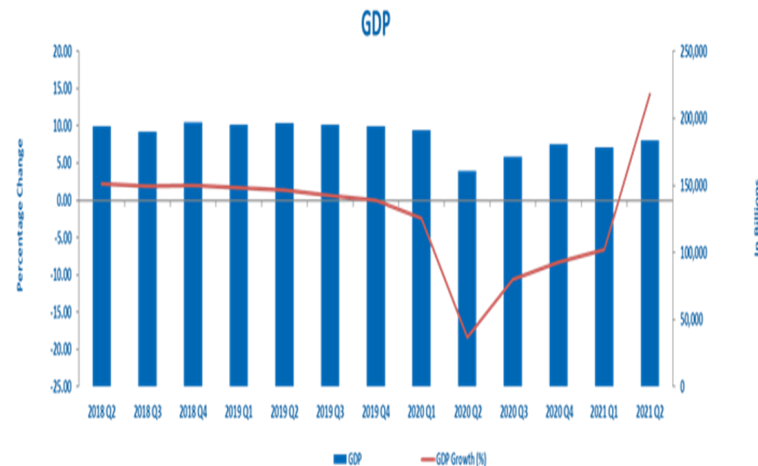


LOCAL ECONOMY

GROSS DOMESTIC PRODUCT

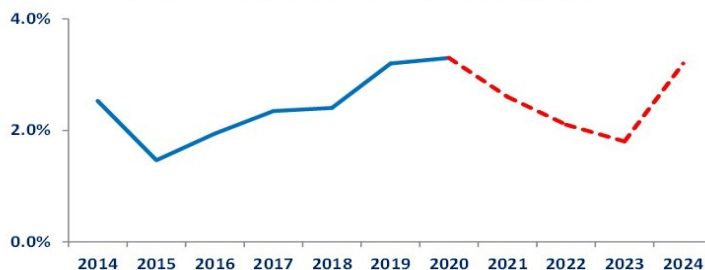
According to the Statistical Institute of Jamaica (STATIN), the total value added in the second quarter of 2021 grew by 14.2 per cent when compared to the similar quarter of 2020. Both the Services and Goods Producing industries increased by 14.8 per cent and 12.7 per cent respectively in the review period.

All industries within the Services Industries grew: Hotels & Restaurants (334.6%), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (19.3%), Transport, Storage & Communication (13.9%), Other Services (23.2%), Real Estate, Renting & Business Activities (5.2%), Finance & Insurance Services (2.8%), Electricity & Water Supply (4.0%) and Producers of Government Services (0.4%). The growth in the Goods Producing Industries was due to increased activities in Agriculture, Forestry & Fishing (15.0%), Construction (17.4%) and Manufacturing (12.9%). However, the Mining & Quarrying industry fell by 9.2 per cent.



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



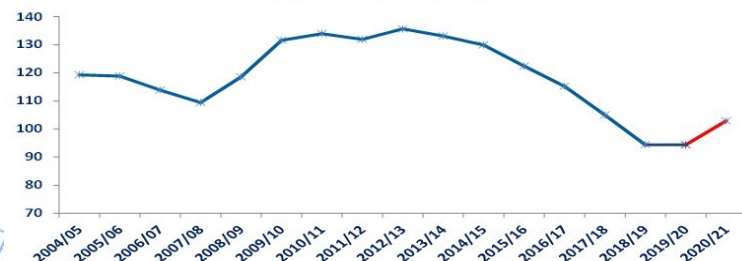
Total Expenditure for the period April to August 2021 amounted to \$284.18 billion, \$9.69 billion less than the budgeted amount of \$293.87 billion. Recurrent expenditure which totalled \$261.72 billion, accounted for 92.10% of overall expenditures.

Of the recurrent expenditure categories for the review period, the categories above the budgeted amount were 'Employee Contribution' and 'Interest'. 'Employee Contribution' amounted to \$8.88 billion which was \$696 million or 8.5% more than budgeted. 'Interest' totalled \$56.05 billion, 3.5% above the budgeted amount of \$54.14 billion. Conversely 'Compensation of Employees' totalled \$98.38 billion, \$687.9 million below the budgeted amount of \$99.07 billion. 'Programmes' totalled \$107.28 billion, 5.5% less than budgeted. Additionally, 'Wages & Salaries' totalled \$89.51 billion, 1.5% less than the budgeted amount of \$90.89 billion.

The 'Fiscal Deficit' was \$14.82 billion, relative to a 'Projected Deficit' of \$41.82 billion. Additionally, the 'Primary Surplus Balance' for the period amounted to \$41.23 billion, relative to the 'Budgeted Primary Surplus Balance' of \$12.32 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 July 2021, Jamaica's total debt stands at \$2.16 trillion.

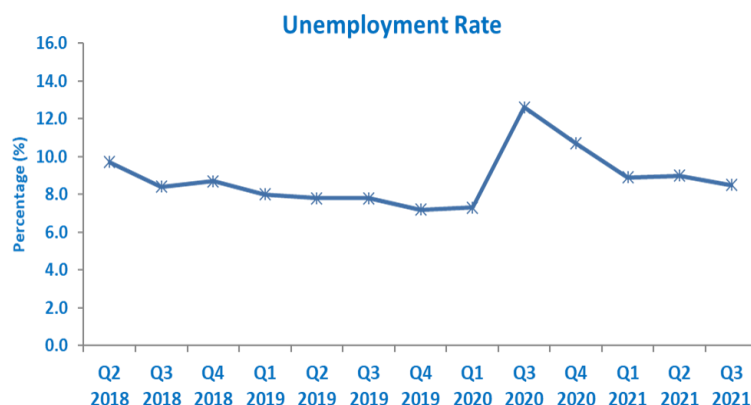
Jamaica's economic and fiscal resilience was tested during FY 2020/21, with a shortfall of \$78bn or 3% of GDP in tax revenues, due to the impact of the pandemic. The economy is expected to return to positive growth in FY 2021/22 and continue throughout the medium term. Real GDP is projected to grow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

Unemployment Rate (%)	January	April	July	October
	Q1	Q2	Q3	Q4
2014	13.4	13.6	13.8	14.2
2015	14.2	13.2	13.1	13.5
2016	13.3	13.7	12.9	12.9
2017	12.7	11.3	11.3	10.4
2018	9.6	9.8	8.4	8.7
2019	8.0	7.8	7.8	7.2
2020	7.3	na	12.6	10.7
2021	8.9	9.0	8.5	-



According to STATIN, as at July 2021, there were 1,215,000 employed persons. This was 93,400 or 8.3% more than the number of persons when compared to July 2020. In July 2021, the unemployment rate was 8.5%, which was 4.1 percentage points lower than the rate of 12.6% for July 2020. This decrease was driven mainly by a decline in the male unemployment rate. In July 2021, the unemployment rate for males decreased by 5.2 percentage points to 6.3% and females by 2.9 percentage points to 11.1%. Male employment increased by 55,700 (9.0%) and female by 37,700 (7.5%). The number of unemployed persons stood at 112,500, a 30.4% decrease when compared to July 2020. The number of unemployed males decreased by 35,000 (43.4%) to 45,700 in July 2021. There was a decline of 14,200 (17.5%) in the number of unemployed females to 66,800.

PRODUCER PRICE INDEX & CONSUMER PRICE INDEX

Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry increased by 2.3% for August 2021", according to the Statistical Institute of Jamaica (STATIN). This movement resulted from a 2.4% increase in the index for the major group, 'Bauxite Mining & Alumina Processing'. The other major group 'Other Mining and Quarrying' rose by 0.6%.

The index for the Manufacturing industry rose by 0.5%, which was mainly attributed to increases in the index for the major groups 'Food, Beverages & Tobacco' and 'Chemicals and Chemical Products' which moved up by 0.8% and 1.4% respectively. This was tempered by a 0.3% decline in the major group 'Refined Petroleum Products'.

For the point-to-point period, August 2020 – August 2021, the index for the Mining & Quarrying industry rose by 19.1%. This growth was attributed to a increase of 19.7% in the index for the major group 'Bauxite Mining & Alumina Processing'. The point-to-point index for the Manufacturing industry increased by 15.1%.

Consumer Price Index:

According to the Statistical Institute of Jamaica (STATIN) the consumer price index for September 2021 was 114.9 resulting in an inflation rate of 2.3% when compared to the previous month's inflation rate of 0.9%. According to STAIN, this movement was primarily due to the 3.0% increase in the index for the 'Food and Non-Alcoholic Beverages' division. It was noted that, "the index for the class 'Vegetables, tubers, plantains, cooking bananas and pulses' rose by 9.9% as the costs for agricultural produce such as tomato, cabbage, sweet pepper and carrot continued to trend upwards. The index for the 'Transport' division rose by 8.1% due to the increase of approximately 15.0% in bus, route taxi and hackney carriage fares granted by the government." Furthermore, "the index for the 'Housing, Water, Electricity, Gas and Other Fuels' division moved upwards by 0.8 per cent due to a higher electricity and water and sewage rates."

The 'Alcoholic Beverages, Tobacco and Narcotics' division grew by 0.3% for September 2021, resulting from the 0.4% increase in the index for the group 'Alcoholic Beverages' attributable to higher prices for spirits, wines and beers. While the division for 'Clothing and Footwear' observed an increase of 0.4% in its index for September 2021. In the index, the group 'Clothing' and 'Footwear' rose by 0.3% and 0.5% respectively.

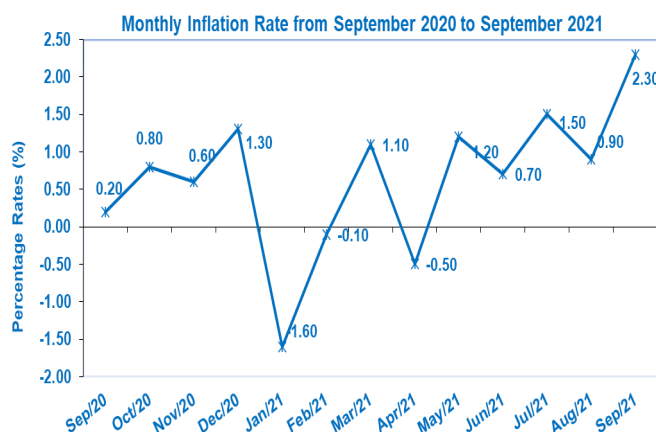
The index for the 'Housing, Water, Electricity, Gas and Other Fuels' division rose by 0.8% influenced by higher rates for electricity, water and sewage. The primary contribution to the increase is due a 1.9% increase in the index for the group 'Electricity, Gas and Other Fuels' and a 1.4% increase in 'Water Supply and Miscellaneous Services Relating to the Dwelling'. There was also an increase in the index for the 'Maintenance, Repair and Security of the Dwelling' group which moved up by 1.4%.

Inflation of 0.4% was recorded for the division 'Furnishings, Household Equipment and Routine Household Maintenance' primarily due to the 0.4% increase in the index for the group 'Goods and Services for Routine Household Maintenance' and a 0.8% increase in the group for 'Furniture, Furnishings and Loose Carpets'.

The index for the 'Transport' division increased by 8.1% which was influenced by a 12.7% increase in the group 'Passenger Transport Services'. It was noted, "this was influenced by the 15.0% increase in bus, route taxi, and hackney carriage fares granted by the government." However, the increase was offset by lower petrol prices for personal transport equipment.

The 'Personal Care, Social Protection and Miscellaneous Goods and Services' division index increased by 0.4% for the review period. Increased cost for some personal care products and services contributed largely to this movement.

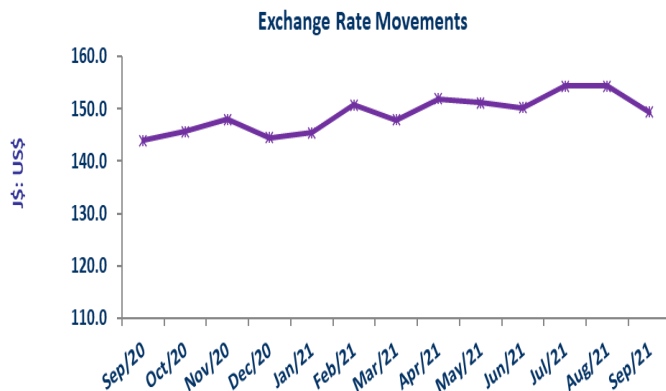
The movement in the index for calendar year-to-date was 6.6% and the point-to-point was 8.2% as at September 2021. The Greater Kingston Metropolitan reported inflation of 2.0%, while the Rural Areas and Other Urban Centres both reported inflation of 2.5%.



FOREIGN EXCHANGE MARKET

LOCAL FOREX

The Jamaican dollar depreciated against the USD for the month of September 2021. The JMD appreciated by \$4.99 in September, to close the month at an average of \$149.34 relative to the \$154.33 recorded in August 2021. Year over year, the JMD has depreciated by approximately \$5.39 or 3.74% relative to the \$143.95 reported as at September 2020.



INTERNATIONAL FOREX

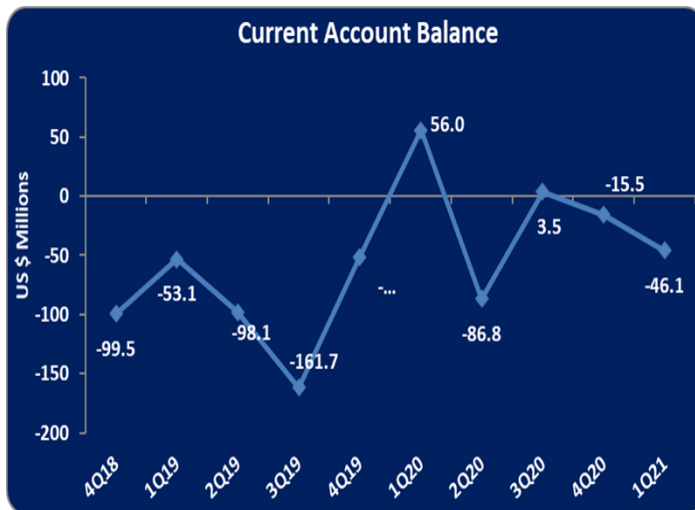
GBP/USD: The pair closed at **\$1.3561** for the month of September According to FX Empire, to close the month “The British pound rallied a bit during the trading session to reach towards the 1.35 handle .” Looking forward, “Waiting for signs of exhaustion will be the best way to trade this market, as the British pound is suffering at the hands of the greenback like everybody else. Because of this, it is more than likely only a matter of time before we continue the massive downtrend that we had been in.”

EUR/USD: For September 2021, the EUR/USD pair closed at **\$1.1597** versus \$1.1848 at the start of the month, a 2.12% decrease. According to FX empire, “The Euro has fallen again during the trading session to break down below the 1.16 level. By seeing that, it suggests that it is going to continue go much lower, as the markets are certainly struggling overall.”. Moreover, “Every time the US dollar get slightly “cheap”, it is very likely that we will continue to see this market plunge based upon renewed demand.”

September 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3784	1.3913	1.3412	1.3561
USD/CAD	1.2606	1.2896	1.2493	1.2645
EUR/USD	1.1848	1.1909	1.1563	1.1597
USD/JPY	110.04	112.08	109.11	111.00

The CAD depreciated against the USD during the month of September by 0.31% to close at \$1.2645.

CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the current account deficit (CAD) of Jamaica's balance of payments for the March 2021 quarter amounted to US\$46.2 million (0.3 per cent of GDP), US\$102.2 million higher (worse) than the outturn recorded for the March 2020 quarter. The deterioration of the services subaccount was underpinned primarily by the fall-out in the tourism sector due to the continued impact of the Covid-19 pandemic

The CAD of the balance of payments for FY2021/22 is projected to deteriorate within the range of 1.0 per cent to 2.0 per cent of GDP from 1.1 per cent of GDP in FY2020/21.

MONEY SUPPLY

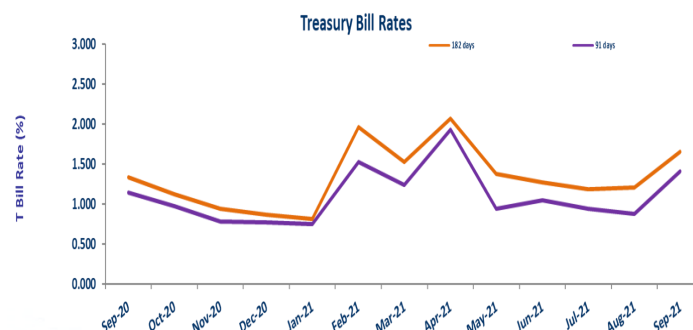
Components of Money Supply (M2*)			
Percentage Change (%)	May-20	Mar-21	May-21
Total Money Supply (M2*)	14.1	16.2	16.0
Money Supply (M2J)	12.1	16.7	17.9
Money Supply (M1J)	17.7	21.3	18.9
Currency with the public	26.6	24.8	19.0
Demand Deposits	11.9	19.0	18.9
Quasi Money	7.4	12.6	17.0
Savings Deposits	16.8	14.6	17.3
Time Deposits	-19.6	5.6	16.6
Foreign Currency Deposits	17.7	12.6	12.7

According to the latest data available from the Bank of Jamaica's quarterly report, “The expansion in M2J at May 2021 was largely underpinned by growth of 17.7 per cent in local currency deposits, an acceleration relative to the 14.8 per cent recorded at end-March 2021. The acceleration in the growth in deposits was reflected in savings and demand deposits, which grew by 17.3 per cent and 18.9 per cent, respectively, relative to growth of 14.6 per cent and 19.0 per cent in March 2021.”



Treasury Bills:

For the month of September, applications for treasury bills exceeded demand, as the Bank of Jamaica (BOJ) issued a total of J\$14 million in treasury bills, while applications totaled J\$2.81 billion, J\$2.49 billion for the 91-day bill and 182-day bill respectively. The 91-day treasury bill auction resulted in the average yield of 1.41%, up 53.5 basis points compared to August 2021, the 182-day treasury bill auction resulted in the average yield of 1.66%, up 45.6 basis points relative to the prior month. The average yields on the 91-day increased by 26.8 basis points compared to the auctions in 2020 for the comparable period. The 182-day treasury bills went up 32.4 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
3-Sep-21	30 Days	1.51%	N/A	Fixed	3-Oct-21
10-Sep-21	30 Days	1.00%	N/A	Fixed	10-Oct-21
14-Sep-21	14 Days	4.28%	N/A	Fixed	28-Sep-21
17-Sep-21	28 Days	1.00%	N/A	Fixed	15-Oct-21
24-Sep-21	28 Days	1.00%	N/A	Fixed	22-Oct-21
28-Sep-21	14 Days	3.31%	N/A	Fixed	12-Oct-21

The Bank of Jamaica issued two 28 Days and 30 Days Certificate of Deposit as well as two 14 Days Repo Auctions during the month of September.

TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in July 2021 amounted to 183,676 a 337.9% change when compared 41,941 recorded July 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 167,289 arrivals, there were 37,348 arrivals in July 2020 (see Tourist Arrivals table to the right).

The Canadian market arrivals amounted to 4,127 relative to the 2,607 a year prior. While the European market region recorded a total of 8,845 stopover arrivals in July 2021 when compared to the 1,471 in July 2020. Arrivals from Caribbean totalled 2,517 stopovers in comparison to the 411 in July 2020.

Stopover Arrivals by Market Region					
Country	July 2021	Share %	July 2020	Share %	Change %
U.S.A.	167,289	91.1%	37,348	89.0%	347.9%
Canada	4,127	2.2%	2,607	6.2%	58.3%
Europe	8,845	4.8%	1,471	3.5%	501.3%
Latin America	571	0.3%	35	0.1%	1531.4%
Caribbean	2,517	1.4%	411	1.0%	512.4%
Asia	124	0.1%	26	0.1%	376.9%
Others	203	0.1%	43	0.1%	372.1%
Total	183,676	100.0%	41,941	100.0%	337.9%



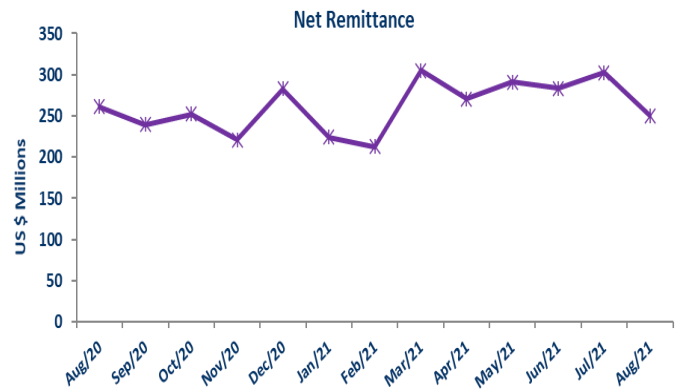
REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for August 2021, showed that total Remittance inflows amounted to US\$272.7 million (2020: US\$279.5 million), while outflows totalled US\$22.4 million (2020: US\$18.7 million).

Net remittances were US\$250.3 million, a decrease of US\$10.6 million (-10.6%) relative to US\$260.8 million reported for the corresponding month of 2020.

Total remittance inflows from April to August 2021 of US\$1,496.3 million increased by 17.9% or US\$227.6 million relative to the previous corresponding period.

The largest source market of remittances to the island in August was USA with a share of 70.0% (2020: 66.3%). The remaining remittances during the aforementioned month came from UK (10.0%) followed by Canada (11.8%) and the Cayman Islands (4.9%).



NET INTERNATIONAL RESERVES

Jamaica's Net International Reserves (NIR) totalled US\$3,964.22 million as at September 2021, reflecting an increase of US\$75.54 million relative to the US\$3,888.67 million reported at the end of August 2021 (see figure 1).

Foreign Assets totalled US\$4,834.98 million, US\$50.50 million more than the US\$4,784.49 million reported for August 2021. 'Currency & Deposits' contributed the most to the increase in Foreign Assets. 'Currency & Deposits' as at September 2021 totalled US\$3,787.56 million reflecting an increase of US\$51.93 million compared to US\$3,735.64 million booked as at August 2021.

'Securities' amounted to US\$333.37 million; US\$6.63 million more than the US\$326.75 million reported at August 2021. While 'SDR & IMF Reserve Position' amounted to US\$714.05 million; US\$8.06 million less than the US\$722.10 million reported at August 2021. Liabilities to the IMF accounted for 100% of total Foreign Liabilities; this amounted to US\$870.77 million which reflected a month on month decline of US\$25.05 million in comparison to the US\$895.81 million recorded for August 2021.

At its current value, the NIR is US\$1.22 billion more than its total of US\$2,747.49 million reported at the end of September 2020. The current reserve is able to support approximately 46.62 weeks of goods imports and 33.27 weeks of goods and services imports.

