



MAYBERRY
INVESTMENTS LIMITED

MONTHLY

ECONOMIC REVIEW

Prepared by: Research Department

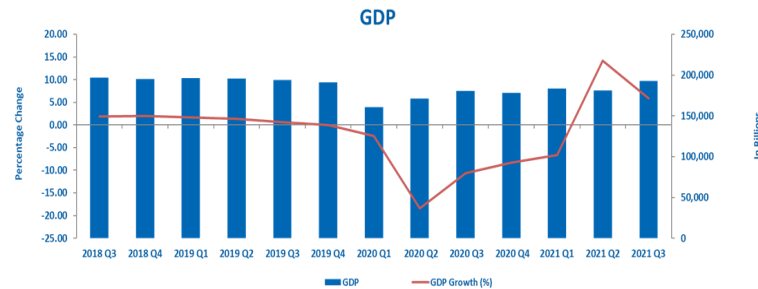
LOCAL ECONOMY

GROSS DOMESTIC PRODUCT

According to the Statistical Institute of Jamaica (STATIN), during the fourth quarter of 2021, total value added at constant prices grew by 6.7 per cent when compared to the similar quarter of 2020. This was the result of increases in both the Services and Goods Producing Industries of 9.0 per cent and 0.5 per cent respectively.

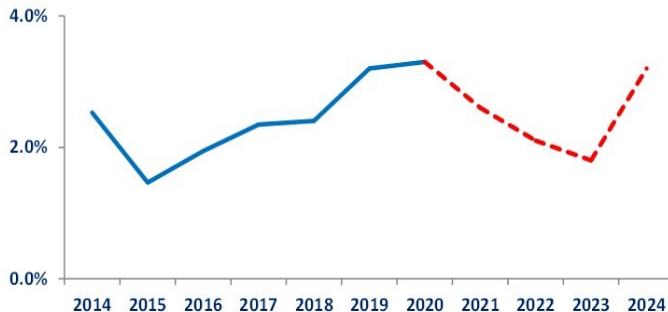
The growth in the Services Industries was the result of increased activities in Hotels & Restaurants (79.5%), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (10.6%), Other Services (10.4%), Transport, Storage & Communication (10.1%), Electricity & Water Supply (5.8%), Finance & Insurance Services (2.7%) and Real Estate, Renting & Business Activities (2.1%).

The Goods Producing Industries increased due to higher output levels in Agriculture, Forestry & Fishing (13.8%) and Construction



CAPITAL EXPENDITURE TO GDP

Capital Expenditure to GDP (%)



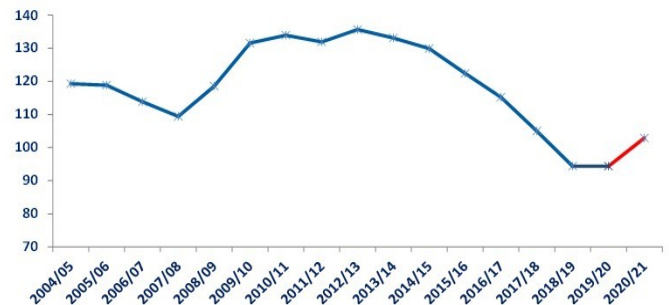
Total Expenditure for the period April 2021 to March 2022 amounted to \$698.90 billion, \$12.88 billion less than the budgeted amount of \$711.77 billion. Recurrent expenditure which totalled \$648.39 billion, accounted for 93% of overall expenditures. Under the recurrent expenditure categories for the review period, the category above the budgeted amount was 'Interest'.

This totalled \$137.05 billion, 0.5% above the budgeted amount of \$136.42 billion. The categories below the budgeted amount included 'Programmes' which amounted to \$269.59 billion which was \$8.07 billion or 2.9% less than budgeted. Comparably, 'Employee Contribution' totalled \$19.07 billion, which was \$629.80 million below the budgeted amount of \$19.70 billion. 'Wages and Salaries' totalled \$222.68 billion, 0.5% less than budgeted. Additionally, 'Compensation of Employees' totalled \$241.75 billion, which was 0.7% below the budgeted amount.

The 'Fiscal Surplus' was \$18.01 billion, relative to a 'Projected Surplus' of \$5.66 billion. Additionally, the 'Primary Surplus Balance' for the period amounted to \$155.06 billion, relative to the 'Budgeted Primary Surplus Balance' of \$142.08 billion.

DEBT TO GDP

Total Debt to GDP (%)



The debt-to-GDP ratio was 94% at the onset of COVID-19 in March 2020, but due to the pandemic and the measures implemented to slow its spread, the ratio increased to approximately 110% by March 2021. As at October 2021, Jamaica's total debt stood at \$2.21 trillion.

Jamaica's economy maintained a solid recovery in 2021, compared to 2020, the year of the COVID-19 pandemic's debut. Between April and September 2021, the economy had real economic growth of 9.9%, compared to a 14.5% decline during the same period in 2020. It should be mentioned that the economic recovery would have been better had it not been for an August 2021 fire at JAMALCO. Despite this, the GDP is forecast to expand by 7.9% in fiscal year 2022/22.

The growth in tourist arrivals and related activities continued to improve for the December 2021 quarter. The outlook for the industry hinges on an increase in foreign national arrivals and an increase in the average duration of stay. The increase



LABOUR FORCE

Unemployment Rate (%)	January	April	July	October	Labour force	January Q1	April Q2	July Q3	October Q4
	Q1	Q2	Q3	Q4					
2014	13.4	13.6	13.8	14.2	2014	1,305,500	1,311,100	1,303,700	1,310,200
2015	14.2	13.2	13.1	13.5	2015	1,320,800	1,300,400	1,320,500	1,325,200
2016	13.3	13.7	12.9	12.9	2016	1,342,000	1,353,500	1,363,300	1,355,500
2017	12.7	11.3	11.3	10.4	2017	1,358,300	1,371,600	1,371,200	1,346,800
2018	9.6	9.8	8.4	8.7	2018	1,331,800	1,345,900	1,334,700	1,334,900
2019	8.0	7.8	7.8	7.2	2019	1,340,200	1,349,900	1,360,800	1,345,100
2020	7.3	na	12.6	10.7	2020	1,369,500	na	1,279,600	1,293,600
2021	8.9	9.0	8.5	7.1	2021	1,310,900	1,206,000	1,215,000	1,329,100
2022	6.2				2022	1,257,100			

According to STATIN, as at January 2022, there were 1,257,100 employed persons, an increase of 57,800 (4.8%) over January 2021. the unemployment rate for January 2022 was 6.2 per cent compared to 8.8 per cent for the same quarter of 2021, the lowest unemployment rate in Jamaica's history. In January 2020, before the coronavirus (COVID-19) pandemic, the unemployment rate was 7.3 per cent, there were more employed persons (1,272,700) and an overall larger economically active population (1,372,900) than in January 2022. The unemployment rate for males decreased by 2.7 percentage points from 7.6 per

PRODUCER PRICE INDEX & CONSUMER PRICE INDEX

Producer Price Index:

"The Producer Price Index for the 'Mining and Quarrying' industry increased by 0.7% for March 2022", according to the Statistical Institute of Jamaica (STATIN). Additionally there was an increase of 2.4% in the Manufacturing industry.

The movement in the index for the Mining and Quarrying industry was mainly attributed to a 0.7% rise in the index for the major group 'Bauxite Mining & Alumina Processing'. The index for the other major group 'Other Mining & Quarrying' moved upward by 0.2%.

For the point-to-point period, March 2021 – March 2022, the index for the Mining & Quarrying industry rose by 35.9%. This growth was attributed to an increase of 37.1% in the index for the major group 'Bauxite Mining & Alumina Processing'. The point-to-point index for the Manufacturing industry moved by up

Consumer Price Index:

The All Jamaica Consumer Price Index decreased by 0.1 per cent for April 2022. This decline was primarily a result of the 3.1 per cent fall in the index of the 'Housing, Water, Electricity, Gas and Other Fuels' division due to lower electricity rates.

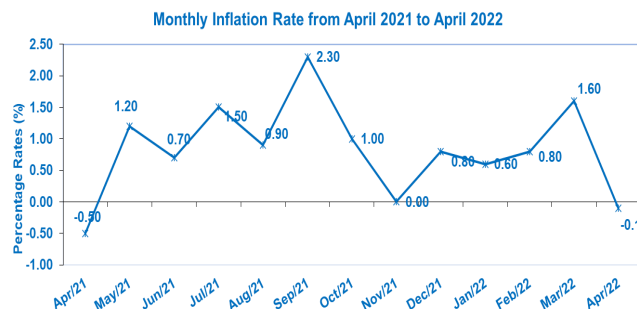
The point-to-point inflation rate was 11.8 per cent for April 2022. Upward movements in the indexes for the divisions, 'Food and Non-Alcoholic Beverages' (14.6 %), 'Housing, Water, Electricity, Gas and Other Fuels' (10.7 %), and 'Transport' (15.0 %) were the largest contributors to the increase for the review period.

The index for the 'Food and Non-Alcoholic Beverages' division increased by 0.5 per cent for April 2022. There was a similar 0.5 per cent upward movement in the index for the 'Food' group, while the 'Non-Alcoholic Beverages' group rose by 1.1 per cent. The movement in the 'Food' group was mainly attributed to increases in the index for the classes: 'Cereals and cereal products' (1.4%), 'Meat and other parts of slaughtered land animals' (1.6%), and 'Fish and Seafood' (3.0%).

The index for the 'Alcoholic Beverages, Tobacco and Narcotics' division increased by 1.1 per cent. The 'Alcoholic Beverages' group registered an increase of 1.0 per cent with the class 'Beers' having the strongest impact with a 1.4 per cent increase. The 'Tobacco' group rose by 1.4 per cent due to increased cigarette prices.

The index for the 'Health' division increased by 0.3 per cent for the period under review. This movement was mainly a result of a 0.3 per cent increase in the index for the group 'Medicines and Health Products', and the group 'Outpatient Care Services' moving upwards by 0.1 per cent.

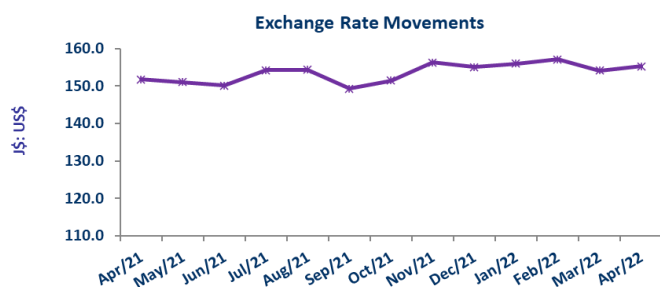
The index for the 'Transport' division increased by 0.9 per cent for April 2022. This upward movement was impacted mainly by high-



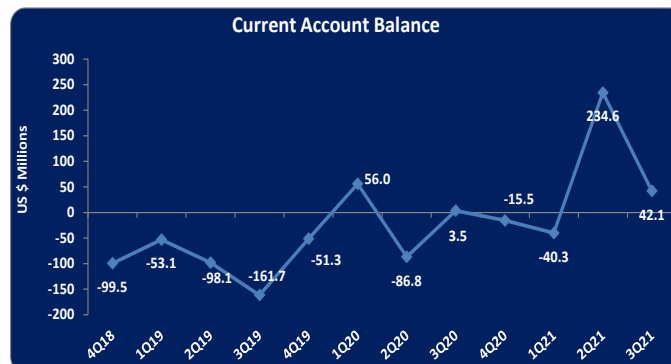
FOREIGN EXCHANGE MARKET

LOCAL FOREX

The Jamaican dollar depreciated against the USD for the month of April 2022. The JMD depreciated by \$1.13 in April, to close the month at an average of \$155.28 relative to the \$154.15 recorded in March 2022. Year over year, the JMD has depreciated by approximately \$3.46 or 2.28% relative to the \$151.82 reported as at April 2021.



CURRENT ACCOUNT BALANCE



The latest data from the Bank of Jamaica shows the current account (CA) of Jamaica's balance of payments for the December 2021 quarter amounted to US\$89.8 million (0.6 per cent of GDP), US\$62.8 million higher (worse) than the outturn recorded for the December 2020 quarter. This deterioration was reflected in the goods balance, partially offset by an improvement in the current transfers, services and income sub-accounts.

The CAD is projected to improve, relative to the previous forecast over the medium-term. The CAD is projected to average 0.0 to 1.0 per cent of GDP between FY2024/25 and FY2027/28. The improvement in the CA is mainly due to an increase in travel expenditure on account of an in-

FOREIGN EXCHANGE MARKET

INTERNATIONAL FOREX

GBP/USD: The pair closed at \$1.2580 for the month of April. According to FX Empire, “the fundamentals line-up for the US dollar to continue strengthening, as well as the British pound to continue falling. The Federal Reserve continues to be extraordinarily hawkish, and there are concerns out there when it comes to global growth and demand in general.”

EUR/USD: For April 2022, the EUR/USD pair closed at \$1.0547 versus \$1.1052 at the start of the month, a 4.57% decline. According to FX empire, “the European Union has a whole host of issues that it is dealing , so it does make sense that we would see the Euro struggle as well.” Furthermore, “with the lack of growth in the European Union, the ECB is light years away from being able to tighten monetary policy.

April 1-30				
Currency Pair	Open	High	Low	Close
GBP/USD	1.3115	1.3167	1.2412	1.2580
USD/CAD	1.2519	1.2910	1.2403	1.2852
EUR/USD	1.1052	1.1055	1.0471	1.0547
USD/JPY	122.51	131.26	122.27	129.89

The JPY depreciated against the USD during the month of April by 6.03% to close at \$129.89.

MONEY SUPPLY

Components of Money Supply (M2*)			
Percentage Change (%)	Feb-21	Dec-21	Feb-22
Total Money Supply (M2*)	16.8	16.8	14.7
Money Supply (M2J)	16.8	17.1	12.7
Money Supply (M1J)	18.5	18.9	14.5
Currency with the public	23.5	23.3	17.6
Demand Deposits	15.3	15.6	12.2
Quasi Money	15.2	15.3	11.1
Savings Deposits	17.8	17.2	13.7
Time Deposits	5.8	7.5	0.8
Foreign Currency Deposits	16.8	16.4	18.0

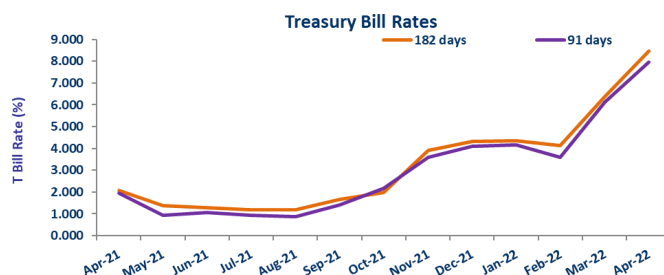
According to the latest data available from the Bank of Jamaica's quarterly report, “The 12.7 per cent expansion in M2J at February 2022 was largely underpinned by growth of 11.5 per cent in local currency deposits, a deceleration relative to the 17.1 per cent recorded at end. December 2021.

Additionally, “The deceleration in the growth in deposits was strongly reflected in savings and demand deposits, which grew by 13.7 per cent and 12.2 per cent, respectively, relative to growth of 17.2 per cent and 15.6 per cent in December 2021. Growth in M2J was also influenced by an increase of 17.6 per cent in currency with the public, relative to growth of 23.3 per



Treasury Bills:

For the month of April, applications for treasury bills exceeded demand, as the Bank of Jamaica (BOJ) issued a total of J\$1.40 billion in treasury bills, while applications totaled J\$1.47 billion. J\$957.67 million for the 91-day bill and J\$509.41 million for the 182-day bill respectively. The 91-day treasury bill auction resulted in the average yield of 7.96%, up 183.21 basis points compared to March 2022, the 182-day treasury bill auction resulted in the average yield of 8.46%, up 208.94 basis points relative to the prior month. The average yields on the 91-day increased by 602.03 basis points compared to the auctions in 2021 for the comparable period. The 182-day treasury bills went up 638.77 basis points relative to the corre-



OPEN MARKET OPERATION

Issue Date	Tenor	Initial Coupon %	Reset Margin %	Benchmark	Interest/ Maturity Date Payment
8-Apr-22	28 Days	5.00%	N/A	Fixed	6-May-22
22-Apr-22	28 Days	5.00%	N/A	Fixed	20-May-22
29-Apr-22	28 Days	5.00%	N/A	Fixed	27-May-22
14-Apr-22	28 Days	5.00%	N/A	Fixed	13-May-22
14-Apr-22	2 Years	7.50%	N/A	Fixed	15-Apr-24

The Bank of Jamaica issued four 28 Days Certificate of Deposit and one long term Benchmark Investment Notes in the month of April.





TOURISM

Stopover Arrivals by Market Region					
Country	February 2022	Share %	February 2021	Share %	Change %
U.S.A.	120,629	74.1%	41,813	95.5%	188.5%
Canada	15,082	9.3%	199	0.5%	7478.9%
Europe	21,782	13.4%	233	0.5%	9248.5%
Latin America	1,829	1.1%	528	1.2%	246.4%
Caribbean	3,100	1.9%	833	1.9%	272.1%
Asia	293	0.2%	144	0.3%	103.5%
Others	167	0.1%	48	0.1%	247.9%
Total	162,882	100.0%	43,798	100.0%	271.9%

According to the latest data from the Jamaica Tourist Board, stopover arrivals in February 2022 amounted to 162,882 a 271.9% change when compared 43,798 recorded February 2021. Notably arrivals were bolstered by a number of Covid-19 restrictions being relaxed. Jamaica borders were re-opened on June 15, 2020 with the exception of the cruise ship piers which eventually returned in November 2021, following an 18-month absence because of the COVID-19 pandemic.

Stopover arrivals from the U.S. market total of 120,629 arrivals, there were 41,813 arrivals in February 2021 (see Tourist Arrivals table above).

The Canadian market arrivals amounted to 15,082 relative to the 199 a year prior. While the European market region recorded a total of 21,782 stopover arrivals in February 2022 when compared to the 233 in February 2021. Arrivals from Caribbean totalled 3,100 stopovers in comparison to the 833 in February 2021.



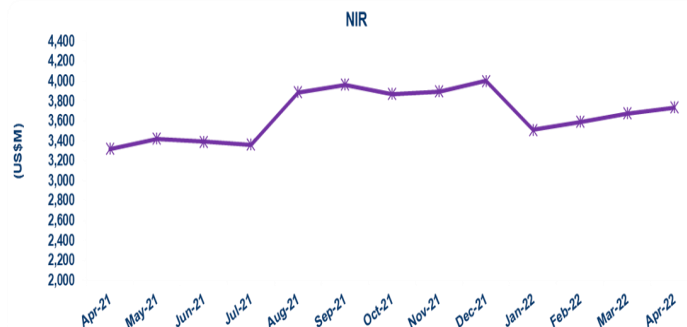
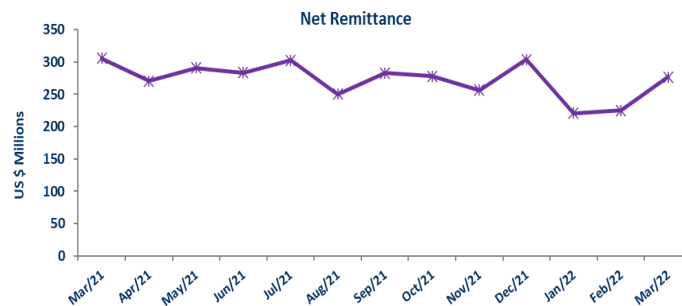
REMITTANCE

Latest data from the Bank of Jamaica (BOJ), for March 2022, showed that total Remittance inflows amounted to US\$327.5 million (2021: US\$294.8 million), while outflows totalled US\$18.3 million (2021: US\$22.3 million).

Net remittances were US\$276.5 million, a decline of US\$28.7 million (9%) relative to US\$305.2 million reported for the corresponding month of 2021.

Total remittance inflows from April 2021 to March 2022 of US\$3,486 million increased by 11% or US\$342.5 million relative to the previous corresponding period.

The largest source market of remittances to the island in March was USA with a share of 71% (2021: 72%). The remaining remittances during the aforementioned month came from UK (10%) followed by Canada (9%) and the Cayman Islands (6%).



NET INTERNATIONAL RESERVES

BOJ has reported that Jamaica's Net International Reserves as at April 30, 2022 stood at US\$3,734.14 million, reflecting an increase of US\$58.30 million when compared to the US\$3,675.85 million reported at the end of March 2022.

Foreign Assets totalled US\$4,357.47 million, US\$33.81 million more than the US\$4,323.66 million reported in March 2022. 'Currency & Deposits' held by the BOJ as at April 30, 2022 totalled US\$3,823.26 million, reflecting an increase of US\$42.18 million compared to the US\$3,781.08 million reported in March 2022.

'Securities' were now valued at US\$338.54 million; US\$3.01 million less than the US\$341.55 million reported at the end of March. The country's 'Special Drawing Rights & IMF Reserve Position' fell marginally to US\$195.67 million from the US\$201.02 million reported last month. Liabilities to the IMF were reduced by US\$24.49 million to US\$623.33 million against the US\$647.81 million reported at the end of March 2022.

At its current value, the nation's international reserve is \$416.16 million, or 13% more than the \$3,317.98 held by the

