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NEWS WATCH...

PSOJ comments on F/X decline

The Private Sector Organisation of Jamaica (PSOJ) on Friday moved to comment on the current decline in foreign exchange of which many especially business people have become weary... [Read More](#)

BOJ to implement new FX trading platform in 2020

Bank of Jamaica (BOJ) Governor Richard Byles has announced the implementation of a new foreign exchange trading platform in 2020.

"We are going to be testing and implementing it January into February... [Read More](#)

IMF representative predicts significant economic

Dr Karim Youssef, International Monetary Fund (IMF) resident representative to Jamaica recently in commending Jamaica's step towards financial inclusion for small and medium sized enterprises (SMEs)... [Read More](#)

CEO's REMARKS

During the month of November, we commenced the process of sharing the new strategy document with all internal stakeholders to gain feedback and buy-in. In January 2020, the strategy will be shared with the final stakeholder groups – the wider PSOJ membership community and the Media/Public.

We also continue to maintain a heightened level of visibility via our targeted digital media strategy, which has contributed greatly to us attracting 36 new members this year (i.e. 2019).

Generally, this report highlights the continued positive trajectory of Jamaica's macro-economic indicators noting however, slight headwinds projected on the horizon. In this issue, we highlight the preliminary estimates of the Planning Institute of Jamaica regarding economic growth. This is not within a favourable range of the previous projection due to the potential impact of natural and geopolitical occurrences. However, we remain optimistic that our economy is becoming resilient enough to absorb these external shocks. With more than adequate foreign exchange reserves, commendable fiscal discipline and long overdue reforms, Jamaica continues to move in the right direction.

Notwithstanding the economic stability, we continue to be concerned about the volatility in the movement of the exchange rate and continue to monitor its movement and the many implications it may have on local businesses. Over the past month, the Bank of Jamaica has responded to these concerns by intervening and addressing the temporary supply and demand imbalances.

We hope you enjoy this new and improved issue of our bulletin and please share your feedback with us!



Makeba Bennett-Easy



MACROECONOMIC DASHBOARD

1.34%

Quarterly GDP Growth
June 2019

Previous Quarter: 1.76%

7.84%

Unemployment Rate
Q3, 2019

Previous Quarter: 7.81%

3.27%

Inflation Rate
October 2019

Previous Month: 3.39%

0.50%

Policy Rate
September 2019

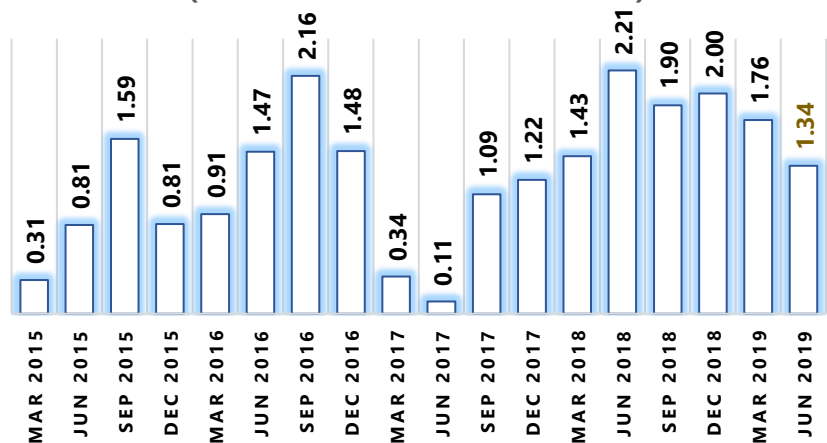
Previous Quarter: 0.50%

According to the Planning Institute of Jamaica, estimate for real GDP growth for the July–September 2019 quarter is **0.3%**, relative to the corresponding quarter of 2018. The projected out-turn for the July–September 2019 quarter largely reflected the positive impact of:

- Increased domestic demand
- Increased consumer and business confidence levels
- Continued stability in the macroeconomic environment

However, further growth was tempered by:

**JAMAICA'S QUARTERLY GDP GROWTH
(ANNUAL POINT TO POINT)**



US\$4.35_{BN}

Imports
Jan-Aug 2019

Previous Year: US\$4.00 BN

US\$1.14_{BN}

Exports
Jan-Aug 2019

Previous Year: US\$1.23 BN

US\$3.11_{BN}

Net Int'l Reserves
November 2019

Previous Month: US\$3.17 BN

J\$8.02_{BN}

Fiscal Surplus
Apr-Oct 2019

Previous Year: J\$1.28 BN

OTHER INDICATORS

Corporate Tax Rate

25.00%

**Commercial Credit
Rate as at Oct-2019**

Previous Month: 10.88%

10.32%

**Personal Credit Rate
as at Oct-2019**

Previous Month: 21.52%

21.35%

- Drought conditions which negatively impacted the performance of some industries
- The operational closure of the Alpart Alumina Refinery during the period
- The impact of the trade war between the USA and China
- The delayed start-up of some of the major infrastructure projects which are scheduled to commence during this fiscal year.



MACROECONOMIC

DEVELOPMENTS



REGIONAL AND INTERNATIONAL DEVELOPMENTS

Latin America and Caribbean Exports to fall 2% in 2019

According to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the value of regional exports and imports of goods is projected to drop - 2.0% and -3.0%, respectively, in a complex international context characterised by factors including the exacerbation of trade tensions, lower global demand, the growing substitution of imports with national production in some economies, the lower proportion of Chinese production that is bound for export, the retreat of global value chains, and the irruption of new technologies that impact on the very nature of trade.

The report concludes that in order to further progressive structural change and achieve the sustainable development goals (SDGs), logistics and mobility related policies must be integrated with other public policies, such as those addressing productive development, financing, social development, and territorial and cross-border integration. This represents a highly complex effort, but a true opportunity for achieving the 2030 Agenda. [Read Full Article](#)

OPEC Nations Grapple with Oversupply of Oil

The world may be heading for an even greater oversupply of oil, and that possibility – which could drive down fuel and energy prices – is hanging over members of the OPEC cartel as they head into negotiations. The oil-producing nations will decide whether to stick with production cuts they have endured for the past three years, relax them or deepen them in the hopes of propping up prices.

And even if members of the cartel cut production, there's more oil coming online from non-OPEC nations, including the United States, Canada, Brazil, Norway and Guyana, which will more than make up for any drop in production, according to IHS Markit. "The dynamic to watch will be whether Russia and Saudi Arabia will come to an agreement on production levels in the early and middle parts of next year," said Heather Heldman, managing partner at Luminae Group, a geopolitical intelligence firm. [Read Full Article](#)

MONETARY POLICY DEVELOPMENTS

Inflation Rate

The All Jamaica Consumer Price Index recorded an inflation rate of 0.6% in October 2019 according to the Consumer Price Index (CPI) Bulletin – October 2019 released by the Statistical Institute of Jamaica (STATIN).

3.27%
Inflation Rate
October 2019

This movement was mainly as a result of a 0.9% increase in the index for the heavily weighted division 'Food and Non-Alcoholic Beverages'. Prices continued to trend upwards for some agricultural produce, resulting in the index for the class 'Vegetables and Starchy Foods' moving up by 2.7%. The 'Housing, Water, Electricity, Gas and Other Fuels' division also impacted the movement in the inflation rate with a 0.9% increase in its index. This was due mainly to higher rates for electricity, water and sewage, which led to the 1.4% increase in the index for the group 'Electricity, Gas and other Fuels' and 0.8% for 'Water Supply and Miscellaneous Services Related to Dwelling'. The only division to record a decline was 'Transport', with a 0.1% decrease in its index, this was attributed to lower petrol prices.

For the period under review, the calendar year-to-date movement was 4.4%, the point-to-point inflation was 3.3% and the fiscal year-to-date was 3.7% for the period.



MACROECONOMIC

DEVELOPMENTS

Bank of Jamaica's Policy Rate

0.50%
Policy Rate
November 2019

November 2019.

As with the previous decision announced in September 2019, the Bank of Jamaica's decision to hold the policy rate unchanged is based on the Bank's current assessment that monetary conditions are generally appropriate to support the achievement of the inflation target of 4.0% to 6.0% over the ensuing eight quarters. The inflation target was set by the Government to facilitate a faster pace of economic growth.

The Bank of Jamaica will continue to closely monitor the impact of the significant monetary loosening on credit expansion, capital market transactions, overall economic activity and consequently, the impact on inflation, to determine the appropriate future path for the policy rate. The Bank is expected to announce its new policy rate decision on December 20, 2019.

Inflation Outlook and Forecasts

Inflation is projected to accelerate to 4.6% at December 2019 before accelerating further to 4.7% at March 2020. Higher inflation for the December 2019 quarter, relative to the September 2019 quarter, mainly reflects accelerations in the rates of increase in Food & Non-Alcoholic Beverages (FNB) and Transport (TRAN). The projected acceleration in FNB inflation reflects a shift in the seasonal pattern of agriculture production for some commodities, exacerbated by a seasonal increase in demand over the December 2019 quarter. The projected acceleration in TRAN is due to seasonal increases in airfares.

[Read Quarterly Monetary Policy Report](#)

The Bank of Jamaica (BOJ) announced its decision to hold the policy interest rate (the rate offered on overnight placements with Bank of Jamaica) unchanged at 0.50% per annum, effective Wednesday, 20

FOREIGN EXCHANGE MARKET DEVELOPMENTS

\$135.82

JMD to USD
End-November 2019

Over the month of November, the foreign exchange rate reached a historic high of J\$141.21 to US\$1.00. The US\$70m intervention by the Bank of Jamaica has been cause for

the recent downward trend ending the month at \$135.82 to US\$1.00. The Bank intervened on two occasions; November 13 with a flash sale of US\$30m and November 14 with a flash sale of US\$40m. These interventions are intended to address temporary demand and supply imbalances in the market.

Currency	Oct-19	Nov-19	%Change		
			MoM	CYTD	YoY
USD	140.12	135.82	-3.07%	6.34%	6.28%
CAD	104.82	102.32	-2.39%	11.78%	6.51%
GBP	179.12	177.52	-0.89%	11.62%	10.93%

Net International Reserves as at November 2019 stood at US\$3.106 billion, approximately 2.01% lower than the stock of reserves at the end of October 2019 which stood at US\$3.170 billion but approximately 7.13% greater than the NIR for November 2018 which stood at US\$2.899 billion.

FINANCIAL SECTOR DEVELOPMENTS

Stock Market

At the close of trading Friday, November 29, 2019, a greater number of stocks were featured among the list of winners. Overall Market activity resulted from trading in 70 stocks of which 25 advanced, 20 declined and 25 traded

MONTH	Index	Volume (Mn)	Value (J\$m)	Index MoM Change
Sep-19	516,042.91	1,207.83	9,779.74	-0.84%
Oct-19	495,187.93	779.22	9,878.27	-4.04%
Nov-19	501,372.48	515.71	6,229.14	1.25%



MACROECONOMIC

DEVELOPMENTS

firm. The JSE Main market index grew by 1.25% month over month, following previous shrinking of 4.04% in October and a 0.84% decline in September. However, the value of transactions saw a sharp decrease, from J\$9.88 billion in October, to just under J\$6.23 billion in November.

Banking

NCB pledges \$3 billion in year 1 of DBJ small business credit facility.

National Commercial Bank (NCB) has committed \$3 billion in the first year of the Development Bank of Jamaica (DBJ) redesigned Credit Enhancement Fund (CEF) for small businesses, which was launched last week.

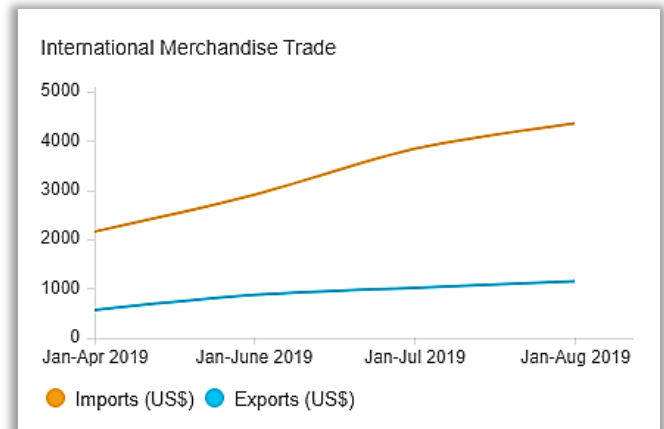
The revamped CEF is a partial loan guarantee programme that helps small businesses without enough collateral accessing loans from Approved Financial Institutions (AFIs). AFIs like NCB will now accept non-traditional collateral and provide loan coverage based on the borrower's character and the future cash flow of the business rather than actual collateral.

Brian Boothe, senior general manager at NCB, acknowledged that the CEF will provide NCB with the opportunity to expand its portfolio to MSME's, pointing out that the programme is a catalyst in helping to boost growth and productivity within the MSME sector. [Read Full Article](#)

INTERNATIONAL TRADE DEVELOPMENTS

Jamaica's imports for January to August 2019 were valued at US\$4,351.3 million, an increase of 8.7% when compared to US\$4,003.8 million which was spent for the corresponding period in 2018, according to the International Merchandise Trade (IMT) Bulletin released by the Statistical Institute of Jamaica (STATIN).

The August 2019 IMT Bulletin further outlined that revenue from exports amounted to US\$1,139.9 million for the current review period, 7.1% lower than the US\$1,227.0 million earned in the similar period in 2018.



Expenditure on imports from the United States of America (USA) - Jamaica's main trading partner were valued at US\$2,009.5 million. This is 10.6% above the US\$1,817.4 million recorded in the comparable 2018 period. Earnings from total exports to the USA amounted to US\$412.3 million, a 3.3% decline when compared to the US\$399.1 million earned during January - August 2018.

FISCAL POLICY AND PUBLIC DEBT

For the period April to October 2019, GOJ operations highlighted ongoing fiscal discipline, recording a fiscal surplus of J\$8.0 billion and a primary surplus of \$85.2 billion. This outturn reflected variances of 377.8% and 10.5% respectively when compared to the budget for fiscal period April to October 2019.

	Prov	Budget		%
FY 2019/2020	Apr-Oct	Apr-Oct	Variance	Variance
Revenue & Grants	358.8	354.4	4.4	1.2
Tax Revenue	317.6	314.9	2.7	0.9
Non-Tax Revenue	37.1	35.4	1.7	4.9
Bauxite Levy	-	-	-	-
Capital Revenue	0.8	0.8	0.0	1.6
Grants	3.2	3.3	-0.1	-1.6
Expenditure	350.7	357.3	-6.5	-1.8
Recurrent Expenditure	319.5	325.2	-5.7	-1.8
Capital Expenditure	31.3	32.1	-0.8	-2.6
Fiscal Balance	8.0	-2.9	10.9	-377.8
Primary Balance	85.2	77.1	8.1	10.5



MACROECONOMIC

DEVELOPMENTS



Total Revenues amounted to \$358.8 billion and outperformed projections by \$4.4 billion for the April to October period. Tax Revenue and Non-tax Revenue amounted to \$317.6 billion and \$37.1 billion respectively, which were greater than the amounts projected by 0.9% and 4.9%. Capital Revenue also over performed projections by 1.6%.

Expenditures for the same period amounted to \$350.7 billion, which is \$6.5 billion less than the budgeted amount. Relative to projections, recurrent expenditure and current expenditure were \$5.7 billion and \$0.8 billion less than the budgeted amounts of \$325.2 billion and \$32.1 billion respectively.

CONCLUDING REMARKS

All macroeconomic variables highlighted indicate a positive outlook on the economy. While volatility in the foreign exchange in recent times had caused a scare, the Bank of Jamaica intervened to satisfy temporary market imbalances as the unusual volatility was caused by known events. Our net international reserves remain adequate to address such unfavourable shocks. International merchandise trade also is a major concern. However, pending policy reforms and bilateral and multilateral agreements may address such issues in the long term.



INTERNAL HIGHLIGHTS

VMPM/PSOJ RETIREMENT SEMINAR

The PSOJ continued its longstanding partnership with the Victoria Mutual Pension Management to stage the 2019 Retirement Seminar under the theme, "Financial Inclusion: The Solution to Jamaica's Retirement Problem?" The Keynote Speaker for the event was Mr Max Thompson, Executive Advisor, Financial Services BEworks, Canada. Mrs. Eva Lewis representing the PSOJ - addressed the audience on behalf of the PSOJ President.

The seminar attracted over 130 participants from the pension industry.





MEMBER

HIGHLIGHTS

PSOJ Corporate Governance Training in association with the Branson Centre of Entrepreneurship

On November 19, 2019, over 30 small and medium entrepreneurs received information on the basic tenets of Corporate Governance.

The training was facilitated by Greta Bogues, Chair of the PSOJ Corporate Governance Committee. Other presenters included Marlene Street-Forrest, CEO of the Jamaica Stock Exchange, as well as a special presentation by Michelle Chong, CEO of Honey Bun Limited.

PSOJ BPIAJ Mingle

The final mingle for the year was held at the Jamaica Pegasus in partnership with the Business Process Industry Association of Jamaica (BPIAJ).

The mingle was staged as the post cocktail event for the launch of BPIAJ's Scale Up! SME Assistance Programme which is a component of the grant funding received from Compete Caribbean.

The objective of the project is to support the growth of Jamaica's Global Services Sector (GSS) by facilitating the upgrading of firms in the Cluster, particularly SMEs, to access higher segments of the global value chain. The project seeks to assist local, small and medium-sized firms to digitize their operations and embrace growing trends in the global services sector; the outcome of which will create additional high-level jobs for young people.

Over 100 PSOJ and BPIAJ members attended the event.





The Private Sector Organisation of Jamaica is a national organization of private sector associations, companies and individuals working together to promote a competitive and productive private sector.

Established in 1976, the PSOJ represents the interest of the most diverse group of private sector entities and seeks to influence national policy issues of a political, social or economic nature in order to facilitate business development and growth.

The Officers and Executive Committee, under the guidance of the Council, lead this process by promoting discussions with the country's government and civil society. The organization is also in close contact with the major multi-lateral and bilateral agencies.



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NEWS WATCH...

Jamaica has achieved external sustainability, declares finance minister

Jamaica has been undergoing profound change in economic policy and the accompanying institutional framework. However, Jamaica's politics, as practised, has not always incentivised public discourse that edifies ... [Read More](#)

Economic growth continues, outperforming peers and showing resilience

The Statistical Institute of Jamaica (STATIN) reported that the Jamaican economy grew by 0.6% in the quarter ending September 2019 over the quarter ending September 2018. This represents the 19th consecutive quarter of economic growth... [Read More](#)

Rise in electronic payment among J'cans resulted in currency demand falling below projection - BOJ

The Bank of Jamaica (BOJ) says the growing number of Jamaicans resorting to electronic payment methods may be a factor for the amount of currency in circulation during December falling below its projection ... [Read More](#)

CEO's REMARKS

December's activities included the enhancement of our existing value proposition for our members in all categories (Individual, Association and Corporate); the revised proposition will feature new and refreshed initiatives and other key services you our valued members. We are currently in the process of sourcing a new membership software, that will improve the manner and frequency within which we communicate with you. As promised, within coming weeks, we will be sharing the details of our new strategy for 2020 and beyond; we are excited about our new thrust and mandate to move "From Advocacy to Action".

We continue to celebrate the fruits of our labour as a nation with economic growth being positive for the 19th consecutive quarter.

Ongoing reforms and fiscal discipline have given the Government of Jamaica more leverage to further invest in growth and development, with fiscal surplus drastically surpassing that which was accumulated for the same period last year. The recorded growth being above the preliminary estimates by the Planning Institute of Jamaica (PIOJ), may be an indicator of the improved resilience of the Jamaican economy.



Notwithstanding the economic stability, we continue to be concerned about the geopolitical tensions between the United States and Iran which may induce external shocks unfavourable to projected growth.

We hope you enjoy this bulletin and please share your feedback with us!

Makela Bennett-Easy



MACROECONOMIC DASHBOARD

0.63%

Quarterly GDP Growth
Sep 2019

Previous Quarter: 1.35%

7.84%

Unemployment Rate
Q3, 2019

Previous Quarter: 7.81%

4.64%

Inflation Rate
November 2019

Previous Month: 3.27%

0.50%

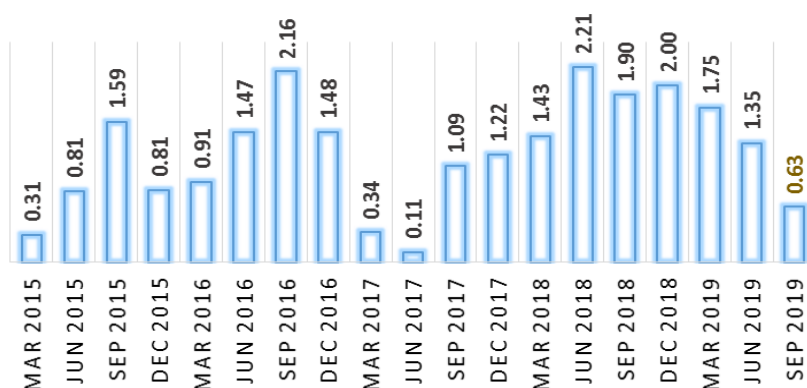
Policy Rate
December 2019

Previous Month: 0.50%

According to the Statistical Institute of Jamaica, real GDP growth for the July–September 2019 quarter is 0.6%, relative to the corresponding quarter of 2018. The projected out-turn for the July–September 2019 quarter was largely due to a 1.2% growth in the Services Industries and a 1.0% decline in the Goods Producing Industries. This is above the PIOJ's preliminary estimates of 0.3%.

The Agriculture, Forestry & Fishing industry declined due to dry weather conditions across the island and increased production costs. The performance of the Mining & Quarrying

**JAMAICA'S QUARTERLY GDP GROWTH
(ANNUAL POINT TO POINT)**



US\$4.35_{BN}

Imports
Jan-Aug 2019

Previous Year: US\$4.00 BN

US\$1.14_{BN}

Exports
Jan-Aug 2019

Previous Year: US\$1.23 BN

US\$3.16_{BN}

Net Int'l Reserves
December 2019

Previous Month: US\$3.11 BN

J\$11.43_{BN}

Fiscal Surplus
Apr-Nov 2019

Previous Year: J\$1.28 BN

OTHER INDICATORS

Corporate Tax Rate

25.00%

**Commercial Credit
Rate as at Nov-2019**

Previous Month: 10.32%

10.16%

**Personal Credit Rate
as at Nov-2019**

Previous Month: 21.35%

20.90%

industry was largely due to the suspension of production in early September at the Jiuquan Iron and Steel Company (JISCO) Alpart refinery. The Construction industry was impacted by a fall in the civil engineering sub-group due to a reduction in road rehabilitation works.

The economy declined by 0.1% for the third quarter of 2019 when compared to the previous quarter. This was the result of a 0.4% fall in the Goods Producing Industries and a 0.1% growth in the Services Industries.



REGIONAL AND INTERNATIONAL DEVELOPMENTS

Global Stocks Rise on Optimism about US-China Deal

Global shares rose on January 2 on optimism about a US-China trade deal and the Chinese government's efforts to boost its economy. Market sentiment has been on an upswing after US President Donald Trump said an initial trade deal with China would be signed this month. The 'Phase 1' trade deal calls for the US to reduce tariffs and China to buy larger quantities of US farm products.

Adding to the optimism, was China's central bank announcement that it will cut the amount of money banks will be required to have on hand from January 6, in an effort to boost the slowing economy.

Weighing on the optimism was an announcement earlier in the week from North Korean leader Kim Jong-Un that his country will soon reveal a new strategic weapon and that North Korea was no longer obligated to maintain a self-imposed suspension on the testing of nuclear weapons and intercontinental ballistic missiles. [Read Full Article](#)

Caribbean Economies Lag in Terms of Reforms – World Bank

The World Bank says economies in Latin America and the Caribbean continue to lag in terms of reforms as it relates to doing business in the region.

In its flagship publication Doing Business 2020, the World Bank noted that between May 2018 and May 2019 worldwide, 115 out of 294 economies made it easier to do business.

"Economies in Sub-Saharan Africa and Latin America and the Caribbean continue to lag in terms of reforms. Only two Sub-Saharan African economies rank in the top 50 on the ease of doing business; no Latin American economies rank in this group," the World Bank noted. [Read Full Article](#)

MONETARY POLICY DEVELOPMENTS

Inflation Rate

The All Jamaica Consumer Price Index recorded an inflation rate of 1.3% in November 2019 according to the Consumer Price Index (CPI) Bulletin – November 2019 released by the Statistical Institute of Jamaica (STATIN).

4.64%

**Inflation Rate
November 2019**

This movement was mainly as a result of a 2.8%

increase in the index for the heavily weighted division 'Food and Non-Alcoholic Beverages'. Prices continued to trend upwards for agricultural produce, such as cabbage, carrot and potato. This resulted in the index for the class 'Vegetables and Starchy Foods' moving up by 9.1%. There was also a 0.5% increase for the 'Transport' division. Higher petrol prices contributed to the increase in the index for this division.

However, the overall increase in the rate of inflation was moderated by the 'Housing, Water, Electricity, Gas and Other Fuels' division which decreased by 1.2%. This was due mainly to lower rates for electricity which resulted in a 2.5% decline in the index for the group 'Electricity, Gas and Other Fuels'.

For the period under review, the calendar year-to-date movement was 5.7%, the point-to-point inflation 4.6% and the fiscal year-to-date was 5.0%.

A breakdown of the three regions for the month of November 2019, showed increases in all three regions. The index for Greater Kingston Metropolitan Area (GKMA) was 2.0%, Other Urban Centres (OUC) 1.2% and Rural Areas (RA) up by 0.8%.



MACROECONOMIC DEVELOPMENTS

Bank of Jamaica's Policy Rate

0.50%
Policy Rate
December 2019

The Bank of Jamaica (BOJ) announced its decision to hold the policy interest rate (the rate offered on overnight balances at Bank of Jamaica) unchanged at 0.50% per annum, effective 23 December 2019.

The decision to hold the policy rate unchanged is based on the Bank's continued view that monetary conditions are generally appropriate to support inflation remaining within the inflation target of 4.0% to 6.0% over the ensuing eight quarters. The inflation target was set by the Government to facilitate a faster pace of economic growth. BOJ will therefore continue to closely monitor the impact of the significant monetary loosening undertaken thus far on credit expansion, capital market transactions, overall economic activity and consequently, the impact on inflation, to determine the appropriate future path for the policy rate. *The Bank is expected to announce its new policy rate decision on February 19, 2020.*

Inflation Outlook and Forecasts

At its assessment in November 2019, the Bank of Jamaica's forecast was for inflation to average 4.5% over the next eight quarters. Inflation was projected to accelerate to 4.6% at December 2019 and to 4.7% at March 2020 before decelerating slightly at June 2020. Over the remaining five quarters, inflation was projected to remain within the lower half the 4.0% to 6.0% target. The forecast was mainly predicated on the impact of exchange rate depreciation, expectations of administered price adjustments, the lagged effect of previous monetary policy accommodation and a slight upward adjustment to crude oil prices.

Annual inflation at November 2019, as reported by the Statistical Institute of Jamaica, was 4.6%, higher than the 4.1% recorded at November 2018. For the month of November, prices rose by 1.3%, which was above Bank of Jamaica's forecast of 0.4%. [Read Full BOJ Press Release](#)

FOREIGN EXCHANGE MARKET DEVELOPMENTS

\$132.57
JMD to USD
End-December 2019

Over the month of December, the USD daily selling rates ranged between J\$131.53 to J\$135.47. This contrasts with the selling rates ranging between J\$135.82 and \$142.23 in the previous

month. This was curtailed by the US\$70m intervention by the Bank of Jamaica, which was intended to address temporary demand and supply imbalances in the market.

Net International Reserves as at December 2019 stood at US\$3.162 billion, approximately 1.82% higher than the stock of reserves at the end of November 2019, which stood at US\$3.105 billion and approximately 5.23% greater than the NIR for December 2018 which stood at US\$3.005 billion.

FINANCIAL SECTOR DEVELOPMENTS

Stock Market

At the close of trading Tuesday, December 31, 2019, a greater number of stocks were featured among the list of winners with the top 3 winners for the year being Jamaica Stock Exchange, Victoria Mutual Investments and Sygnus Credit Investments. Top 3 losers were Sagicor Real Estate X Fund, Kingston Wharves and Berger Paints. Overall Market activity resulted from trading in 42 stocks of which 25 advanced, 13 declined and 4 traded firm. The JSE Main market index grew by 1.70% month over month, following

MONTH	JSE Index	Volume (Mn)	Value (J\$Mn)	Index MoM Change
Oct-19	495,187.84	779.22	9,878.26	-4.04%
Nov-19	501,372.38	515.71	6,229.14	1.25%
Dec-19	509,916.44	490.47	6,653.84	1.70%

previous growth of 1.25% in November and a 4.04% decline in October. The value of transactions saw an increase, from J\$6.23 billion in November to just over J\$6.65 billion in December.



MACROECONOMIC DEVELOPMENTS

Banking

EXIM Bank \$600M Low Cost Credit Facility for MSME Now Available

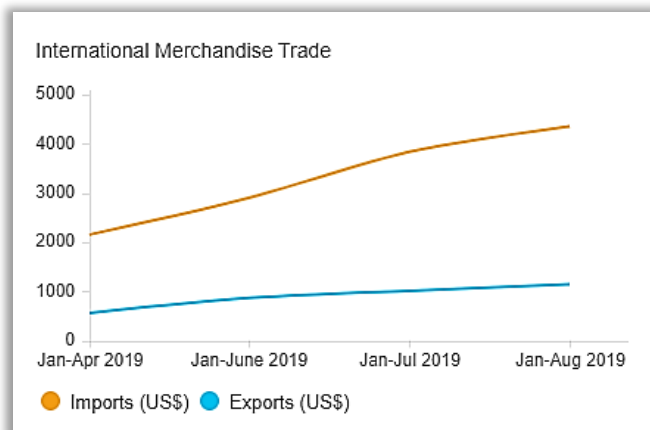
The special \$600M low cost credit facility from the Export-Import (EXIM) Bank for micro, small and medium enterprises (MSMEs) involved in export is now available for on-lending.

State minister for Industry, Commerce, Agriculture & Fisheries, Floyd Green, who made the announcement, said the interest rate is a low 4.75%, which is the lowest rate on offer to the MSME from any government or private sector funding institution. Describing the move as a step in the right direction, Minister Green argued that the low 4.75% interest rate should send a signal to private lending institutions in Jamaica that loans to MSMEs should be lowered to this level. [Read Full Article](#)

INTERNATIONAL TRADE DEVELOPMENTS

Jamaica's imports for January to August 2019 were valued at US\$4,351.3 million, an increase of 8.7% when compared to US\$4,003.8 million which was spent for the similar period in 2018, according to the International Merchandise Trade (IMT) Bulletin released by the Statistical Institute of Jamaica (STATIN).

The August 2019 IMT Bulletin further outlined that revenue



from exports amounted to US\$1,139.9 million for the

current review period, 7.1% lower than the US\$1,227.0 million earned in the similar period in 2018.

Expenditure on imports from the United States of America (USA), Jamaica's main trading partner, were valued at US\$2,009.5 million. This is 10.6% above the US\$1,817.4 million recorded in the comparable 2018 period. Earnings from total exports to the USA amounted to US\$412.3 million, a 3.3% decline when compared to the US\$399.1 million earned during January - August 2018. **January to November 2019 trade data has been delayed and will be disseminated on January 10, 2020.**

FISCAL POLICY AND PUBLIC DEBT

For the period April to November 2019, GOJ operations highlighted ongoing fiscal discipline, recording a fiscal surplus of J\$11.4 billion and a primary surplus of \$94.1 billion. This outturn reflected variances of 307.1% and 17.7% respectively when compared to the budget for fiscal period April to November 2019.

Total Revenues amounted to \$405 billion and outperformed projections by \$4.8 billion for the April to

	Prov Apr-Nov	Budget Apr-Nov	Diff.	Diff. (%)
FY 2019/2020				
Revenue & Grants	405.0	400.1	4.8	1.2
Tax Revenue	361.1	356.1	5.0	1.4
Non-Tax Revenue	39.7	39.6	0.1	0.2
Bauxite Levy	0.0	0.0	0.0	-
Capital Revenue	0.8	0.8	0.0	1.6
Grants	3.4	3.6	-0.3	-7.7
Expenditure	393.5	405.6	-12.1	-3.0
Recurrent Expenditure	360.4	367.1	-6.7	-1.8
Capital Expenditure	33.2	38.6	-5.4	-14.1
Fiscal Balance	11.4	-5.5	16.9	-307.1
Primary Balance	94.1	79.9	14.2	17.7

November period. Tax Revenue and Non-tax Revenue amounted to \$361.1 billion and \$39.7 billion respectively, which were greater than the amounts projected by 1.4% and 0.2%. Capital Revenue also over performed projections by 1.6%.



MACROECONOMIC DEVELOPMENTS



Expenditures for the same period amounted to \$393.4 billion, which is \$3.0 billion less than the budgeted amount. Relative to projections, recurrent expenditure and capital expenditure were \$1.8 billion and \$14.1 billion less than the budgeted amounts of \$360.4 billion and \$33.2 billion respectively.

CONCLUDING REMARKS

All macroeconomic variables highlighted indicate a positive outlook on the economy. For the 19th consecutive quarter, real GDP has been positive despite economic shocks especially in the last reported quarter. The economy continues to remain resilient to these shocks with our net international reserves remaining adequate and strong fiscal performances. International merchandise trade also is a major concern, however, pending policy reforms and bilateral and multilateral agreements may address such issues in the long term.



INTERNAL

HIGHLIGHTS

PSOJ MOFPS Public Bodies Corporate Governance Awards

The 3rd Annual Public Bodies Corporate Governance Awards staged by the PSOJ in partnership with the Ministry of Finance and Public Service, was staged at the Jamaica Pegasus on December 11, 2019.

The event was well attended by the public sector bodies who had participated in the process. All entities received a certificate of participation and National Solid Waste Management Authority (NSWMA) received a special recognition award for their marked improvement.

EXIM Bank dethroned two-time champions National Health Fund to emerge as the overall winner for 2019.

Keynote speaker, Minister of Finance Dr. the Hon. Nigel Clarke expressed his delight with the event and committed to continuing the sponsorship and partnership with the PSOJ.

Other Government officials in attendance were Minister of Industry, Commerce, Agriculture & Fisheries, the Hon.

Audley Shaw and Minister of Local Government and Community Development, Hon. Desmond McKenzie.





MEMBER

HIGHLIGHTS

New Member Induction

PSOJ New Member Induction was held in the PSOJ Boardroom; this was the first time this activity was held outside of the PSOJ President's Forum. The event took the form of a small cocktail style reception.

Thirteen (13) new members were welcomed and inducted into the PSOJ.





The Private Sector Organisation of Jamaica is a national organization of private sector associations, companies and individuals working together to promote a competitive and productive private sector.

Established in 1976, the PSOJ represents the interest of the most diverse group of private sector entities and seeks to influence national policy issues of a political, social or economic nature in order to facilitate business development and growth.

The Officers and Executive Committee, under the guidance of the Council, lead this process by promoting discussions with the country's government and civil society. The organization is also in close contact with the major multi-lateral and bilateral agencies.



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