



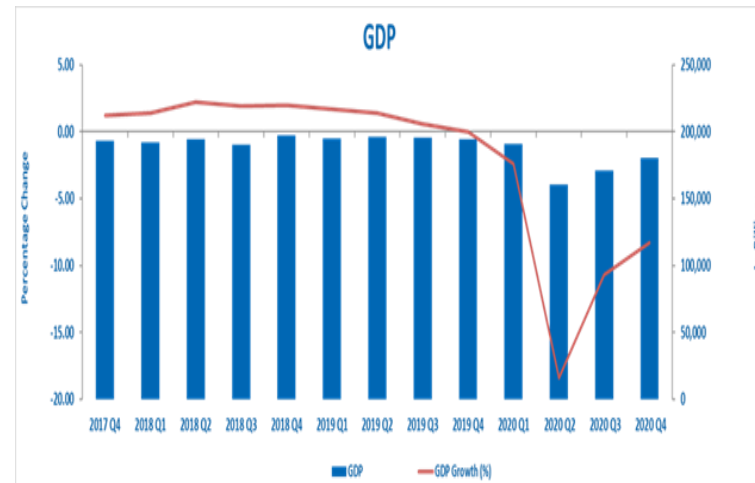
LOCAL ECONOMY

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.

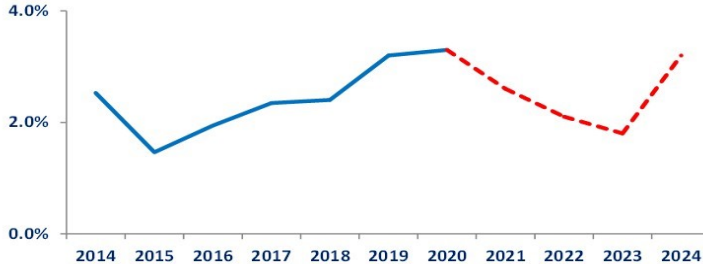
In the Services Industries, seven of the eight industries recorded declines: Electricity & Water Supply (9.3%), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (8.8%), Hotels & Restaurants (53.8%), Transport, Storage & Communication (10.4%), Finance & Insurance Services (2.8%), 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 (%)



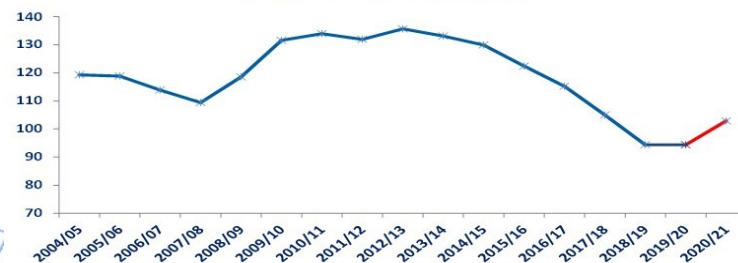
Total Expenditure for the period April 2020 to March 2021 amounted to \$635.91 billion, \$18.60 billion less than the budgeted amount of \$654.51 billion. Recurrent expenditure which totalled \$586.73 billion, accounted for 92.27% of overall expenditures. Of the recurrent expenditure categories for the review period, the category above the budgeted amount was 'Wages & Salaries' which totalled \$208.00 billion, 0.04% above the budgeted amount of \$207.91 billion.

'Compensation of Employees' amounted to \$223.00 billion and was \$1.80 billion or 0.8% less than budgeted. Relative to projections, 'Programmes' totalled \$234.69 billion, 2.8% less than budgeted. Additionally, 'Employee Contribution' totalled \$15.00 billion, 11.2% less than the budgeted amount of \$16.88 billion.

The 'Fiscal Deficit' was \$60.56 billion, relative to a 'Projected Deficit' of \$78.02 billion. Additionally, the 'Primary Surplus Balance' for the period amounted to \$68.48 billion, relative to the budgeted primary surplus of \$58.23 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 March 2021, Jamaica's total debt stands at \$ 2.09 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.

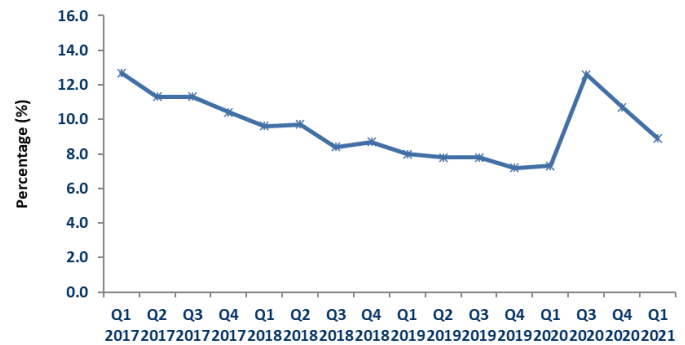
The expansion will be mainly driven by Hotels & Restaurants; Transport, Storage & Communications; and Other Services, buoyed by an increase in the number of tourist arrivals as well as a gradual return to normalcy given the sharp decline in economic activity in FY2020/21.



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

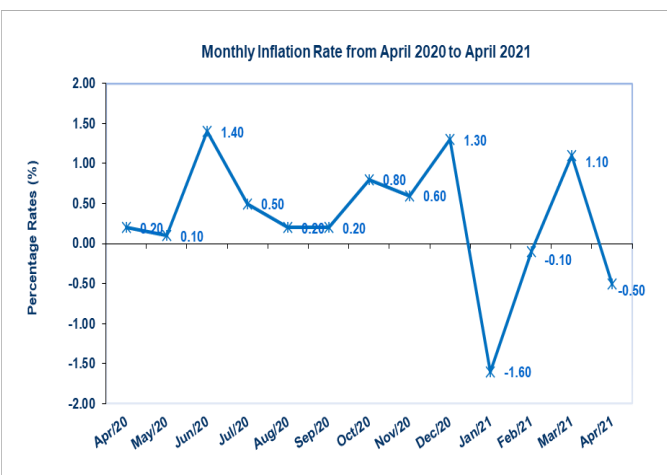
Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry increased by 3.7% for March 2021", according to the Statistical Institute of Jamaica (STATIN). This movement resulted from a 3.8% increase in the index for the major group, 'Bauxite Mining & Alumina Processing'. Additionally, the index for 'Other Mining & Quarry' rose by 1.3%.

The index for the Manufacturing industry rose by 2.8%, which was mainly attributed a 8.0% increase in the index for the major groups 'Refined Petroleum Products', 'Food, Beverages & Tobacco' which moved up by 1.7%, and 'Fabricated Metal Products' which moved up by 8.1%.

For the point-to-point period, March 2020 – March 2021, the index for the Mining & Quarrying industry rose by 10.9%. This growth was attributed to a increase of 11.2% in the index for the major group 'Bauxite Mining & Alumina Processing'. The point-to-point index for the Manufacturing industry increased by 7.5%.

Furthermore, STATIN noted, "For the 2020/2021 fiscal year-to-date, April 2020 - March 2021, the index for the Mining & Quarrying industry increased by 30.0%, while the index for the Manufacturing industry recorded an upward movement of 9.7%.



Consumer Price Index:

According to the Statistical Institute of Jamaica (STATIN) the consumer price index for April 2021 was 107.7 resulting in deflation rate of 0.5%, when compared to the previous month's inflation rate of 1.1%. STATIN noted that, "This decline was as a result of the 4.0% fall in the index for the heavily weighted 'Housing Water, Electricity, Gas and Other Fuels' division due to a decrease in electricity rates. In the reference period, electricity rates were impacted by lower fuel prices, as well as a fall in the billing exchange rate." The overall movement was however tempered by the 0.5% increase in the index for 'Food and Non-Alcoholic Beverages'.

The classes with the strongest impact on the heaviest weighted division 'Food and Non-Alcoholic Beverages' were 'Meat and other parts of slaughtered land animals' which went up by 0.8%, 'Fruits and nuts' up by 0.9%, 'Cereals and cereal products' and 'Fish and Seafood' each up by 0.6% each. The class 'Vegetables, tubers, plantains, cooking bananas and pulses' which is the heaviest weighted class, recorded a 0.1% increase in its index. Although there were higher prices for tubers such as yam and sweet potato, lower prices for vegetables such as cabbage, carrot and sweet pepper moderated the overall movement of this class.

The 'Alcoholic Beverages, Tobacco and Narcotics' division grew by 0.4% for April 2021, resulting from the 0.5% increase in the index for the group 'Alcoholic Beverages' due mainly to higher prices for 'Spirits and liquors'. While the division for 'Clothing and Footwear' observed an increase of 0.1% in its index for April 2021. In the index, the group 'Clothing' rose 0.2% while the 'Footwear' group recorded a negligible movement.

The index for the 'Housing, Water, Electricity, Gas and Other Fuels' division fell by 4.0% influenced by an 11.5% fall for the group 'Electricity, Gas and Other Fuels'. The main contributors to the group's movement were a decline in electricity rates due to lower fuel prices and a fall in the billing exchange rate. The decline in the division's index was however offset by a 0.7% increase in the index for the group 'Water Supply and Miscellaneous Services Relating to the Dwelling', due to increased water rates. The 'Maintenance, Repair and Security of the Dwelling' group had a 1.0% increase in its index due mainly to increased prices for paint.

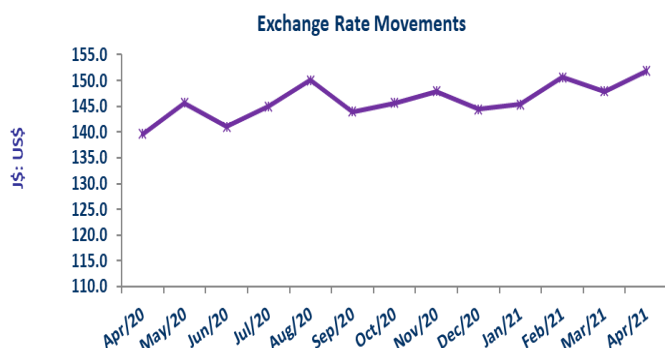
Inflation of 0.3% was recorded for the division 'Furnishings, Household Equipment and Routine Household Maintenance', attributable to the 0.7% increase in the index for the group Tools and Equipment for House and Garden'. The index for 'Goods and Services for Routine Household Maintenance' also went up by 0.3% with 'Furniture, Furnishing and Loose Carpets' and 'Household Textiles' each moving up by 0.1%.

The 'Recreation, Sport and Culture' division registered a 0.2% rise for the period under review. 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.

FOREIGN EXCHANGE MARKET

LOCAL FOREX

The Jamaica dollar depreciated against the USD for the month of April 2021. The JMD depreciated by \$3.96 in April, to close the month at an average of \$151.82 relative to the \$147.86 recorded in March 2021. Year over year, the JMD has depreciated by approximately \$12.16 or 8.71% relative to the \$139.66 reported as at April 2020.



INTERNATIONAL FOREX

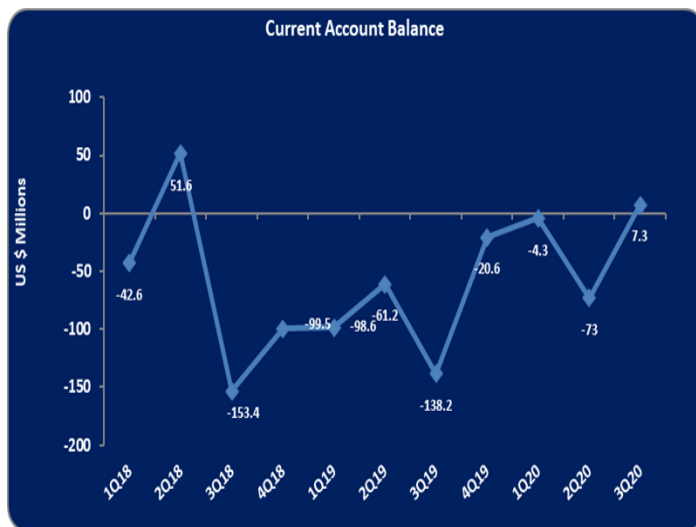
GBP/USD: The pair closed at **\$1.3816** for the month of April. According to FX Empire, to close the month "The British pound is acting very much like the Australian dollar, as they both have a very obvious resistance barrier that traders simply cannot get past." Moreover, "The Bank of England is expected to be upbeat as the fiscal stimulus and vaccine will spur a recovery sooner and stronger than previously projected." Looking forward, "The market could go looking towards the 1.40 level as a potential supportive level that traders will be looking to take advantage of."

EUR/USD: For April 2021, the EUR/USD pair closed at **\$1.2020** versus \$1.1773 at the start of the month, a 2.10% increase. According to FX empire the US dollar probably took a hit because Joe Biden is "looking to spend \$10 trillion at the very least this year" and "the European Union is starting to show signs of life again." looking ahead, FX Empire notes that, "This is a market that is continuing to gain mainly upon the weakness of the US dollar, but you should also pay attention to the fact that bond yields in the European Union are starting to rise."

April 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3819	1.4009	1.3669	1.3816
USD/CAD	1.2566	1.2654	1.2266	1.2290
EUR/USD	1.1773	1.2150	1.1738	1.2020
USD/JPY	110.58	110.75	107.48	109.30

USD/CAD: The CAD appreciated against the USD during the month of April by 2.20% to close at \$1.2290.

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 amounted to an estimated surplus of US\$54.9 million (0.4 per cent of GDP), US\$85.6 million higher (better) than the outturn recorded for the December 2019 quarter.

The CAD is projected to deteriorate over the medium-term, relative to the previous forecast. The CAD is projected to average 2.9 per cent of GDP between FY2020/21 and FY2025/26, relative to the previous forecast of 2.4 per cent of GDP.

MONEY SUPPLY

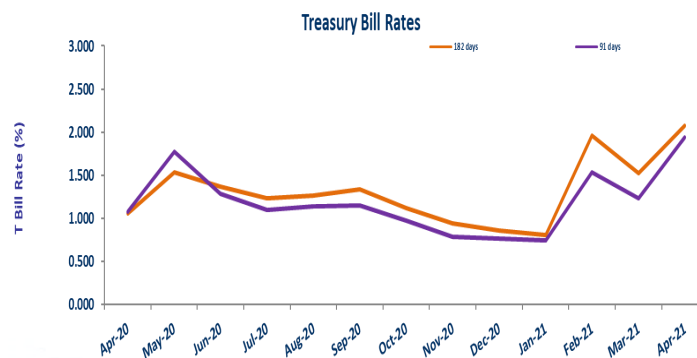
Percentage Change (%)	Feb-20	Dec-20	Feb-20
Total Money Supply (M2*)	15.1	16.1	16.8
Money Supply (M2J)	16.1	13.3	16.8
Money Supply (M1J)	19.1	18.4	18.5
Currency with the public	15.5	22.1	23.5
Demand Deposits	21.5	15.8	15.3
Quasi Money	13.5	8.8	15.2
Savings Deposits	14.7	17.8	17.8
Time Deposits	9.3	-17.1	5.8
Foreign Currency Deposits	13.4	21.4	16.8

According to the latest data available from the Bank of Jamaica's quarterly report, "The expansion in M2J at February 2021 was largely underpinned by growth of 15.2 per cent in local currency deposits, an acceleration relative to the 11.1 per cent recorded at end-December 2020. The acceleration in the growth in deposits was reflected in savings and demand deposits, which grew by 17.8 per cent and 15.3 per cent, respectively, relative to growth of 17.8 per cent and 15.8 per cent in December 2020."



Treasury Bills:

For the month of April, applications for treasury bills exceeded demand, as the Bank of Jamaica (BOJ) issued a total of J\$2.2 billion in treasury bills, while applications totaled J\$1.12 billion, J\$1.16 billion and J\$1.34 billion for the 91-day, 182-day and 273 days treasury bills respectively. The 91-day treasury bill auction resulted in the average yield of 1.94%, up 70.1 basis points compared to March 2021, the 182-day treasury bill auction resulted in the average yield of 2.07%, up 54.8 basis points relative to the prior month. Notably, the 273-day treasury bill auction resulted in the average yield of 2.47%, The average yields on the 91-day increased by 86 basis points compared to the auctions in 2020 for the comparable period. The 182-day treasury bills went up 102 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 April.

TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in March 2021 amounted to 73,646 a significant decrease of 33.8% when compared to 111,191 recorded March 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 8.3% in March 2021 with a total of 71,789 arrivals compared to 78,318 arrivals in March 2020 (see Tourist Arrivals table to the right).

The Canadian market recorded a decrease in arrivals of 98.6% with arrivals amounting to 257 relative to 18,519 in March of last year. The European market region recorded a decrease in arrivals by 97.7% to total 230 stopover arrivals in March 2021, relative to 10,162 recorded in March 2020.

Arrivals from Caribbean recorded a decrease of 61.4% with a total of 692 stopovers relative to 1,791 recorded in March 2020.

Stopover Arrivals by Market Region					
Country	March 2021	Share %	March 2020	Share %	Change %
U.S.A.	71,789	97.5%	78,318	70.4%	-8.3%
Canada	257	0.3%	18,519	16.7%	-98.6%
Europe	230	0.3%	10,162	9.1%	-97.7%
Latin America	506	0.7%	2,077	1.9%	-75.6%
Caribbean	692	0.9%	1,791	1.6%	-61.4%
Asia	114	0.2%	159	0.1%	-28.3%
Others	58	0.1%	165	0.1%	-64.8%
Total	73,646	100.0%	111,191	100.0%	-33.8%



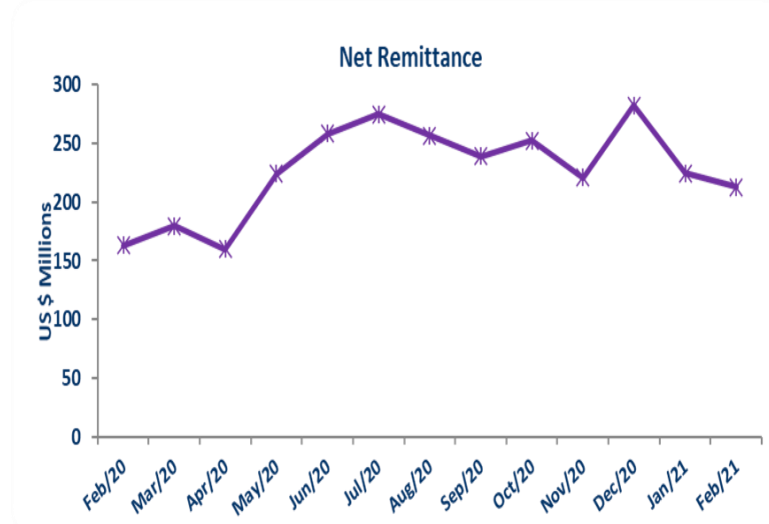
REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for February 2021, showed net remittances were US\$212.5 million, an increase of US\$49.6 million (30.5%) relative to US\$162.8 million reported for the corresponding month of 2020.

For the period April 2020 to February 2021, net remittance inflows totalled US\$2611.8 million, relative to US\$1,973.2 million for the corresponding period in 2020.

For February 2021, total inflows amounted to US\$235.9 million (2020: US\$185.8 million), while outflows totalled US\$23.4 million (2020: US\$22.9 million).

The largest source market of remittances to the island in February was USA with a share of 68.1% (2020: 66.6%). The remaining remittances during the aforementioned month came from UK (13.5%) followed by Canada (9.1%) and the Cayman Islands (5.7%).



NET INTERNATIONAL RESERVES

Jamaica's Net International Reserves (NIR) totalled US\$3,317.98 million as at April 2021, reflecting a decline of US\$1.34 million relative to the US\$3,319.33 million reported at the end of March 2021 (see figure 1).

Foreign Assets totalled US\$4,252.04 million, US\$8.51 million more than the US\$4,243.53 million reported for March 2021. 'Currency & Deposits' contributed the most to the increase in Foreign Assets. 'Currency & Deposits' as at April 2021 totalled US\$3,692.53 million reflecting an increase of US\$11.17 million compared to US\$3,681.36 million booked as at March 2021.

'Securities' amounted to US\$339.71 million; US\$4.74 million less than the US\$344.46 million reported at March 2021. While 'SDR & IMF Reserve Position' amounted to US\$219.79 million; US\$2.09 million more than the US\$217.70 million reported at March 2021. Liabilities to the IMF accounted for 100% of total Foreign Liabilities; this amounted to US\$934.06 million which reflected a month on month increase of US\$9.86 million in comparison to the US\$924.20 million recorded for March 2021.

At its current value, the NIR is US\$185.33 million more than its total of US\$3,132.65 million reported at the end of April 2020. The current reserve is able to support approximately 53.76 weeks of goods imports and 38.78 weeks of goods and services imports.

