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An economic analysis of the Bahamas Currency

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Abstract. This paper seeks to answer whether the replacement of the Bahamas currency board by a central bank was a rational decision given the subsequent economic performance climate of the central bank and the Bahamian economy. The paper describes the currency board's establishment; its switch from the pound sterling to the U.S. dollar as the anchor currency; and its replacement by a proto-central bank soon succeeded by the Central Bank of the Bahamas, which continues in existence today. Statements of the currency board from the Bahamas Gazette as well as other sources will help analyze the aforementioned periods and illustrate the effects each transition had on the economy. The paper will examine the later years of the currency board and test whether it behaved in an orthodox or unorthodox manner as well as exploring its relation to government finance.
Keywords. Bahamas; Currency board.
JEL. E59; N16; N26.

1. Introduction

Before delving into the analysis of the Bahamas currency board, it is useful to discuss the general history of currency boards, along with a brief timeline of the Bahamas and a description of the Bahamas currency board's functions. The first instance of a currency board can be traced back to 1849 in the British colony of Mauritius. Currency boards became widely used in British colonies in the 1900s and were also established elsewhere, such as the French colony of Djibouti. Over seventy countries have had currency boards. The table below shows a list of currency board (or similar) systems in operation in recent years.[2]

Table 1. *Currency boards and currency board-like systems today*

Country	System Began	Exchange Rate	Population	GDP (in U.S.$)[a]
Argentina[b]	1991	1 peso = U.S.$1	37 million	$374 billion
Bermuda	1915	Bermuda$1 = U.S.$1	62,000	$1.9 billion
Brunei[b]	1952	Brunei$1 = Singapore$1	320,000	$5.4 billion
Bosnia[b]	1997	1 convertible mark = DM 1	3.5 million	$5.8 billion
Bulgaria[b]	1997	1 lev = DM 1	8.2 million	$34 billion
Cayman Islands	1972	Cayman$1 = U.S.$1.20	39,000	$930 million
Djibouti[b]	1949	177.72 Djibouti francs = U.S.$1	450,000	$530 million
Estonia[b]	1992	8 kroons = DM 1	1.4 million	$7.8 billion
Falkland Islands	1899	Falklands£1 = U.K.£1	2,800	unavailable
Faroe Islands	1940	1 Faroese krone = 1 Danish krone	41,000	$700 million
Gibraltar	1927	£1 = U.K.£1	29,000	$500 million
Hong Kong[b]	1983	Hong Kong$7.80 = U.S.$1	6.8 million	$168 billion
Lithuania[b]	1994	4 litai = U.S.$1	3.6 million	$18 billion

Source: Hanke (2002).

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[2] The summary of is drawn mainly from Hanke (2002). Estonia and Lithuania have in this decade replaced their currency board-like systems with membership in the European Central Bank.

2. Description of a Currency Board

A currency board is a monetary authority that guarantees a fixed exchange rate to a foreign currency (also called the anchor currency). This is done through a system of holding foreign assets equal to (usually greater than) the coins or notes supplied by the authority. In an orthodox currency board, foreign reserves are equal to 100 percent or slightly more of the total amount of the currency board's monetary liabilities in circulation—notes, coins if any, and demand deposits, if any. The foreign reserves are usually a mix of foreign currency, high-quality foreign bonds, and other low-risk assets. Anyone who would like to convert local currency into the anchor currency should be able to do so on demand. For instance, in the case of the Bahamas before 1968, any person could convert notes of the Bahamas currency board into pounds sterling at any time. This process can also go in reverse; foreign assets can be converted into local currency. The supply of the high-powered base money in a currency board system is determined purely by market demand—unlike the case with central banks, which frequently engage in discretionary monetary policy.

Commercial banks play a large role in the financial system of a currency board because they often hold substantial foreign assets, and a limited quantity of local currency notes, in their own reserves (in addition to being required to deposit a minimum reserve in the currency board in some cases). Banks attempt to estimate how much local currency they should hold based on how much customers will withdraw in the near future. If the commercial banks believe they will need more local notes, they request them from the currency board and exchange foreign assets for the local notes.

As an aside, the currency board of the Bahamas worked slightly different than many other currency boards. Instead of holding all the foreign asset reserves in a central location, clearing banks had their own supply of foreign assets and would provide Bahamian notes on demand. When the clearing bank needed notes, it requested it from the Commissioner of Currency and transferred foreign assets for the domestic notes. The Crown Agents for the Colonies in London would then credit the sterling account of the Commissioner of Currency and, in turn, provide sterling notes.[3] The Bahamas Commissioners of Currency initially charged no fee. They were allowed to charge a fee of up to 1 percent in legislation of 1936 discussed below, although it is unclear what their actual fee was.

A currency board earns revenue through the interest on the reserve assets it holds. (In the mixture of assets described above, at least the securities pay interest. Bank deposits sometimes have and other times have not.) On average, expenses in a functioning currency board should not exceed one percent of total assets. These expenses are mainly from the printing of notes, creation of coins, and from salaries or other maintenance fees. The profit is therefore the interest earned on reserves minus the liability maintenance expenses.[4]

[3] This Information is from Rabushka (2010).

[4] The description of a currency board was drawn mainly from Rabushka (2010) and Hanke (2002).

3. Summary of Features of an Orthodox Currency Board

Issues notes and coins which are fully convertible at a fixed exchange rate into a foreign anchor currency.

1. Reserves consist of low-risk, high-quality foreign assets such as top-rated securities.
2. Profit is a result of difference between interest earned on reserve assets and expenses.
3. Reserves are equal to or somewhat greater than 100 percent of the currency board's monetary liabilities—local notes and coins in circulation plus demand deposits at the board, if any.
4. Does not engage in discretionary monetary policy.[5]

3.1. Currency Board Compared with Central Bank

Most economists favor central banking over other monetary authorities because of the latitude for discretionary policy that central banks offer. Some important functions of a central bank include the power to affect money supply by changing its policy interest rate or the reserve requirements imposed on commercial banks, to be a lender of last resort to commercial banks, to play a central role in the clearing system, and to be a lender and fiscal and economic advisor to the government.

Table 2. *Summarizes the key differences between a currency board and central bank*

Typical Currency Board	Typical Central Bank
Usually supplies notes and coins only	Supplies notes, coins, and deposits
Fixed exchange rate with reserve currency	Pegged or floating exchange rate
No conflicts between exchange rate policies and monetary policies	Frequent conflicts between exchange rate policies and monetary policies
No balance of payments crises	Frequent balance of payments crises
Foreign reserves of 100 percent	Variable foreign reserves
Cannot become insolvent	Can become insolvent
Does not hold domestic assets	Does hold domestic assets
Full convertibility	Limited convertibility
Rule-bound monetary policy	Discretionary monetary policy
Not a lender of last resort	Lender of last resort
Does not regulate commercial banks	Often regulates commercial banks
Transparent	Opaque
Immune from corruption scandals	Prone to corruption scandals
Protected from political pressure	Politicized
High credibility	Low credibility
Earns seigniorage only from interest	Earns seigniorage from interest and inflation
Cannot create inflation	Can create inflation
Cannot finance spending by domestic government	Can finance spending by domestic government
Requires no preconditions for monetary reform	Requires preconditions for monetary reform
Rapid monetary reform	Slow monetary reform
Small staff	Large staff

Source: Hanke (2002).

In the view of Steve Hanke and other proponents of currency boards, they have advantages over central banks in many cases, especially in developing countries. Since a currency board bases its supply of currency on a foreign (presumably stable) currency, it allows a developing country to import low inflation. Low inflation helps investment and capital-intensive technological processes thrive more than if future price levels are highly uncertain. The restraint on what the currency board is able to do also reduces the room the

[5] The summary of features was influenced by Hanke & Schuler (1993).

government to incur excessive debt and helps prevent bad policy-making (Labonte & Makinen, 2004).

3.2. The Bahamas Currency Board

In the early colonial period the Bahamas had a wide variety of currency in circulation, including Spanish, Columbian, Mexican, American, and British coins. In 1838, the pound was made the unit of account.[6] The Bahamas used British coins thereafter until 1966. (Recall that under the British coinage system of the time, £1 = 20 shillings = 240 pence.) In 1888, the locally chartered Bank of Nassau was established. It issued notes, and was the only commercial bank ever to do so in the Bahamas. In 1917, the Bank of Nassau went out of business. It was taken over by the other bank in the islands at the time, the Royal Bank of Canada. British notes were in circulation, so the disappearance of local notes did not create much problem for the money supply.

After a lag, the government issued paper currency (Rabushka, 2010, p.3). The Currency Notes Act of 1919 established the Board of Commissioners of Currency, creating the currency board. The commissioners consisted of the colonial secretary, the Receiver General (a financial official), and one person not a government employee nominated by the governor. The board was allowed to issue notes of 4 shillings (approximately equal to a U.S. dollar), 10 shillings (half a pound), and one pound. The Currency Notes Act also allowed conversion of gold and silver coins to Bahamian notes on demand and apparently without any commission fee. It established a limit on note issuance of £10,000.

Initially, the Board was required to hold two-thirds of its assets in coin, but the proportion could be reduced to one-half by the governor with the approval of the British government. In addition to full backing for notes, the government of the Bahamas was required to establish a Depreciation Fund as a safeguard against depreciation of the Board's assets and gradually fund it until it reached 10 percent of the amount of notes outstanding. The Board could only hold securities of parts of the British Empire other than the Bahamas.

The Currency Notes Act of 1936 changed the currency board from one where gold and silver coins were the anchor currency and the major assets to one where the pound sterling was the anchor currency and sterling assets were the sole assets. This change followed Britain's abandonment of the gold standard in 1931. Section 6 of the Act stated,

> The Commissioners shall issue on demand to any person desiring to receive currency notes to the equivalent value (at the rate of one pound sterling) of sums in sterling, lodged with the Crown Agents in London by the said person, and shall pay on demand through the Crown Agents to any person desiring to receive sterling in London the equivalent value calculated as aforesaid of currency notes lodged with them in the Colony by the said person.[7]

In order to guarantee this conversion's soundness, the Board was required to hold 100 percent minimum sterling reserves of all local notes in circulation. The act also stated that these sterling reserves should only be held by the Crown Agents (not the local government).

[6] British Royal Proclamation of 14th September 1838; see Chalmers (1893), p.165.

[7] The Crown Agents for the Colonies were a London body that handled investments and other matters for colonial governments.

> The Note Security Fund shall be held by the Crown Agents and may be invested in securities of, or guaranteed by, the Government or any part of the British Empire (except the Government of the Colony) or such securities as the said Crown Agents, with the approval of the Secretary of State, may in their discretion select...[8]

The Currency Board operated under these procedures until 1965. The Currency Act of 1965 effectively reduced the currency backing required to 50 percent of the "face values for currency notes" and allowed the reserves to be in U.S. dollar assets, along with gold and sterling assets. This Act's ultimate goal was to decimalize the Bahamian currency and to make transactions with the U.S. dollar more convenient, since the United States was becoming increasingly important as a trade and investment partner. The Bahamian dollar, worth 7 shillings (£0.35) was introduced, along with a full complement of decimal coins. The valuation of the Bahamian dollar made it worth slightly less than the U.S. dollar (98 U.S. cents).

> The Currency Security Fund shall be held by the official bankers or by the Commissioners of Currency in the name or to the order of the Government of the Bahama Islands and may, subject to the general or specific directions of the Minister, be held or invested by them in any of the following, that is to say –
> a) gold coin or gold bullion;
> b) sterling notes, sterling coin, bank balances and money with official bankers;
> c) balance in a bank in any part of the Commonwealth outside the Colony, whose currency is freely convertible into sterling or in the United States of America, and notes, coins and money at call;
> d) Treasury Bills maturing within one hundred and eighty-four days issued by the Government of any part of the Commonwealth outside the Colony, whose currency is sterling or is freely convertible into sterling or by the Government of the United States of America; or
> e) securities issued or granted –
>
> i) by the Government of any part of the Commonwealth outside the Colony, whose currency is sterling or is freely convertible into gold or sterling, or by any local authority in any such part of the Commonwealth which are by the law of such part authorized for the investment of trust monies;
>
> ii) by the Government of the United States of America or other securities issued in the United States of America which by any law in force in that country are authorized for investment of trust monies.[9]

In 1967, Britain devalued the pound sterling from $2.80 to $2.40. Since the Bahamas was already a U.S. dollar-based economy, the devaluation heavily increased the import price of American goods and ultimately lost the currency board and commercial banks millions of dollars (Rabushka, 2010). The Bahamas decided to end the fixed exchange rate with the pound sterling and instead linked to the U.S. dollar at parity.

A year later, Act No. 27 established the Bahamas Monetary Authority (BMA), which acted as a preliminary to a central bank. This marked the end of the currency board. The BMA was required to hold reserves in foreign assets equal to at least 50 percent of local notes in circulation, with at least half of foreign assets being U.S. dollars. It was allowed to use discretionary monetary

[8] Section 7(3) of the Act. The Secretary of State for the Colonies was the British cabinet official for the colonies.

[9] Quote on the Currency Notes Act of 1965 from Ramsaran (1984).

policy (buying government debt) and was authorized to be a lender of last resort.[10]

On July 10, 1973, the Bahamas became an independent country. A year later, in 1974, the Central Bank of the Bahamas was established. The Central Bank's duty is:

> to promote and maintain monetary stability and credit and balance of payments conditions conducive to the orderly development of the economy; to promote and maintain an adequate banking system and high standards of conduct and management therein; and to advise the Minister of Finance on any matter of a financial or monetary nature. [...] to safeguard the external value of the Bahamian dollar, which is fixed at a 1:1 parity with the United States dollar.[11]

3.3. Statistical Tests

We have compiled balance sheets from 1920 until 1968 using the Bahamas *Official Gazette*. The balance sheets contain information including the coins in circulation, the coin backing, and securities held by the Currency Board (along with other information). The *Gazette* released monthly statements of assets and liabilities up until June 1937, when the statements became semiannual. The coin backing was initially subdivided into gold and silver coins up until early 1926, when it became sterling coin.[12] The securities were listed by face and purchase value until December 1933, when the market values were first published. Market values then became the primary method for evaluating the prices of securities. Data not found in the *Gazette* were collected from either Ramsaran (1984) or interpolated from previous statements. Other data, such as monetary statistics, price indexes, government finances, international transactions and national income statistics were also collected.[13] Some data were unavailable. Government collection of data was less advanced in the Bahamas than in some other British Caribbean colonies such as Barbados and Trinidad.

3.4. Was the Bahamas Currency Board Orthodox?

As stated before, there are certain characteristics that orthodox currency boards follow. The characteristic that we can easily verify is that was full convertibility to the anchor currency on demand. There are no reports of convertibility ever being infringed.

We will use the compiled balance sheets from 1920 until 1968 to test whether the Bahamas Commissioners of Currency had full foreign reserve backing. In order for this to be the case, the asset backing (the sterling coin backing plus the sterling investments) must be greater than or equal to the local notes in circulation. The data are collected for December 31 of each year, and data that were unavailable were interpolated from the previous data. A graph showing the percentage of assets in reserve to the local notes in

[10] This summary of the economic history of the Bahamas was heavily influenced by Ramsaran (1984).

[11] Central Bank of the Bahamas, Web site.

[12] The reason for the change was, apparently, that Britain returned to the gold standard at the pre-World War I parity in 1926.

[13] The monetary statistics, price indexes, wages, government finances, international transactions, and national statistic were collected from a variety of sources including the Bahamas Colonial Annual Reports, Bahamas Blue Books, IMF, World Bank, Frankema (2010) and Haimann and Yasin (2012). Some data was unavailable in all sources checked.

circulation is below. Appendix A shows the underlying data, which are also available in an accompanying spreadsheet.

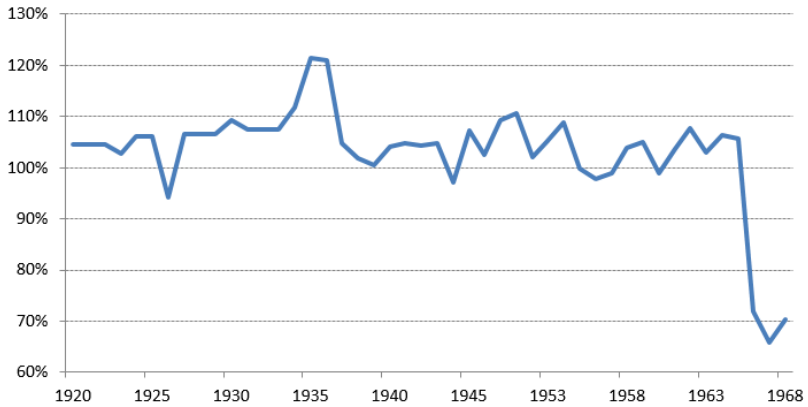

Figure 1. *Ratio of Foreign Assets to Notes in Circulation*
Source: *Bahamas Gazette,* various issues[14]

For most of the Bahamas currency board era, the ratio of foreign assets to notes in circulation was greater than 100 percent,[15] meaning it was orthodox for most of the board's life. This lasted until 1966, when the percentage dropped to nearly 70 percent; it then dropped further. The Currency Act of 1965 led to the change in sterling asset backing to local notes in circulation. The Act reduced the required sterling backing to 50 percent of the local notes in circulation, as well as decimalizing the Bahamian currency. This Act ultimately led to the change from an orthodox to unorthodox currency board. The asset backing further decreased with the creation of the BMA, and the required sterling asset backing was reduced to zero with the establishment of the Central Bank of the Bahamas.

Another test for orthodoxy is a reserve pass-through test. Reserve pass-through test is the year-over-year change in the monetary base divided by the year-over-year change in net foreign assets. Year-over-year data are used to remove any seasonal effects or disparities. The reserve pass-through should theoretically hover between 80 to 100 percent (Hanke, 2008).

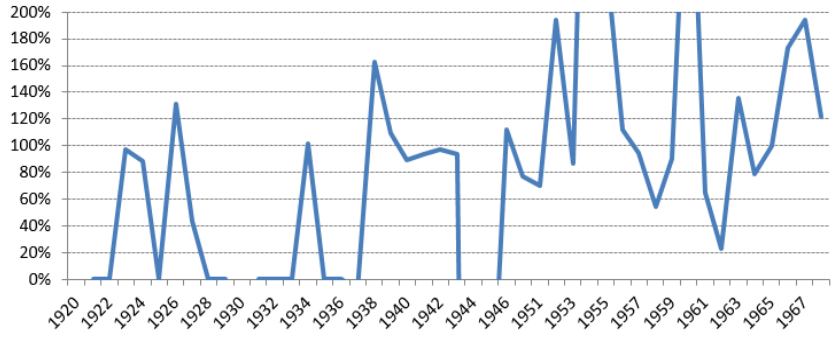

Figure 2. *Reserve Pass-Through Test Using Market Prices*

[14] Full Chart available in Appendix A
[15] The coins in circulation were rarely under 100% before 1965.

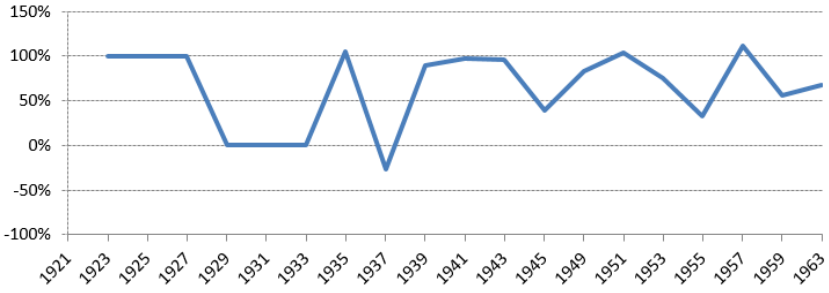

Figure 3. *Reserve Pass-Through Test Using Purchase Prices*

Although there are some fluctuations in the reserve pass-through test (which may be attributed to data inconsistencies), it seems to average around 100 percent. The reserve pass-through ratios were 0 percent in some years because notes in circulation or sterling assets remained the same year over year (therefore the ratio would either be 0 percent or undefined), or the currency board was earning interest on some of its assets. Both of these results display the minor defects of a reserve pass-through test. The reserve pass-through test with purchase prices uses biannual data in an attempt to see if the results are any different.[16] After taking these defects into consideration, we can imply that from 1919 until the creation of the BMA, the Bahamas retained a fairly orthodox currency board

A final simple test of orthodoxy is comparing the domestic assets to the total assets of the currency board. An orthodox currency board should have few or no domestic assets. A small amount is often held for paying salaries or other local expenses (and is normal).

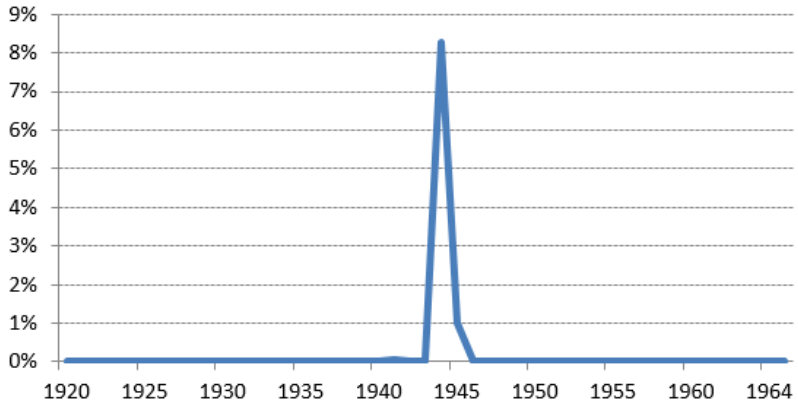

Figure 4. *% Domestic Assets to Total Assets*

Domestic assets as a percentage of total assets remained extremely low (if not 0) for most of the Bahamas currency board. The spike in 1944 could be attributable to a transfer of assets, but it is difficult to tell for sure.

Currency Board Period Surplus vs. Central Banking Period Deficit in Government Finance

An orthodox currency board is restricted from certain actions that can increase government expenditure in a country. The main restrictions that tend

[16] Full data available in accompanying Excel workbook.

to check government spending include the inability to use discretionary monetary policy and to be a last resort.

The graphs below shows key statistics of government finance in the Bahamas from 1950 to 2002.

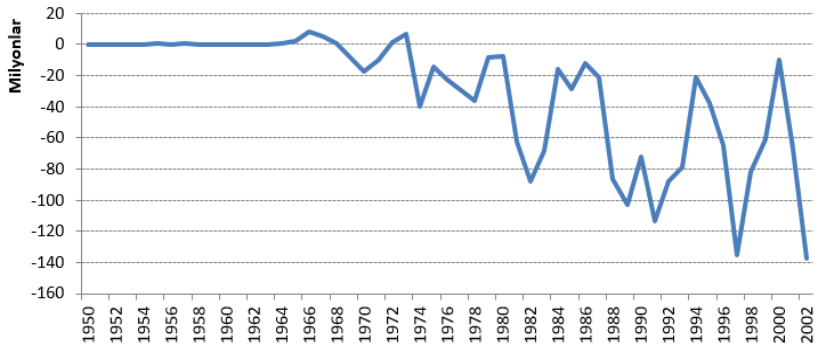

Figure 5. *Government Budget Balance (£ to 1966, then $)*

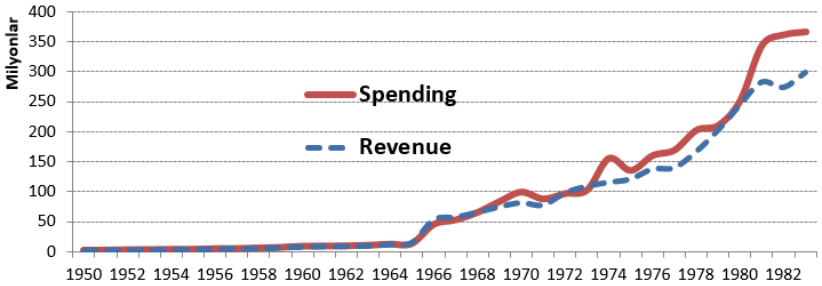

Figure 6. *Government Spending and Revenue (£ to 1966, then $)*
Source: Bahamas Annual Colonial Report[17]

As shown in the graphs, the budget was typically quite close to balance up to the date the BMA was established, and remained fairly close to balance until 1973 when the Central Bank of the Bahamas was established. After the Central Bank was created, the balanced budget halted and deficits began accumulating.

4. Concluding Statement

The history of the Bahamas Currency Board was rather uneventful until 1965, when the law was changed to allow scope for discretionary monetary policy and the currency was decimalized. The pound sterling was devalued in 1967, the Bahamian dollar was delinked from sterling and linked to the U.S. dollar, and a new monetary authority was established that became a full-fledged central bank in 1973. Economic data from the currency board era are scarce, other than data for the board itself and for government finances. During the currency board era, the government budget was balanced on average, although not in every year, whereas after establishing a central bank the budget began to be persistently in deficit.

[17] Underlying data available in Appendix B and accompanying Excel workbook.

Appendix

See the accompanying Excel workbook for some monthly data as well as the data below.

A: *Currency board data (Bahamian pounds to 1965, then Bahamian dollars)*

Year	Notes in Circulation as of Statement Date	Coin Backing	Sterling Investments	Sterling Assets	% Assets to Notes in Circulation
1920	3,800.00	2,800.00	1,170.00	3,970.00	104.5%
1921	3,800.00	2,800.00	1,170.00	3,970.00	104.5%
1922	3,800.00	2,800.00	1,170.00	3,970.00	104.5%
1923	39,885.00	26,687.00	14,285.18	40,972.18	102.7%
1924	60,000.00	20,000.00	43,727.52	63,727.52	106.2%
1925	60,000.00	20,000.00	43,727.52	63,727.52	106.2%
1926	100,000.00	33,333.33	60,935.72	94,269.05	94.3%
1927	110,000.00	36,666.67	80,476.05	117,142.72	106.5%
1928	110,000.00	36,666.67	80,476.05	117,142.72	106.5%
1929	110,000.00	36,666.67	80,476.05	117,142.72	106.5%
1930	108,100.00	36,666.67	81,471.35	118,138.01	109.3%
1931	110,000.00	36,666.67	81,471.35	118,138.01	107.4%
1932	110,000.00	36,666.67	81,507.71	118,174.38	107.4%
1933	110,000.00	36,666.67	81,474.25	118,140.92	107.4%
1934	73,400.00	66.67	81,996.10	82,062.76	111.8%
1935	73,400.00	66.67	89,142.56	89,209.23	121.5%
1936	73,400.00	66.67	88,704.35	88,771.02	120.9%
1937	74,400.00	1,837.82	76,047.32	77,885.14	104.7%
1938	79,400.00	1,639.33	79,314.71	80,954.04	102.0%
1939	92,000.00	1,405.95	91,070.57	92,476.51	100.5%
1940	136,220.00	11,032.98	130,833.59	141,866.57	104.1%
1941	176,620.00	28,690.69	156,275.95	184,966.65	104.7%
1942	252,020.00	115,344.68	147,290.43	262,635.11	104.2%
1943	350,370.00	145,342.11	221,927.97	367,270.08	104.8%
1944	374,970.00	131,766.60	232,651.25	364,417.85	97.2%
1945	355,150.00	123,422.48	257,144.84	380,567.33	107.2%
1946	482,800.00	191,072.48	303,926.24	494,998.73	102.5%
1949	637,400.00	170,694.12	525,470.67	696,164.79	109.2%
1951	663,800.00	172,517.99	561,551.77	734,069.76	110.6%
1951	775,600.00	124,630.00	667,154.41	791,784.40	102.1%
1953	1,019,000.00	123,676.58	948,092.60	1,071,769.18	105.2%
1954	976,500.00	33,486.69	1,030,062.75	1,063,549.44	108.9%
1955	1,126,500.00	197,754.65	926,562.20	1,124,316.85	99.8%
1956	1,406,500.00	210,243.20	1,165,017.20	1,375,260.40	97.8%
1957	1,641,500.00	402,993.20	1,221,103.68	1,624,096.87	98.9%
1958	1,742,900.00	347,422.46	1,464,477.79	1,811,900.25	104.0%
1959	2,106,800.00	590,425.74	1,623,358.72	2,213,784.45	105.1%
1960	2,286,300.00	279,764.21	1,982,926.65	2,262,690.86	99.0%
1961	2,497,800.00	318,287.45	2,270,857.15	2,589,144.61	103.7%
1962	2,529,300.00	382,232.00	2,342,574.00	2,724,806.00	107.7%
1963	2,950,000.00	1,027,000.00	2,008,928.00	3,035,928.00	102.9%
1964	3,439,900.00	787,897.57	2,871,919.75	3,659,817.32	106.4%
1965	3,904,500.00	828,770.52	3,296,713.00	4,125,483.52	105.7%
1966	13,199,000.00	2,365,333.00	7,126,286.00	9,491,619.00	71.9%
1967	18,749,500.00	8,869,354.00	3,480,337.00	12,349,691.00	65.9%
1968	25,784,728.00	NA	NA	18,144,055.00	70.4%

Source: Bahamas, *Official Gazette,* various issues. Data are from December of each year. Unavailable data were interpolated from a previous month. The Bahamian dollar was worth Bahamian £0.35, or very nearly US$1.

B: *Government finance data (Bahamian pounds to 1965, then Bahamian dollars)*

Year	Revenue	Spending	Surplus or Deficit
1950	1,579,748	1,658,741	(78,993)
1951	2,044,385	1,828,642	215,743
1952	2,397,097	2,414,256	(17,159)
1953	2,610,678	2,712,272	(101,594)
1954	3,095,541	3,008,515	87,026
1955	3,507,953	3,188,617	319,336
1956	4,078,921	4,193,544	(114,623)
1957	4,938,958	4,314,864	624,094
1958	5,198,975	5,434,533	(235,558)
1959	6,456,795	6,420,512	36,283
1960	7,988,620	8,337,188	(348,568)
1961	8,563,582	8,574,914	(11,332)
1962	8,689,155	9,042,292	(353,137)
1963	9,599,255	9,834,388	(235,133)
1964	12,163,983	11,841,916	322,067
1965	14,953,369	12,687,189	2,266,180
1966	53,264,000	44,750,000	8,514,000
1967	57,250,000	52,220,000	5,030,000
1968	65,689,000	64,792,000	897,000
1969	74,572,000	82,868,000	(8,296,000)
1970	81,318,000	98,778,000	(17,460,000)
1971	77,503,000	87,326,000	(9,823,000)
1972	97,748,000	96,201,000	1,547,000
1973	108,784,000	101,975,000	6,809,000
1974	115,400,000	155,100,000	(39,700,000)
1975	120,700,000	134,800,000	(14,100,000)
1976	137,400,000	159,800,000	(22,400,000)
1977	139,700,000	169,000,000	(29,300,000)
1978	166,300,000	202,200,000	(35,900,000)
1979	202,100,000	210,300,000	(8,200,000)
1980	244,100,000	251,900,000	(7,800,000)
1981	282,200,000	344,400,000	(62,200,000)
1982	273,500,000	361,700,000	(88,200,000)
1983	298,200,000	366,600,000	(68,400,000)
1984	334,000,000	350,000,000	(16,000,000)
1985	376,800,000	405,200,000	(28,400,000)
1986	398,900,000	411,100,000	(12,200,000)
1987	436,100,000	457,400,000	(21,300,000)
1988	432,600,000	519,000,000	(86,400,000)
1989	448,000,000	550,700,000	(102,700,000)
1990	497,800,000	569,700,000	(71,900,000)
1991	490,400,000	604,100,000	(113,700,000)
1992	534,600,000	622,700,000	(88,100,000)
1993	536,300,000	615,400,000	(79,100,000)
1994	613,600,000	635,000,000	(21,400,000)
1995	655,200,000	693,000,000	(37,800,000)
1996	678,900,000	743,300,000	(64,400,000)
1997	728,500,000	863,800,000	(135,300,000)
1998	761,300,000	842,800,000	(81,500,000)
1999	859,100,000	919,800,000	(60,700,000)
2000	940,800,000	950,400,000	(9,600,000)
2001	931,400,000	998,400,000	(67,000,000)
2002	885,500,000	1,022,900,000	(137,400,000)

Sources: Bahamas annual colonial report, IMF, Rabushka (2010), Frankema (2010).

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