

Table of contents

Introduction		4			
4					
Inte	rnational Economic				
Developments		8	2.2	Public Finances	48
	•		2.2.1	2020 Public Budget Program	48
1.1	Major World Economies	12	2.2.2	Public Revenue	49
	Economic Growth in Major	12	2.2.3	Public Expenditure	50
	World Economies	12	2.2.3.1	Current Expenditure	51
1.1.2	Inflation in Major World Economies	14	2.2.3.2	Capital and Development	
1.1.3	Global Commodity Markets	16		Expenditure	52
1.1.4	Major Global Financial Markets	17	2.2.4	Public Funding Sources	54
1.2	Asian Economic Developments	21	2.3	Monetary and Foreign Exchange Sectors	56
	Timor Leste Economic Transmission Channels		2.3.1	Interest Rates	56
1.3		27	2.3.2	Exchange rates	57
1.3.1	Imported Inflation	27	2.3.3	High-Power Money, or Monetary Base	59
1.3.2	Energy Markets and Oil Revenues	30	2.3.4	Money Supply	59
1.3.3	Financial Markets and the Petroleum Fund	32	2.3.5	Bank Credit	61
	Petroleum Fund	32	2.3.6	Financial Depth Indicators	63
Domestic Economy			2.4	External Sector	64
- Recent Developments			2.4.1	Net International Reserves (NIR)	64
·			2.4.2	Real Effective Exchange Rate	C 4
and	Projections	36		Index (REER)	64
			2.5	Balance of Payments	67
2.1	Economic Activity and Inflation	40	2.5.1	Current Account	68
2.1.1	Economy - Recent Developments and Perspectives GDP Trajectory – Spending,	40	2.5.1.1	Goods Trade Account	69
		40	2.5.1.2	Services Trade Account	73
2.1.2	Production and Components	42	2.5.1.3	Primary Income Account	73
2.1.3	Prices and Inflation	45	2.5.1.4	Secondary Income Account	74
			2.5.2	Financial Account	75

