

# HIGHLIGHTS



## In Summary:

- Global growth remained constrained in the first half of 2023 amid geopolitical tensions and continued monetary policy tightening to contain inflation.
- Preliminary indicators suggest that domestic economic activity dipped in the fourth quarter of 2022 before improving over the first quarter of 2023.
- Headline inflation slowed during the first half of 2023, as increases in prices for both food and non-food items eased.
- Central Government's fiscal position strengthened during the first eight months of FY2022/23, underpinned by higher revenues from the energy sector.
- Ample liquidity supported robust credit growth during the first half of 2023. Excess liquidity increased to a daily average of \$6.2 billion over January to July 2023, compared to \$4.4 billion over the same period in 2022.
- The Repo rate remained unchanged at 3.50 per cent during the first half of 2023, in support of the domestic economic recovery.
- Gross official reserves amounted to US\$6,461.5 million at the end of July 2023, equivalent to 8.1 months of import cover.

Economic activity is expected to improve in 2023, bolstered by activity in both the energy and non-energy sectors. Natural gas supplies should continue to benefit from key upstream energy sector projects, while non-energy sector performance will be driven by increased business activity and the continued resurgence of consumer demand. Headline inflation is expected to continue along a path of deceleration in the short-term, driven by easing food inflation as international food prices trend downward.

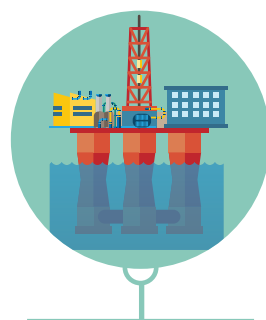
## EXTERNAL DEVELOPMENTS



**Global growth** remains tepid and is projected to fall to 3.0 per cent in 2023 from an estimated 3.5 per cent in 2022.



Economic growth in **Emerging Market and Developing Economies** was constrained by weak external demand, high inflation and tighter financial conditions.

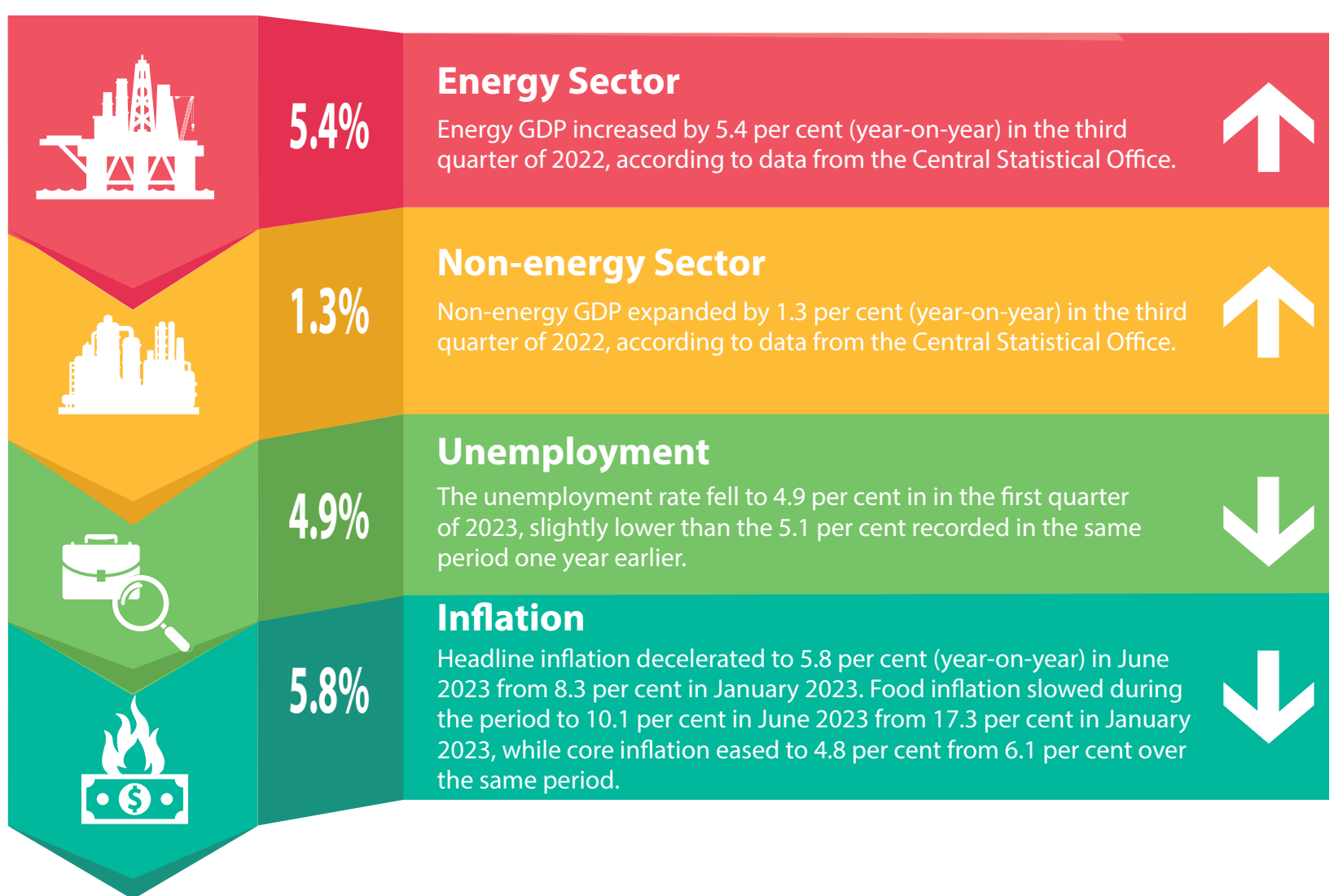


**Crude oil and natural gas prices** declined during January to July 2023, reflecting softening global demand and the normalisation of supply.



Although gradually easing, **inflation rates** remained above target in several Advanced Economies.

## DOMESTIC DEVELOPMENTS



## JULY 2023



**BUSINESS SECTOR CREDIT GROWTH**  
y-o-y, MAY 2023

**6.1%**



**CENTRAL GOVERNMENT FISCAL SURPLUS**  
OCT 2022 - JUNE 2023

**\$0.1 Bn**



**ADJUSTED GENERAL GOVERNMENT DEBT**  
JUNE 2023

**\$134.6 Bn**

**CONSUMER CREDIT GROWTH**  
y-o-y, MAY 2023

**6.8%**