



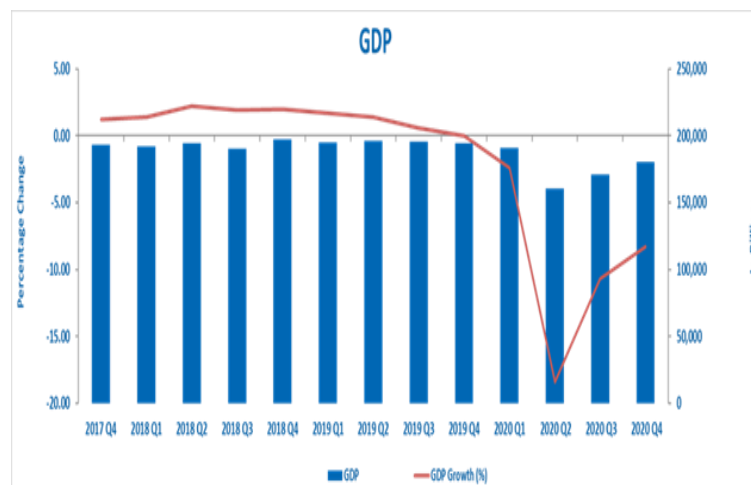
LOCAL ECONOMY

GROSS DOMESTIC PRODUCT

According to the Statistical Institute of Jamaica (STATIN), the Jamaican economy declined by 8.3% in the fourth quarter of 2020 when compared to the similar quarter of 2019. This downward movement resulted from the 11.1% decline in the Services Industries, while the Goods Producing Industries grew by 0.2%. The performance of the economy continued to be negatively impacted by the spread of the novel Coronavirus (COVID-19) and the measures adopted island wide to limit its spread.

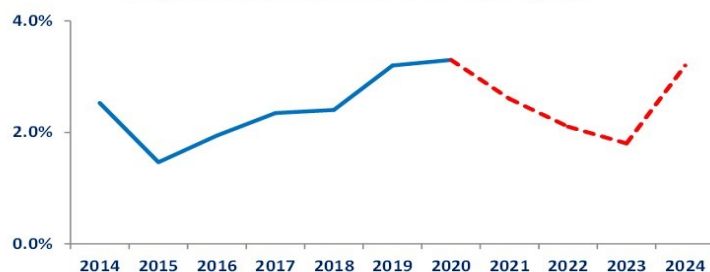
In the Services Industries, seven of the eight industries recorded declines: Electricity & Water Supply (9.3%), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (8.8%), Hotels & Restaurants (53.8%), Transport, Storage & Communication (10.4%), Finance & Insurance Services (2.8%), Real Estate, Renting & Business Activities (1.3%) and Other Services (21.6%). Conversely, the Producers of Government Services grew by 0.2%.

Within the Goods Producing Industries, the Agriculture, Forestry & Fishing and Manufacturing industries declined by 7.2% and 0.4% respectively.



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



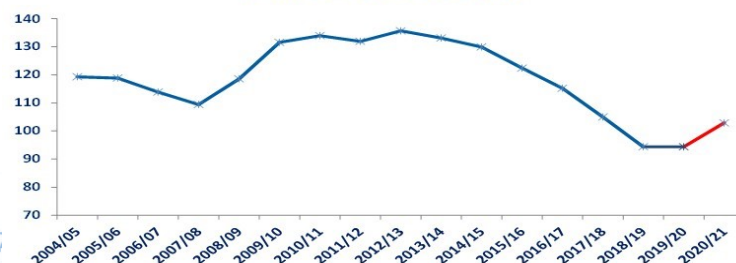
Total Expenditure for the period April to February 2021 amounted to \$576.51 billion, \$17.44 billion less than the budgeted amount of \$593.95 billion. Recurrent expenditure which totalled \$531.98 billion, accounted for 92.28% of overall expenditures. Of the recurrent expenditure categories for the review period, the categories above the budgeted amount were 'Compensation of Employees' and 'Wages & Salaries'. 'Compensation of Employees' amounted to \$204.64 billion and was \$242.8 million or 0.1% more than budgeted while 'Wages & Salaries' totalled \$190.96 billion, 0.3% above the budgeted amount of \$190.32 billion.

Relative to projections, 'Programmes' totalled \$208.17 billion, 3.8% less than budgeted. Additionally, 'Employee Contribution' totalled \$13.68 billion, 2.9% less than the budgeted amount of \$14.08 billion.

The 'Fiscal Deficit' was \$86.36 billion, relative to a 'Projected Deficit' of \$105.17 billion. Additionally, the 'Primary Surplus Balance' for the period amounted to \$32.81 billion, relative to the budgeted primary surplus of \$21.64 billion.

DEBT TO GDP

Total Debt to GDP (%)



The debt-to-GDP is projected at 110.0% at end-FY2020/21, representing a 15.3 percentage point increase over the outturn at end-March 2020. This increase is mainly due to the estimated 11.6% decline in real GDP during FY 2020/21. As at January 2021, Jamaica's total debt stands at \$ 2.08 trillion.

Jamaica's economic and fiscal resilience was tested during FY 2020/21, with a shortfall of \$78bn or 3% of GDP in tax revenues, due to the impact of the pandemic. The economy is expected to return to positive growth in FY 2021/22 and continue throughout the medium term. Real GDP is projected to grow by an average of 4.1% over fiscal years 2021/22 to 2024/25. Output growth of 5.2% is projected for FY 2021/22, as the demand for goods and services increase over their FY 2020/21 levels.

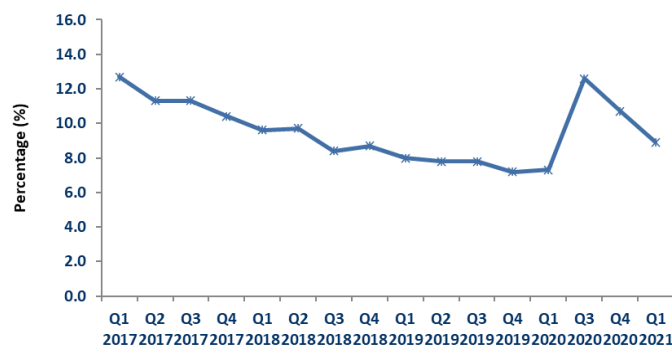
The expansion will be mainly driven by Hotels & Restaurants; Transport, Storage & Communications; and Other Services, buoyed by an increase in the number of tourist arrivals as well as a gradual return to normalcy given the sharp decline in economic activity in FY2020/21.



LABOUR FORCE

Labour force	January Q1	April Q2	July Q3	October Q4
2014	1,305,500	1,311,100	1,303,700	1,310,200
2015	1,320,800	1,300,400	1,320,500	1,325,200
2016	1,342,000	1,353,500	1,363,300	1,355,500
2017	1,358,300	1,371,600	1,371,200	1,346,800
2018	1,331,800	1,345,900	1,334,700	1,334,900
2019	1,340,200	1,349,900	1,360,800	1,345,100
2020	1,369,500	na	1,279,600	1,293,600
2021	1,310,900	-	-	-

Unemployment Rate



The Labour force in January 2021 had 1,310,900 persons, a decline of 58,600 or 4.3% relative to January 2020. The male labour force decreased by 23,900 (3.3%) to 709,800 and the female labour force by 34,700 (5.5%) to 601,100 in January 2021. The Employed Labour Force had 1,194,800 persons; 74,300 fewer persons when compared to January 2020. The unemployment rate amounted to 8.9%, which was 1.5 percentage points higher than the rate in January 2020. Notably, the largest decline in employment by occupation was among 'Service Workers and Shop and Market Sales Workers', while the industry with the largest decline in employment was 'Accommodation and Food Service Activities'.

PRODUCER PRICE INDEX & CONSUMER PRICE INDEX

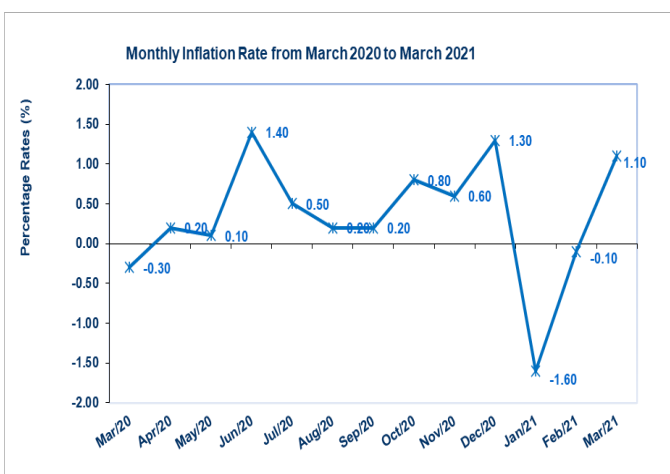
Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry increased by 0.8% for February 2021", according to the Statistical Institute of Jamaica (STATIN). This movement resulted from a 0.8% increase in the index for the major group, 'Bauxite Mining & Alumina Processing'. Additionally, the index for 'Other Mining & Quarry' rose by 0.2%.

The index for the Manufacturing industry rose by 2.4%, which was mainly attributed a 10.6% increase in the index for the major groups 'Refined Petroleum Products', 'Food, Beverages & Tobacco' which moved up by 0.6%, and 'Wood, Wood Products and Furniture' which moved up by 4.8%.

For the point-to-point period, February 2020 – February 2021, the index for the Mining & Quarrying industry rose by 9.8%. This growth was attributed to an increase of 10.0% in the index for the major group 'Bauxite Mining & Alumina Processing'. The point-to-point index for the Manufacturing industry increased by 3.5%.

Furthermore, STATIN noted, "For the 2020/2021 fiscal year-to-date, April 2020 - February 2021, the index for the Mining & Quarrying industry increased by 25.3%, while the index for the Manufacturing industry recorded an upward movement of 6.6%.



Consumer Price Index:

According to the Statistical Institute of Jamaica (STATIN) the consumer price index for March 2021 was 108.3 resulting in inflation rate of 1.1%, when compared to the previous month's deflation rate of 0.1%. STATIN noted that, "This movement represented the largest increase since the start of the 2021 calendar year. The inflation rate was primarily impacted by the 4.6 per cent increase in the index for the 'Housing, Water, Electricity, Gas and Other Fuels' division." The overall movement was however tempered by the decline of 1.8 per cent in the index for the group 'Water Supply, And Miscellaneous Services Related to the Dwelling'.

The index for the heaviest weighted division 'Food and Non-Alcoholic Beverages' rose by 0.2% for March 2021. The groups 'Food' and 'Non-Alcoholic Beverages' both increased by 0.2%. The growth in the 'Food' group was attributable to a for the classes 'Cereal and Cereal Products' which moved up by 1.5%, 'Fish and Other Seafood' up by 0.6%. These increases however, were tempered by the index for the class 'Vegetables, Tubers, Plantains, Cooking bananas and Pulses' which fell by 1.7% as prices continued to fall for some produce such as Irish potato, yam, tomato and cabbage. Within the 'Non-Alcoholic Beverages' group, the index for all three classes increased with, 'Water, Soft drinks and Other Non-Alcoholic Beverages', 'Fruit and Vegetable Juices' and 'Coffee, Tea and Cocoa' each moving up by 0.2%.

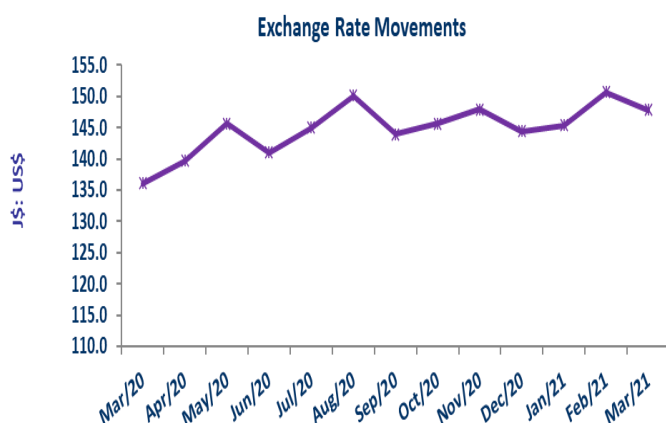
The index for the 'Housing, Water, Electricity, Gas and Other Fuels' division advanced by 4.6% influenced by increased rates for electricity, water and sewage. This was mainly due to a 13.1% increase for the group 'Actual Rentals for Housing' and the rise in the rates for electricity which resulted in an 8.6% increase for the group 'Electricity, Gas and Other Fuels'. These increases were however tempered by a decline in the rates for water and sewage which led to the index for the group 'Water Supply and Miscellaneous Services Relating to the Dwelling' declining by 1.8%.

The division for 'Health' recorded an increase of 0.3% in its index for March 2021. The main contributing factor to this upward movement were increases in the groups 'Medicines and Health Products' which increased by 0.3%. The index 'Transport' rose by 0.5%. According to STATIN "this was largely due to higher petrol prices". The 'Recreation, Sport and Culture' division registered a 0.1% rise for March 2021. Resulting from a 0.2% increase for items within the groups 'Newspapers, Books and Stationery'. Lastly, the index for the 'Personal Care, Social Protection and Miscellaneous Good and Services' division rose by 0.3% for the period under review. This was due to an increase in the cost of some personal care good and services.

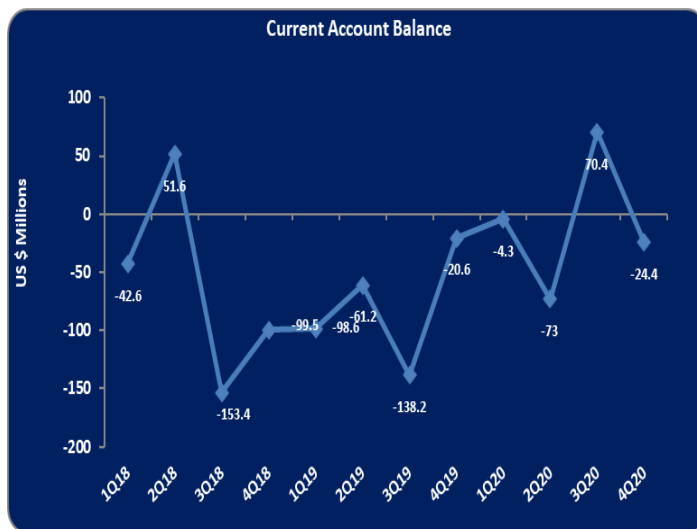
FOREIGN EXCHANGE MARKET

LOCAL FOREX

The Jamaica dollar appreciated against the USD for the month of March 2021. The JMD appreciated by \$2.80 in March, to close the month at an average of \$147.86 relative to the \$150.66 recorded in February 2021. Year over year, the JMD has depreciated by approximately \$11.81 or 8.68% relative to the \$136.05 reported as at March 2020.



CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the Current Account of Jamaica's balance of payments for the December 2020 quarter, a current account deficit of US\$24.4 million (0.2 per cent of GDP) is estimated, US\$65.6 million lower (better) than the previous projection and US\$3.8 million higher (worse than) the outturn for the December 2019 quarter. The CAD for the period FY2020/21 to FY2022/23 is expected to be broadly sustainable. For FY2020/21, the CAD is projected to deteriorate to 2.0% of GDP, 0.1% higher (worse) than the previous projection of 1.9% of GDP and 0.4% above (worse than) the estimate of 1.6% of GDP for FY2019/20.

INTERNATIONAL FOREX

GBP/USD: The pair closed at **\$1.3819** for the month of March. According to FX Empire, to close the month "The British pound has gone back and forth during the course of the trading session. The market is likely to see plenty of support near the 1.35 handle underneath." Furthermore, "The market is still in the middle of a correction and is likely to see a bit of negativity due to the fact that the US dollar is strong, but the British pound is probably a second contender for strength at this point as the UK economy continues to look likely to open up a rather soon."

EUR/USD: For March 2021, the EUR/USD pair closed at **\$1.1773** versus **\$1.2053** at the start of the month, a 2.32% decrease. According to FX Empire "investors are still bullish the dollar as they continue to bet that massive fiscal stimulus and aggressive vaccinations will help speed up the U.S. recovery from the pandemic." Looking ahead, FX Empire notes that, "Traders will also continue to monitor the developments in the U.S. government bond markets. Currently, Treasury yields are trying to gain some ground after yesterday's downside move. If this attempt is successful, the American currency may get more support."

March 1-31				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3937	1.4017	1.3670	1.3819
USD/CAD	1.2653	1.2737	1.2365	1.2566
EUR/USD	1.2053	1.2113	1.1704	1.1773
USD/JPY	106.69	110.97	106.65	110.58

USD/CAD: The CAD appreciated against the USD during the month of March by 0.69% to close at \$1.2566.

MONEY SUPPLY

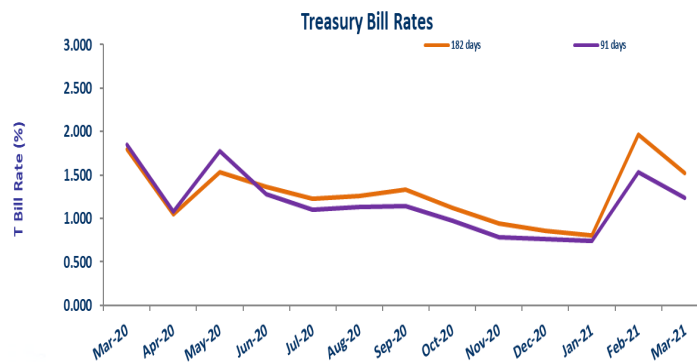
Percentage Change (%)	Nov-19	Sep-20	Nov-20
Total Money Supply (M2*)	15.6	20.6	17.8
Money Supply (M2J)	19.5	21.1	14.6
Money Supply (M1J)	18.5	24.1	21.0
Currency with the public	16.5	27.1	26.8
Demand Deposits	19.8	22.1	17.3
Quasi Money	20.5	18.4	9.1
Savings Deposits	16.4	17.8	17.1
Time Deposits	34.0	20.7	-14.2
Foreign Currency Deposits	9.0	19.8	23.8

According to the latest data available from the Bank of Jamaica's quarterly report, "The expansion in M2J at November 2020 was underpinned by growth of 11.9% in local currency deposits, a deceleration relative to the 19.7 per cent recorded at end-September 2020. The deceleration in the growth in deposits reflected a slowdown in the growth in demand and savings deposits, to 17.3% and 17.1%, respectively, relative to growth of 22.1% and 17.8% in September 2020.



Treasury Bills:

For the month of March applications for treasury bills exceeded demand, as the Bank of Jamaica (BOJ) issued a total of J\$1.4 billion in treasury bills, while applications totaled J\$4.13 billion and J\$3.27 billion for the 91-day, 182-day treasury bills respectively. The 91-day treasury bill auction resulted in the average yield of 1.24%, down 29.4 basis points compared to February 2021, the 182-day treasury bill auction resulted in the average yield of 1.52%, up 44.0 basis points relative to the prior month. Notably, the average yields on the 91-day decreased by 62 basis points compared to the auctions in 2020 for the comparable period. The 182-day treasury bills went down 27 basis points relative to the corresponding auctions in 2020. (Refer to the graph on the right).



OPEN MARKET OPERATION

Issue Date	Tenor	Initial Coupon %	Reset Margin %	Benchmark	Interest/ Maturity Date Payment
1-Feb-21	14 Days	1.25%	N/A	Fixed	16-Feb-21
5-Feb-21	28 Days	1.00%	N/A	Fixed	5-Mar-21
5-Feb-21	30 Days	1.00%	N/A	Fixed	7-Mar-21

The Bank of Jamaica issued one 14 Days Repurchase Operation and two Certificate of Deposits during the month of February, there were no Open Market Operation during the month of March.

TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in January 2021 amounted to 43,831 a significant decrease of 80.7% when compared to 227,200 recorded January 2020. Notably this is due to global travel restrictions as a result of the pandemic. Jamaica borders were re-opened on June 15, 2020 with the exception of the cruise ship piers.

Stopover arrivals from the U.S. market decreased by 73.2% in January 2021 with a total of 38,500 arrivals compared to 143,460 arrivals in January 2020 (see Tourist Arrivals table to the right).

The Canadian market recorded a decrease in arrivals of 92.9% with arrivals amounting to 3,274 relative to 45,922 in January of last year. The European market region recorded a decrease in arrivals by 98.8% to total 307 stopover arrivals in January 2021, relative to 26,258 recorded in January 2020.

Arrivals from Caribbean recorded a decrease of 79.5% with a total of 1,070 stopovers relative to 5,217 recorded in January 2020.

Stopover Arrivals by Market Region					
Country	January 2021	Share %	January 2020	Share %	Change %
U.S.A.	38,500	87.8%	143,460	63.1%	-73.2%
Canada	3,274	7.5%	45,922	20.2%	-92.9%
Europe	307	0.7%	26,258	11.6%	-98.8%
Latin America	565	1.3%	5,219	2.3%	-89.2%
Caribbean	1,070	2.4%	5,217	2.3%	-79.5%
Asia	63	0.1%	606	0.3%	-89.6%
Others	52	0.1%	518	0.2%	-90.0%
Total	43,831	100.0%	227,200	100.0%	-80.7%



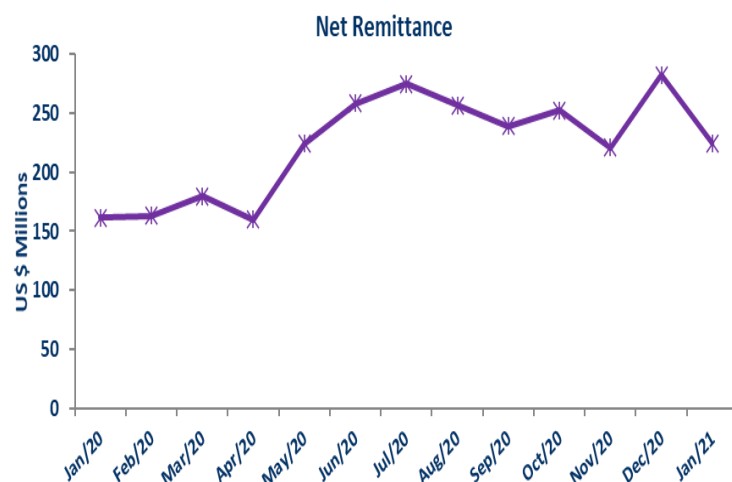
REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for January 2021, showed net remittances were US\$224.4 million, an increase of US\$62.9 million (39.0%) relative to US\$161.5 million reported for the corresponding month of 2020.

For the period April 2020 to January 2021, net remittance inflows totalled US\$2,399.4 million, relative to US\$1,810.4 million for the corresponding period in 2020.

For January 2021, total inflows amounted to US\$241.0 million (2020: US\$181.5 million), while outflows totalled US\$16.6 million (2020: US\$20.0 million).

The largest source market of remittances to the island in January was USA with a share of 69.8% (2020: 65.2%). The remaining remittances during the aforementioned month came from Canada (8.9%) followed by UK (11.9%) and the Cayman Islands (5.6%).



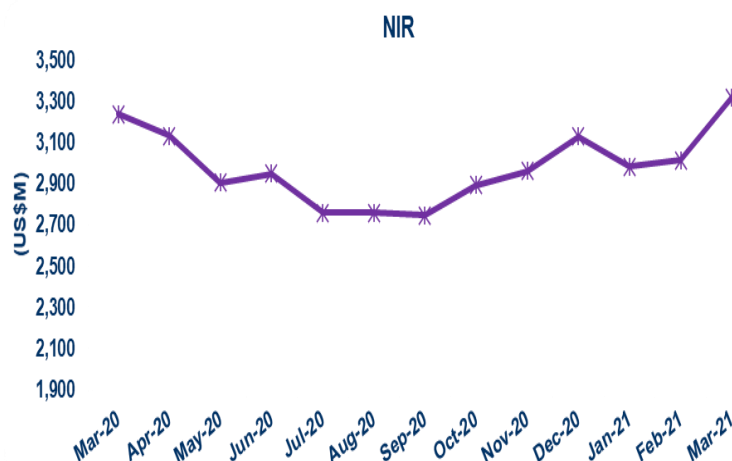
NET INTERNATIONAL RESERVES

Jamaica's Net International Reserves (NIR) totalled US\$3,319.33 million as at March 2021, reflecting an increase of US\$303.15 million relative to the US\$3,016.18 million reported at the end of February 2021 (see figure 1).

This change in the NIR resulted from a US\$273.06 million increase in Foreign Assets which total US\$4,243.53 million compared to the US\$3,970.47 million reported for February 2021. 'Currency & Deposits' contributed the most to the increase in Foreign Assets. 'Currency & Deposits' as at March 2021 totalled US\$3,681.36 million reflecting an increase of US\$272.45 million compared to US\$3,408.91 million booked as at February 2021.

'Securities' amounted to US\$344.46 million; US\$3.99 million more than the US\$340.47 million reported at February 2021. While 'SDR & IMF Reserve Position' amounted to US\$217.70 million; US\$3.38 million less than the US\$221.09 million reported at February 2021. Liabilities to the IMF accounted for 100% of total Foreign Liabilities; this amounted to US\$924.20 million which reflected a month on month decrease of US\$30.09 million in comparison to the US\$954.29 million recorded for February 2021.

At its current value, the NIR is US\$81.66 million more than its total of US\$3,237.67 million reported at the end of March 2020. The current reserve is able to support approximately 53.65 weeks of goods imports and 38.71 weeks of goods and services imports.



Actual NIR vs IMF Target

