



JAMAICA

STAFF REPORT FOR THE 2021 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

January 25, 2022

Prepared By

Western Hemisphere Department

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FUND RELATIONS

(As of December 31, 2021)

Membership Status: Joined: February 21, 1963, Article VIII

General Resources Account:	SDR Million	% Quota
Quota	382.90	100.00
Fund holdings of currency	1007.12	263.02
Reserve tranche position	27.35	7.14
SDR Department:	SDR Million	% Allocation
Net cumulative allocation	628.64	100.00
Holdings	487.49	77.55
Outstanding Purchases and Loans:	SDR Million	% Quota
Extended Arrangements	268.62	70.15

Latest Financial Arrangements:

Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
SBA	Nov 11, 2016	Nov 10, 2019	1,195.30	0.00
EFF	May 1, 2013	Nov. 10, 2016	615.38	558.73
Stand-By	Feb. 4, 2010	May 3, 2012	820.50	541.80

Outright Loans:

Type	Date of Arrangement	Date Drawn	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
RFI	May 15, 2020	May 19, 2020	382.90	382.90

Overdue Obligations and Projected Payments to Fund 1/ (SDR Millions; Based on Existing Use of Resources and Present Holdings of SDRs)					
	Forthcoming				
	2022	2023	2024	2025	2026
Principal	93.12	177.45	247.47	124.05	9.44
Charges/Interest	6.87	5.79	3.40	0.92	0.19
Total	100.00	183.25	250.86	124.96	9.63
^{1/} When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.					

Implementation of HIPC Initiative: Not Applicable

Implementation of Multilateral Debt Relief Initiative (MDRI): Not Applicable

Implementation of Catastrophe Containment and Relief (CCR): Not Applicable

Exchange Rate Arrangements:

Jamaica's de facto and de jure exchange rate arrangements are floating. On January 10, 2022 the Jamaican dollar was trading at around J\$154.53 to the U.S. dollar. Jamaica has accepted the obligations of Article VIII, Sections 2, 3, and 4, of the IMF's Articles of Agreement. Jamaica does not maintain exchange restrictions on the making of payments and transfers for current international transactions, subject to IMF approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement. Jamaica maintains a multiple currency practice, subject to IMF approval under Article VIII, Section 3 of the IMF's Articles of Agreement, due to the absence of a mechanism to prevent the exchange rates used for the resale of foreign exchange auction funds (capped with a specified spread) by participants and the exchange rates at which such participants sell foreign exchange other than from the foreign exchange auction funds, from deviating by more than 2 percent.

Last Article IV Consultation and Program Relations:

Jamaica RFI, SDR 382.90 million (100 percent of quota) Rapid Financing Instrument (RFI) was approved by the IMF Executive Board on May 15, 2020. The last Article IV consultation was completed by the Executive Board in June 2018. Jamaica is on the standard 12-month consultation cycle. Jamaica's capacity to repay the Fund remains adequate, with risks mitigated by its strong track record of policy implementation and past use of Fund resources. Fund credit outstanding will reach about 5.5 percent of GDP or 18.7 percent of exports by end FY2021/2022.

Safeguards Assessment:

The 2017 update safeguards assessment found relatively strong safeguards in place, particularly in the financial reporting and audit mechanisms. Annual financial statements continue to be prepared and audited in accordance with international standards. The BOJ Act was amended towards the end of 2020, giving significant autonomy to the central bank and further strengthened governance arrangements.

Technical Assistance (Since 2015):

Department	Dates	Purpose
FAD	April 2021	Discretionary tax waivers
	January 2018	International Taxation
	January 2018	Revenue Administration – taking stock and next steps
	July 2017	Public Bodies Reform Action Plan
	April 2017	Organizational Restructuring of Ministry of Finance
	December 2016	Property Tax
	Nov 2016-December 2016	Treasury Single Account and Review of Financial Management
	July 2016	Tax Reform follow-up
	June 2016-July 2016	Social Protection Reform
	October 2015	Treasury Restructuring
	October 2015	TADAT diagnostic assessment
	Sep 2015 – October 2015	Public Bodies Reform
	September 2015	Tax Reform and Tax Expenditures
	April 2015	Public-Private Partnerships (PPPs) and Fiscal Risks Workshop
	April 2015	Rationalizing the Government Wage Bill
LEG/MCM	July 2017	Central Bank Governance Reform
	July 2017	Resolution Framework for Banks
	December 2015	Resolution Framework for Banks and Securities Dealers
	June 2015	Resolution Framework for Securities Dealers
	July 2017-March 2018	Pension Fund Stress Tests and Indicators (CARTAC)
MCM	September 2017	Bank Financial Analysis (CARTAC)
	April-August 2017	Foreign Exchange Operations
	July 2017	Macro Prudential Framework and Toolkit (CARTAC)
	June 2017	Non-Bank Regulation and Supervision
	May 2017	Primary Dealer System Reforms
	January 2017	Bank Restructuring and Crisis Management
	August 2016-October 2016	Liability Management
	June 2016-October 2017	Central Bank Modelling and Forecasting
	May 2016-March 2017	Strengthening Securities Supervision
	February 2016-March 2018	Supervisory Framework for SDs and Insurance
	December 2016	Risk Based Supervision (CARTAC)
	June 2015-July 2016	Securities and Insurance Supervision (CARTAC)
	December 2015	Designing Resolution Framework

	October 2015	Debt Management, Monetary and FX Operations
	April 2014-July 2015	Securities Supervision (CARTAC)
	June 2015	Transition to the Retail Repo Trust
	April 2015	Resolution Framework for the Securities Sector and other Non-Bank Financial Institutions
	March 2015	National Crisis Management Framework
	February 2015	TOR for a Review of the BOJ's Readiness for IT
STA	January 2018	National Accounts Statistics (CARTAC)
	October 2017	Government Finance Statistics
	October 2017	Price Statistics (CARTAC)
	April 2017	Balance of Payments Statistics (CARTAC)
	November 2016	Real Sector Statistics (CARTAC)
	October 2016	Consumer/Producer Prices (CARTAC)
	October 2016	Financial Soundness Indicators (CARTAC)
	January 2016	National Accounts Statistics (CARTAC)
	August 2015	Institutional Sectoral Accounts (CARTAC)
	April 2015 – May 2015	Balance of Payments Statistics (CARTAC)

CARTAC Technical Assistance to Jamaica in FY2020 and FY2021

In FY2020 and FY2021, CARTAC delivered approximately -- field person weeks of TA to Jamaica in customs and tax administration, public financial management, statistics, and financial markets.

Description	Start Date	End Date
Macroeconomic Management		
Financial Programming and Policies	12/15/2020	12/18/2020
Statistics		
National Accounts - Review of Implementation of SNA 2008 Concepts and Methods	10/12/20	11/3/20
Financial Markets		
Liquidity Risk Management and Capital Requirements - Securities Firms	7/1/20	7/3/20
Liquidity Risk Management and Capital Requirements - Securities Firms	7/26/20	8/14/20
Liquidity Risk Management and Capital Requirements - Securities Firms	7/31/20	8/14/20
Management of Credit Risk Supervisory Process and Conducting Credit Risk Reviews	7/8/2019	7/12/2019
Financial stability – Monitoring and detection of systemic risks	02/08/2021	02/21/2021
Basel II/III (Pillar I) Implement Follow-Up Mission	10/2/20	10/15/20
Basel II/III (Pillar I) Implement Follow-Up Mission	2/22/21	2/26/21

Basel II/III (Pillar 1) Implementation Follow-Up Mission	2/23/21	2/25/21
Bank of Jamaica - To conduct Risk-Based Supervision	4/14/21	4/19/21
To Conduct Risk-Based Supervision	4/14/21	4/19/21
Consolidated Supervision of Insurance Groups	4/19/21	4/28/21
Systemic Risk Monitoring - Monitoring Detecting System Risks (FSR Writing)	4/27/21	4/30/21
Systemic Risk Monitoring - Monitoring Detecting System Risks (FSR Writing)	4/28/21	5/07/21
Strengthening Risk-Based Supervision BOJ	3/15/21	3/19/21

COLLABORATION WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

As of November 31, 2021, Jamaica has collaborations with The World Bank Group, Inter-American Development Bank, and Caribbean Development Bank.

Further information can be obtained from the following hyperlinks.

International Financial Institution	Hyperlink
The World Bank Group	https://projects.worldbank.org/en/projects-operations/projects-summary?lang=en&countrycode_exact=JM
Inter-American Development Bank	https://www.iadb.org/en/countries/jamaica/projects-glance
Caribbean Development Bank	https://www.caribank.org/countries-and-members/borrowing-members/jamaica

STATISTICAL ISSUES

As of November 31, 2021

I. Assessment of Data Adequacy for Surveillance

General: Data provision has some shortcomings but is broadly adequate for surveillance. In early 2003, Jamaica started participating in the Fund's General Data Dissemination System (GDDS), which provides participants with a framework for the development of the statistical system.

Key Websites for Statistics on Jamaica:

Bank of Jamaica: <http://www.boj.org.jm/>

Ministry of Finance and Planning: <http://www.mof.gov.jm/>

Planning Institute of Jamaica: <http://www.pioj.gov.jm/>

Statistical Institute of Jamaica: <http://www.statinja.gov.jm/>

National Accounts: The Statistical Institute of Jamaica (STATIN) provides annual estimates of GDP by economic activity and by expenditure at current and constant 2007 prices, as well as quarterly current and constant estimates for GDP by economic activity. Progress with addressing data gaps, compiling the supply and use tables (SUT) and rebasing the GDP estimates to 2014 has been slow due to high staff turnover and the staff having to concentrate on producing the ongoing annual and quarterly GDP estimates. Assistance on national accounts methodology has been provided by Statistics Canada, STA, and CARTAC.

Price statistics: The CPI expenditure weights and item basket are based on the 2004/2005 household expenditure survey (HES) and therefore unlikely to be representative of current expenditure patterns. The 2020/21 HES is now underway, the results of which will be used to derive the expenditure weights for the rebased CPI and update the product group and outlet selection. Substantial progress has been made in the development of the export and import price indexes (XMPIS) by minimizing the reliance on volatile unit value indices from Customs. The STATIN compiles and disseminates the producer price index (PPI) on a monthly basis covering mining and manufacturing industries (base 2005 =100). There are plans to improve the scope of the PPI by covering other industries like electricity, gas, services, etc.

Government finance statistics: Budgetary central government operations and public debt data (with the exception of non-guaranteed debt by public entities) are updated on a monthly basis. Budgetary data also excludes the revenues and expenditures financed by Appropriations in Aid, and therefore provides an incomplete picture of budgetary central government revenue and expenditures. Also, data on operations of public entities outside the consolidated fund (which includes all public bodies that are fully financed through the state budget) are only available with lag of more than a month, making the assessment of the overall balance of the public sector challenging.

Government finance statistics are available at:

Debt: <http://www.mof.gov.jm/dmu/>

Budget: <http://www.mof.gov.jm/programmes/em/fpmu/default.shtml>

Monetary and financial statistics: The BOJ initiated the submission of monetary and financial statistics based on standardized report forms (SRFs) in March 2007. The BoJ's monetary and financial statistics (MFS) generally conform to the concepts and definitions of the *2000 Monetary and Financial Statistics Manual (MFSM)* and its *Compilation Guide*. However, there is room to improve the quality of data provided in the BoJ's balance sheet. The BoJ does not yet compile and report data for the Other Financial Corporations sector, which holds a significant portion of the financial system's assets. The BoJ does not currently report Financial Soundness Indicators (FSIs) to the Fund for dissemination on the Fund's website. The BoJ needs to update their action plan related to compilation of FSIs.

Balance of Payments: The BOJ reports quarterly balance of payments (BOP) and international investment position (IIP) in the format of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)*, and monthly International Reserves and Foreign Currency Liquidity data. In addition, the BOJ participates in the World Bank's Quarterly External Debt Statistics (QEDS) database with data on Gross External Debt Position. The quality and dissemination of external sector statistics has significantly improved; however, there are shortcomings for direct investment data and the coverage of nonfinancial sector needs to be further improved. External debt data does not include intercompany debt.

II. Data Standards and Quality

Participant in the General Data Dissemination System (GDDS) since February 28, 2003. No data ROSC is available.

III. Reporting to STA (Optional)

No data on industrial production, wholesale or producer prices, import volumes, or export and import prices have been reported for publication in the *International Financial Statistics (IFS)* in recent years.

Detailed annual balance of payments and international investment position (IIP) data are reported by the BOJ for publication in the *Balance of Payments Statistics Yearbook (BOPSY)* and the *IFS*. In September 2007, Jamaica reported for the first time IIP data to STA; annual IIP data since 2005 are now available in *BOPSY* and *IFS*. Monthly data are reported for the balance sheet of the Bank of Jamaica and Other Depository Corporations with short lags.

Fiscal data for the budgetary central government, some extrabudgetary government units and the National Insurance Fund has historically been reported by the MOF for inclusion in the Government Finance Statistics Yearbook and Database. This data is being substantially revised and improved following the October 2017 STA GFS TA Mission.

Jamaica: Table of Common Indicators Required for Surveillance
(As of December 10, 2021)

	Date of latest observation	Date received	Frequency of Data ⁶	Frequency of Reporting ⁶	Frequency of Publication ⁶
Exchange Rates	1/2022	1/2022	D	D	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	09/2021	10/2021	M	M	M
Reserve/Base Money	09/2021	11/2021	M	M	M
Broad Money	09/2021	11/2021	M	M	M
Central Bank Balance Sheet	09/2021	11/2021	M	M	M
Consolidated Balance Sheet of the Banking System	09/2021	11/2021	M	M	M
Interest Rates ²	1/2022	1/2022	D	D	D
Consumer Price Index	11/2021	12/2021	M	M	M
Revenue, Expenditure, Balance and Composition of Financing ³ –Selected Public Bodies ⁴	10/2021	12/2021	M	M	M
Revenue, Expenditure, Balance and Composition of Financing ³ –Central Government	10/2021	12/2021	M	M	M
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	10/2021	12/2021	M	M	M
External Current Account Balance	Q2/2021	07/2021	Q	Q	Q
Exports and Imports of Goods and Services	Q2/2021	07/2021	M	M	M
GDP/GNP	Q2/2021	08/2021	Q	Q	Q
Gross External Debt	07/2021	08/2021	M	M	M
International Investment Position	Q2/2021	08/2021	Q	Q	Q

¹ Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.

² Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ Selected public bodies are self-financed public entities.

⁵ Including currency and maturity composition.

⁶ Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Annually (A), Irregular (I); Not Available (NA).