

HIGHLIGHTS



In Summary:

- Economic activity of some advanced economies and emerging market and developing economies continued to slow in the third quarter of 2019.
- Higher energy revenues resulted in a lower fiscal deficit in FY2018/19.
- Headline inflation has remained well contained so far in 2019.
- Energy prices were generally lower over May to October 2019, compared to the comparative period in 2018.
- Private sector credit granted by the consolidated financial system continued its moderate pace of expansion supported by the growth in consumer lending, but the decline in business credit persisted.
- In September 2019, the Monetary Policy Committee held the Repo rate constant at 5.00 per cent.
- The local foreign exchange market remained relatively tight over the first ten months of 2019.

INTERNATIONAL DEVELOPMENTS



Global economic growth for 2019 was revised downwards by the IMF to **3.0%** in October from **3.3%** in April 2019.



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



Energy prices were generally **lower** over May to October 2019, compared to the same period a year earlier.



Economic growth in **emerging market and developing economies softened further** in the first half of 2019 when compared to the latter half of 2018.

DOMESTIC ECONOMIC AND FINANCIAL CONDITIONS

The latest data from the Central Statistical Office (CSO) point to a **fall** in the unemployment rate to **3.8 per cent** in the first half of 2018, relative to a year earlier.



During FY2018/19, the **Central Government** registered a **deficit** of **\$3.9bn**, lower than the **\$5.7bn** one year earlier.



Gross official reserves stood at **US\$7.1bn** at the end of October 2019 or **7.9** months of prospective imports.



Central Bank **interventions** amounted to **US\$1,270mn** during January to October 2019, **1.2 per cent** lower than the **US\$1,285mn** provided one year earlier.



MONETARY POLICY CONSIDERATIONS

