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CHIEF EXECUTIVE OFFICER'S REPORT
JANUARY 2016**

ECONOMIC HIGHLIGHTS

On December 16, 2015 the Executive Board of the International Monetary Fund (IMF) completed the tenth review of Jamaica's economic performance under the current programme, supported by a four-year, SDR \$615.38 million arrangement under the Extended Fund Facility (EFF). According to Mr. Min Zhu, Deputy Managing Director and Acting Chair, on one hand the authorities continue to have an impressive track record of strong programme implementation under the EFF. He highlighted that macroeconomic stability continues to strengthen, vulnerabilities have reduced substantially, structural reforms have progressed and Jamaica has made important achievements under the economic programme. He added that with macroeconomic stability well-established, the recalibration of fiscal and monetary targets should help support growth and job creation. On another hand, fiscal sustainability requires continued reduction in the government wage bill and safeguarding revenues. In this regard, concrete efforts are needed to modernize the public sector and improve the efficiency of public services.

The United States' federal fund rate is the rate at which banks offer to lend to each other overnight. On December 15, 2015 Janet Yellen, Chair of the US Federal Reserve, announced that there will be an increase in the federal fund rate. The US Federal Reserve action moves the range of rates between 0.25% and 0.5%. An increase or decrease in the rate is said to have a domino effect as this will impact the loans rates at which banks lend their customers. In this case, an increase could result in higher borrowing costs for developing economies, many of which are already seeing slow growth. According to the BBC news, there are concerns that a rise will compound that slowdown, as higher rates in the US could strengthen the dollar, the currency in which many countries and companies borrow.

At the end of December 2015, the value of the Jamaican Dollar depreciated by J\$0.38 or 0.32% to J\$120.24=US\$1.00, while the Canadian dollar and the Great Britain pound appreciated by J\$4.30 and J\$3.83 respectively. At the end of the month, the Jamaican dollar value relative to the CAD\$1.00 and GBP£1.00 was JA\$84.91 and JA\$177.12 respectively.

Inflation, measured by the All Jamaica "All Divisions" Consumer Price Index (CPI) increased by 0.2% for the period December 2015 over November 2015. The increase in the rate brought inflation for the calendar year (January to December) to 3.7% and inflation for FY-to-December to 4.3%. The average rate per month at the end of December 2015 was 0.3%.

Data for the month ending December 2015 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$279.46 billion (US\$2,437.27 million). This reflected an increase of J\$10.77 billion (US\$93.93 million) relative to November 2015.

The monetary base expanded by J\$12.12 billion or 11.0% to J\$122.21 billion for December 2015 relative to the previous month.

On the last trading day in December 2015, for the period December 01, 2015 to December 31, 2015, the main JSE index advanced by 10,518.16 points or 7.50% to close at 150,692.13 points. The JSE Combined Index advanced by 11,293.21 points or 7.68% to close at 158,269.14 points. The JSE Junior advanced by 152.59 points or 9.31% to close at 1,791.05 points. In contrast, the JSE Cross Listed Index remained firm

and closed the month at 499.06 points.

For November 2015 relative to October 2015, yields on GOJ 30-day and 90-day treasury bills increased by 30bps and 72bps respectively. However, yields on the 182-day treasury bill decreased by 3bps.

For November 2015, the production of Alumina was 156,188 tonnes. This represented a decrease of 7,193 or 4.40% tonnes, relative to October 2015. For the month, the sale of alumina amounted to 136,418 tonnes. This represented a decrease of 27,881 tonnes or 16.97% relative to October 2015. The production of crude bauxite, which is bauxite mined for exports, for November 2015 was 268,500 tonnes. This is an 81,200 tonnes or a 23.22% reduction from the 349,700 tonnes recorded in October this year.

The overall weighted average lending rate on domestic currency loans increased to 17.01% from 16.99% at the end of October 2015, relative to September 2015. For the month of October, the foreign currency loans rate increased relative to September 2015. In this regard, the rate rose by 5bps to 7.30%.

Stopover tourist arrivals for October 2015, was 134,317. This month's total is 20,037 or 17.53% higher than the 114,280 recorded in September 2015.

There were price reductions observed in 57% (12) of the commodities monitored for December 2015. The price of both crude oil indices decreased in December 2015 - the Brent fell by 15.08% and the WTI by 12.68%. Natural gas decreased by 7.69%.

CORPORATE GOVERNANCE COMMITTEE

No meeting was held for the month of January. However, the committee members were very active in finalizing corporate governance documents for the Broadcasting Commission and training for ECLOF. Also the committee members worked on finalizing the MSME CG Code.

STANDING COMMITTEE ON NATIONAL SECURITY

Highlights of the meeting held on Tuesday, January 19:

Crime Stop Report

It was reported that the year ended with 678 tips, in comparison to 2014 which had 548 tips. That is an increase of one hundred and thirty (130) tips. There is a clear-up rate of one in every six (1:6) calls. There were arrests made for illegal installation of electricity and also persons having sexual relations with minors (children under 16 years of age).

Private Security Regulator Authority (PSRA) Report

It was reported that the work of the board of the Private Security Regulator Authority (PSRA) has been concentrating on getting the necessary legislative amendments prepared for submission to the Minister. They were working on a Memorandum of Understanding (MOU) between the Private Security Industry, the Jamaica Constabulary Force (JCF) and the PSRA to foster greater cooperation and joint efforts.

Law and Order Working Group Report

It was reported that there has been two meetings of the committee, an informal one which was held shortly after the announcement and a formal meeting which was held on January 18, 2016 at Jamaica House. The working group's road map focused initially on the justice system and delivering justice. This includes the access of justice, the process to justice and also the timeliness in the delivery of justice.

Two documents have been presented to the working group from the Private Sector Organisation of Jamaica and the Jamaican Bar Association (which outlined 12 items which need to be dealt with).

There is an intention to increase the number of Justices of the Peace (JP) to be trained to sit in petty session courts and that there were legislative changes coming to increase the types of matters that can be heard in petty session courts.

JCF Report

It was reported that there have been changes in the JCF organizational structure, where major changes have been made in the Operations Department, these being:

- Territorial Operations Department now being headed by Deputy Commissioner George Quallo, giving him control of Police Areas One to Five.
- Strategic Operations Department now being headed by Deputy Commissioner Clifford Blake who will have oversight of the Community Safety and Security Branch, Mobile Reserve, Police Control, the ports, Traffic Division, Marine Police, Motorised Patrol Divisions, among others.

JCF Crime Statistics

The crime statistics for the period January 1 – January 16, 2016 were summarised and compared to the same period last year as follows:

- Murders – 34 were recorded: this represents a decrease of -18 or -35%
- Shootings – 32 were recorded: this represents a decrease of -8 or -20%
- Rape – 20 were recorded: this represents a decrease of -28 or -58%
- Aggravated Assault – 22 were recorded: this represents a decrease of -20 or -48%

In terms of Acquisitory Crime

- Robberies – 52 were reported: this represents a decrease -48 or -48%
- Break ins – 37 were reported: this represents a decrease of -62 or -63%
- Larceny – 10 were reported: this represents a decrease of -14 or -58%

Divisions of Concern:

- St. James reported 4 murders: this represents no change from 2015
- St. Ann reported 4 murders: this represents an increase of 3 or 300%
- Clarendon reported 4 murders: this represents a decrease of -1 or -20%
- Kingston Central reported 3 murders: this represents an increase of 2 or 200%

CRIME STOP

The Crime Stop Coordinator's report highlighted the following for the month of January 2016:

- The number of calls received was 31, 8 less than what was received in December.
- The success ratio was 1 in 64, in comparison to 1 in 6 in December.
- Two arrests were made, while five were made in December.
- The number of calls made to 311 was 29, 10 less than what was received in December.

NOTE (1) BREAKDOWN OF TIPS RECEIVED FOR JANUARY, 2016

1 BURGLARY	1 INCEST	1 RAPE
3 DRUGS	1 MISSING PERSON	1 SUSP/ACTIVITIES
1 ESCAPEE	4 MURDER	2 ADD/INFORMATION
3 GUNMEN	1 OVERSEAS CS TIP	1 QUERY
9 ILL FIREARM/AMMO		

ENERGY COMMITTEE

Highlights of the meeting held on Wednesday, January 27:

Renewable Energy RFP

Mr. Paul Scott and Mrs. Eleanor Jones advised the committee that January 27 was the opening ceremony for the RFP at the Petroleum Corporation of Jamaica.

Petrojam Fuel Prices

Mr. Chung reported that he, along with Mr. Mahfood, have been stepping up the ante concerning fuel prices. He noted that they were able to meet with Petrojam on January 26, 2016 for a relatively short meeting. The committee was further advised by Mr. Chung that Petrojam would be coming to the PSOJ to work with him, along with the JMA, to go through the details of the numbers concerning their pricing mechanism. He further stated that they agreed to this meeting and discussion on the basis that it is kept confidential.

Retrofitting of the PSOJ

Mr. Chung informed the committee that the retrofitting of the PSOJ has not been finalized. He noted that the electricity bill for the PSOJ has been reduced by approximately 60%; he said that this reduction can be attributed to the use of LED lights and the installation of more efficient air conditioning units.

Mr. Pijuan Mota noted that the net billing programme was still suspended making it difficult to determine if the PSOJ would go solar or not. Mr. Chung indicated that Minister Paulwell had said that he would reinstate the net billing programme by the end of January. The committee agreed that if this deadline was not met then they would have to do a follow up with the Minister.

Environment:

Climate Change Adaptation Fund

Mrs. Jones mentioned that as the first Caribbean country to qualify for the fund, the pilot has been an embarrassment due to falling behind in the range of spend (which she noted has slightly picked up) and the fact that they had to seek an extension.

Mrs. Jones also expressed the issue of sand being removed from Negril. She also shared the contradictions which exist with issues concerning the environment; she cited the example of the removal of sand from the beach in Negril, the same area in which the adaptation fund is to be used to correct erosion. In response to Mrs. Jones' concern, Mr. Scott suggested that the committee write to Minister Pickersgill.

Mr. Chung raised the issue of possible corruption related to the removal of the sand. He recommended that in addition to the letter to the Minister, that a letter also be done to the Contractor General so that an investigation can be launched into the issue. Mr. Scott suggested that the Minister be invited to the PSOJ to speak on the issue. Mr. Chung said that the PSOJ would write to him to ascertain the earliest date in which he can meet with the PSOJ.

Rain Water Security/Harvesting:

Mr. Scott updated the committee that a presentation is to be made to the DBJ on the grounds of funding the project. Mr. Chung also inquired as to whether or not the PSOJ should be probing what the NWC is doing to mitigate the ongoing drought. Mr. Scott suggested adding the issue of water security to the discussion to be had with Minister Pickersgill.

Update on ESET Committee

Mr. Scott said that the OUR will have an oversight committee of which the Director General would be one member and there would be seven other individuals called commissioners. He explained that the committee will be chaired by Joe Matalon and Jimmy Lawrence will be the PSOJ representative.

Mr. Dan Theoc noted that with the new OUR Act as well as the Electricity Act, Government will now be able to give policy directives to the OUR. Mr. Scott noted that this was not limited to electricity but also telecommunications and water. He further stated that the issue of the privatization of water and sewage plants is also a topic to be discussed with Minister Pickersgill.

Mr. Scott shared with the committee that ESET will continue to exist with Chair Vinn Lawrence. He noted that ESET would act as the oversight for structural changes which have been agreed upon such as the gas agreement and building of the plants.

Mr. Pulido provided the committee with an update on the issue of ‘bad gas’. He noted that due to the complaints, the Government has appointed a committee chaired by Noel Dacosta. Mr. Pulido advised that the report was not yet complete and he is to meet with the committee tomorrow (January 28, 2016). Mr. Scott, with the approval of the committee, decided that after the report is completed and received, the committee will decide if actions need to be taken.

LISTED COMPANIES COMMITTEE

No meeting was held for the month of January.

MEMBERSHIP COMMITTEE

Highlights of the meeting held on Tuesday, January 26:

PSOJ Membership

2015 ended with 19 new members having joined the PSOJ: 12 companies, 1 association and 6 individuals. Three companies resigned. It was suggested that each member of the Committee should try to recruit at least 3 companies for PSOJ membership in 2016.

Executive Lyme

The next Lyme will take place at Sandals Montego Bay on Thursday, February 18 and will be hosted by Sandals CEO Adam Stewart. After this, the next Lyme will be hosted by Jaguar Land Rover and will take place on Thursday, March 31.

Mentoring of Emerging Entrepreneurial Leaders Dinner

The next mentorship dinner is scheduled for Tuesday, February 23. The guest mentor will be Edward, ‘Teddy’ Alexander, CEO of tTech Ltd.

Job Creation Awards

It was decided that these Awards should take place quarterly, at the President’s Forum breakfast. Kareen Cox is to look for the criteria from the previous Awards and present it at the next Committee meeting.

MEMBERSHIP UPDATE

Membership as at	Corporate	Associations	Individuals	New Members	Resigned
January 2016	192	27	42	2 Individuals	1 corporate 2 individuals

- Joined in January – Individual members Suzanne Shaw and Jeremy Whittaker

Prospects sent information during the period:

Contact Person	Company	Contact Information
Rena Virgo	Individual member	renea1990@gmail.com
Chrystal Reece	Individual member	tech.super83@gmail.com
Andre Millwood	Edge Illusions	andremillwood@edgeillusions.com
Kevin Krooks	Ramble Hill Farms Limited	kcrooks@rhillfarms.com
Larren Peart	Blue Dot Data Intelligence	larren@bluedotja.com
Gordon Swaby	EduFocal Limited	gordon@edufocal.com
Yoni Epstein	Itel-BPO Solutions	yoniepstein@itelbpo.com
David Roberts	Core Systems	997-9838

Communication to Members

The following correspondences were sent to members:

1. **January 6** – email wishing everyone a Happy New Year, with caption, *Happy 2016 from the PSOJ!*
2. **January 6** – email with caption, *Upcoming External Event: The Future of Energy in the Caribbean Summit*
3. **January 12** – email with caption, *Upcoming External Events*
4. **January 14** – email with caption, *External Event - JEA Breakfast Series: Talking Exports*
5. **January 15** – email inviting persons to the first President’s Forum for the year, with caption, *You're Invited! PSOJ President's Forum - Tuesday, January 26*
6. **January 19** – email with caption, *One Week to Go! PSOJ President's Forum - Next Week Tuesday, January 26*
7. **January 20** – email advising persons that the date for the PSOJ’s activities in Montego Bay has been moved to February 18, with caption, *RE: Save the Date! PSOJ Heads to Montego Bay*
8. **January 25** – email with caption, *PSOJ President's Forum - Tomorrow Tuesday, January 26, 2016*
9. **January 25** – email with caption, *Upcoming External Events*
10. **January 27** – email with caption, *Upcoming Event - JSDA Annual Luncheon with Guest Speaker Audley Shaw: Thursday, February 4*
11. **January 28** – email inviting persons from the Western Region to attend the networking mingle in Montego Bay, with the caption, *You are Invited! PSOJ Members' Mingle in Montego Bay - Thursday, February 18*
12. **January 28** – email with caption, *National Careers Week and Take Your Child To Work Day*
13. **January 28** – email with caption, *CAFFE Seeks Funding for Upcoming General Elections*

MARKETING AND PUBLIC RELATIONS DEPARTMENT

Functions/Events

- **January 26 – PSOJ President’s Forum**

January 26 – PSOJ President’s Forum

On Tuesday, January 26, the PSOJ held its first President’s Forum for the year at the usual venue, the

Jamaica Pegasus Hotel. The guest speaker was Vice President at C&W Business, Donovan White, and he spoke on the topic, *Increasing Productivity by Improving Employees' Work-Life Balance*. Approximately 100 members were in attendance and the event received good media coverage.

Public/Media Relation - Press Releases/Media Advisories/Radio & TV interviews

Print

1. **January 8, 2016** – The Gleaner, Section C8, Article entitled “MSBM hosts Global Competitiveness Report for fifth year” Photo captioned: “Dennis chung, CEO Private Sector Organisation of Jamaica, Professor Densil Williams, executive director of Mona School of Business..” In-text mention: “Dennis Chung, CEO Private Sector Organisation of Jamaica noted that the report was important because it reflects benchmarks....”
2. **January 19, 2016** – The Observer, Social, Page 28, Photo Highlights entitled “The destination Experience: A billion dollar Breakfast Summit”. Photo captioned “...William Mahfood, president Private Sector Organisation of Jamaica...”
3. **January 20, 2016** - The Observer, Social, Page 27, Photo Highlights entitled: “Summit part 2.” photograph captioned: “President, Private Sector Organisation of Jamaica, William Mahfood in conversation with GB Energy Maurico Pulido.
4. **January 22, 2016** - The Gleaner, Financial Gleaner, Jamaica Stock Exchange feature, Page XV, Photograph captioned” “Scotia Bank Limited won the coveted Jamaica Stock Exchange/Private Sector Organisation of Jamaica Best Practices award for Corporate Governance”.
5. **January 24, 2016** - The Sunday Observer, Sunday Finance, Page 3, Article entitled: “Follow Antigua and abolish Income Tax: Analyst”. In-text mention: “Chief executive officer of the Private Sector Organisation of Jamaica Dennis Chung is in support of the move to abolish personal income tax in Jamaica and added that the government would see greater compliance if the tax was shifted to goods consumed”. Photograph of Dennis Chung captioned: “we definitely need to move away from direct taxation”.
6. **January 24, 2016** – The Style Observer, Page 4, Photo highlights of “A welcome Reception Chez Michele Rollins”, Photo with Mr. Mahfood.
7. **January 29, 2016** – The Gleaner, Page C11, Article entitled: “Time not right to end junior market perks-PSOJ”. Photograph of Mr. Mahfood.
8. **January 29, 2016** – The Gleaner, Page D5, Photograph of President’s Forum with Mr. Mahfood and Mr. Chung.

Online

1. **January 3, 2016** - The Gleaner-Fire under control at Retirement dump in St James
<http://jamaica-gleaner.com/article/news/20160103/fire-under-control-retirement-dump-st-james>
2. **January 4, 2016** - The Jamaica Observer-Columns-Hopefully we’ll change old ways for the New Year
http://www.jamaicaobserver.com/columns/Hopefully-we-ll-change-old-ways-for-the-new-year_47422
3. **January 8, 2016** - Gleaner MSBM hosts Global Competitiveness Report for fifth year
<http://jamaica-gleaner.com/article/news/20160108/msbm-hosts-global-competitiveness-report-fifth-year>

4. **January 18, 2016** - The Jamaica Observer-News-Holness misses out on meeting with WTO head http://www.jamaicaobserver.com/news/Holness-misses-out-on-meeting-with-WTO-head_48978
5. **January 18, 2016** - The Jamaica Observer-News-Holness misses out on meeting with WTO head http://www.jamaicaobserver.com/news/Holness-misses-out-on-meeting-with-WTO-head_48978
6. **January 19, 2016** - Gleaner – Gleaner Honour Award: Lasco Affiliated Companies - ICool Quenches The Market <http://jamaica-gleaner.com/article/news/20160119/gleaner-honour-award-lasco-affiliated-companies-icool-quenches-market>
7. **January 21, 2016** – Nationwide 90 FM – PSOJ President Laments Misplaced Furore over Minimum Wage <http://nationwideradiojm.com/psoj-president-laments-misplaced-furore-over-minimum-wage/>
8. **January 22, 2016** – JIS - Government Treating Threat of Zika Virus with National Urgency <http://jis.gov.jm/government-treating-threat-of-zika-virus-with-national-urgency/>
9. **January 24, 2016** - The Jamaica Observer- Business-Follow Antigua and abolish income tax: analysts http://www.jamaicaobserver.com/business/Follow-Antigua-and-abolish-income-tax--analysts_49508
10. **January 28, 2016** - The Gleaner- Jamaica seen as less corrupt - ... Report could spur increased investment, says Munroe <http://jamaica-gleaner.com/article/lead-stories/20160128/jamaica-seen-less-corrupt-report-could-spur-increased-investment-says>
11. **January 28, 2016** – The Gleaner – PSOJ Urges Removal of Income Tax, Says Following Antigua’s Example Would Boost Jamaican Economy <http://jamaica-gleaner.com/article/lead-stories/20160128/psoj-urges-removal-personal-income-tax-says-following-antiguas-example>
12. **January 29, 2016** – The Gleaner – Time Not Right to End Junior Market Perks – PSOJ <http://jamaica-gleaner.com/article/news/20160129/time-not-right-end-junior-market-perks-psoj>
13. **January 31, 2016** – The Gleaner – Editorial: Frilly talk about income tax <http://jamaica-gleaner.com/article/commentary/20160131/editorial-frilly-talk-about-income-tax>

Speeches/Remarks Delivered by the President

1. **January 15** – Participated in the Destination Experience Round Table Discussion on the topic, *A New Vision for Jamaica – Redevelopment of Downtown Areas and Building Global Brands*, held at the Half Moon Hotel in Montego Bay.
2. **January 26** – Delivered the welcome and opening remarks at the PSOJ’s President’s Forum held at the Jamaica Pegasus Hotel.

Radio/Television Interviews with the CEO

1. **January 25** – 7:30am telephone radio interview on Nationwide News to discuss the implications of the abolition of income tax.
2. **January 26** – 7:30am telephone radio interview on News Talk 93 FM to discuss the implications of reducing income tax.
3. **January 28** – 7:30am telephone radio interview on Power 106’s *Today’s Money* with host Orville Johnson, to discuss the implications of reducing income tax.
4. **January 31** – 4pm telephone radio interview on a Bahamian radio station to discuss Jamaica’s economic programme and how Bahamians can learn from it.

Radio/Television Mentions

1. **January 11** – Voice clip with the President speaking about the current gas prices was carried on RJR News at 7am.
2. **January 15** – Voice clip with the President speaking about the current gas prices and an upcoming meeting with the Energy Minister, was carried on RJR News at 7am.
3. **January 26** – Excerpts of the President’s Forum was carried on CVM News at 8pm.

February 8, 2016