

# HIGHLIGHTS



## In Summary:

- There is evidence of an energy-led recovery in domestic economic activity in 2018.
- During the first half of fiscal year (FY) 2018/19 Central Government's deficit was much lower compared to the corresponding period one year earlier.
- Inflation continued to be low and stable in early 2019 owing to low international food prices and moderate domestic demand.
- Consolidated private sector credit, which had been expanding moderately in 2018, dipped in March 2019.
- In March 2019 the Monetary Policy Committee held the Repo rate constant at 5.00 per cent.
- The local foreign exchange market remained tight despite an increase in authorised dealers' foreign currency purchases from the public.

## INTERNATIONAL DEVELOPMENTS



For 2018 and 2019, global growth was revised downward by the IMF to **3.6%** and **3.3%**, respectively.



The US maintained its federal funds rate range while **monetary policies** in other advanced economies remained **accommodative**.



**Energy prices** exhibited positive trends over the period November 2018 to May 2019.



Economic growth in **emerging market and developing economies** was **hindered** by worsening financial market sentiment and country-specific factors.

## DOMESTIC ECONOMIC AND FINANCIAL CONDITIONS

The latest data available indicate an increase in the unemployment rate to **4.8%** in 2017.



During the first half of FY 2018/19, the Central Government registered a deficit of **\$1.9bn**, **38.7%** lower than in the corresponding period one year earlier.



Gross official reserves stood at **US\$7.2bn** at the end of May 2019 or **8.1** months of prospective imports.



Central Bank **interventions** amounted to **US\$826.0mn** during November 2018 to May 2019, approximately **US\$79mn** less than in the corresponding period in 2017-2018.



## MONETARY POLICY CONSIDERATIONS

