

HIGHLIGHTS



In Summary:

- Global growth slowed in 2019 amidst rising trade and geopolitical tensions and subdued investor sentiment.
- Domestically, economic activity picked up in the third quarter of 2019 due to improvements in the non-energy sector. Preliminary data for the fourth quarter point to an improvement in energy sector activity.
- Headline inflation remained well contained over the second half of 2019, reflective of subdued demand conditions.
- Proceeds from a tax amnesty in 2019 helped to generate a smaller overall deficit in Central Government's accounts in fiscal 2018/19 when compared to the previous fiscal year.
- In December 2019, the Central Bank maintained the Repo rate at 5.00 per cent, given the low-inflation environment and sluggish economic activity.
- Labour market conditions remained slack throughout 2019.
- Despite increased foreign exchange inflows in 2019 compared to 2018, the market for foreign exchange remained tight throughout the year.

The domestic economy will face challenges over the short to medium term as uncertainties surrounding the supply of natural gas can impact economic activity in the energy sector. The pace of activity in the non-energy sector will be partly influenced by Government capital spending.

EXTERNAL DEVELOPMENTS



Global growth slowed in 2019 and is anticipated to remain relatively subdued in 2020.



Economic growth in **emerging market and developing economies** was constrained by trade tensions, weak industrial production, and subdued investor sentiment.



Natural gas prices during the latter half of 2019 and early 2020 remained below peak levels of 2018.



Inflation rates remained contained in several advanced economies.

DOMESTIC DEVELOPMENTS

