery & Transport Equipment	896.32	1,016.67	1,111.94	1,016.97	1,046.06
4	Exports of Goods and Services	3,223.08	3,443.30	3,733.28	3,715.11	3,738.82
5	Less: Imports of Goods and Services	3,894.52	4,522.35	4,988.26	4,701.53	5,183.07
6	EXPENDITURE ON GROSS DOMESTIC PRODUCT	7,909.58	7,889.75	8,234.47	8,431.75	8,510.50
	GDP NOMINAL GROWTH RATE		-0.25%	4.37%	2.40%	0.93%

Pl: Preliminary
Pv: Provisional
R: Revised
F: Final

Table 2: EXPENDITURES ON THE GROSS DOMESTIC PRODUCT
(at Constant 2006 Prices)

(B\$ millions)

Line	Item	2010F	2011R	2012R	2013PV	2014PL
1	Government Final Consumption Expenditure	1,050.49	1,126.56	1,082.82	1,112.93	1,123.70
1.1	Collective Consumption Expenditure	646.77	726.30	670.66	696.35	703.71
1.2	Individual Consumption Expenditure	403.71	400.26	412.16	416.58	419.99
2	Private Final Consumption Expenditure	4,822.25	4,699.12	4,913.41	4,760.80	5,015.42
3	Gross Capital Formation	1,945.04	2,089.27	2,205.37	2,122.79	2,273.29
3.1	Change In Stocks	85.16	115.92	68.68	57.62	77.23
3.2	Gross Fixed Capital Formation	1,859.88	1,973.35	2,136.70	2,065.17	2,196.06
3.2.1	Residential Construction	246.85	241.88	221.23	211.43	234.01
3.2.2	Non-Residential Construction	199.62	319.26	461.88	546.65	666.79
3.2.3	Capital-Work-In-Progress	186.81	87.46	101.09	84.79	86.74
3.2.4	Other Construction	375.19	366.19	317.08	282.51	248.08
3.2.5	Machinery & Transport Equipment	851.42	958.57	1,035.41	939.79	960.44
4	Exports of Goods and Services	3,363.05	3,574.32	3,831.85	3,817.33	3,905.14
5	Less: Imports of Goods and Services	3,500.98	3,762.34	4,135.20	3,913.86	4,336.74
7	Expenditure On Gross Domestic Product	7,679.85	7,726.92	7,898.25	7,899.99	7,980.79
	GDP REAL GROWTH RATE		0.61%	2.22%	0.02%	1.02%

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**Table 3: GROSS VALUE ADDED OF INDUSTRIAL ORIGIN
at Current Market Prices**

(B\$ thousands)						
Line	INDUSTRY	2010F	2011R	2012R	2013PV	2014PL
1	AGRICULTURE & FISHERIES:	170,017	169,592	176,586	148,825	140,593
1.1	AGRICULTURE:	62,944	64,464	64,717	66,738	60,479
1.2	FISHING:	107,073	105,128	111,869	82,087	80,114
2	INDUSTRY:	549,822	545,410	567,291	590,730	613,572
2.1	MINING :	83,367	56,737	70,928	106,008	130,813
2.2	MANUFACTURING:	296,365	304,549	324,541	319,479	324,730
2.3	ELECTRICITY:	119,246	122,227	120,351	121,395	113,680
2.4	WATER:	50,845	61,898	51,471	43,848	44,349
3	CONSTRUCTION:	647,413	697,131	795,782	914,602	1,088,397
4	WHOLESALE & RETAIL ACTIVITY:	881,719	821,070	839,280	890,655	888,128
4.1	WHOLESALE TRADE:	194,185	181,860	168,049	173,821	171,192
4.2	RETAIL TRADE:	687,534	639,209	671,230	716,833	716,937
5	HOTELS & RESTAURANTS:	918,457	867,866	933,730	917,470	921,835
5.1	HOTELS:	693,698	633,874	686,084	651,142	650,637
5.2	RESTAURANTS:	224,759	233,993	247,646	266,328	271,198
6	TRANSPORT:	277,763	297,260	316,334	308,859	325,007
6.1	LAND TRANSPORT:	31,979	29,750	31,606	31,916	34,877
6.2	MARINE TRANSPORT:	219,256	236,979	250,579	235,957	245,184
6.3	AIR:	26,528	30,531	34,149	40,986	44,945
7	STORAGE:	37,541	40,269	39,326	51,178	54,507
8	COMMUNICATION:	313,216	339,195	332,780	351,029	348,366
9	FINANCIAL INTERMEDIATERIES:	906,665	943,070	992,854	939,008	930,911
9.1	BANKS:	668,280	782,296	791,524	741,325	729,124
9.2	INSURANCE:	238,385	160,774	201,331	197,682	201,787
10	REAL ESTATE/RENT/BUSINESS ACTIVITY:	1,597,725	1,630,426	1,626,906	1,673,500	1,646,906
10.1	REAL ESTATE:	1,287,434	1,318,607	1,322,869	1,358,992	1,342,054
10.2	OTH. BUSINESS SERVICES	310,292	311,818	304,037	314,508	304,852
11	PUBLIC ADMINISTRATION & DEFENCE:	447,401	434,475	486,551	524,336	520,469
12	EDUCATION:	325,850	319,156	329,316	344,541	310,067
12.1	PRIVATE EDUCATION:	144,722	145,514	148,508	154,161	144,100
12.2	PUBLIC EDUCATION:	181,128	173,642	180,808	190,380	165,967
13	HEALTH:	294,858	302,209	303,560	315,008	307,516
13.1	PRIVATE HEALTH:	107,938	117,786	113,601	117,222	118,973
13.2	PUBLIC HEALTH:	186,919	184,423	189,960	197,785	188,543
14	OTH COMM, SOCIAL & PERS. SERVICES:	487,622	458,692	464,102	485,651	475,559
15	SUB TOTAL OF GDP	7,856,069	7,865,820	8,204,398	8,455,391	8,571,834
16	Other Net Indirect Taxes (Import taxes)	556,560	633,153	694,846	608,278	558,242
17	Dummy Financial Corp (FISIM)	-503,048	-609,227	-664,769	-631,924	-619,580
18	GROSS VALUE ADDED AT MARKET PRICES	7,909,581	7,889,746	8,234,474	8,431,745	8,510,496
	GDP NOMINAL GROWTH RATE		-0.25%	4.37%	2.40%	0.93%

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Table 4: GROSS VALUE ADDED OF INDUSTRIAL ORIGIN
at Constant 2006 Prices

(B\$ Thousands)

Line	INDUSTRY	2010F	2011R	2012R	2013PV	2014PL
1	AGRICULTURE & FISHERIES:	185,122	170,427	178,063	135,515	134,758
1.1	AGRICULTURE:	49,812	48,119	43,290	41,768	40,064
1.2	FISHING:	135,310	122,307	134,772	93,748	94,693
2	INDUSTRY:	563,978	563,137	560,202	553,295	565,493
2.1	MINING :	108,876	90,182	78,612	97,413	112,601
2.2	MANUFACTURING:	293,939	294,741	313,487	283,762	285,756
2.3	ELECTRICITY	103,499	117,285	106,344	108,606	104,585
2.4	WATER:	57,664	60,928	61,759	63,514	62,551
3	CONSTRUCTION:	612,990	670,416	753,735	830,818	974,502
4	WHOLESALE & RETAIL ACTIVITY:	760,694	708,569	705,811	743,271	721,678
5	HOTELS & RESTAURANTS	1,227,490	1,217,865	1,334,217	1,260,412	1,304,801
5.1	HOTELS:	1,015,541	1,003,599	1,117,802	1,031,089	1,074,905
5.2	RESTAURANTS:	211,949	214,265	216,415	229,323	229,896
6	TRANSPORT	222,101	247,933	226,742	222,084	234,284
6.1	LAND TRANSPORT:	33,787	33,253	34,183	33,179	35,998
6.2	MARINE TRANSPORT:	164,200	187,427	161,379	158,031	168,347
6.3	AIR TRANSPORT:	24,114	27,252	31,180	30,874	29,940
7	STORAGE:	35,335	36,788	36,268	37,399	36,395
8	COMMUNICATION:	277,689	297,830	298,348	312,174	308,291
9	FINANCIAL INTERMEDIATION:	859,209	892,880	918,185	853,660	849,170
9.1	BANKS :	630,301	732,012	723,645	666,316	658,062
9.2	INSURANCE:	228,908	160,868	194,540	187,344	191,108
10	REAL ESTATE/RENT/BUSINESS ACTIVITY:	1,424,572	1,455,581	1,412,385	1,464,738	1,433,945
10.1	REAL ESTATE:	1,201,686	1,236,498	1,195,967	1,244,145	1,223,034
10.2	OTH. BUSINESS SERVICES:	222,885	219,083	216,418	220,593	210,911
11	PUBLIC ADMINISTRATION & DEFENCE:	437,674	445,124	446,409	462,957	451,788
12	EDUCATION:	298,789	307,700	312,026	320,551	308,635
12.1	PRIVATE EDUCATION:	137,282	137,340	135,710	138,195	128,037
12.2	PUBLIC EDUCATION:	161,507	170,360	176,317	182,355	180,598
13	HEALTH:	263,274	274,227	268,758	277,236	272,398
13.1	PRIVATE HEALTH:	100,995	107,981	103,929	106,297	105,583
13.2	PUBLIC HEALTH:	162,278	166,246	164,829	170,939	166,815
14	OTH COMM, SOCIAL & PERSONAL SERVICES	475,361	463,652	459,589	466,784	457,621
15	Other Net Indirect Taxes (Import Taxes)	506,168	537,059	586,690	517,224	477,732
16	DUMMY FINANCIAL CORPORATION (FISIM)	-470,600	-562,267	-599,176	-558,129	-550,698
20	GVA AT 2006 MARKET PRICES	7,679,847	7,726,919	7,898,252	7,899,991	7,980,795
	GDP REAL GROWTH RATE		0.61%	2.22%	0.02%	1.02%

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