Regional Market Review – Q3 2024

BARBADOS

- Barbados' economy sustained its growth trajectory registering real GDP growth of 4.5%. This was anchored by significant expansions in the tourism and construction sectors, underpinned by successful events such as the International Cricket Council (ICC) Men's T20 World Cup.
- The unemployment rate decreased from 8.9% in the first quarter of 2023 to 6.9% at the end of March 2024. Despite this positive trend, the labour force contracted by 6,600 persons, primarily due to retirees increasing by 4,900 individuals.
- By the end of May 2024, the 12-month moving average inflation rate slowed to 2.7% from 4.2% recorded a year earlier, mainly reflecting the prices of vegetables and dining services.
- For the first six months of 2024, the current account deficit narrowed to 2.3% of GDP from a position of 8.3% during the first half of 2023. This improvement was primarily driven by increased tourism receipts and higher current transfers.
- Gross international reserves reached $3.2 billion at the end of June 2024. This represented 32.2 weeks of import cover. This performance represents a very strong external position.

GUYANA

- The Guyanese economy is projected to record positive real GDP growth of 42.3% for 2024, mainly driven by higher oil output coupled with continued favorable performances in all of the other major non-oil sectors. For HY2024, real-oil and non-oil GDP recorded growth of 49.6% and 12.6% respectively. Real oil growth benefited from increased crude oil production, while strong performance in construction, agriculture, and the services sectors were the major contributors to real non-oil growth.
- The inflation rate at the end of June 2024 was 1.89% versus -0.3% at the end of June 2023.
- The overall balance of payments recorded a lower deficit of US$184.6 million for HY2024 compared to US$196.4 million for HY2023. Both the capital account deficit and the current account surplus were relatively increased. The capital account outturn was due to the outflow of oil revenues to the Natural Resource Fund (NRF) as well as cost recovery by the oil and gas sector despite higher inflows to the private sector in the form of foreign direct investments (FDIs). Whereas the current account surplus resulted from increased export receipts together with lower import costs.

JAMAICA

- The Jamaican economy grew by an estimated 0.0%-0.1% for the quarter ended June 2024, slower relative to the 1.4% growth recorded for the previous quarter.
- Real GDP is projected in the range of -1.5% to 3.5% for FY2024/25, from 1.0% to 3.0% for FY2023/24. Core inflation for June 2024 was recorded at 4.9%, a decline from the 5.9% recorded in March 2024.
- The current account is estimated to have recorded a surplus of 0.6% of GDP for the June 2024 quarter, lower than the surplus for June 2023 quarter which ranged between 0.5% to 1.5%. This lower surplus reflects estimated deterioration in the merchandise trade, services and income sub-accounts, partially offset by an improvement in the current transfers sub-account.
- For June 2024 quarter, the Jamaican dollar depreciated 1.0% relative to March 2024, due to increased portfolio-related demand by financial institutions.
- On 28 June 2024, the BOJ decided to maintain its policy interest rate at 7.0%.

EASTERN CARIBBEAN

- According to the Economist Intelligence Unit (EIU), real GDP growth in Dominica, Saint Lucia, Grenada and St Vincent and the Grenadines is projected to decelerate sharply in 2024 before recovering in 2025 due to the significant destruction of infrastructure caused by Hurricane Beryl. However, real GDP growth in most other OECS economies is expected to return to pre-pandemic rates for 2024/25.
- The EIU also expects that the Organization of Eastern Caribbean States (OECS) will remain politically stable in 2024/25, but governments will come under strain as economic activity softens, driven by moderating tourism inflows and adverse weather.
- Fiscal deficits is expected to narrow across most OECS countries. Governments will be making consolidation efforts and will benefit from relatively steady tourism revenue and efforts to increase tax compliance.
- As OECS countries are heavily dependent on imports, easing commodity prices (particularly for food and fuel) will help to narrow their external balances in 2024/25. Tourism will also contribute to this trend.