

Key Highlights on Economic and Financial Developments in 2Q 2019

Higher GDP growth of 4.9% (1Q: 4.5%)

Continued expansion in domestic demand and across all economic sectors



Higher private sector expenditure



Services and manufacturing sectors remained the key drivers of growth

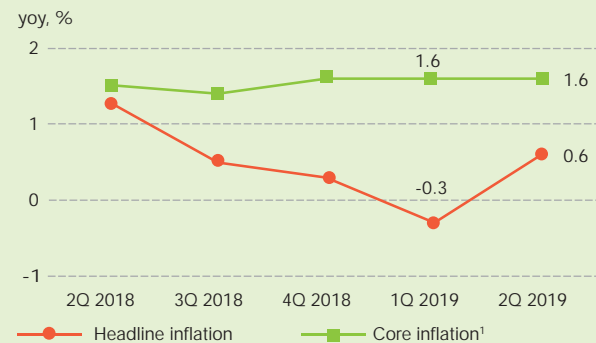


Rebound in mining sector driven by recovery in natural gas production

Headline inflation increased

Higher headline inflation due to the lapse in the impact of the GST zerorisation

Headline and Core Inflation¹

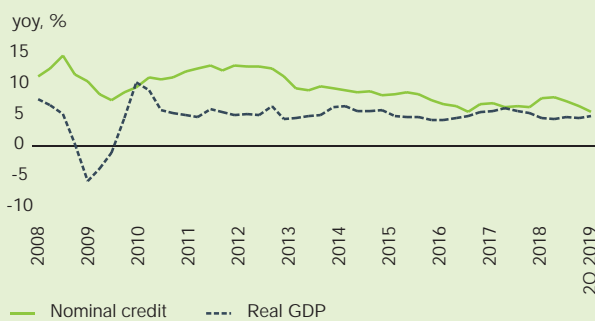


¹ Core inflation is computed by excluding price-volatile and price-administered items. It also excludes the estimated direct impact of consumption tax policy changes.

Overall financing in line with economic activity

Credit expansion commensurate with growth in recent periods

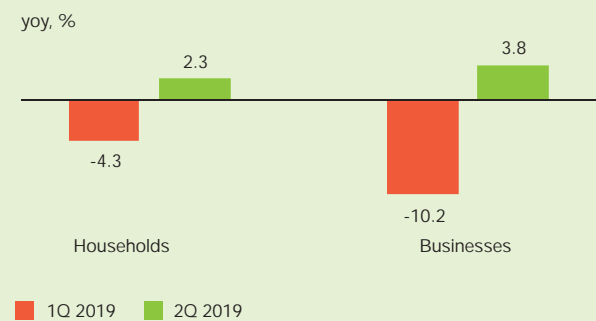
Credit and GDP Growth²



² Credit refers to outstanding loans from the banking system and development financial institutions (DFIs), and outstanding corporate bonds
Note: Real GDP in constant 2015 prices

Demand for financing showed some signs of improvement

Loan Application³



³ Loan application refers to banking system data only

Box Articles

Unresolved trade disputes one year on

Emerging Global Trends



Enhancing market efficiency to preserve financial market stability

Development initiatives to enhance:



- Market liquidity
- Risk management capabilities
- Access to the onshore market

Two key developments:



Appointed Overseas Office as a gateway for investment



Dynamic hedging programme