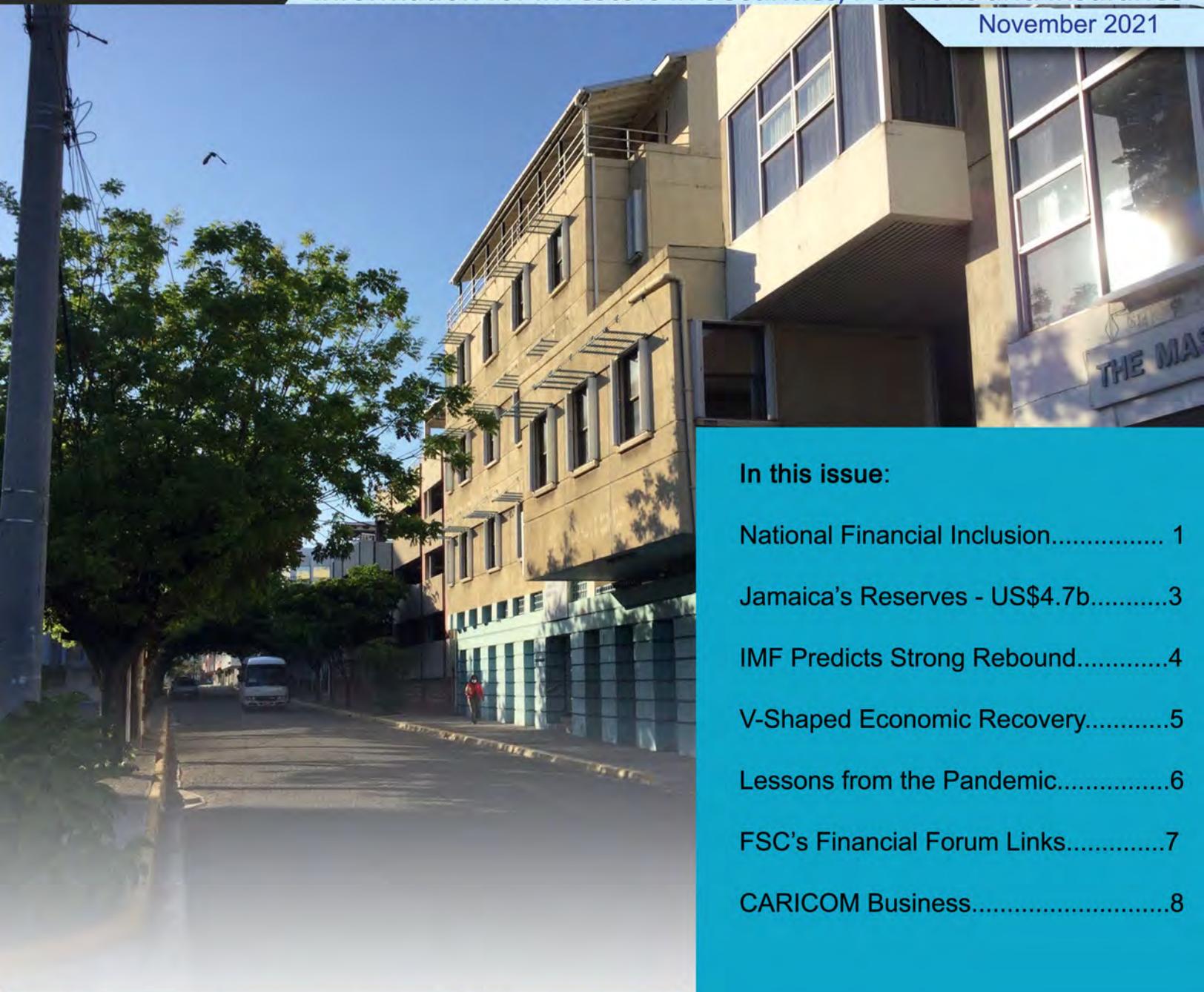


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Information for investors in Securities, Pensions and Insurance

November 2021



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SHOT OF THE FSC BUILDING AT 39-43 BARBADOS AVENUE, NEW KINGSTON JAMAICA.

Shot by: Nicholas McClure

Promoting Integrity in the Jamaican Financial Sector.

Financial Inclusion: Expanding Possibilities

- Lisa Rowe

The financial industry can be intimidating for persons especially since the terms are not simple and easy to understand. Stocks, dividends, reducing balance are just some of the words used that can be a turn off to the average person.

In 2017 the Government of Jamaica created the National Financial Inclusion Strategy, NFIS. The strategy is aimed at enabling an environment that makes it easier for Jamaicans to save, invest, to do business and obtain relevant financial products and information to empower themselves to invest, grow and generate greater levels of wealth.

It is also about improving the financial literacy of Jamaicans through public education. Speaking at the Financial Services Commission Financial Forum, National Financial Inclusion Coordinator at the Bank of Jamaica (where the NFIS Secretariat is housed) Melanie Williams noted that significant gains have been made since the strategy was launched in 2017.

“I am very pleased to share with you that there have been recent amendments to our Proceeds of Crime Act, and the regulations, which allow for simplified customer due diligence requirements, or simplify know your customer (KYC) requirements to be applied to certain categories of consumers based on the assessment of a financial institution.”

She predicted that these amendments will make it easier for persons to open bank accounts. “You know, how difficult and how painful it can be to open an account. But I'm here to tell you that's not necessarily the case. If you are in fact, a low risk for money laundering, or financing of terrorism, and the financial institution makes that assessment and the type of service that you seek to acquire features certain design factors that further reduce that risk, you may be eligible to use simplified know your customer requirements.”

She said that with this development there are conditions to the process. “To open that account. I must underline that this, of course, is the determination of the financial institution in question when they meet with you. But that means that you will require less in terms of actually meeting the identification requirements to open the account. That's a major achievement, one which we anticipate will benefit many of our low-income population.”

In addition to the POCA Amendments, the efforts of the NFIS have seen more sources of funding for micro, small and medium enterprises. “Another major achievement is that we have seen improvement in the sources of funding and the provision of technical assistance to micro small and medium sized enterprises through a range of vehicles, including the work of the Ministry of Industry, investment and commerce, as well as the Development Bank of Jamaica.” Ms. Williams told JIS News.

Financial Inclusion: Expanding Possibilities

- Lisa Rowe

Ms. Williams says kudos should be given to the Investment and Commerce Ministry for improving the regime that allows for business persons to use movable collateral.

“Items such as your equipment, your computers, your cars, can now be used as a basis of obtaining a loan from a regulated financial institution. And I'm pleased to let you know that the Bank of Jamaica continues to work on improving digital payments for you, the consumer, so that these are accessible and at the appropriate price point for you, which we all can look forward to.”

Ms. Williams who presented twice on the FSC's Financial Forum in November said although the BOJ is pleased with the achievements of the NFIS to date, there is still more to be accomplished over the next few years.

Key among its plans are financial literacy for all Jamaicans which should empower them to make wise financial decisions.

“Our timeline that we are working towards is 2024 and we are working towards improving the levels of financial literacy in our Jamaican population, so that you have a better understanding of key financial concepts. Consumers need to understand the products that are being presented to them, they have to be in simple, straightforward language free from technical jargon that can cause confusion.” Ms. Williams said.

The NFIS also has its eyes set on consumer protection as part of its goals for 2024. “We are also working towards having a proper consumer protection regime for that part of the market that is not yet regulated.”

Jamaica's Gross International Reserves at US \$4.7 billion

- Gleaner Online

The Bank of Jamaica (BOJ) is reporting that Jamaica's gross international reserves, as at November 17, totaled approximately US\$4.7 billion.

BOJ Governor, Richard Byles, said the figure represents the equivalent of 143.8 per cent of the level considered adequate.

Deputy Governor with responsibility for Banking, Currency Operations, and Financial Markets, Natalie Haynes, reported that net international reserves (NIR), at the end of October, totaled US\$3.9 billion, adding that "we expect stability for this month [November]."

Both were speaking during the BOJ Monetary Policy Committee (MPC) digital quarterly media briefing in November.

Governor Byles said the Central Bank estimates that gross reserves will remain healthy.

This, he noted, will be supported by a current account deficit of the balance of payments, ranging between one and three per cent of gross domestic product (GDP), which he pointed out is a "sustainable level by traditional measures."

"This reflects [previously] mentioned expectations for a recovery in tourist arrivals and spending [from the impact of the coronavirus (COVID-19) pandemic]," the BOJ Governor said.

He also advised that the BOJ's \$8 billion net open position (NOP) cap, which was temporarily removed in January 2020, will be restored effective December 6, 2021.

Net open position, which is used to analyse foreign exchange risk, measures the difference between total assets and total liabilities in foreign currency.

Mr. Byles told journalists, however, that the cap will be adjusted from the \$8 billion limit to an asymmetric one, corresponding to a \$4.5 billion ceiling for long NOP positions and \$7 billion for shorter ones.

"The bank commits to continue reviewing these limits annually... and amending them, if it is deemed necessary," he said.

IMF Predicts Strong Rebound for Jamaica's Economy

The International Monetary Fund (IMF) is projecting that Jamaica's economy will rebound from the fallout caused by the novel coronavirus (COVID-19) pandemic to record growth of 8.25 per cent for the fiscal year 2021/22, moderating to 3.5 per cent in 2022/23.

In a statement on Wednesday November 17, 2021 following an IMF 2021 Staff Article IV Mission Consultation for Jamaica, the Fund indicated that the availability of pre-COVID-19 buffers built up by the government, coupled with the calibrated policy response through an ambitious reform programme and strengthened oversight of the financial system, ensured the pandemic-related shock was not followed by a fiscal, financial, or balance of payment crisis.

“Tourism has rebounded to nearly 70 per cent of the pre-crisis levels, despite two COVID-19 waves this year, and the other sectors have picked up as well. Real GDP in [the second quarter of] 2021 was 14.2 per cent higher than the same quarter a year earlier,” the IMF statement indicated.

The Fund noted, however, that the pandemic poses the most significant risk to the projections. It pointed out that the third COVID-19 wave is abating and the government's vaccination programme has “picked up pace”, with one million people having now received at least one dose.

“But new COVID-19 waves in Jamaica or abroad could lead to a more prolonged disruption of tourism, trade, and capital flows,” the IMF stated, adding that “another risk is posed by the uncertain duration of global inflationary pressures.”

Other notable factors highlighted include the sharp rise in global food and energy prices that contributed to spiking year-on-year inflation to 8.2 per cent in September which, the Fund pointed out, was well above the Bank of Jamaica's four to six per cent target range.

The IMF also noted that natural disasters “continue to be an ever-present risk.”

“On the other hand, a faster pace of vaccinations at home and abatement of the pandemic in Jamaica's main tourism markets are the upside risks,” the entity stated.

The IMF emphasized that as the pandemic recedes and recovery advances, Jamaica should restart debt reduction and rebuild buffers, given the country's high susceptibility to external shocks and risks to debt sustainability.

“Policies should also focus on boosting growth, which has been low in the last decades, enhancing institutions, and tackling the still high levels of poverty and crime,” the Fund added.

Jamaica in V-Shaped Economic Recovery

- Rochelle Williams

With Gross Domestic Product (GDP) growth of 14.20 percent recorded in the second quarter of 2021, the country is now in a V-shaped economic recovery.

This disclosure was made by Minister of Industry, Investment and Commerce the Hon. Audley Shaw during his address on day one of the Jamaica Promotions (JAMPRO) 'Explore Do Business Jamaica Virtual Investment Conference 2021' on Wednesday November 17, 2021.

In a V-shaped recovery, an economy that has suffered a sharp decline experiences a fast and strong rebound. Such recoveries are generally spurred by a significant shift in economic activity caused by rapid readjustment of consumer demand and business investment spending.

Minister Shaw said Jamaica's economy has and continues to benefit from the successful implementation of an Economic Reform Programme.

"The successful implementation of an Economic Reform Programme resulted [prior to the pandemic] in entrenched macro-economic stability evidenced by relatively low unemployment and single digit inflation rates; a declining debt-to-GDP ratio; and seven consecutive years of economic growth," he said.

The International Monetary Fund (IMF) estimates growth of Jamaica's Gross Domestic Product (GDP) of 1.5 and 5.7 per cent respectively in 2021 and 2022, indicating improved performance of the economy.

As it relates to the country's macro-economic performance as measured by growth in real GDP, Minister Shaw said Jamaica grew by a compounded average growth rate of 1.0 per cent per annum for the period 2015 to 2019. This, he said, is compared with an average growth of 0.76 per cent for the Latin America and Caribbean region.

Underscoring Jamaica's favourable investment climate, Minister Shaw cited several notable value propositions of the country, including Jamaica's ranking in the 2020 Doing Business Report (World Bank, 2019) as the sixth easiest place to start a business, the 12th easiest for getting credit and the best Caribbean country for doing business.

The country was also recognized for the top performing stock market globally in 2015 and 2018, as ranked by Bloomberg and its Long-Term Credit Rating and Local Currency debt, which are rated B+ by international rating firm, Moody's.

The 'Explore Do Business Jamaica Virtual Investment Conference 2021' was held from November 17 to 18.

Lessons from Pandemic Can Aid Preparedness for Future Occurrences - Dr. Henry

- Douglas McIntosh

Director General of the Planning Institute of Jamaica (PIOJ), Dr. Wayne Henry, says several valuable lessons have emerged from the coronavirus (COVID-19) pandemic that can potentially aid in bolstering stakeholder preparedness for similar and other future occurrences.

Among these, Dr. Henry said, were the importance of technology-enabled mechanisms, and information-sharing.

He was speaking during a digital high-level forum on the theme 'Strengthening Disaster Risk Governance: Lessons from COVID-19'.

The forum formed part of the seventh semi-virtual Regional Platform for Disaster Risk Reduction in the Americas and the Caribbean (RP21), which was held at the Jamaica Conference Centre, downtown Kingston, from November 1 to 4, under the theme 'Building Resilient Economies in the Americas and the Caribbean'.

Dr. Henry said the protocols to limit COVID-19 transmission have underscored the importance of and need for technology-enabled mechanisms to facilitate engagements, without putting lives at risk.

He noted, for example, that technology has been extremely useful "as we had to move educational service delivery online for our school system".

The PIOJ Director General said information-sharing is also imperative, pointing out that in times of crisis, "it allows for [stakeholder] collaboration and buy-in [and for them] to know what is happening."

"Credibility and trust [are also as] important as the information that is shared, to allow for collaboration of the various actors," he shared.

"The need for mechanisms to be in place... [is imperative]. You can't wait for the crisis to come, and then you end up trying to react. So, the need to be proactive is very important," he underscored.

The four-day Regional Platform for Disaster Risk Reduction in the Americas and the Caribbean conference was jointly hosted by the Government of Jamaica, the United Nations Office for Disaster Risk Reduction (UNDRR) Regional Office for the Americas and the Caribbean, and the Caribbean Disaster Emergency Management Agency (CDEMA).

**FINANCIAL
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COMMISSION**

Financial Forum



HOST: David Geddes
Director - Stakeholder
Engagement, Communication
& International Relations



Steven Gooden
President - Jamaica Securities
Dealers Association



Sanya Goffe
President - Pensions Industry
Association of Jamaica



Melanie Williams
Coordinator - National
Financial Inclusion Secretariat



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Economic Regulatory Expert -
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David Answer
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Orville Johnson
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The Financial Services Commission has for the first time in its history hosted a Financial Forum that will be aimed at analysing the importance of regulation in the development of the Jamaican financial sector since its inception in August 2001.

The theme of the forum "Regulation Facilitating Development" focuses on how regulation has created and developed a financial industry that is characterized by fairness, integrity and equal opportunities for all its participants. The event is available in four parts, and can be accessed by clicking the links below.

PROGRAMME

ONE

PROGRAMME

TWO

PROGRAMME

THREE

PROGRAMME

FOUR

Foreign Exchange Summary

as at November 26, 2021

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.78	1.34	1.13
Barbados (BBD)	2.03	1.61	2.72	2.29
Belize (BZD)	2.02	1.59	2.71	2.29
Guyana (GYD)	218.00	164.93	280.62	237.41
Haiti (HTG)	100.42	78.58	131.73	111.48
Jamaica * (JMD)	156.98	122.67	207.45	180.08
OECS (XCD)	2.71	2.14	3.62	3.09
Suriname (SRD)	21.59	16.82	29.16	23.77
T&T (TTD)	6.76	5.70	9.52	8.38

*Rates applicable for Customs & GCT purposes

Business News In Brief

US recovery slows in 3rd quarter to 2.1%

The US economy slowed to a modest annual rate of 2.1% in the July-September quarter up from an initial estimate of 2% for the 3rd quarter. However, the revision was below the solid gains of 6.3% in the first quarter and 6.7% in the 2nd. Consumer spending grew by 1.7% rate in the 3rd quarter, compared to a 12% surge in the 2nd quarter. Nonetheless, economists are predicting growth ranging 5 – 8% in the last quarter, as long as rising inflation and a recent uptick in COVID cases do not derail activity. For the whole year, the expectation is that the US economy will grow by 5.5%, the highest since 1984, relative to a decline of 3.4% in 2020. [\(JG\)](#)

OECD: Global recovery under threat from labour shortages

The unemployment rate in OECD countries overall fell for the fifth consecutive month to 5.8% in September. However the OECD cautions, that the unemployment rate may conceal additional slack in the labour market due to the pandemic. While labour force participation has rebounded rapidly in Europe, about 4 million workers have left the labour force in the US and in the UK; population change and economic inactivity means almost a million fewer people are in the workforce. Reduced migration and an increase in early retirement in some countries has exacerbated the problem to the extent that labour supply shortages are now seen as a major threat to a global economic recovery. [\(CC\)](#)

Jamaica records growth of 6.3% for 3rd calendar quarter

The Jamaican economy grew by 6.3% for the July-September 2021 quarter relative to the similar quarter in 2020, reflecting continued recovery in most sectors, except mining, growth estimates from the Planning Institute of Jamaica, PIOJ, reveal. The mining sector declined 31% given the closure of a principal alumina plant and is expected to contract by 20 to 25% in 2021. For the July-September quarter, the goods-producing sector grew by 2.8%, due to an improved performance in agriculture, manufacture and construction. The services sector increased by 7.3% relative to the corresponding quarter of the previous year. Agriculture, forestry and fishing industry grew 7.2% while manufacturing grew by 8.5%, construction by 1.7% and transport, storage and communications, jumped by 9.0%. The hotels and restaurants industry grew by 115%, with stopover visitor arrivals for the months of July and August 2021 up 293%. Visitor expenditure was estimated to have increased by 186% to US\$463 million for the months of July and August. The PIOJ also estimates that the economy recorded growth of 4% for the 9-month period January – September 2021. [\(JG\)](#)

Corporate Movements

⇒ Supreme Ventures Limited (SVL) has appointed Dionne Reid as Company Secretary effective November 20, 2021

Barbados returns to bond market after 3 year hiatus

Three years after completing its debt restructuring programme, the Government of Barbados is issuing its first major bond offer. The \$125 million Treasury Notes which opened on November 22, 2021, is aimed at raising funds to assist with the financing of the economic recovery from the COVID-19 pandemic. The notes, which are available from \$1,000 and up and attracts an interest rate of 4.25%, will be issued on December 1, 2021, and will maturity in 2026. Interest will be payable on February 28, May 31, August 31 and November 30 of each year. According to Central Bank Governor Cleviston Haynes, “the bond is targeted to all investors and represents the first step towards restoring normality to the domestic capital market, while creating greater balance between new domestic and external funding.” Barbados’ public debt as of September 30, 2021 stood at \$13.1 billion, of which Treasury Bills outstanding totalled \$495.1 million, according to Central Bank records. [\(BT\)](#)

Stock Market Summary

as at November 26, 2021

Jamaica Stock Exchange

Overall Market activity resulted from trading in 50 stocks of which 20 advanced, 19 declined and 11 traded firm. Market volume amounted to 7,647,903 units valued at over J\$78,855,102.51. TransJamaican Highway Ltd was volume leader with 2,936,534 units. The JSE Index advanced by 415.79 points (0.11 %) to close at 391,220.36.

Jamaica Junior Stock Exchange

Overall market activity resulted from trading in 31 stocks of which 14 advanced, 15 declined and 2 traded firm. Market volume amounted to 3,228,831 units valued at over J\$13,859,252.80. Index closed at 3,371.57.

Barbados Stock Exchange

One security traded firm as 269 shares traded on the Regular Market, with a total value of \$562.21. Goddard Enterprises Limited was the sole security trading. Index closed at 2,420.00.

Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 18 securities of which 7 advanced, 6 declined and 5 traded firm. Trading activity on the First Tier Market registered a volume of 420,308 shares crossing the floor of the Exchange valued at TT\$2,889,218.94. JMMB Group Ltd was volume leader with 309,526 shares changing hands for a value of TT\$696,239.61. The All T&T Index advanced by 19.01 points to close at 2003.71 and the Composite Index advanced by 4.43 points to close at 1454.20.

Guyana Stock Exchange

3 stocks traded firm as 7,390 units crossed the floor. Banks DIH (DIH) was volume leader with 6,651 shares traded. The LSI closed at 1,004.44.

Eastern Caribbean Securities Exchange (ECSE)

4 stocks traded as 127,404 shares crossed the floor. St Lucia Electricity Services Ltd led volumes trading 65,284 shares.

CARICOM Business is a weekly newsletter produced by the Directorate of Trade & Economic Integration.

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Business News In Brief

Oil prices plunge by US\$10, largest fall since April 2020

Oil prices plunged \$10 a barrel on Friday, their largest one-day drop since April 2020, as a new variant of the coronavirus, Omicron, spooked investors and added to concerns that a supply surplus could swell in the first quarter. Oil fell with global equities markets on fears the variant, could dampen economic growth and fuel demand. Brent crude settled down \$9.50, or 11.5%, to \$72.72 a barrel, a weekly decline of more than 8%. U.S. West Texas Intermediate (WTI) crude settled down \$10.22 on Friday, or 13.04%, at \$68.17 a barrel, declining more than 9.4% on the week in high volume trading after Thursday's Thanksgiving holiday in the United States. Both contracts fell to a fifth week of losses and their steepest falls in absolute terms since April 2020, when WTI turned negative for the first time amid a coronavirus-induced supply glut. ([Reuters](#))



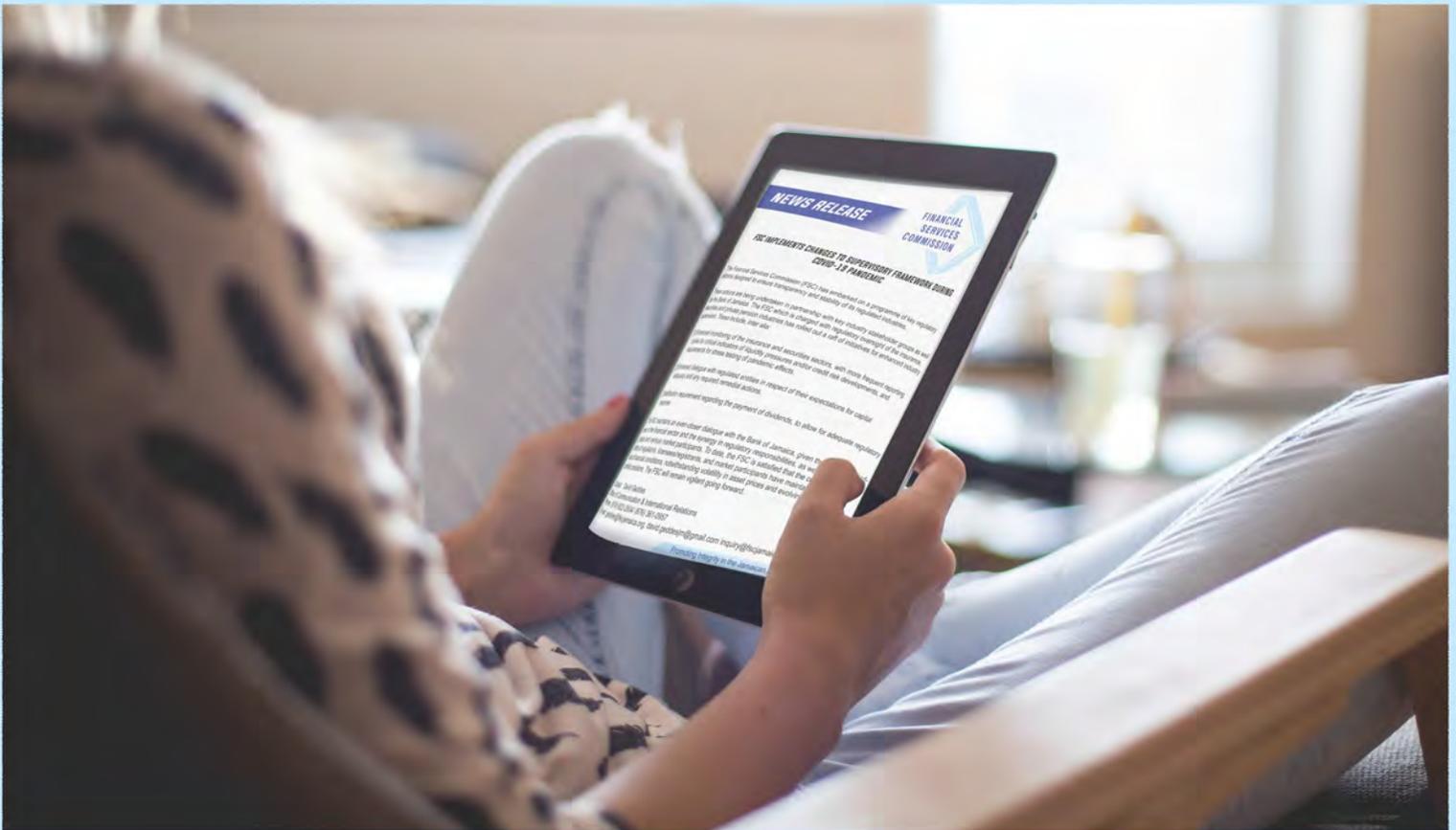
CLICK TO DOWNLOAD
[The New Normal - A Post-COVID Primer for Business](https://www.caricom.org/the-new-normal/)
<https://www.caricom.org/the-new-normal/>

Moody's: Jamaica's ratings remain at B2 with stable outlook

Ratings agency Moody's Investors Service recently affirmed Jamaica's long-term issuer and senior unsecured ratings at 'B2' with the outlook remaining stable. The decision to affirm the rating reflects expectations that the deterioration in Jamaica's debt metrics, caused by the effects of the COVID-19 pandemic, is temporary given the country's strong commitment to fiscal consolidation. Moody's expects Jamaica debt burden to begin declining in 2021/22 with the programmed primary balance of 6.0% of GDP this fiscal year. Additionally, Moody's indicated that "the easing of containment measures and normalisation of economic activity will support revenue returning to pre-pandemic levels by fiscal year 2022/23". Moody's expects growth of 4.5% in Jamaica for CY2021. ([JG](#))

International Oil Prices as at November 26, 2021

Futures	Price	US\$ Change	Change %
WTI Crude	US\$68.17	+10.22	-13.04
Brent Crude	US\$72.72	-9.50	-11..55
OPEC Basket	US\$81.31	-0.44	-0.54
Natural Gas	US\$5.55	+0.48	+9.51



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The editorial staff of the Invested newsletter welcomes your comments, suggestions and articles as we strive to share financial information with our many stakeholders.

The Financial Services Commission also welcomes invitations to speak at forums as well as community meetings.

Public education and financial literacy are critical elements as we pursue financial inclusion.