

Table of contents

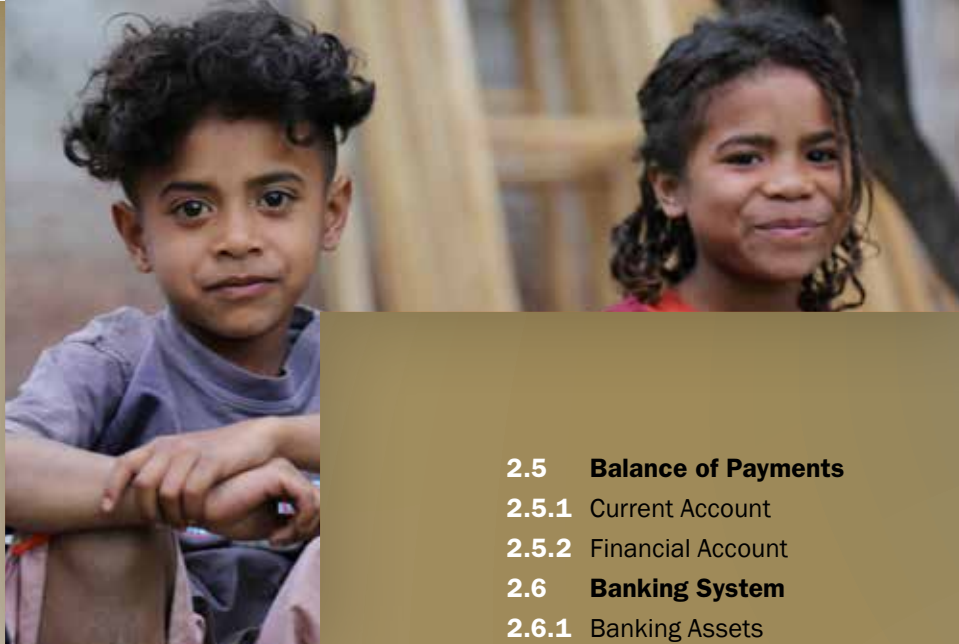
Introduction	05
--------------	----

1 International Economic Developments 10

1.1 Major World Economies	14
1.1.1 Economic Growth in Major World Economies	14
1.1.2 Inflation in Major World Economies	16
1.1.3 Global Commodity Markets	18
1.1.4 Major Global Financial Markets	20
1.2 Asian Economic Developments	24
1.3 Timor-Leste Economic Transmission Channels	31
1.3.1 Imported Inflation	31
1.3.2 Energy Markets and Oil Revenues	34
1.3.4 Financial Markets and the Petroleum Fund	36

2 Economy Domestic – Recent Developments and Projections 40

2.1 Economic Activity and Inflation	44
2.1.1 Recent Economic Developments and Perspectives	44
2.1.2 GDP Developments – Spending and Production Components	47
2.1.3 Prices and Inflation	51
2.2 Public Finances	55
2.2.1 2021 Public Budget Program	55
2.2.2 Public Revenue	56
2.2.3 Public Expenditure	58
2.2.4 Public Funding Sources	62
2.3 Monetary and Foreign Exchange Sectors	64
2.3.1 Interest Rates	64
2.3.2 Exchange Rates	65
2.3.3 High-Powered Money, or Monetary Base	66
2.3.4 Money Supply	67
2.3.5 Bank Credit	70
2.3.6 Financial Depth Indicators	72
2.4 External Sector	73
2.4.1 Net International Reserves (NIR)	73
2.4.2 Real Effective Exchange Rate Index (REER)	73



2.5	Balance of Payments	76
2.5.1	Current Account	77
2.5.2	Financial Account	84
2.6	Banking System	85
2.6.1	Banking Assets	85
2.6.2	Banking Liabilities	88
2.6.3	Banking Profitability	90
2.6.4	Money Transfer Services	92
2.7	Relevant Socio-Economic Monitoring and Support Initiatives	94
2.7.1	Pandemic and 2021 Floods Socio-Economic Impact Assessment	94
2.7.2	Public Policies Implemented to address these Situations	97
2.7.3	Economic Activity and Financial Inclusion Survey	101

3 The BCTL: Mission and Core Mandates, Organization, Governance and Activities 108

3.1	Core Mandates and Functions	110
3.2	BCTL Organization and Governance	111
3.3	BCTL Activities in 2021	114
3.3.1	National Payment System	115
3.3.2	Financial and Banking Systems	127
3.3.3	Petroleum Fund Management	137
3.3.4	Institutional Strengthening	140
3.3.5	Employees and Training Programs	141
3.3.6	Institutional Partnerships	143

4 Financial Statements For the year ended 31 December 2021

Statement of Compliance	152
Statement of financial position	154
Statement of Profit or Loss and Other Comprehensive Income	155
Statement of Changes in Equity	156
Statement of Cash Flows	157
Notes to the Financial Statements	158
Independent Auditor's Report	193

