

# HIGHLIGHTS



## In Summary:

- Global growth remained steady in the first half of 2024, despite geopolitical and monetary-policy-related challenges.
- Domestically, Gross Domestic Product at constant prices (real GDP) contracted in the third quarter of 2023, as the fall in energy sector output outweighed growth in the non-energy sector. Preliminary indicators for early 2024 suggest that growth continued to be led by the non-energy sector.
- Although still subdued, headline inflation picked up in June 2024 driven by higher food prices. Meanwhile, labour market conditions softened.
- The Central Government's fiscal accounts recorded a deficit in the first nine months of fiscal year (FY) 2023/24, as lower energy receipts outweighed the falloff in expenditure.
- Credit remained strong, recording growth of 6.8 per cent (year-on-year) in May 2024. Credit growth was led by consumer lending.
- The Repo rate remained unchanged at 3.50 per cent during the first half of 2024 against a background of low inflation and favourable credit growth. Consistent with the drive towards more market-determined monetary policy instruments, on July 19, 2024 the reserve requirement was reduced to 10.0 per cent from 14.0 per cent of prescribed liabilities.
- Gross official reserves amounted to US\$5,741.6 million at the end of July 2024, equivalent to 8.1 months of import cover.

Domestically, the non-energy sector is expected to be the main driver of growth. Strong business activity and a resurgence in consumer demand are anticipated to bolster non-energy spending. Conversely, in the short-run, output from the energy sector will continue to be impeded by constrained gas supplies. At the same time, a number of projects are underway to boost energy output. Headline inflation is expected to remain low in the closing months of 2024. However, while demand pressures are relatively small, adverse weather and/or changes in utility or other rates can impact certain prices.

## EXTERNAL DEVELOPMENTS



**Global growth** is projected at 3.2 per cent for 2024, slightly below the 3.3 per cent recorded for 2023.



**Emerging Market and Developing Economies** are anticipated to lead global output, with forecasted growth of 4.3 per cent in 2024. Growth in Advanced Economies is projected at 1.7 per cent for 2024.

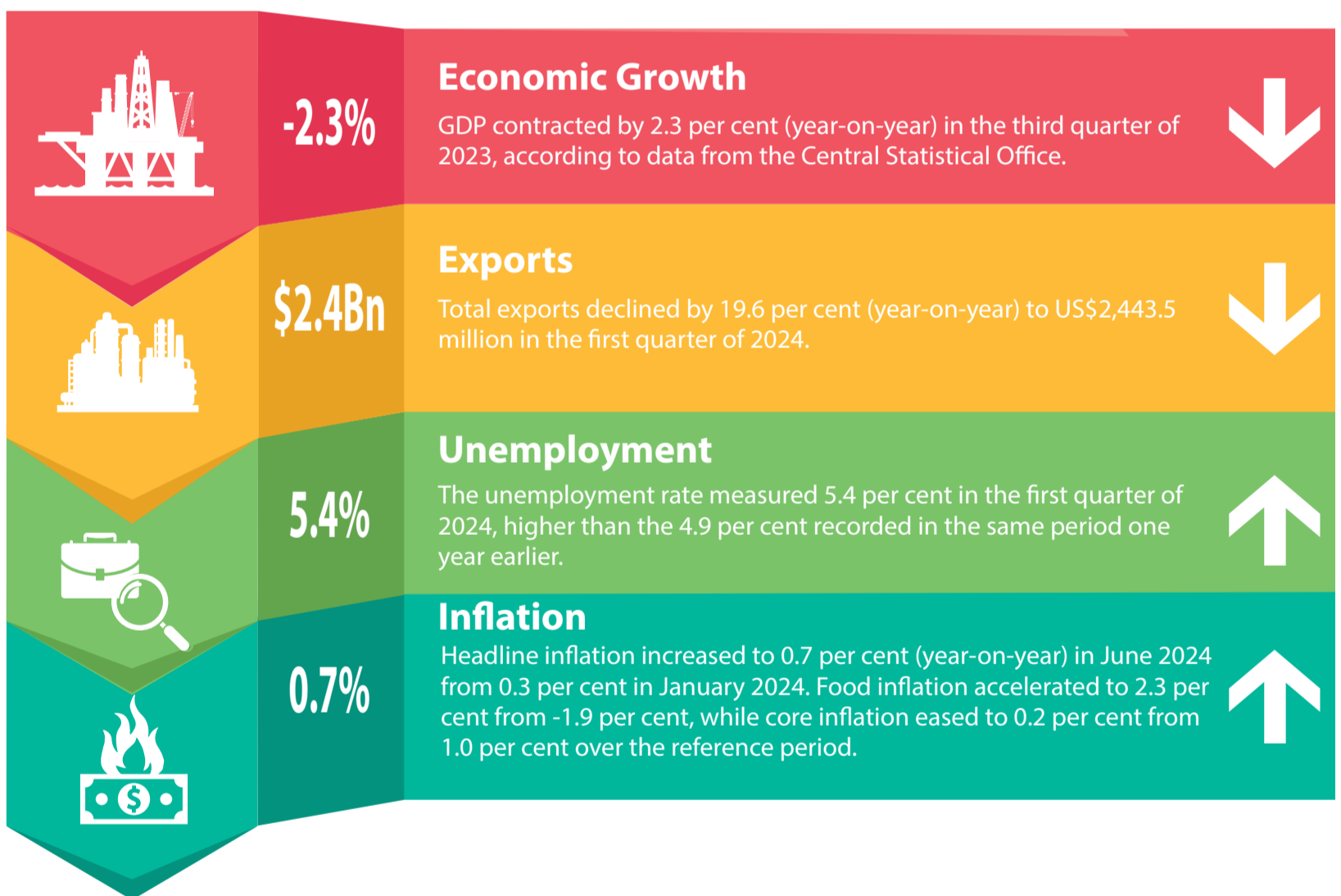


**Crude oil and natural gas prices** diverged in the first seven months of 2024. Crude oil prices strengthened, reflecting higher demand and growing geopolitical tensions. Simultaneously, natural gas prices softened due to large US inventories and an unseasonably warm winter.



Although gradually easing, **inflation rates** in several Advanced Economies remained above target. The convergence of inflation towards target ranges is expected to slow in the latter half of 2024 as risks emerge.

## DOMESTIC DEVELOPMENTS



## July 2024



**BUSINESS SECTOR CREDIT GROWTH**  
y-o-y, MAY 2024

**9.2%**



**CENTRAL GOVERNMENT FISCAL DEFICIT**  
OCTOBER 2023 - JUNE 2024

**\$4,305.0 Mn**

**ADJUSTED GENERAL GOVERNMENT DEBT**  
JUNE 2024

**\$141.1 Bn**

**CONSUMER CREDIT GROWTH**  
y-o-y, MAY 2024

**10.8%**