



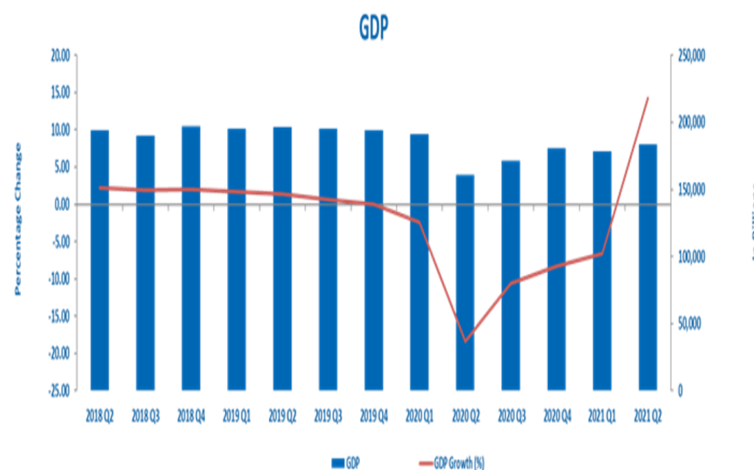
LOCAL ECONOMY

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.

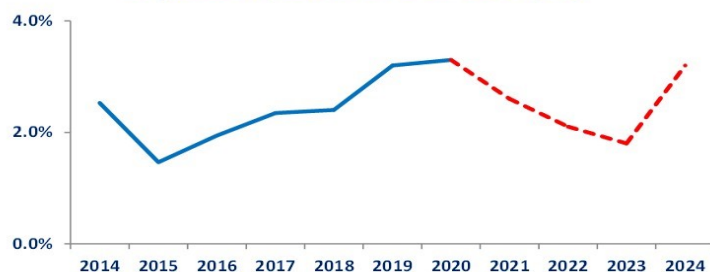
For the July – September 2021 quarter, PIOJ estimates that real GDP have grown by 6.3%, relative to the corresponding quarter of 2020. For the first nine months of 2021, real GDP was estimated to have increased by 4.0%.

The Goods Producing Industry is estimated to have increased by 2.8%, due to an improved performance in three of the four industries, namely Agriculture, Manufacturing and Construction. The Services Industry was estimated to have grown by 7.3%, relative to the corresponding quarter of the previous year, reflecting higher Real Value Added for all Industries.



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



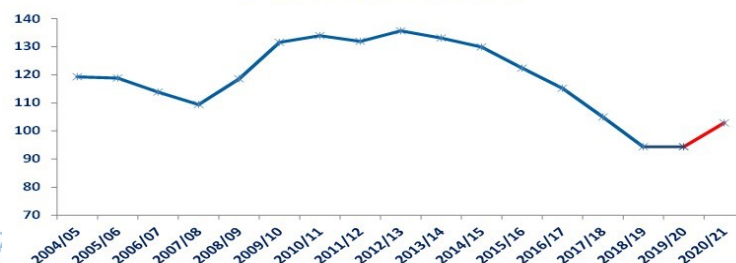
Total Expenditure for the period April to October 2021 amounted to \$393.94 billion, \$929.2 million less than the budgeted amount of \$393.01 billion. Recurrent expenditure which totalled \$364.61 billion, accounted for 93.99% of overall expenditures. Under the recurrent expenditure categories for the review period, the categories above the budgeted amount were 'Programmes' and 'Interest'.

'Programmes' amounted to \$149.68 billion which was \$566.9 million or 0.4% more than budgeted. 'Interest' totalled \$78.40 billion, 1.0% above the budgeted amount of \$77.59 billion. Conversely 'Compensation of Employees' totalled \$136.53 billion, \$536.6 million below the budgeted amount of \$137.07 billion. 'Wages & Salaries' totalled \$124.84 billion, 0.4% less than budgeted. Additionally, 'Employee Contribution' totalled \$11.69 billion, which matched the budgeted amount of \$11.69 billion.

The 'Fiscal Deficit' was \$18.89 billion, relative to a 'Projected Deficit' of \$15.16 billion. Additionally, the 'Primary Surplus Balance' for the period amounted to \$59.51 billion, relative to the 'Budgeted Primary Surplus Balance' of \$62.43 billion.

DEBT TO GDP

Total Debt to GDP (%)



The debt-to-GDP is projected at 110.10% 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 September 2021, Jamaica's total debt stands at \$2.16 trillion.

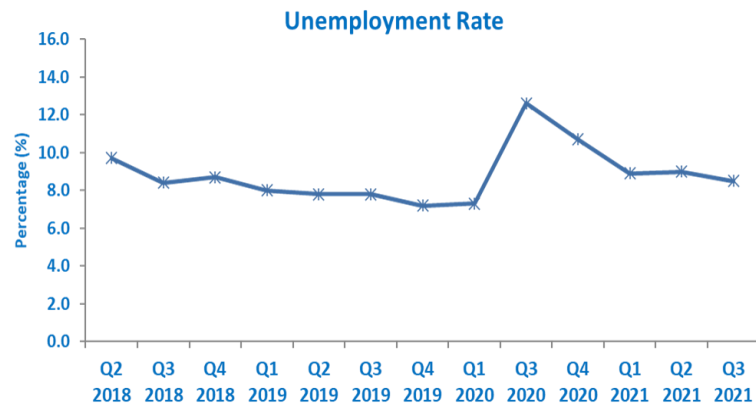
Jamaica's economic and fiscal resilience was tested during FY 2020/21, with a shortfall of \$78bn or 3% of GDP in tax revenues, due to the impact of the pandemic. The economy is expected to return to positive growth in FY 2021/22 and continue throughout the medium term. Real GDP is projected to grow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

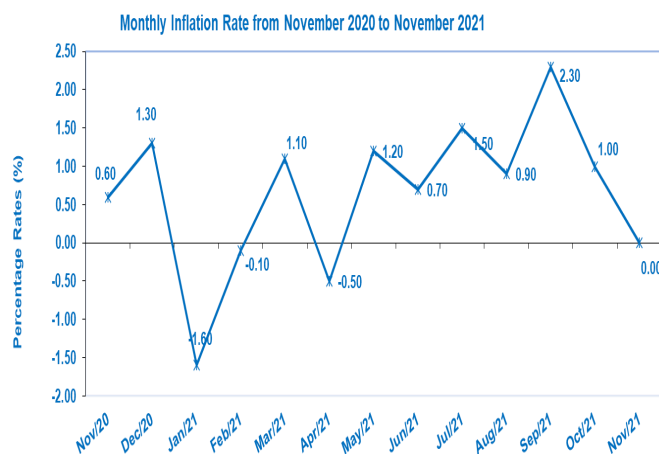
PRODUCER PRICE INDEX & CONSUMER PRICE INDEX

Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry decreased by 2.4% for October 2021", according to the Statistical Institute of Jamaica (STATIN). This movement resulted from a 2.4% decline in the index for the major group, 'Bauxite Mining & Alumina Processing'. The other major group 'Other Mining and Quarrying' fell by 0.7%.

The index for the Manufacturing industry rose by 2.3%, which was mainly attributed to increases in the index for the major groups 'Refined Petroleum Product' and 'Other Manufacturing' which moved up by 14.2% and 0.5% respectively. 'Refined Petroleum Products' also increased by 8.0%.

For the point-to-point period, October 2020 – October 2021, the index for the Mining & Quarrying industry rose by 27.1%. This growth was attributed to a increase of 28.0% in the index for the major group 'Bauxite Mining & Alumina Processing'. The point-to-point index for the Manufacturing industry increased by 19.1%.



Consumer Price Index:

According to the Statistical Institute of Jamaica (STATIN), the consumer price index for November 2021 remained at 116.0, unchanged from October 2021. Despite marginal increases in most divisions, November's CPI was tapered by a decline in the heavily weighted 'Food and Non-Alcoholic Beverages' division. The index for the 'Housing, Water, Electricity, Gas and Other Fuels' division rose by 2.8 percent mainly due to increases in the rates for electricity, water and sewage. Additionally, the index for the 'Transport' division advanced by 0.6 percent, due largely to higher petrol prices. However, the overall movement in the inflation rate was held steady by a 1.8 percent decrease in the index for the 'Food and Non-Alcoholic Beverages' division – mainly attributable to lower prices for some agricultural produce such as yam, tomato and cabbage, due to improvements in local supplies, which resulted in the index for the class 'Vegetables, tubers, plantains, cooking bananas and pulses' decreasing by 10.3 percent, the most in the month.

The point-to-point inflation rate was 7.8 percent, the fiscal year-to-date inflation rate was 7.7 percent, and the calendar year-to-date inflation rate was 8.2 percent. Additionally, for November 2021, The Greater Kingston Metropolitan and Other Urban Centres both experienced inflation growth of 0.2%, while the Rural Areas recorded deflation of 0.2%.

The index for the division 'Housing, Water, Electricity, Gas and Other Fuels' advanced by 2.8 percent. This movement was mainly because of increased electricity, water and sewage rates. This resulted in the index for the two groups, 'Electricity, Gas and Other Fuels' and 'Water Supply and Miscellaneous Services Relating to the Dwelling' increasing by 7.7 percent and 1.5 percent respectively. The index for the group 'Maintenance, Repair and Security of the Dwelling' increased by 0.8 percent due mainly to increased prices for paint.

For November 2021, the index for the division 'Alcoholic Beverages, Tobacco & Narcotics' grew by 1.1%. The main driver of this shift was a 1.8% increase in the index for the class 'Beer'. The point-to-point inflation rate for this division was 4.6%, the fiscal year-to-date inflation rate was 3.7%, and the calendar year-to-date inflation rate was 4.3%.

The index for the 'Clothing and Footwear' division increased by 0.5 percent for November 2021. Within this division, the index for the groups 'Clothing' and 'Footwear' moved up by 0.6 percent and 0.2 percent respectively.

The index for the 'Health' division increased by 0.3% for November 2021. This was mostly due to a 0.2% increase in the index for the group 'Medicines and Health Products' as a result of higher costs for over-the-counter cold and flu drugs. Due to increasing fees for general practitioners, the index for the 'Outpatient Care Services' group climbed by 0.5%.

FOREIGN EXCHANGE MARKET

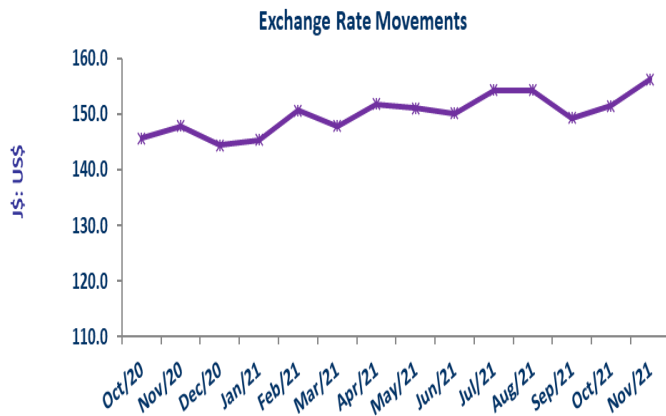
LOCAL FOREX

The Jamaica dollar depreciated against the USD for the month of November 2021. The JMD depreciated by \$4.82 in November, to close the month at an average of \$156.31 relative to the \$151.49 recorded in October 2021. Year over year, the JMD has depreciated by approximately \$8.41 or 5.69% relative to the \$147.90 reported as at November 2020.

INTERNATIONAL FOREX

GBP/USD: The pair closed at **\$1.3195** for the month of November according to FX Empire, to close the month “The market is getting dangerously close to the top of the overall consolidation area, so it does make a certain amount of sense that we could be looking for exhaustion. We do not have that yet, but it certainly looks as if we are getting to an area where we should start seeing the potential of exhaustion.”

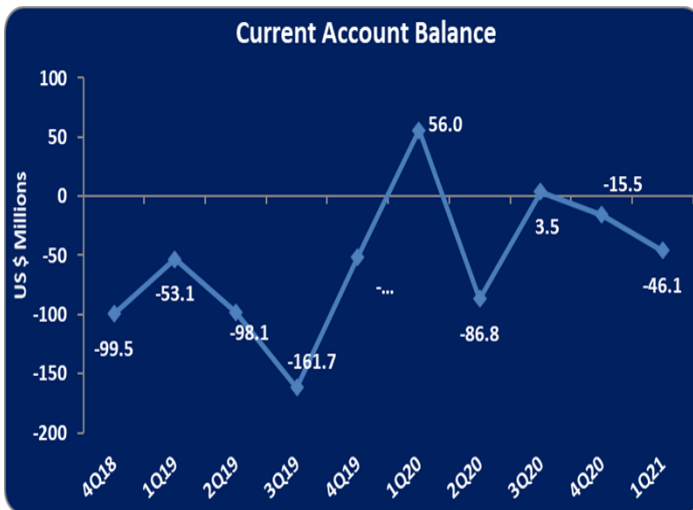
EUR/USD: For November 2021, the EUR/USD pair closed at **\$1.1319** versus \$1.1605 at the start of the month, a 2.88% decrease. According to FX empire, “euro faced strong resistance after Fed Chair Jerome Powell highlighted inflation risks and indicated that Fed may start to aggressively reduce its asset purchase program.” Furthermore, “the market looks as if it has nowhere to be, simply killing time between now and the end of the year in a relatively well defined range.”



November 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3666	1.3698	1.3195	1.3273
USD/CAD	1.2373	1.2837	1.2366	1.2820
EUR/USD	1.1605	1.1617	1.1186	1.1319
USD/JPY	114.01	115.52	112.53	112.79

The GBP appreciated against the USD during the month of November by 2.88% to close at \$1.3273.

CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the current account (CA) of Jamaica's balance of payments for the June 2021 quarter amounted to an estimated surplus of US\$237.4 million (1.6 per cent of GDP), US\$324.2 million higher (better) than the outturn recorded for the June 2020 quarter. The improvement in the current transfers sub-account was mainly driven by higher remittance inflows while the improvement in the services sub-account was underpinned by higher stop over arrivals.

The CAD (as a per cent of GDP) is projected to deteriorate over the medium-term, relative to the previous forecast. Specifically, the CAD is projected to average 1.1 per cent of GDP between FY2023/24 and FY2027/28, relative to the previous forecast of 0.8 per cent of GDP.

MONEY SUPPLY

Components of Money Supply (M2*)			
Percentage Change (%)	Aug-20	Jun-21	Aug-21
Total Money Supply (M2*)	19.3	16.5	12.6
Money Supply (M2J)	18.4	16.1	13.1
Money Supply (M1J)	21.4	16.3	11.9
Currency with the public	25.7	17.4	18.1
Demand Deposits	18.6	15.5	7.6
Quasi Money	15.6	15.9	14.3
Savings Deposits	17.2	16.9	17.4
Time Deposits	9.8	11.6	2.2
Foreign Currency Deposits	20.8	17.3	11.7

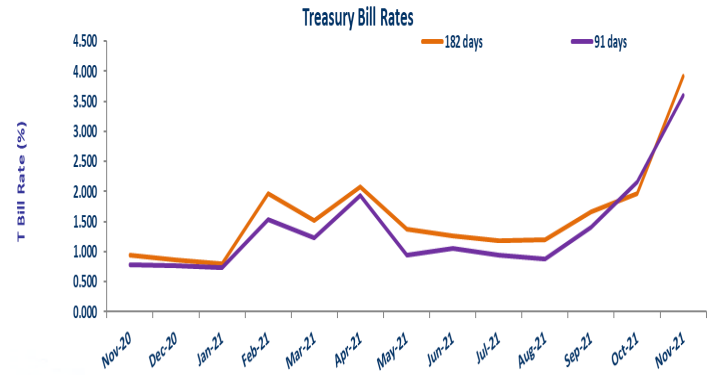
According to the latest data available from the Bank of Jamaica's quarterly report, “The 13.1 per cent expansion in M2J at August 2021 was largely underpinned by growth of 11.9 per cent in local currency deposits, a deceleration relative to the 15.7 per cent recorded at end-June 2021.

The acceleration in the growth in deposits was reflected in savings and demand deposits, which grew by 17.4 per cent and 7.6 per cent, respectively, relative to growth of 16.9 per cent and 15.5 per cent in June 2021. Growth in M2J was also influenced by growth of 18.1 per cent in currency with the public, relative to growth of 17.4 per cent in June 2021.”



Treasury Bills:

For the month of November, 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\$822.31 million for the 91-day bill, J\$954.11 million for the 182-day bill and J\$1.75 billion for the 270-day bill respectively. The 91-day treasury bill auction resulted in the average yield of 3.60%, up 142.6 basis points compared to October 2021, the 182-day treasury bill auction resulted in the average yield of 3.92%, up 194.4 basis points relative to the prior month. The average yields on the 91-day increased by 280.9 basis points compared to the auctions in 2020 for the comparable period. The 182-day treasury bills went up 297.6 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
30-Nov-21	3.5 Years	4.50%	N/A	Fixed	30-Nov-25
30-Nov-21	7.5 Years	5.68%	N/A	Fixed	30-Nov-29
30-Nov-21	15.5 Years	10.00%	N/A	Fixed	30-Nov-37
5-Nov-21	28 Days	2.00%	N/A	Fixed	3-Dec-21
12-Nov-21	28 Days	2.00%	N/A	Fixed	10-Dec-21
17-Nov-21	28 Days	2.00%	N/A	Fixed	19-Dec-21
26-Nov-21	28 Days	2.50%	N/A	Fixed	24-Dec-21

The Bank of Jamaica issued four 28 Days and a three long term Benchmark Investment Notes in the month of November.

TOURISM

According to the latest data from the Jamaica Tourist Board, stopover arrivals in September 2021 amounted to 100,654 a 251.3% change when compared 28,648 recorded September 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 which eventually returned on November 8, following an 18-month absence because of the COVID-19 pandemic.

Stopover arrivals from the U.S. market total of 88,383 arrivals, there were 23,600 arrivals in September 2020 (see Tourist Arrivals table to the right).

The Canadian market arrivals amounted to 5,053 relative to the 1,935 a year prior. While the European market region recorded a total of 4,820 stopover arrivals in September 2021 when compared to the 2,603 in September 2020. Arrivals from Caribbean totalled 1,663 stopovers in comparison to the 384 in September 2020.

Stopover Arrivals by Market Region					
Country	September 2021	Share %	September 2020	Share %	Change %
U.S.A.	88,383	87.8%	23,600	56.3%	274.5%
Canada	5,053	5.0%	1,935	4.6%	161.1%
Europe	4,820	4.8%	2,603	6.2%	85.2%
Latin Ameri	519	0.5%	72	0.2%	620.8%
Caribbean	1,663	1.7%	384	0.9%	333.1%
Asia	105	0.1%	37	0.1%	183.8%
Others	111	0.1%	17	0.0%	552.9%
Total	100,654	100.0%	28,648	68.3%	251.3%



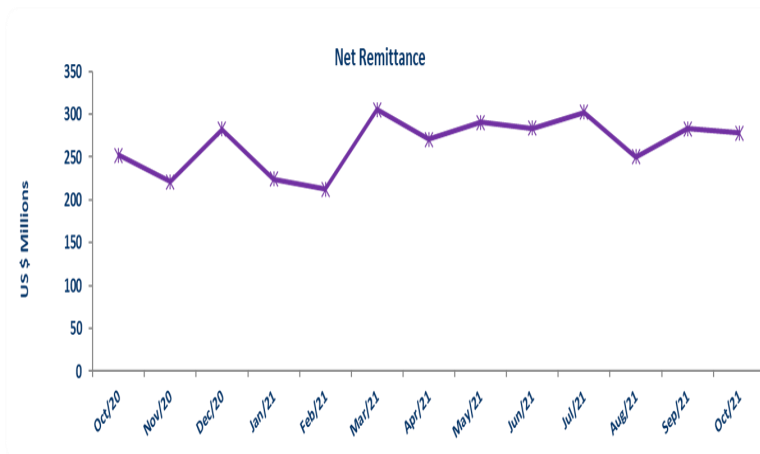
REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for October 2021, showed that total Remittance inflows amounted to US\$295.9 million (2020: US\$272.0 million), while outflows totalled US\$18.0 million (2020: US\$19.7 million).

Net remittances were US\$277.9 million, an increase of US\$25.7 million (10.2%) relative to US\$252.2 million reported for the corresponding month of 2020.

Total remittance inflows from April to October 2021 of US\$2,096.7 million increased by 16.5% or US\$296.3 million relative to the previous corresponding period.

The largest source market of remittances to the island in October was USA with a share of 69.8% (2020: 68.9%). The remaining remittances during the aforementioned month came from UK (10.4%) followed by Canada (11.5%) and the Cayman Islands (5.1%).



NET INTERNATIONAL RESERVES

For the month of November 2021, BOJ has reported Jamaica's Net International Reserves (NIR) has totalled US\$3,896.03 million, reflecting an increase of US\$27.96 million relative to the US\$3,868.07 million reported at the end of October 2021.

Foreign Assets totalled US\$4,750.28 million, US\$9.77 million more than the US\$4,740.51 million reported for October 2021. 'Currency & Deposits' as at November 2021 totalled US\$3,694.19 million reflecting an increase of US\$43.17 million compared to US\$3,651.02 million booked as at October 2021.

'Securities' amounted to US\$337.26 million; US\$10.08 million less than the US\$347.33 million reported at October 2021. While the country's 'Special Drawing Rights & IMF Reserve Position' fell to US\$718.84 million; US\$ 23.32 million less than the US\$742.16 million reported in October 2021. Liabilities to the IMF sat at US\$854.26 million which reflected a month on month decline of US\$18.18 million in comparison to the US\$872.44 million recorded for October 2021.

At its current value, the NIR is US\$933.27 million more than its total of US\$2,962.76 million reported at the end of November 2020. The current reserve can support approximately 53.40 weeks of goods imports and 32.93 weeks of goods and services imports.

