

HIGHLIGHTS



In Summary:

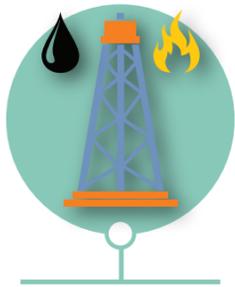
- The global economy lost momentum in the third quarter of 2018 amid an ongoing tariff dispute between the United States and China.
- Indicators of domestic activity in the third quarter of 2018 suggest that a durable recovery is yet to take hold.
- Headline inflation remained subdued in December 2018 in the context of stable international food prices, slow aggregate demand and tight management of liquidity.
- Higher energy prices supported an improved year-on-year performance in the Central Government accounts during fiscal 2017/2018.
- The Central Bank held the Repo rate steady in December 2018, given low inflation and a recovering economy.
- Labour market conditions worsened during the fourth quarter of 2017.
- The foreign exchange market remained relatively tight in 2018 despite higher foreign exchange conversions from the energy sector.
- Gross official reserves declined in 2018.

The domestic economy should receive a boost in 2019 mainly due to the anticipated startup of the Angelin platform. In addition, the Government's capital programme should have positive spillover effects on the non-energy sector. The general improvement in the domestic economy is expected to reflect favorably on the fiscal accounts in FY2018/19.

EXTERNAL DEVELOPMENTS



Global growth is anticipated to slow further in 2019.



Energy Commodity Prices Index (ECPI) improved during the second half of 2018.



Economic activity in the Latin America and Caribbean (LAC) Region was subdued in the third quarter of 2018.



Inflation rates remained modest in several Advanced Economies.

DOMESTIC DEVELOPMENTS

1.0%



Growth in **natural gas production** slowed (year-on-year) during Q3 2018 as major operators completed planned maintenance activity.

The **Index of Retail Sales** improved in Q3 2018 year-on-year, suggestive of growth in distribution activity.



1.8%

4.4%



The **unemployment rate** increased in Q4 2017 compared to the same period in 2016.

The rate of **inflation** remained contained in December 2018.



1.1%

DECEMBER 2018

US\$7.6 Bn

GROSS OFFICIAL RESERVES



8.0 months

IMPORTS OF GOODS AND SERVICES

BUSINESS SECTOR CREDIT GROWTH
y-o-y, NOVEMBER 2018

1.8%

REPO RATE

5.00%

Maintained in December 2018

CENTRAL GOV'T DEFICIT

OCTOBER 2017 -
SEPTEMBER 2018

-\$5.4Bn



NET DEBT
DECEMBER 2018

\$98.9Bn

CONSUMER SECTOR CREDIT GROWTH
y-o-y, NOVEMBER 2018

7.2%