



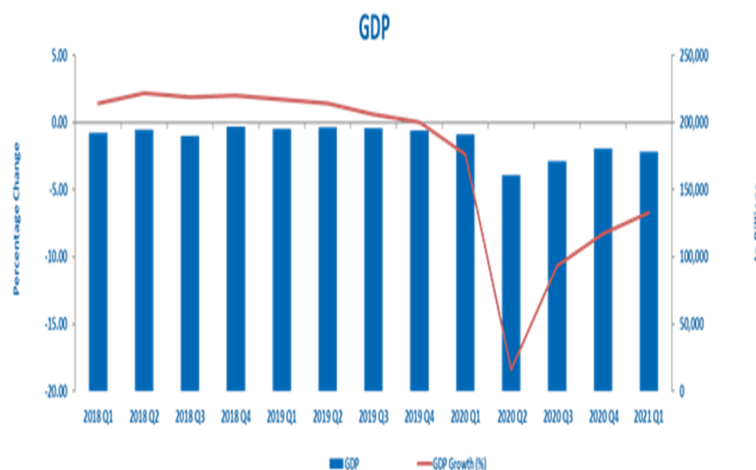
LOCAL ECONOMY

GROSS DOMESTIC PRODUCT

According to the Statistical Institute of Jamaica (STATIN), the total value added in the first quarter of 2021 declined by 6.7 per cent when compared to the similar quarter of 2020.

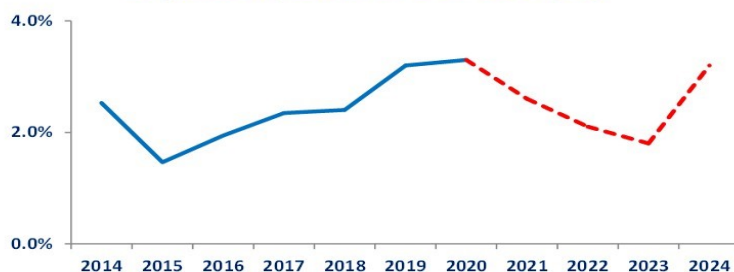
Lower levels of activity were recorded in all Services Industries with the exception of the Producers of Government Services which remained relatively unchanged. Declines were recorded for: Hotels & Restaurants (55.9%), Other Services (21.9%), Transport, Storage & Communication (7.8%), Electricity & Water Supply (6.9%), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (5.1%), Real Estate, Renting & Business Activities (1.9%) and Finance & Insurance Services (1.2%).

Within the Goods Producing Industries higher output levels were recorded in Construction (10.5%) and Mining & Quarrying (7.1%). Growth in the Construction industry for the review period was largely due to building construction. While growth in the Mining & Quarrying industry primarily attributed to increased output levels for crude bauxite and alumina.



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



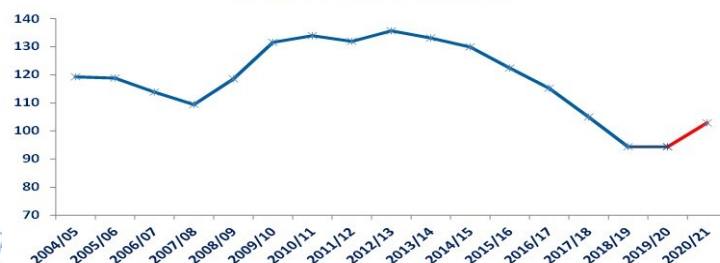
Total Expenditure for the period April to May 2021 amounted to \$113.82 billion, \$8.1 billion less than the budgeted amount of \$121.92 billion. Recurrent expenditure which totalled \$101.33 billion, accounted for 89.02% of overall expenditures.

Of the recurrent expenditure categories for the review period, the categories above the budgeted amount were 'Employee Contribution' and 'Interest'. 'Employee Contribution' amounted to \$4.55 billion and was \$201.20 million or 4.6% more than budgeted while 'Interest' totalled \$18.80 billion, 3.1% above the budgeted amount of \$18.23 billion. Relative to projections, 'Programmes' totalled \$41.77 billion, 14% less than budgeted. Additionally, 'Compensation of Employees' totalled \$40.75 billion, 0.6% less than the budgeted amount of \$41.01 billion.

The 'Fiscal Surplus' was \$4.76 billion, relative to a 'Projected Deficit' of \$11.46 billion. Additionally, the 'Primary Surplus Balance' for the period amounted to \$23.56 billion, relative to the budgeted Primary Surplus of \$6.78 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 May 2021, Jamaica's total debt stands at \$ 2.11 trillion.

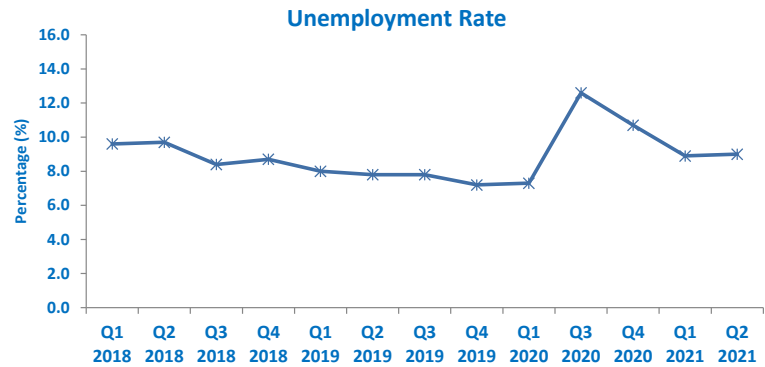
Jamaica's economic and fiscal resilience was tested during FY 2020/21, with a shortfall of \$78bn or 3% of GDP in tax revenues, due to the impact of the pandemic. The economy is expected to return to positive growth in FY 2021/22 and continue throughout the medium term. Real GDP is projected to grow 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	1,206,000	-	-



According to STATIN, as at April 2021 there were 1,206,000 employed persons. Relative to April 2019 there were 30,600 fewer males and 9,900 fewer females employed. In April 2021, the unemployment rate was 9%. This was 1.2% higher than the rate in April 2019. Of the 1,206,000 persons employed in April 2021, 661,900 were males while 544,100 females. There were 40,500 or 3.2% less employed persons relative to the 1,246,500 persons employed in April 2019. There were 30,600 or 4.4% fewer males and 9,900 or 1.8% fewer females in the employed labour force. In April 2021 there were 119,400 unemployed persons. This was 14,200 more persons compared to April 2019. The number of unemployed males was 53,400 an increase of 13,600 or 34.2%. The number of unemployed females was 66,000 compared to 65,400 in April 2019.

PRODUCER PRICE INDEX & CONSUMER PRICE INDEX

Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry increased by 2.2% for May 2021", according to the Statistical Institute of Jamaica (STATIN). This movement resulted from a 2.3% increase in the index for the major group, 'Bauxite Mining & Alumina Processing'. Likewise, the index for 'Other Mining & Quarry' increased by 0.5%.

The index for the Manufacturing industry rose by 2.4%, which was mainly attributed to increases in the index for the major groups 'Refined Petroleum Products', 'Food, Beverages & Tobacco' and 'Fabricated Metal Products' which moved up by 7.1%, 1.4% and 9.0% respectively.

For the point-to-point period, May 2020 – May 2021, the index for the Mining & Quarrying industry rose by 42.5%. This growth was attributed to a increase of 44.2% in the index for the major group 'Bauxite Mining & Alumina Processing'. The point-to-point index for the Manufacturing industry increased by 13.1%.

Consumer Price Index:

According to the Statistical Institute of Jamaica (STATIN) the consumer price index for June 2021 was 109.8 resulting in an inflation rate of 0.7%, when compared to the previous month's inflation rate of 1.2%. STATIN noted that, "This movement was primarily as a result of the 1.9% rise in the index for the heavily weighted 'Food and Non-Alcoholic Beverages' division.

The index for the 'Food and Non-Alcoholic Beverages' division increased by 1.9% for June 2021 mainly due to the 1.9% rise in the index for the group 'Food'. The index for the class 'Vegetables, tubers, plantains, cooking bananas and pulses' rose by 4% however it was tempered by reduced prices for sweet pepper, carrots and pumpkin. Other noteworthy increases within the "Food" group were for the classes: 'Cereals and cereal products' 2.6%, 'Meat and other parts of slaughtered land animals' 1.9%, and 'Fish and Seafood' 1.1%. The index for the 'Non-Alcoholic Beverages' group, increased by 0.6%.

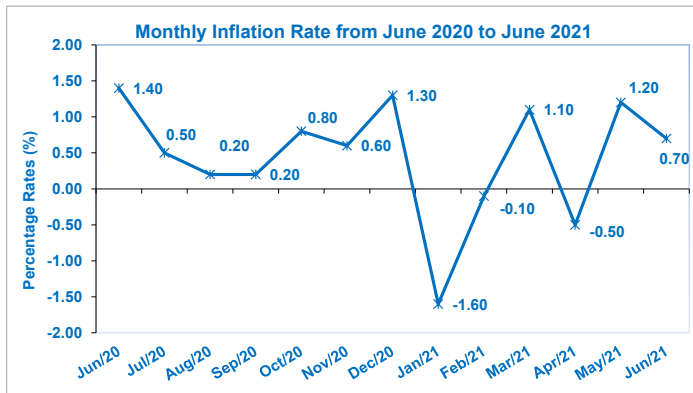
The 'Alcoholic Beverages, Tobacco and Narcotics' division grew by 0.5% for June 2021, resulting from the 0.6% increase in the index for the group 'Alcoholic Beverages'. While the division for 'Clothing and Footwear' observed an increase of 0.4% in its index for June 2021. In the index, the group 'Clothing' and 'Footwear' rose by 0.4% and 0.7% respectively.

The index for the 'Housing, Water, Electricity, Gas and Other Fuels' division fell by 2.4% influenced by the groups 'Electricity, Gas and Other Fuels' and 'Water Supply and Miscellaneous Services Related to the Dwelling' falling by 6.3% and 3.5% respectively. The decline was however tempered by increases within the groups: 'Actual Rental for Housing' and 'Maintenance, Repairs and Security of the Dwelling' that rose by 1.2% each.

Inflation of 0.4% was recorded for the division 'Furnishings, Household Equipment and Routine Household Maintenance', attributable to the 0.3% increase in the index for the group 'Goods and Services for Routine Household Maintenance' and the 0.5% increase in 'Furniture, Furnishing and Loose Carpets'.

The division for 'Health' recorded an increase of 0.3% in its index for June 2021. The main contributing factor to this upward movement was the 0.3% increase in the groups 'Medicines and Health Products' and 'Outpatient Care Services'. The index 'Transport' rose by 0.4%. According to STATIN "This was largely as a result of higher petrol prices locally."

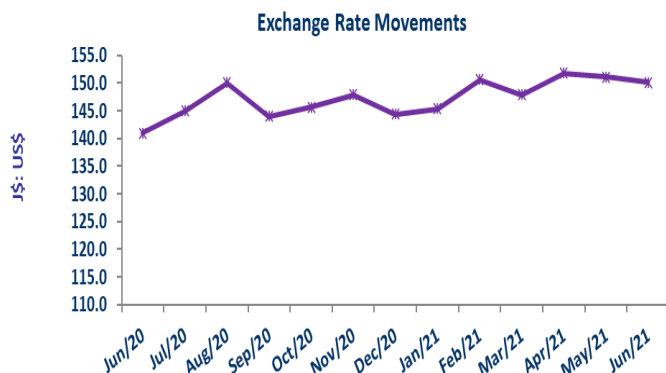
The index for the 'Information and Communication' division increased by 0.1% for June 2021. This movement was influenced mainly by higher costs for some information and communication equipment and services. The index for the division 'Restaurants and Accommodation Services' increased by 5.9% for June 2021. Resulting from increased prices for items within the class 'Restaurant, cafes and Likes'.



FOREIGN EXCHANGE MARKET

LOCAL FOREX

The Jamaica dollar appreciated against the USD for the month of June 2021. The JMD appreciated by \$0.94 in June, to close the month at an average of \$150.15 relative to the \$151.15 recorded in May 2021. Year over year, the JMD has depreciated by approximately \$9.14 or 6.48% relative to the \$141.01 reported as at June 2020.



INTERNATIONAL FOREX

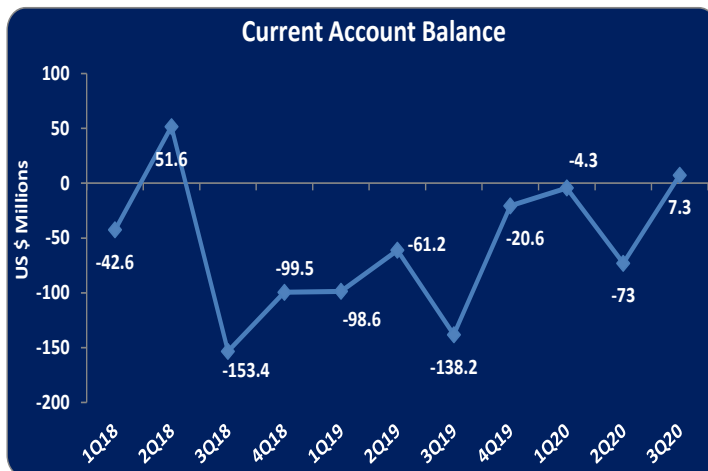
GBP/USD: The pair closed at **\$1.3766** for the month of June. According to FX Empire, to close the month "The British pound has gone back and forth during the course of the trading session on Wednesday as we continue to see the US dollar try to strengthen against most currencies. It should be noted that the British pound has been one of the better performers over the last year or so, so it should not be a major surprise that perhaps we will see it put up a little bit of a fight at this point. That being said, if the US dollar starts to strengthen across-the-board, it will be felt here as well."

EUR/USD: For June 2021, the EUR/USD pair closed at **\$1.1849** versus \$1.2233 at the start of the month, a 3.14% decrease. According to FX empire this was due to "an impressive U.S private payrolls report and a shift by the U.S. Federal Reserve's rates outlook at a meeting held early in June." Moreover "the Euro is edging lower against the U.S. Dollar on Wednesday as worries about surging virus infections drove investors to seek protection in the greenback ahead of Thursday's European Central Bank (ECB) meeting."

June 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.4161	1.4203	1.3761	1.3766
USD/CAD	1.2051	1.2494	1.2029	1.2426
EUR/USD	1.2233	1.2234	1.1837	1.1849
USD/JPY	109.44	111.63	109.19	111.57

USD/CAD: The CAD depreciated against the USD during the month of June by 3.11% to close at \$1.2426.

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

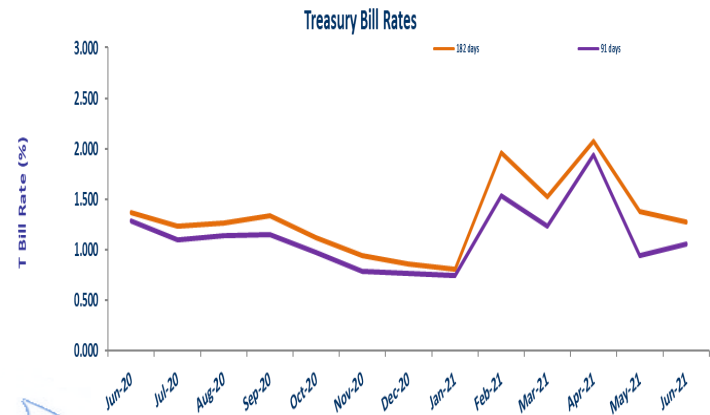
Components of Money Supply (M2*)			
Percentage Change (%)	Feb-20	Dec-20	Feb-21
Total Money Supply (M2*)	15.1	16.1	16.8
Money Supply (M2J)	16.1	13.3	16.8
Money Supply (M1J)	19.1	18.4	18.5
Currency with the public	15.5	22.1	23.5
Demand Deposits	21.5	15.8	15.3
Quasi Money	13.5	8.8	15.2
Savings Deposits	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 June, 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\$2.15 billion, J\$2.63 billion for the 91-day, 182-day treasury bills respectively. The 91-day treasury bill auction resulted in the average yield of 1.05%, up 10.8 basis points compared to May 2021, the 182-day treasury bill auction resulted in the average yield of 1.27%, down 10.6 basis points relative to the prior month. The average yields on the 91-day decline by 23 basis points compared to the auctions in 2020 for the comparable period. The 182-day treasury bills went down 9 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
4-Jun-21	30 Days	1.00%	N/A	Fixed	4-Jul-21
9-Jun-21	30 Days	1.00%	N/A	Fixed	9-Jul-21
23-Jun-21	30 Days	1.00%	N/A	Fixed	23-Jul-21
18-Jun-21	14 Days	1.00%	N/A	Fixed	16-Jul-21

The Bank of Jamaica issued three 30 Days Certificate of Deposits and one Repurchase Operation during the month of June.

TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in May 2021 amounted to 122,522 a 0% change when compared 0 recorded May 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 total of 117,443 arrivals, there were no arrivals in May 2020 (see Tourist Arrivals table to the right).

The Canadian market arrivals amounted to 500 while the European market region recorded a total of 3,092 stopover arrivals in May 2021. Arrivals from Caribbean totaled 1,004 stopovers.

Country	Stopover Arrivals by Market Region				
	May 2021	Share %	May 2020	Share %	Change %
U.S.A.	117,443	95.9%	0	0.0%	0.0%
Canada	500	0.4%	0	0.0%	0.0%
Europe	3,092	2.5%	0	0.0%	0.0%
Latin America	306	0.2%	0	0.0%	0.0%
Caribbean	1,004	0.8%	0	0.0%	0.0%
Asia	71	0.1%	0	0.0%	0.0%
Others	106	0.1%	0	0.0%	0.0%
Total	122,522	100.0%	0	0.0%	0.0%

Month	Stopover Arrivals					Cruise Passengers					Total				
	2019	2020	2021	2021/20	2021/19	2019	2020	2021	2021/20	2021/19	2019	2020	2021	2021/20	2021/19
January	216,509	227,200	43,831	-81%	-80%	249,026	209,163	-	-	-	465,535	436,363	43,831	-90%	-91%
February	220,046	235,740	43,798	-81%	-80%	202,830	173,981	-	-	-	422,876	409,721	43,798	-89%	-90%
March	271,742	111,191	73,646	-34%	-73%	177,293	66,127	-	-	-	449,035	177,318	73,646	-59%	-84%
Jan. - Mar.	708,297	574,131	161,275	-72%	-77%	629,149	449,271	0	-	-	1,337,446	1,023,402	161,275	-84%	-88%
April	232,834	-	82,702	-	-65%	133,591	-	-	-	-	366,425	-	82,702	-	-7740%
May	210,664	-	122,522	-	-42%	73,680	-	-	-	-	284,344	-	122,522	-	-57%
Apr. - May	443,498	0	205,224	-	-	207,271	0	0	-	-	650,769	0	205,224	-	0%
Jan. - May	1,151,795	574,131	366,499	-36%	-68%	836,420	449,271	0	-	-	1,988,215	1,023,402	366,499	-64%	-82%



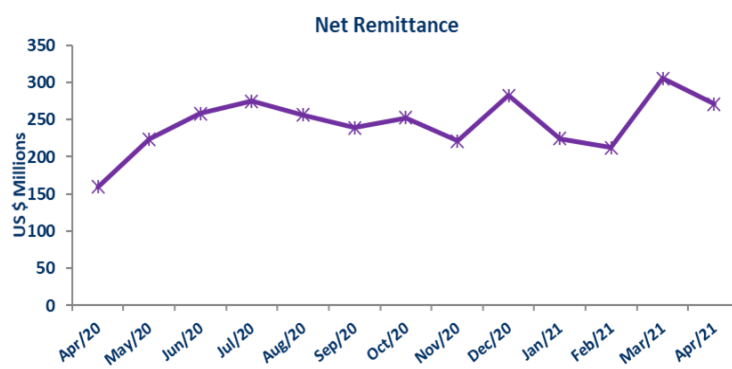


REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for April 2021, showed net remittances were US\$270.7 million, an increase of US\$110.9 million (69.5%) relative to US\$159.7 million reported for the corresponding month of 2020. Net remittance inflows of US\$1012.7 million increased by 52.6 per cent or US\$349.1 million relative to the previous corresponding period.

For April 2021, total inflows amounted to US\$289.0 million (2020: US\$181.8 million), while outflows totalled US\$18.3 million (2020: US\$22.1 million).

The largest source market of remittances to the island in April was USA with a share of 72.3% (2020: 77.9%). The remaining remittances during the aforementioned month came from UK (10.7%) followed by Canada (9.3%) and the Cayman Islands (4.6%).



Jamaica's Remittances (US\$ Mn)	Apr-20	Apr-21	Change	Change (%)	Jan - Apr 2020	Jan - Apr 2021	Change	Change (%)
Total Remittance Inflows	181.8	289.0	107.2	59%	747.6	1093.3	345.7	46.2%
Remittance Companies	150.6	254.9	104.3	69.3%	623.7	958.2	334.5	53.6%
Other Remittances	31.2	34.0	2.9	9.2%	123.9	135.1	11.2	9.1%
Total Remittance Outflows	22.1	18.3	-3.8	-17.2%	84	80.6	-3.5	-4.1%
Net Remittances	159.7	270.7	110.9	69.5%	663.6	1012.7	349.1	52.6%

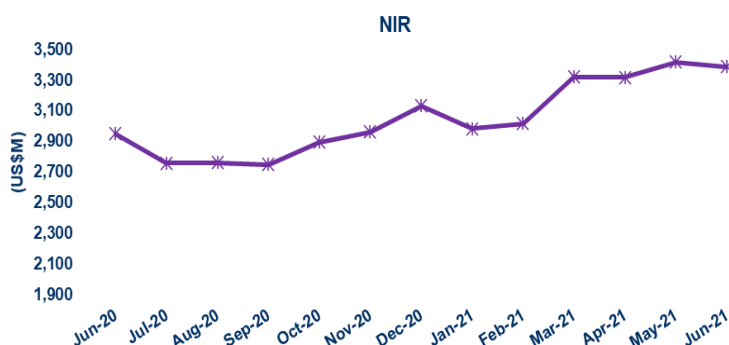
NET INTERNATIONAL RESERVES

Jamaica's Net International Reserves (NIR) totalled US\$3,388.71 million as at June 2021, reflecting a decline of US\$30.19 million relative to the US\$3,418.90 million reported at the end of May 2021 (see figure 1).

Foreign Assets totalled US\$4,285.89 million, US\$63.24 million less than the US\$4,349.12 million reported for May 2021. 'Currency & Deposits' contributed the most to the increase in Foreign Assets. 'Currency & Deposits' as at June 2021 totalled US\$3,741.94 million reflecting a decrease of US\$53.99 million compared to US\$3,795.92 million booked as at May 2021.

'Securities' amounted to US\$327.72 million; US\$6.49 million less than the US\$334.21 million reported at May 2021. While 'SDR & IMF Reserve Position' amounted to US\$216.23 million; US\$2.76 million less than the US\$218.99 million reported at May 2021. Liabilities to the IMF accounted for 100% of total Foreign Liabilities; this amounted to US\$897.18 million which reflected a month on month decline of US\$33.05 million in comparison to the US\$930.22 million recorded for May 2021.

At its current value, the NIR is US\$439.45 million more than its total of US\$2,949.26 million reported at the end of June 2020. The current reserve is able to support approximately 42.42 weeks of goods imports and 30.12 weeks of goods and services imports.



BOJ Net International Reserves (US\$Mn)	May-21	Jun-21	Change (\$)
Net International Reserves	509,687	507,567	(2,120)
Assets	648,364	641,947	(6,417)
Liabilities	138,677	134,380	(4,297)
Net Domestic Assets	(191,124)	(208,051)	(16,927)
Net Claims on the Public Sector	214,154	213,236	(918)
Open Market Operations	(120,836)	(131,936)	(11,100)
Net Credit to Commercial Banks	(74,350)	(75,869)	(1,519)
Other	(210,093)	(213,482)	(3,389)
Total	318,563	299,516	(19,047)

Actual NIR vs IMF Target

