

Global Economy



- Remains fraught with uncertainty
- Lingering effects of the COVID-19 pandemic, cross-border tensions, tightening financial conditions, and inflation remaining elevated or entrenched pose significant risks to the global outlook.

Global Commodity Prices



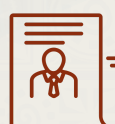
- Despite continued volatility, prices retreated in November.
- Brent crude oil prices plummeted to US\$85.43 per barrel at end- November.
- Food prices dipped to its lowest since January 2022.

Domestic Economy



- Strides in economic recovery on the back of solid tourism sector performance. 560,732 visitors up to November, 68.3% of the comparable 2019 levels.
- Increase in disposable incomes, remittances and new lending continues to support consumption activity.
- Investment activity is slow paced but sentiments for the near to medium term are optimistic.

Labour Market



- Recovery in the demand for labour has been impressive.
- Vacancies advertised up to November rose 153.8% annually, mostly due to tourism-related sectors.

Financial Sector



- Financial conditions remain conducive for growth.
- Private sector credit grew for the eleventh consecutive month (7.0%) in November.

Liquidity and Interest Rates



- Above-adequate levels of liquidity has kept interest rates near historical lows.
- Liquidity as at 30 December at \$2,413.5 million.

External Trade



- Trade deficit widened by 77.7% in the year to September.
- Growth in imports (55.8%) rose more sharply than the growth in exports (27.0%).

Foreign Reserves (FR)



- Foreign reserves remained comfortable at \$3,426.3 million as at 30/12.
- Upheld by increased inward remittances, tourism receipts and government loan drawdowns.
- Near to medium term outlook remains comfortable.

Inflation



- Food and fuel prices continue to drive inflationary outcomes.
- Annual inflation moderated to 5.2% in November.
- Imported inflation (8.0%) remains the driver of overall inflation. Domestic inflation was 4.4%.

Risks



- Global slowdown.
- Continued cross-border tensions.
- Frequent global energy and food price shock causing inflation to remain elevated or entrenched.
- Natural disasters.