



Visit our website: www.psoj.org
CHIEF EXECUTIVE OFFICER'S REPORT
APRIL 2013

Economic Highlights

Going for Growth

The Government of Jamaica is rightly emphasizing growth as the way to underpin the success of its fiscal consolidation efforts, and more importantly, to reduce poverty and promote development. Central Government and the Public Bodies are to spend J\$112 billion (about 8% of GDP) on infrastructure and civil works in 2013/14. This would be a boost to GDP of at least 1% (approximation from the Growth Inducement Strategy) if implemented according to plan, as one of the challenges faced usually is that the pace of the spending does not lend itself to maximizing economic activity. In addition, the GOJ has announced several other initiatives which are evaluated below.

The Logistics Hub

In *“The Development of Panama as a Logistics Hub and the Impact on Latin America,”* Daniel Munoz and Miriam Rivera, define a ‘logistics hub’ as a, “regional cross-docking point where products from multiple supply sources arrive and are sorted in accordance with the needs of the destinations or markets.” In addition to the transport, storage and distribution services that generally form the core of logistics hubs, countries often develop clusters of supportive industries such as ship and airline maintenance on the supply-side or light manufacturing and assembling and information technology on the delivery side. In 2012, logistics was estimated to account for 10-15% of global output, or up to US\$10.8 trillion.

There are three well-known logistics hubs in the world - Dubai, Rotterdam and Singapore. With the expanded Panama Canal expected to begin operation in 2015, a number of countries are positioning themselves to be the logistics hub for the Americas. These include Panama, Colombia, Costa Rica and Jamaica.

Of the six factors (tradition and organization, accessibility, state assistance, costs and productivity, carrier's preference, and location) cited by Munoz and Rivera, that gives one port an advantage over another, Jamaica is said to mainly have a comparative location advantage and several natural harbours. But in the words of the Minister of Industry, Trade and Investment, Jamaica is “late out of the blocks” in the race to be the premier regional hub, with Panama, Costa Rica and other countries being much further ahead in establishing the infrastructure and attracting the anchor companies needed to gain momentum and credibility as the regional hub. In addition, Jamaica's time and costs for loading and shipping containers are almost twice the regional average; and international transactions are not as frictionless as Panama which uses the US dollar. Indeed, Jamaica currently ranks 123rd out of 155 countries in global logistics.

In preparing for the logistics hub, Jamaica also needs to consider the establishment of legislation and certain bilateral agreements, in order to support the logistics hub infrastructure. The Prime Minister, in the budget debate, also announced a possible delay in the logistics hub, as CHEC no longer considers the port as a suitable location and will be looking at another location. One real consideration of this decision is what is to become of the activity and investments at the current port, once the logistics hub is established



elsewhere. This illustrates the hiccups that could likely occur to slow the implementation of this project and that the overwhelming reliance on public private partnerships to construct the bulk of the infrastructure might be fraught with even more delays.

Despite these shortcomings, Jamaica could still become a significant regional hub, but it will require strong and sustained investment promotion and immense improvement in our ease of doing business, in order to ensure competitiveness and establishing ourselves as the first choice.

A task force has been established to see to the implementation of the logistics hub, which is to be chaired by Professor Gordon Shirley, and works through several sub-committees, which work has already started. The aim is to be ready for 2015.

Tourism Mega-Projects

Finance Minister Peter Phillips announced that some J\$7.6 billion was to be spent on upgrading three existing hotels. In addition, the GOJ will be inviting bids from June 1st, 2013 for the construction and development of three (3) Integrated Resorts which will each include at least 2,000 hotel rooms, shops, and gaming casinos. This model, which was successfully developed in Singapore, is expected to require 5 jobs per room or a total of 30,000 when all three hotels are fully operational and is also expected to generate substantial revenues for the GOJ. Given the lead time for these mega projects, it is clear that only the refurbishing of the three hotels will have some growth impact during the medium term.

One challenge usually faced with these projects is the minimal impact of these investments on GDP, as a result of the low absorptive capacity of the country particularly our labour force. This is something that needs to be addressed by the country, and could form part of a submission to the GOJ from the PSOJ.

Small Business Development

Considering their quick start-up times, support for small businesses could have the most immediate impact on growth in the short to medium term. In his budget presentation, Finance Minister Phillips announced a doubling of financial resources available to small businesses from J\$850 million in 2012/13 to J\$2.0 billion in 2013/14. If substantial portions of these funds go to value-added activities, the growth and development impact could be significant.

There have been funds in the past set up for MSMEs with little success. This is because of the other structural issues such as aggregate demand, crime (extortion), bureaucracy (administrative cost to MSME), and organization of MSMEs (lack of professional approach). In order for success to be achieved in this area many of these issues will need to be addressed.

ICT

Minister Phillips also announced that an additional US\$20 million is to be loaned by the Development Bank of Jamaica to establish additional call centers in FY 2013/14. Some 15,000 Jamaicans now find permanent employment in 'Call Centers' which have become one of the fastest growing sectors in the Jamaican economy over the past 15 years. Hundreds of jobs are expected during the construction phase and an additional 7,000 to 8,000 jobs when the centers are completed. These call centers create income for workers and revenue for the government and clearly contribute to aggregate demand and general economic activity.

This is a natural area of comparative advantage for Jamaica because of our geographical location, our telecommunications infrastructure, and our command of the English language. The primary challenge usually faced is the availability of buildings to house these call centers. This is therefore a welcome move.

***Agro-Parks***

Agro-Parks are large farms being implemented as public-private partnerships on which large acreages of certain crops are to be grown to reduce the country's food import bill and to provide inputs for agro-processing. Two such farms are currently in operation and the GOJ hopes to establish two others in FY2013/14. These four farms are expected to create 1,500 direct jobs and 2,500 indirectly and contribute J\$1.5 billion to farmers' income in 2013/14.

The Logistics Hub and the International Financial Center are potentially important new pillars which could help to strengthen Jamaica's economy in the medium to long-term. However, the GOJ capital expenditure, ICT, Agro-Parks, and support to small businesses will have more immediate impact. The GOJ is projecting growth of 0.5% to 1.0% per annum over the next two to three years, and given the contractionary conditions currently prevailing in the domestic economy and the uncertainty in the global economy, these projections seem realistic. The downside risks to these forecasts are bad weather, and a further fall-off in global and domestic economic activity. Upside risks are stronger rebounds in local investor and consumer confidence now that a GOJ/IMF Agreement has been signed, as well as an uplift in global economic activity. The current developments in the US economy (lower unemployment rate included) are positives for Jamaica.

Other Local News**Net International Reserves**

During March 2013, Net International Reserves (NIR) declined by an additional -US\$55.23 million to US\$884.25 million, compared to US\$939.5 million at the end of February 2012. March's erosion continues the decline in NIR, which has declined in 19 of the past 21 months, from a high of US\$2,602.4 million in April 2011. For FY2012/13, the NIR is down by -US\$892.9 million, while for the first two months of 2013, the NIR has declined by -US\$241.3 million - almost double the rate of decline for the first three months of 2012.

At the end of March 2013, gross reserves were adequate to finance 11.49 weeks of "goods and services" imports, somewhat below the 12 weeks international benchmark of reserves adequacy.

The recent announcement of the IMF deal will help to bolster the NIR in excess of US\$800M.

Foreign Exchange Rate

US Dollar: During March 2013, the Jamaican dollar depreciated by additional J\$1.78 to J\$98.89 compared to J\$97.11 at the end of February 2013. During FY 2012/13, the J\$ depreciated by J\$11.61 or 13.3% against the USD and is down J\$5.91 or 6.63% against the USD for the first three months of 2013. This depreciation was largely driven by uncertainty about when a new GOJ/IMF agreement would be signed. As it became clearer that the country would have an IMF agreement in place, which was confirmed by an IMF press release in mid-April, the J\$ has revalued slightly against the USD, from the peak of 99.81, on April 12th, to 99.13 as at May 4th, 2013.

Pound & Canadian Dollar: During March 2013, the J\$ depreciated by J\$3.12 or 2.09% against the GBP to J\$151.90 from J\$148.79 in February 2013. Against the CAD, the J\$ depreciated in March 2013 by about J\$1.00 or 1.03% to sell for J\$97.99 compared to J\$97.00 in February 2013. Usually, the J\$ trades in a proxy relation with the USD in regards to GBP and CAD demonstrating sharp up and down movements aligned to similar movements of USD against those currencies on international markets. In March 2013, GBP and CAD appreciated against the USD on positive risk sentiments. Correspondingly, both currencies appreciated against the Jamaican dollar. The IMF agreement has also had a positive impact for the JS against the GBP and CAD, in terms of stability, but have not seen the same trading pattern as the USD, as these are not the primary currencies used in our trade arrangements.

Interest Rate

Though the average saving rate and the average lending rate held steady in February 2013 (and over the previous three months) at 2.07% and 17.23% respectively, there have been notable movements and initiatives concerning interest rates over the past few months.

To recall, in January 2013, Finance Minister Peter Phillips announced the outlines of a tentative agreement with the IMF which included a new 'National Debt Exchange' (NDX) that involved exchanging approximately J\$860 billion in existing GOJ bonds for instruments with lower interest and longer maturities.

As with the earlier JDX, one consequence of the NDX was a recalibration of rates to lower levels on a number of GOJ instruments. Prior to the NDX, interest rate on the 6-month Treasury Bill had jumped by 66 bps in the two previous months to 7.47% in January 2013. But at the February T-Bill auction, after the NDX was announced, interest rate on the 6-month T-Bill fell to 5.75%. Taking their cue from what was happening to treasuries, the BOJ announced a 50 bps cut in its 30-days CD to 5.75%. It is noteworthy however, that at the March 2013 treasury bill auction, interest rate on the 6-month T-Bill had again risen to 6.22%, and by a further 16 bps in April's auction to 6.39%, showing that administrative actions by the GOJ cannot hold rates below the risk premium demanded by the market.

In other initiatives, the BOJ has been quite active making two open market interventions during April 2013. On April 8th 2013 it sought to support the NIR by issuing a 365-day US dollar indexed note at a fixed coupon of 4.75% and at an exchange rate of US\$1 = J\$98.00. On April 15th, 2013 it sought to mop-up Jamaican dollar liquidity to reduce the pressure on the Jamaican dollar, by issuing three instruments ranging from 6 months to 18 months. These rate movements and initiatives illustrate that Jamaica's money markets were under stress because of uncertainty about when the IMF Agreement would be finalized.

Inflation

The rate of inflation increased by 1.4% during March 2013. This was the highest monthly increase since the start of 2013 and the second highest in fifteen months. The depreciation of the Jamaican dollar during March 2013 was the primary cause of the higher prices given Jamaica's high import dependence, even in our exports.

The division recording the highest increase in the consumer price index was **"Housing, Water, Electricity, Gas and Other Fuels,"** which rose by 5.0%. A 10.7% rise in electricity rates and rising water rates fed into and resulted in increases in all four groups within that division.

The second highest increase was recorded in the group **"Alcoholic Beverages and Tobacco,"** which rose by 2% for the second consecutive month. Higher prices for 'Wines' and 'Spirits' and 'Tobacco' continued to be the key drivers of price increases within the division.

Two divisions **"Miscellaneous Goods and Services"** and **"Clothing and Footwear"** both recorded increases of 1.0%. The two groups within the latter division - 'Footwear' and 'Clothing' rose by 1.4% and 0.9% respectively, while higher prices for personal care items and funeral services accounted for the rise in "Miscellaneous Goods and Services".

Prices rose by 0.9% in the most heavily-weighted **"Food and Non-Alcoholic Beverages"** division. The two classes within the division, 'Food' and 'Non-Alcoholic Beverages' rose by 0.9% and 1.0% respectively. In the class, 'Food', notable increases were recorded for 'Fruit' - up 2.3%; and 'Vegetables and Starchy Foods' - up 1.6%, as drought conditions throughout the island slowed the recovery from

Hurricane Sandy.

“Furnishings, Household Equipment and Routine Household Maintenance” increased by 0.7%, largely reflecting first and second-round impacts of the upward pressure on prices from the depreciation of the Jamaican dollar on imported household appliances, utensils and household textiles.

“Recreation and Culture” and **“Restaurants and Accommodation Services”** each rose by 0.5%; while **“Health”** and **“Transport”** both rose by 0.4%. **“Communication”** and **“Education”** were basically flat on the month. For the calendar year to date, the rate of inflation was 2.7%; the point-to-point rate (Mar ‘12 to Mar ‘13) and the rate for the fiscal year was 9.1%.

Fiscal Accounts

During fiscal year (Apr-Mar) 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$54.6 billion. This fiscal deficit was J\$1.64 billion or 3.09% worse than the -J\$52.98 billion budgeted, but J\$17.77 billion or 22.1% better than the -J\$86,074.3 billion deficit recorded during FY2011/12. This slightly worse than expected out-turn on the fiscal deficit resulted from a severe shortfall of J\$16.61 billion in Revenues and Grants which was largely, but not completely offset by a less than projected J\$14.98 billion in Expenditure.

Revenue: Total Revenues & Grants to the GOJ during FY 2012/13 was J\$344.67 billion. This was - J\$16.61 billion or 4.60% short of the budgetary target of J\$361.28 billion, though it was J\$16.15 billion or 5.7% greater than Revenues and Grants collected during Apr-Mar 2011/12.

Of 25 revenue heads, only 7 came in (moderately) above target during FY2012/13. This largely reflects the recession in the Jamaican economy. The main outperformers of budget were: ‘SCT’ - J\$2.47 billion; ‘Stamp Duty (Local)’ - J\$1.16 billion; ‘Tax on Interest’ - J\$808.9 million; Tax on Dividend’ - J\$499.9 million; and ‘Non-Tax Revenue’ - J\$228.4 million.

Among the main underperformers on the revenue account were: ‘PAYE’ - -J\$5.01 billion below budget; ‘SCT (Imports)’ -J\$2.89 billion; and ‘Other Companies Taxes’ - -J\$2.69 billion. ‘GCT (Imports)’ - down -J\$2.44 and ‘GCT (Local)’ - down J\$2.15 billion also underperformed below budget.

Overall tax revenues underperformed budget by \$15.9 Billion, which highlights the sluggishness in the economy, and the need for tax reform measures to assist in the stimulation of economic activity leading to a greater revenue intake.

Expenditure: During FY2012/13 total expenditure was J\$399.28 billion. This was -J\$14.98 billion or – 3.62% less than the J\$414.26 billion budgeted, and J\$1.63 billion or –0.4% less than expenditures for FY2011/12. To meet the revised Primary Surplus requirement of 5.5% of GDP and to compensate for the below target performance of Revenues, the GOJ was forced to control expenditures. Substantial savings totalling J\$9.6 billion were achieved on interest payments with GOJ paying out J\$126.94 billion relative to the J\$136.3 billion budgeted. This represented saving of J\$7.24 billion on ‘External Interest’ with J\$39.2 billion paid out relative to the J\$46.45 billion budgeted, while savings of J\$2.35 billion on ‘Domestic Interest’ (J\$87.73 billion paid relative to J\$90.49 billion budgeted) were also achieved. It would be interesting to ascertain the causes of this interest reduction to see if it is real savings or deferred payouts through capitalization.

Other significant areas of expenditure compression were: ‘Recurrent Programmes’ - down J\$4.6 billion to J\$87.2 billion, compared to J\$92.16 billion budgeted; and ‘Capital Programmes’ on which J\$37.76 billion was spent relative to the J\$37.76 billion budgeted, with a resultant savings of J\$1.74 billion. Expenditures on ‘Wages and Salaries’ however, were modestly above budget to the tune of J\$1.3 billion, with J\$147.38

billion spent compared to J\$146.07 billion budgeted.

The Primary Surplus - a measure of the country's ability to service its debt from revenues, was J\$39.97 billion in 2011/12. Under pressure from the IMF to raise the primary surplus target to 7.5% of GDP, the GOJ upwardly revised the primary surplus target for FY2012/13 from J\$60 billion to J\$83.56 billion. The final outturn was J\$72.34, which fell J\$11.23 billion below the revised target, but was an improvement of J\$30.0 billion on the primary surplus for FY2011/12.

Tourism

Stopover arrivals in February 2013 were 166,010 - a decrease of -8.1% below the 180,592 stopovers recorded in February 2012. The number of cruise passengers also declined by -15.5% in February 2013 to 138,879 visitors, compared to 164,415 in February 2012.

Regionally, stopovers from the US decreased by 5.3% in February 2013 to 91,363, compared to 96,450 in February 2012. Year to date, stopovers from the US are down 2.4% to 177,664 from 182,021 during the first two months of calendar year 2012. From the Canadian market, stopovers decreased by 16.3% during February 2013 (the third consecutive monthly decline, after 16 consecutive monthly increases) with 47,932 arrivals compared to 57,262 in February 2012. Year to date, the number of visitors from Canada is down 15.4% to 95,697 seemingly reversing the strong growth recorded in 2012.

Visitors from Europe, including the UK, declined by 2.4% in February 2013 to 19,795 visitors compared to 19,316 arrivals in February 2012. Year to date, visitors from Europe are down 3.5% to 39,161, extending the two year decline for visitors from Europe which has seen a 24.2% drop in arrivals since 2010.

The declines in the US and Canadian markets could be as a result of the publicity of the lotto scam, and the Europe decline the effect of the economic challenges being faced.

Stopover arrivals from the Caribbean recorded a small -1.9% decline during calendar year 2012 to 64,984 visitors compared to 66,216 visitors in 2011. For the first month of 2013, stopovers from the Caribbean are down 5.6% to 8,038 visitors compared to 8,515 visitors for the first two months of 2012. On the other hand, stopovers from Latin America are up by 15.5% in Jan-Feb 2013 to 4,931 extending their strong 50.9% increase (to 25,037) recorded in 2012.

During calendar year 2012, cruise visitors to the Island increased by 17.3% to 1,320,083 visitors on top of a strong 23.4% increase in 2011, reflecting the impact of the opening of the Falmouth Port. For the first two months of 2013 however, cruise arrivals are down 4.0% to 318,789 visitors compared to 332,160 in Jan-Feb 2012. Total visitors to Jamaica during Jan-Feb 2013 was 646,254 - a 5.3% decrease relative to 682,107 visitors during Jan-Feb 2012.

Bauxite & Alumina

Production of alumina in March 2013 declined by -17.23% to 137,989 tons, compared to 166,708 tons in March 2012. For its part, production of crude bauxite in March 2013 increased by 21.5% to 461,185 tons relative to the 379,548 tons produced in March 2012.

The soft conditions in the global economy during 2012 resulted in Jamaica's production of alumina falling by -10.86% to 1,753,505 tons compared to 1,959,238 tons during 2011. Production of crude bauxite was also down -7.46% to 4,759,647 million tons, relative to 5,143,463 million tons during 2011.

For the first three months of 2013, alumina production is down -10.43% to 426,804 tons, compared to 426,804 tons in 2012. Production of crude bauxite at 1,236,130 tons is running 7.05% ahead of output

compared to the first three months of 2012 when output was 1,154,733 tons.

External Trade

During 2012 Jamaica's expenditure on merchandise imports grew by 2.4% or US\$155.5 million to US\$6,594.9 million when compared to 2011. Earnings from exports also increased, moving by US\$87.5 million or 5.4% to US\$1,709.8 million. This resulted in a slight worsening of the trade deficit (by -1.4%) to US\$4,885.1 million compared US\$4,817.0 million recorded for 2011. As for the past several decades, the largest contributor to the import bill was 'Mineral Fuels etc' – up US\$79.4 million to US\$2,390.3 million or 36.2% of imports; while 'Food' imports rose by 2.2% to US\$959.2 million or 14.5% of imports. 'Chemicals', another large contributor to imports, rose 5.8% to US\$923.9 million or 14.0% of imports. Mitigating these increases, 'Machinery and Transport Equipment' declined by 1.4% to US\$919.4 million while 'Manufactured Goods' declined by 3.4% to US\$623.7 million.

On the side of exports, *traditional exports* fell by US\$46.7 million to US\$813.8 million, largely reflecting a decline of 12.5% in alumina exports to US\$508.0 million, compared to US\$580.7 million in 2011. This was only partially compensated by a US\$40.7 million rise in exports of 'Manufactures' to US\$154.9 million due to increased sugar and rum exports. *Non-traditional exports* rose by US\$153.6 million or 22.8% to US\$823.3 million, due largely to a 41.6% rise in 'Other' exports resulting from a quadrupling of 'Chemical' exports to US\$205.1 million and a 6.8% rise in 'Food' exports to US\$144.8 million.

The large US\$4,885.1 million imbalance in Jamaica's merchandise trade was largely, but not completely compensated for, by a surplus on Services of US\$751.0 million; remittances of US\$1,872.7 million; and net official and private investment inflows of US\$2,131.6 million. Accordingly, net international reserves declined, as mentioned above.

Stock Market

During March 2013, market capitalization decreased by J\$9.47 billion or 1.7% to close at J\$543.53 billion. Five of six indices on the Jamaican Stock Exchange declined and one advanced. The main **JSE Market Index** declined by 2,062.6 points or 2.45% to close at 81,986.3 points. The **JSE Combined Index** declined by 1,846.8 points or 2.16% to close at 83,492 points. The **JSE All Jamaican Composite Index** declined by 1,160 points or (1.48%) to close at 77,254 points and the **JSE Select Index** declined by 54.96 points or (2.55%) to close at 2,097.2 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, also declined - by 30.5 points or 3.55% to close at 826.9 points. The **Junior Market Index** - was the only index advancing in March 2013, increasing by 30 points or 5.06% to close at 622.4 points.

Market volume was low in March 2013 with 98.58 million units valued at J\$1.061 billion changing hands, compared to 224.84 million units valued at J\$1.974 billion in February 2013. Overall market activity resulted from trading in 48 stocks of which 25 advanced, 17 declined and 6 traded firm.

The Global Picture

Though global data has been mixed, sentiment, especially among investors and producers appears to have become more downbeat towards the end of the first quarter. In the US, the impact of the sequester and payroll tax increases are said to have restrained Q1 GDP growth to 2.5% relative to expectations for a 3.0% rise, and caused a drop in 'Retail Spending' in March 2013 to -0.2%, as well as a -5.7% drop in 'Durable Goods Order.' Recent unemployment numbers, showing a decline to 7.5%, gave the market and expectations a boost. However, even though there are more persons working the quality of the jobs is not as good as prior to 2008, showing additions primarily in retail. Despite this the economy is still showing signs of recovery and the higher retail jobs implies greater consumer confidence and spending.



In the Euro-zone, contractionary conditions appeared to be spreading from the periphery to the core. Germany's March 2013 '*Purchasing Manager's Index (PMI) Manufacturing*' fell further to 47.9 compared to 49 the previous month, while the '*PMI (Services)*' fell to 49.2 from 51 the previous month. To recall, a reading below 50 on the PMI indicates contraction, and above 50 expansion. Germany's *IFO Business Climate* and *ZEW Economic Sentiment* also came in below expectations.

Data from China also pointed to a softening in output though not sentiment. China's Q1 GDP came in at 7.7% below expectations of an 8.0% rise; and '*Industrial Production*' (9.5%) and '*Fixed Assets Investment*' (20.9%) also came in below expectations. Investors are now hoping that the better than expected '*US Non-farm Payrolls*' for April 2013 (165,000 jobs created, beating expectations of 140,000) will lead to a return of more positive sentiments in markets.

CORPORATE GOVERNANCE COMMITTEE

The highlights of the meeting held on April 2, 2013 are as follows:

Corporate Governance Framework – The Chair noted that significant training is needed in this area. Mrs. Glasgow said she sends documented correspondence to all Ministries and no one responds to her.

Training of Director - The Chair asked Mrs. Glasgow if there is any interest in corporate governance training. Mrs. Reid – Pitt said she spoke to a representative from HEART Trust and he expressed an interest in having the training done. Mrs. Glasgow also said she spoke with Milverton Reynolds from the DBJ, about using the remaining funds from the CADRC Project to provide corporate governance training to the 50UnderFifty Recipients, and he has agreed. However, she is awaiting an official letter from him.

JSE Best Practice Award - No response from Mrs. Street Forest. Mr. Bovell said he believes the JSE should be pressured to follow the PSOJ's CG guidelines. It was suggested that the PSOJ should send a formal letter to the JSE.

Whistleblower Legislation - Mrs. G. Phillips-Black attended the integrity commission seminar; she said there is a huge awareness gap out there, and she also suggested that the committee increase awareness of the legislation by approaching members of the private sector.

UNCTAD Report - Mrs. Glasgow is to speak to Axel Kravatsky, with the goal of having a public forum to share his results from the survey.

Committee Scorecard - The number of persons attending committee meetings are not up to standard; most of the time, few committees achieve a 75% attendance rate. Mrs. Glasgow suggested publishing the names of members not attending meetings regularly. The Chair suggested the CG committee sends an outline of this list to the executive and officers.

Appointment of the Public Defender

What role can the PSOJ play in the appointment of the Public Defender? Mr. Bovell suggests that we need to look at what other countries have been doing and present the findings to the PSOJ. Mrs. Glasgow suggests a proposal be made to the President for him to present this to the legislation committee. Mrs. G. Phillips-Black volunteers to review this. The Chair will present to the President.

STANDING COMMITTEE ON NATIONAL SECURITY

Highlight of the SCNS meeting held on April 16:

- The staging of The President's Forum in Clarendon on Thursday April 11, fulfilled a long standing Action Item on the Agenda of the SCNS. Mr. Peter Bunting addressed the Clarendon business

community. The Minister, using data collected on countries that had made significant investments in national security, said that these countries experienced, almost immediately, a significant reduction in their crime rate.

- The Minister felt that if this type of investment was made in national security in Jamaica, a similar situation would result. The meeting was well attended by members of the Clarendon business community.
- The Committee had expressed concern about some questionable sentences issued for serious crimes (e.g. murders, gun).. A paper was received with some of these sentences and will be discussed at the next Committee meeting.

ENERGY & ENVIRONMENT COMMITTEE

Highlights of the Committee meeting held April 24, 2013:

Net Billing Forum

Further to the discussion to have JPS fund an energy/net billing forum, it was suggested that it be a half day forum to address the varied energy issues that the country face be staged. The session would be categorized in three sessions:

1. The Energy landscape - Open Horizon
2. Transforming Jamaica Energy Act (JPS would lead this session)
3. Transforming Jamaica Investment Climate

It was felt that the PSOJ needed to play a more leading role in the energy dialogue. A forum with appropriate speakers would serve this purpose. However, the PSOJ is currently planning its Annual Economic Forum for June, and all resources and focus are presently on this forum. As such, the timing for an energy forum for the month of June would not be convenient. Furthermore, based on the format envisaged, additional sponsorship would be required for the event. It was suggested instead that JPS speak with the OUR and encourage them to have a meeting with the stakeholders regarding net billing. The President is to explore the possibility of having the OUR at the PSOJ Chairman's Club Forum in July.

Committee Terms of reference:

The Committee's Terms of Reference were updated and have now been adopted.

New Generation Bid - 360MW Plant

Further to the request for the new generation bid to supply 360MW plant, three bids were selected and a fourth came on board. They are:

- Harbour View Tankweld
- Jamaica Public Service
- Azurus Cambridge
- Energy World Limited (Hong Kong base)

Harbour View Tankweld presented a 232MW project for Old Harbor and a 122MW project for Caymanas being a single bid with two locations totaling 360MW. JPS presented a proposal for a 323MW and a 350MW being two separate bids, with different fuel options, one being propane and one being Liquefied Natural Gas (LNG).

As the previous deadline set by the Government to select a bidder had passed, it was agreed that the PSOJ issue a 15 day ultimatum to the Government to make a decision.

**CRIME STOP**

The Crime Stop Coordinator's report highlighted the following for the month of April 2013:

- The number of calls received was 71, 7 less than the 78 received in March.
- The number of tips received via the organisation's revamped website was 7, 6 less than the 13 that was received in March.
- The success ratio was 1 in 6, compared to 1 in 9 in March.
- The number of calls made to 311 was 64, one less than the previous month.
- The number of arrests made was six, one more than the previous month.
- \$8,030,500 was the value of narcotics recovered, compared with a value of \$4,945,400 for the narcotics recovered in March 2013.

NOTE (1) BREAKDOWN OF TIPS RECEIVED FOR APRIL, 2013

9	ILL FIREARM/AMMO	18	DRUGS	2	ST/M/VEHICLE
6	GUNMEN	1	ILL/GAMBLING	1	ROBBERY
3	MURDER	2	ILL/ACTIVITIES	2	STOLEN PROPERTY
3	WANTED MEN	2	HARB/JUVENILE	1	SUSP/ACTIVITIES
5	LOTTERY SCAM	1	ESCAPEE	1	BR/CYBER CRIMES ACT
	BR/CONDITIONS OF BAIL				
1	ACT	1	LARCENY	3	ADD/INFORMATION
	CHILD IN NEED CARE &				
2	PROT.	1	FRAUD	3	QUERY
2	CARNAL ABUSE	1	CHILD ABUSE		

NOTE (2) BREAKDOWN OF ARRESTS IN APRIL, 2013

ILL POSSESSION OF FIREARM.....	2	DRUGS.....	2
UNLAWFUL POSS.			
PROPERTY	2		

MEMBERSHIP COMMITTEE

Highlights of the meeting held on April 24:

Concern was expressed as it relates to the attendance of Committee members. The meeting did not have the required quorum and last month's meeting was cancelled due to a lack of quorum. It was suggested that we invite additional persons to sit on the Committee. However, the view was expressed that as a new CEO will be taking up duties on May 1, we invite the new CEO to the next Committee meeting on May 22 so that he can share his vision and way forward for the Organisation in general and the Committee. The other matters on the Agenda were discussed in general. However, a decision/way forward was deferred until the Committee meets with the new CEO.



The Committee noted that Mrs. Glasgow was demitting office on April 26, and thanked her for her stellar contribution to the Committee and to the PSOJ during her tenure.

MEMBERSHIP

Applications for membership approved by PSOJ Executive and now awaiting payment:

- Young Entrepreneurs Association of Jamaica (has since paid)
- Camcorp Industries Ltd.
- Rattray Patterson Rattray
- Toyco Ltd T/A Hotel Four Seasons
- Interglobal Technology Solution

Prospects sent information during the period:

- Milestone Environmental Limited
- Harold Brady & Company
- Jamaica Beverages Ltd.
- GB Group
- Toucan Enterprises

MEMBERSHIP UPDATE

Membership as at	Corporate	Associations	Individuals	New Members	Resigned	Total
Opening balance December 2012 257	186	23	48			257
January 2013 257	186	23	48	6 - Corp	5 – Corp 1 - Ind	257
February 2013 257	187	23	47	1 Individual	Nil	258
March 2013 258	187	23	48	4 Corp	Nil	258
April 2013 258	187	24	48	1 Assn	Nil	259

COMMUNICATION TO MEMBERS

The following correspondences were sent to members:

1. April 3, 2013 – email with caption “PSOJ loses a founding member” (death of Hon. Maurice Facey)



2. April 4, 2013 – email with caption “Appointment of new CEO”
3. April 4, 2013 – invitation to National Integrity Action/ICAJ Public Forum on Combatting Corruption
4. April 8, 2013 – email with caption “PSOJ relieved of new of expected IMF Agreement”
5. April 22, 2013 – email with caption “PSOJ expresses serious concern about the Richard Azan matter”

PROJECTS

IDB/NCB PROJECT- ATN/12712-JA

The PMO booked the Ritz-Carlton Resort & Spa to host the SME Conference. The Ritz-Carlton later advised that the hotel is being sold, and as a result bookings are no longer being accepted until the sale is finalized. The PMO received quotations from the Half Moon Hotel and the Hilton. Subsequently, a site visit was carried out on Thursday, April 16, 2013. The PMO also engaged Riu Ocho Rios who initially accepted the booking. However, they informed at a later date that the hotel could not facilitate the conference. The Conference is now scheduled to be held at the Hilton Rose Hall Resort & Spa, Montego Bay from June 21-23, 2013. The Conference Launch is scheduled for the last week in May.

The third meeting of the Project Steering Committee (PSC) was held on April 16, 2013. The PMO submitted the first quarter local counterpart report for the Project on April 23, 2013 to the IDB.

The PMO engaged in negotiations with the Case Writing and the Technical Assistance and Training Consultants.

In relation to Milestone Nos. 2 and 3, drafts of the website brief, registration form, agenda and brochure have been completed. In addition, a logo for the conference has been developed and work has started on the website.

YUTE

Y.U.T.E. Expands Partnership with Caribbean Maritime Institute

Y.U.T.E. participants will have additional opportunities for formal training and certification through the Caribbean Maritime Institute following the signing of a Memorandum of Understanding between the two institutions on April 24. The signing of the MOU preceded the formal hand over of the luxury yacht *Penny Reel* to the Institute by the Matalon family.

In his opening remarks to the attendees, Y.U.T.E. Chairman Joseph Matalon highlighted the key areas of agreement, including the provision of partial scholarships to five current participants who meet the qualifying standard to pursue studies up to the diploma level in Engineering and Logistics Management.

Y.U.T.E. participants in the automotive arts and industrial security programmes may also look forward to placement upon successful completion of their courses of study. In delivering his greetings, Minister without Portfolio in the Ministry of Transport and Works, Dr. the Honourable Morais Guy, lauded partnerships such as these which contribute to youth development and nation building.



Principal of the CMI Dr. Fritz Pincock (left) signs the MOU alongside YUTE Chairman Joseph Matalon. They are observed by YUTE Participants and CMI Board Member.

Y.U.T.E. Mentors' Meet

Mentors of Y.U.T.E. participants met on April 30 at the National Volunteers' Centre for an update on the programme's progress to date and to discuss strategies for effective mentoring. It was the first opportunity to meet since April 2012. Mentorship coordinator Melissa Johnson provided attendees with a status update on the programme's activities, including emerging opportunities for mentees.

Micro-Franchise

Grace Kennedy

During the month of April, Y.U.T.E. PMO submitted the résumés of 10 participants to Grace Kennedy (GK) for consideration for the grocery micro-franchise. GK selected 6 of the 10 persons to be interviewed on 2013 April 24. All 6 persons attended the interviews. It is expected that 5 of the 6 persons will be provided with micro-franchise opportunities. GK will host training in 2013 May with a start-up date of 2013 June.

Musson

The rollout date for the cosmetics and grocery micro-franchises under the banners of T. Geddes Grant (cosmetics) and Facey Commodity Ltd (grocery) did not materialise on 2013 April 2 as scheduled. Calls to the organisations have not been successful.

On 2013 April 17, representatives of Y.U.T.E. PMO met with Mrs Jannett Lym, Facey Commodity Ltd to discuss the possibility of participants selling cosmetics products sold by Facey Commodity Ltd. (This was not in the original 'agreement'). The representatives were given a tour of the goods to be sold and were advised that permission would be sought concerning the credit line to be extended to the participants.

On 2013 April 29, the Y.U.T.E. PMO was advised that under the Facey Commodity Ltd cosmetics micro-franchise, 10 participants would be provided with a credit line of \$3,000.

MARKETING AND PUBLIC RELATIONS DEPARTMENT

Meetings/Functions/Events

- April 11 – The President's Forum

- April 11 – Mentoring of Emerging Entrepreneurial Leaders Dinner

April 11 – The President's Forum

The President's Forum was held on *Thursday April 11 at Hotel Versailles in Clarendon* in partnership with Columbus Business Solutions (Flow) and the Clarendon Chamber of Commerce. The Minister of National Security, *Honourable Peter Bunting, MP* made a presentation to the business community on *"Invest in National Security: Fastest Return on Investment"*.

April 11 – Mentoring of Emerging Entrepreneurial Leaders Dinner

The second Mentoring of Emerging Entrepreneurial Leaders Dinner was held at the Spanish Court Hotel with Guest Mentor, Hon. Lascelles Chin, OJ. Mr. Chin's presentation was an interesting account of how hard work, focus on goals and steely determination to succeed made him on top of his game. The young entrepreneurs present were enthralled and totally absorbed with his approach to business and were very appreciative of his candour in sharing his experience.

PSOJ application for corporate membership has since been sent to these entrepreneurs.

PSOJ Media Mentions

Print:

1. **April 4, 2013** – The Gleaner, Pg A2, article with caption "Nation loses a giant of business, Maurice Facey: August 12, 1925-April 2, 2013"
2. **April 4, 2013** - The Jamaica Observer, Pg 3, article with caption "Maurice Facey hailed as a visionary, real estate pioneer, He leaves behind huge footprints across corporate Jamaica –PM"
3. **April 4, 2013** - The Gleaner, Pg A10, Private sector worries about slide in Jamaica Dollar (J\$)
4. **April 5, 2013** – The Jamaica Observer, Pg 3, article with caption "PSOJ appoints Dennis Chung as new CEO" (effective May 1, 2013)
5. **April 5, 2013** – The Financial Gleaner, Pg 5, article with "Dennis Chung new PSOJ Chief Executive Officer – to resign from public boards"
6. **April 7, 2013** – The Sunday Gleaner, Special Advertising, article with caption "Hearty Congratulations" message from PSOJ President congratulating Billy Craig Insurance on their 50th Anniversary.
7. **April 7, 2013** – The Sunday Gleaner, Advertisement B14, Pan-Jamaican Investment tribute to Dr. the Hon. Maurice William Facey.
8. **April 9, 2013** – The Gleaner, Pg A3, article with caption "IMF deal does not mean business as usual – private-sector leaders.
9. **April 14, 2013** - The Sunday Gleaner, Pg 6, Photograph of President Christopher Zacca at Bacchanal Beach Jouvert
10. **April 14, 2013** – The Sunday Gleaner, Pg F7, article with caption "Lessons from the departed"

11. **April 16, 2013** – The Gleaner, Special Advertising feature, Section D, Tribute to the late Hon. Maurice Facey, OJ., J.P, philanthropist, pioneer, patriot
12. **April 16, 2013** – The Gleaner, Front Page – Pg A2, article with caption “Budget Debate has business community waiting to exhale”.
13. **April 21, 2013** – The Jamaica Observer, Pg 11, article with caption “Common sense and psychic confusion”
14. **April 21, 2013** - The Jamaica Observer, Special advertising, “Tribute to Maurice Facey, OJ, JP, a man on whose shoulders monuments are built”
15. **April 23, 2013** – The Jamaica Observer, Pg 4, article with caption “PSOJ says Azan should go if....”
16. **April 23, 2013** - The Gleaner, Front Page – A3, article with caption “PSOJ wants speedy probe into Spaulding Market saga”
17. **April 26, 2013** - The Jamaica Observer, Pg 26, article with caption “YUTE renews MOU with the Caribbean Maritime Institute (CMI) to assist at-risk youth”.

Speeches/Remarks Delivered by Mr. Zacca

1. **April 9, 2013** – Remarks delivered at launch of WEConnect Jamaica, held at the US Embassy in Kingston.
2. **April 11, 2013** – Greetings and opening remarks delivered at the PSOJ/Columbus Business Solution's Security Forum held at the Hotel Versailles in Clarendon.

Electronic and Online Mentions:

1. April 5, 2012 - PSOJ appoints Dennis Chung as new CEO
<http://www.jamaicaobserver.com/business/PSOJ-appoints-Dennis-Chung-as-new-CEO-14003621>
2. April 23, 2013 - PSOJ says Azan should go if...
http://www.jamaicaobserver.com/news/PSOJ-says-Azan-should-go-if---_14131309
3. April 4, 2013 - Dennis Chung Is New PSOJ CEO
<http://jamaica-gleaner.com/latest/article.php?id=43877>
4. April 22, 2013 - PSOJ Wants Quick Closure to Azan Probe
<http://jamaica-gleaner.com/latest/article.php?id=44296>

Radio/Television Interviews with Mr. Zacca:

1. **April 3, 2013** – Interview on NCU Radio re the delayed IMF Agreement, which aired on the Business Report at 6pm.



2. **April 3, 2013** – Brief telephone interview regarding the sliding dollar, lack of an IMF agreement and a solution to our energy crisis was aired on RJR News at 7am.
3. **April 5, 2013** – Interview with Dara Smith re the initial budget presentation from Minister Phillips, which aired on TVJ's Prime Time News at 7pm.
4. **April 8, 2013** – Interview on Hot 102 with Betty-Ann Blaine and Richard Crawford re the initial budget presentation at 10:30am.
5. **April 8, 2013** – Brief telephone interview regarding the news of the expected IMF agreement airs on Nationwide News at 5pm
6. **April 11, 2013** – Interview with Owen James re the news that the IMF agreement is expected to be signed shortly airs on CVM's *The Business Report*.
7. **April 18, 2013** – Interview on Nationwide with Cliff Hughes and George Davis re Minister's Phillip's full-scale budget presentation, which aired at 7:15pm.
8. **April 22, 2013** – Interview on Power 106 with Dervan Malcolm on his programme *Both Sides of the Story*, re the PSOJ's views on the Richard Azan Spaldings Market controversy.
9. **April 23, 2013** – Interview on Hot 102 with Trevor Munroe on his programme *Jamaica Speaks*, re the PSOJ's views on the Richard Azan Spaldings Market controversy.

Radio/Television Mentions:

1. **April 3** – Excerpts of the press release that was sent re Maurice Facey's passing was carried on TVJ's Prime Time News at 7pm and CVM News at 8pm.
2. **April 22, 2013** – Excerpts of the press release re the PSOJ's views on the Richard Azan controversy was carried on Nationwide News at 5pm, RJR News at 5pm and CVM News at 8pm (brief telephone interview with Mr. Zacca was included in the CVM report).

Press Releases – Sent to all Media

1. **April 3, 2013** – “PSOJ Loses a Founding Member” (Hon. Maurice Facey, O.J.)
2. **April 4, 2013** – “PSOJ Announces New CEO.”
3. **April 8, 2013** – “PSOJ Relieved at News of Expected IMF Agreement.”
4. **April 22, 2013** – “PSOJ Expresses Serious Concern about the Richard Azan Matter, Calls for Speedy Resolution.”