

invested

Information for investors in Securities, Pensions and Insurance

October 2021



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

Shot by: Nicholas McClure

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Promoting Integrity in the Jamaican Financial Sector.

Insurance soon to be a reality for informal and small businesses

- JIS News

Work is advanced on the proposed Microinsurance Bill, which is expected to be tabled in Parliament before the end of the current fiscal year in March next year.

This was disclosed by Minister of Finance and the Public Services Dr Nigel Clarke who said he anticipates the legislation's passage during the 2022/23 fiscal year, which starts on April 1, 2022.

"The Ministry of Finance and the Public Service has been working with the Office of the Parliamentary Counsel and the Attorney-General's chambers to bring this legislation to life. It is, therefore, my expectation that microinsurance will become a reality in Jamaica at some point in the next fiscal year," he added.

Clarke was speaking during the Insurance Association of Jamaica (IAJ) semi-virtual microinsurance conference at The Jamaica Pegasus hotel in New Kingston on Wednesday October 27, 2021.

It was staged under the theme 'Microinsurance – The Jamaica Perspective'.

Clarke said the development and implementation of a microinsurance policy framework formed part of the Government's thrust to broaden the base of the economy and deepen its inclusiveness by making insurance accessible to all Jamaicans.

He noted that insurance provides financial resources to offset known and unknown risks which was crucial, whether in relation to property, life, or any other area.

The finance minister pointed out, however, that with the legislative framework anchored in the existing Insurance Act, it "does not easily allow for microinsurance products to be developed, marketed and sold".

"To make insurance available to informal commercial importers, to small enterprises and small firms, to persons on the lower end of the income scale, it would be necessary for risks to be pooled so that the insurance product can be affordable," he informed.

Clarke pointed out, however, that the Insurance Act "doesn't easily allow for the pooling of risks because of the requirements that one has to have an equitable interest in what is being insured".

As such, he said the Government is taking steps to put the provisions in place that facilitate the development, marketing and sale of microinsurance products in a "wholesome" way, particularly to the target cohorts.

He maintained that for the industry to thrive among Jamaicans, it must, among other things, "serve the needs [of] the hundreds of thousands of persons who fall outside the financial services window... for those persons to be brought in".

Insurance soon to be a reality for informal and small businesses

- JIS News

“The Government is serious about inclusive economic recovery. Therefore, we are taking steps to enhance the policy environment and the legislative framework to bring hundreds of thousands... of the uninsured into the formal financial services space where they, too, can have access to insurance products,” Clarke added.





Debate Begins on Bill To Regulate International Trust And Corporate Service Providers

The House of Representatives began debate on the International Corporate and Trust Services Providers (Change of Name and Amendment) Act, 2021, on Wednesday (October 27, 2021).

Minister of Finance and the Public Service, Dr. the Hon. Nigel Clarke, said the Bill seeks to amend the International Corporate and Trust Services Providers Act (the Principal Act), which was passed and assented to on August 18, 2017 and awaits an appointed day.

The Principal Act seeks to regulate international trust and corporate service providers to prevent the misuse of these business arrangements as vehicles for illicit ends, such as money laundering and terrorism financing.

“The Bill aims to remove the distinction in treatment between the domestic and international service providers by bringing domestic services providers under the ambit of the legislation and to strengthen the provisions of the Principal Act,” Dr. Clarke said.

He noted that the Principal Act sought to regulate providers of international trust and corporate services and applies to individuals, firms and companies that engage in the business of providing international services.

“However, whilst the Act awaited the development and promulgation of regulations, it was recognised that there was a need to include domestic corporate and trust providers into the regulatory ambit of the Act, because to maintain any distinction in treatment between the domestic and international service providers would run afoul of the requirements and standards of the Financial Action Task Force (FATF) requirements,” Dr. Clarke said.

“Importantly, this was amongst the deficiencies cited in Jamaica’s anti-money laundering countering of terrorism financing supervisory regime and contributed to Jamaica’s inclusion in the current FATF grey list issued on February 21, 2020, as a jurisdiction subject to increased monitoring,” he added.

The Minister said the amendment to the Act is critical to redeeming Jamaica’s standing and forms part of the suite of actions that are required for the country’s removal from any of those listings by FATF. Debate on the Bill was suspended and will continue during another sitting of the House of Representatives.

PRIVATE PENSIONS INDUSTRY STATISTICS

**JUNE
2021**

OVERVIEW

In this report:

- > Private Pensions Industry Overview
- > Investment Mix
- > Operating Statistics
- > Risk Outlook

Assets held within the Jamaican private pensions industry increased by 3.23% during 2021 Q2, the second largest percentage growth experienced since the beginning of the COVID-19 pandemic (December 2020 – 3.74%). Consequently, the private pension industry has almost recovered to the pre-COVID level. Additionally, membership in active plans increased during the quarter, notwithstanding the termination of three (3) plans, and the submission of updated actuarial valuations revealed that the majority of pension plans remain solvent.

As at June 30, 2021, the total value of assets in the industry amounted to **\$695.74 billion**.

OVERVIEW (cont'd)

Key changes over the June 2021 quarter:



PRIVATE PENSION ASSETS • 3.23%
JUN 2021: **\$695.74B**, MAR 2021: **\$673.97B**



NUMBER OF PLANS¹ REMAINED THE SAME
JUN 2021: **815**, MAR 2021: **815**



MEMBERSHIP • 0.88%
JUN 2021: **141,606**, MAR 2021: **140,366**



PENSION COVERAGE REMAINED THE SAME
JUN 2021: **11.56%**, MAR 2021: **11.56%**

The industry experienced an average growth of 2.77% per quarter over the past five years.

During the quarter, total membership reported for private pension plans increased by 0.88%. The Jamaican employed labour force² also saw a 0.56% increase during the period. Both increases resulted in private pension coverage in active and all plans ultimately remaining the same (11.56% and 11.74% respectively).

Figure 1.0: Growth Trend of Total Industry Assets

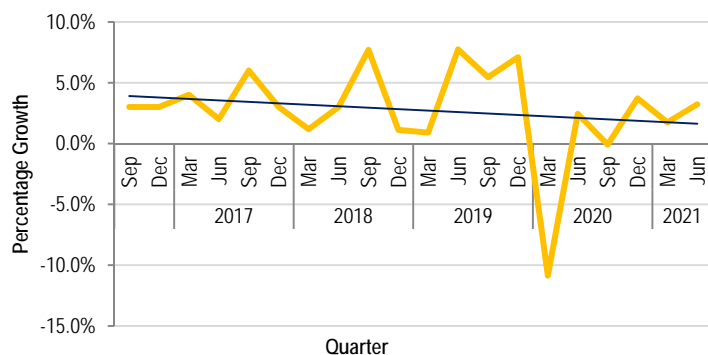


Figure 1.1: Pension Coverage in the Jamaican Private Pensions Industry

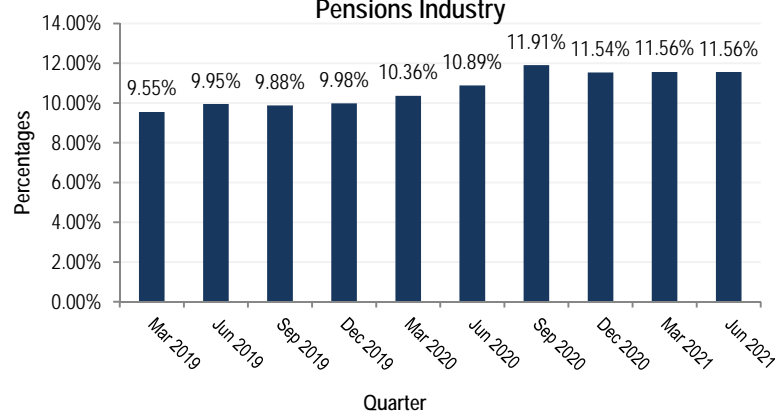
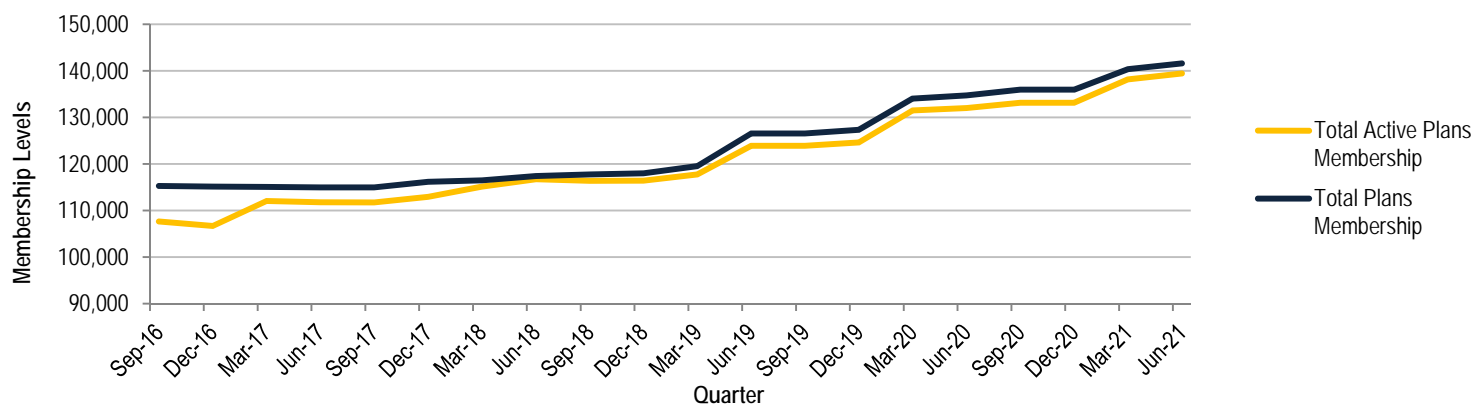


Figure 1.2: Growth Trends in Membership Levels of Active Pension Plans vs All Pension Plans



¹ This number includes pension plans which are active, terminating and inactive.

² The Jamaican employed labour force as at April 30, 2021 was 1,206,000 according to the Planning Institute of Jamaica (pioj.gov.jm).

INVESTMENT MIX

Private Pension Assets

During the June 2021 quarter, monies invested in the top three (3) asset classes - pooled investment arrangements ("PIAs"), stocks and shares and Government of Jamaica ("GOJ") securities - grew by 3.61%, 6.22% and 2.24% respectively. Consequently, assets invested in PIAs were valued \$260.59 billion as at June 30, 2021, representing 37.36% of total private pension assets. Direct investments in stocks and shares, which accounted for 23.21% of total private pension assets, valued \$161.89 billion. Investments in GOJ securities closed out the quarter at \$149.53 billion (21.44%), which is the largest dollar value for the asset class that has ever been reported. Similarly, investments in real estate and repurchase agreements were at their highest ever reported as at the end of the quarter.

Notably, deposits experienced the largest quarterly (14.11%) and annual (79.15%) growth. On the other hand, the value of promissory notes contracted by 38.36% during the quarter. Total assets reported for the majority of the remaining asset classes increased during the period. (See: Figures 2.0 and 2.1)

Key changes:

- ↑ **TOTAL INVESTMENTS IN STOCKS & SHARES • 6.22%**
 JUN 2021: **\$161.89B**, MAR 2021: **\$152.40B**
- ↑ **TOTAL INVESTMENTS IN BONDS & DEBENTURES • 7.29%**
 JUN 2021: **\$39.18B**, MAR 2021: **\$36.52B**
- ↓ **TOTAL INVESTMENTS IN PROMISSORY NOTES • 38.36%**
 JUN 2021: **\$6.90B**, MAR 2021: **\$11.19B**
- ↑ **TOTAL DEPOSITS • 79.15%**
 JUN 2021: **\$10.26B**, JUN 2020: **\$5.73B**

Figure 2.0: Allocation of Total Private Pension Assets as at June 30, 2021

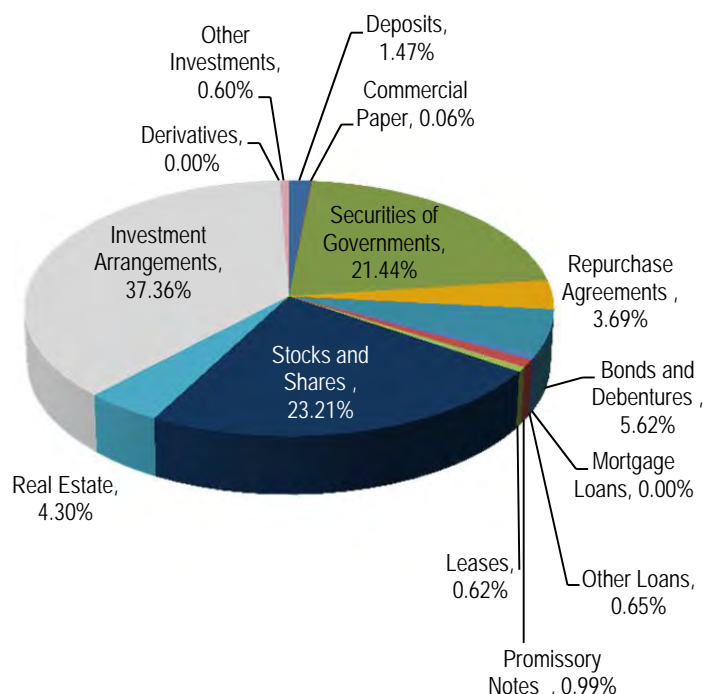


Table 1: Aggregate Investment Portfolio Mix

Types of Investment	Amount Invested \$' Millions	% of Total Investments	Amount Invested \$' Millions	% of Total Investments	Quarter over Quarter Growth in Asset Classes	Year over Year Growth in Asset Classes
	Jun-21		Mar-21			
Deposits	10,262.45	1.47%	8,993.65	1.33%	14.11%	79.15%
Commercial Paper	415.54	0.06%	417.53	0.06%	-0.48%	23.15%
Securities of Governments	149,526.46	21.44%	146,252.27	21.71%	2.24%	5.40%
Repurchase Agreements	25,732.81	3.69%	24,679.55	3.66%	4.27%	1.34%
Bonds and Debentures	39,182.67	5.62%	36,519.84	5.42%	7.29%	-3.69%
Mortgage	25.14	0.00%	25.77	0.00%	-2.46%	-43.48%
Other Loans	4,528.20	0.65%	4,018.61	0.60%	12.68%	-2.23%
Promissory Notes	6,898.57	0.99%	11,192.57	1.66%	-38.36%	9.42%
Leases	4,355.75	0.62%	4,216.32	0.63%	3.31%	12.15%
Stocks and Shares	161,888.85	23.21%	152,402.59	22.62%	6.22%	14.89%
Real Estate	29,967.76	4.30%	29,805.05	4.42%	0.55%	7.41%
Investment Arrangements	260,592.66	37.36%	251,508.55	37.33%	3.61%	8.85%
Derivatives	0.00	0.00%	0.00	0.00%	-	-
Other Investments	4,172.10	0.60%	3,699.21	0.55%	12.78%	15.28%
Total Investments	697,548.96	100.00%	673,731.50	100.00%	3.54%	8.87%
Other Net Assets	-1,810.27		239.38		-856.24%	-100.57%
Total Assets	695,738.69		673,970.88		3.23%	8.74%

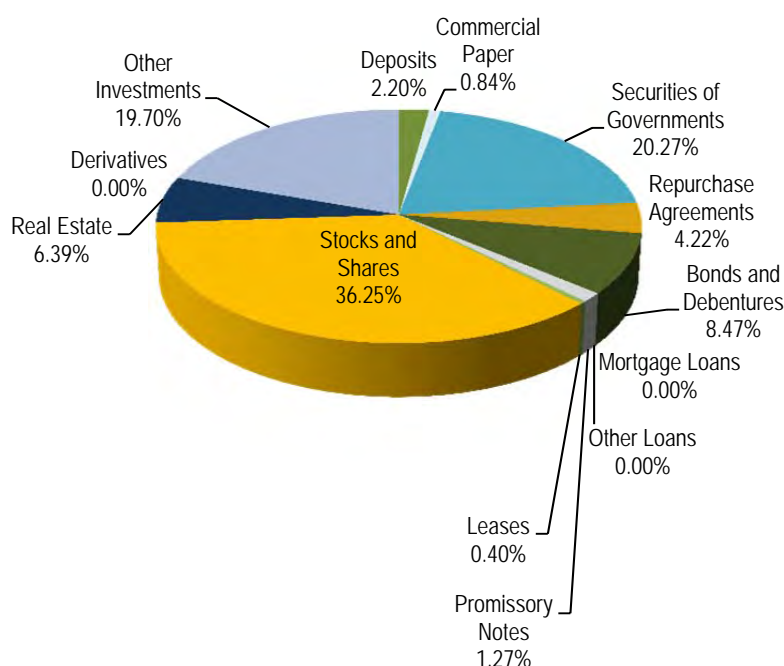
The March 2021 quarter was restated.

Pooled Investment Arrangements (“PIAs”)

As at June 30, 2021, investments in Type I, Type II Pooled Funds and Deposit Administration Funds, which constitute the PIA portfolio, valued \$260.59 billion. The 3.61% increase over the quarter resulted in the value of assets invested in PIAs being within close proximity to pre- pandemic levels. Indirect investments in stocks and shares (\$92.18 billion or 36.25%), GOJ securities (\$51.55 billion or 20.27%) and other investments³ (\$50.09 billion or 19.70%) remained the three largest asset classes within the portfolio, having grown 7.70%, 0.03% and 1.81% respectively.

Similar to the reduction in direct investments in promissory notes, indirect investments in promissory notes saw the largest contraction during the quarter (11.22%). Assets invested in the majority of the remaining classes grew during the period.

Figure 2.1: Allocation of Pension Assets in Pooled Investment Arrangements as at June 30, 2021



Key changes over the quarter:

³ This primarily consists of investments in collective investment schemes.



TOTAL INVESTMENTS IN PIA • 3.61%
JUN 2021: **\$260.59B**, MAR 2021: **\$251.51B**



INDIRECT INVESTMENTS IN LEASES • 8.68%
JUN 2021: **\$1.02B**, MAR 2021: **\$935.46M**



INDIRECT INVESTMENTS IN PROMISSORY NOTES • 11.22%
JUN 2021: **\$3.22B**, MAR 2021: **\$3.63B**

Table 2: Pooled Investment Arrangement Portfolio Mix

Types of Investment	Amount Invested \$' Millions	% of Total Investments	Amount Invested \$' Millions	% of Total Investments	Quarter over Quarter Growth in PIAs	Year over Year Growth in PIAs
	Jun-21		Mar-21			
Deposits	5,593.45	2.20%	5,689.54	2.32%	-1.69%	0.33%
Commercial Paper	2,127.01	0.84%	2,066.60	0.84%	2.92%	0.27%
Securities of Governments	51,554.05	20.27%	51,540.70	20.98%	0.03%	-31.41%
Repurchase Agreements	10,731.16	4.22%	11,266.51	4.59%	-4.75%	-34.32%
Bonds and Debentures	21,550.19	8.47%	20,213.37	8.23%	6.61%	23.30%
Mortgage	0.07	0.00%	0.07	0.00%	0.00%	0.00%
Other Loans	0.00	0.00%	0.00	0.00%	-	-
Promissory Notes	3,224.67	1.27%	3,632.07	1.48%	-11.22%	26.44%
Leases	1,016.63	0.40%	935.46	0.38%	8.68%	56.69%
Stocks and Shares	92,182.29	36.25%	85,588.39	34.84%	7.70%	14.30%
Real Estate	16,257.11	6.39%	15,540.93	6.33%	4.61%	-39.60%
Investment Arrangements	0.00	0.00%	0.00	0.00%	-	-
Other Investments	50,090.49	19.70%	49,201.52	20.03%	1.81%	1,055.10%
Total Pooled Investments ⁴	254,327.11	100.00%	245,675.15	100.00%	3.52%	9.73%
Other Net Assets	998.57		858.74		16.28%	1.40%
Other Investment Arrangements	5,266.98		4,974.66		5.88%	-20.66%
Total Assets	260,592.66		251,508.55		3.61%	8.85%

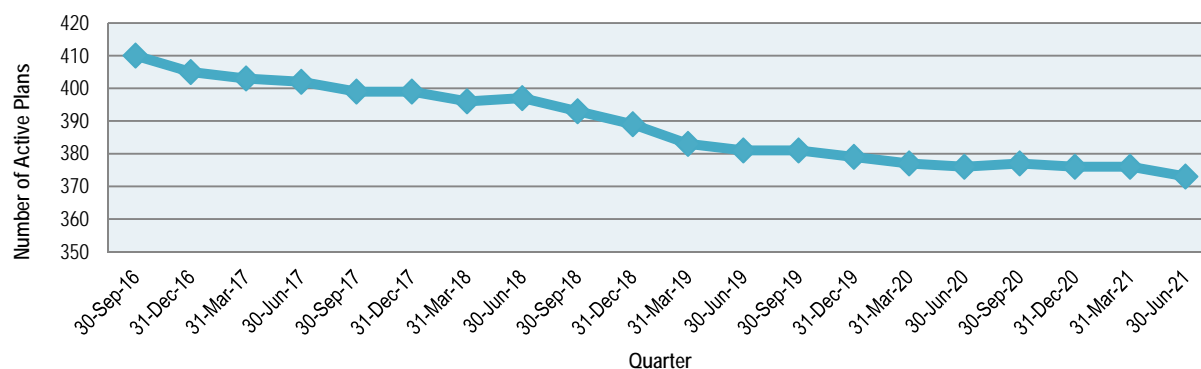
OPERATING STATISTICS

Active Pension Plans

Notwithstanding the termination of three (3) pension plans during the quarter, active pension plans continued to account for almost 46% of plans within the private pensions industry, and approximately 99% of total private pension assets as at June 30, 2021. Following a 3.32% increase in assets and 0.91% increase in membership over the quarter, total assets for the 373 active plans valued \$686.96 billion and membership in those plans accumulated to 139,419. (See: Figure 3.0 and Table 3)

⁴ Total Pooled Investments describes Type I Pooled Funds and some Deposit Administration Funds.

Figure 3.0: Growth Trend in Number of Active Pension Plans



Active Plans by Type

Defined Benefit vs. Defined Contribution

Total assets in Defined Contribution ("DC") and Defined Benefit ("DB") plans valued approximately \$273.28 billion and \$413.68 billion by the end of the quarter, having appreciated by 3.91% and 2.93% respectively. Consequently, DB plans continued to account for over 60% of total active pension plan assets within the industry, while recording 23% of active plans and 14% of membership. Notwithstanding a reduction in the number of DC plans during the period, membership grew during the quarter by 1.08%. Conversely, total membership in DB plans reduced by 0.10% during the period. (See: Table 3)

Table 3: Active Pension Plans by Benefit Type

	June 2021	Mar 2021	Dec 2020
Number of Plans			
Defined Benefit	87	87	87
Defined Contribution	286	289	289
Total Active Plans	373	376	376
Membership			
Defined Benefit	19,872	19,891	19,677
Defined Contribution	119,547	118,275	113,463
Total Membership	139,419	138,166	133,140
Assets Values			
Defined Benefit (\$' Millions)	413,677	401,893	396,501
Defined Contribution (\$' Millions)	273,283	262,999	256,111
Total Asset Values (\$' Millions)	686,960	664,892	652,612

March 2021 was restated.

Superannuation Funds vs. Retirement Schemes

The number of retirement schemes ("RS") as at June 30, 2021 remained at 13; however, the number of active superannuation funds ("SF") reduced to 360 by the end of the quarter. Nevertheless, assets in SF increased by 3.24% to \$630.50 billion, approximately 92% of private pension assets. The remaining 8% of assets attributed to RS grew by 4.19% to close the quarter at \$56.46 billion, which exceeds assets reported prior to the onset of COVID-19.

In addition to the reduction in the number of SF, membership in RS continued to grow at a faster rate than SF: 1.67% and 0.13% respectively resulting in a greater disparity between the memberships reported for the types of plans. (See: Figures 3.1 to 3.5)

Figure 3.1: Number of Superannuation Funds vs Retirement Schemes



Figure 3.2: Number of Members in Superannuation Funds and Retirement Schemes

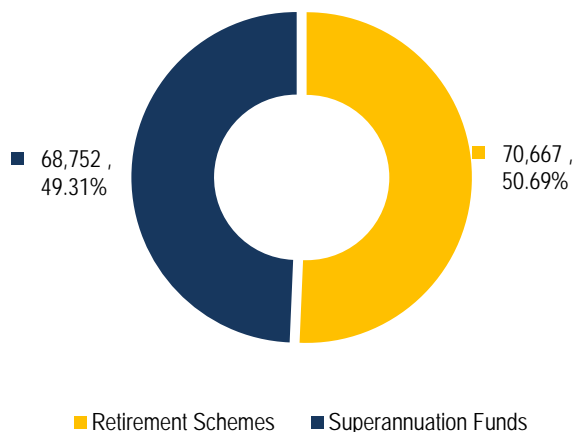


Figure 3.3: Assets in Superannuation Funds vs Retirement Schemes (\$'Millions)

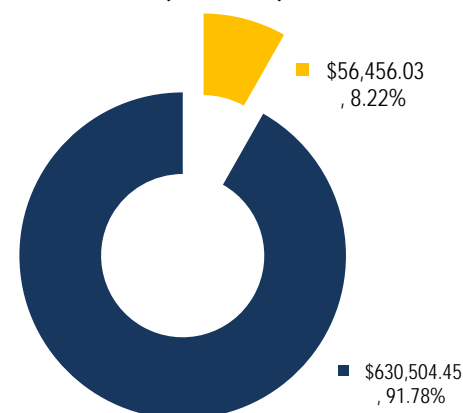


Figure 3.4: Asset Values for Superannuation Funds

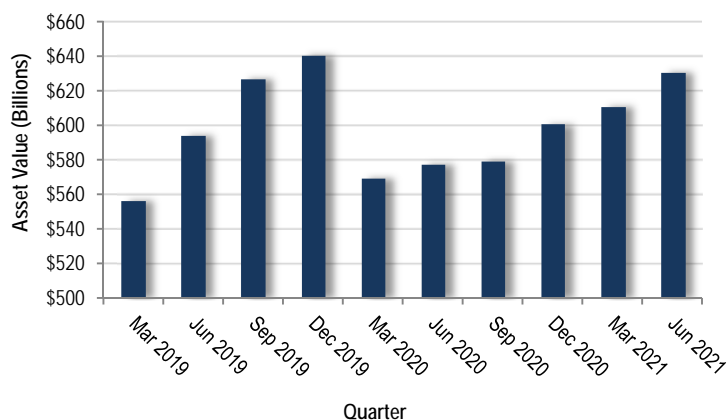
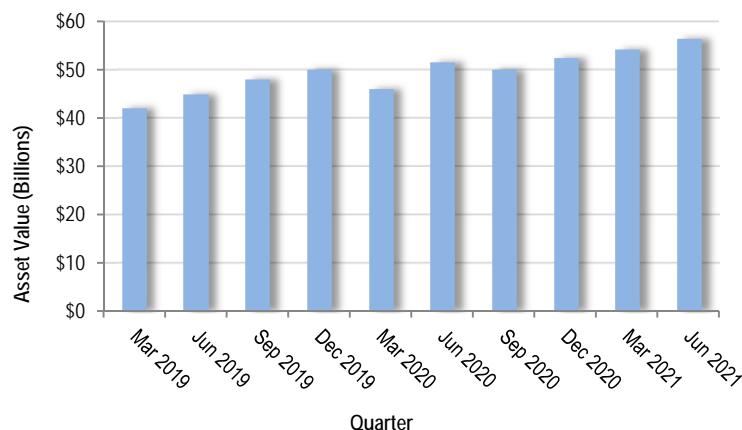


Figure 3.5: Asset Values for Retirement Schemes



Active Superannuation Funds by Industry

Commensurate with the positive performance reported for Jamaica's economy during April to June 2021 by the Planning Institute of Jamaica ("PIOJ"), all industries saw an average increase of 3.27% in private pension assets by the end of the quarter. Similar to the previous quarter, the Tourism industry experienced the largest growth (4.98%) in assets during the period, and a contraction in membership of 1.17% which was partially due to the termination of a tourism-related plan. The Construction industry experienced the largest growth in membership (20.78%) while the Media/Communication industry saw the largest contraction in membership (1.98%), which was also partially due to the commencement of wind-up proceedings for a pension plan.

The Commerce and Finance sector, which accounts for the largest portion of private pension assets (36.99%), ended the quarter with total assets valued at \$233.20 billion, a 2.91% increase from the previous period. The Services industry retained the largest portion of participants (34.82%) and superannuation funds (36.94%), and the second largest portion of private pension assets (\$108.56 billion or 17.22%). (See: Figures 3.6 to 3.8)

Figure 3.6: Percentage of Active Funds by Industry

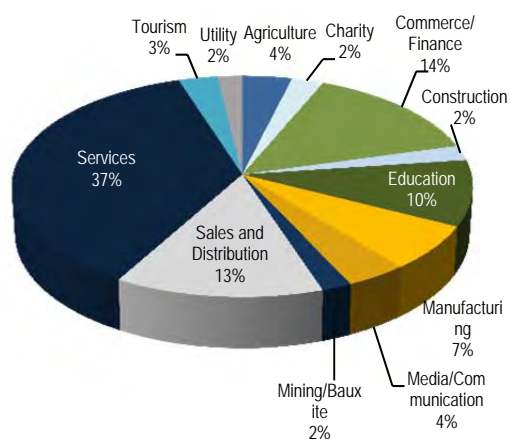


Figure 3.7: Active Membership in Funds by Industry

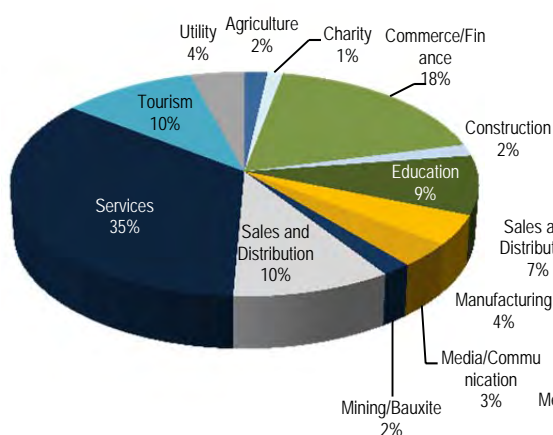
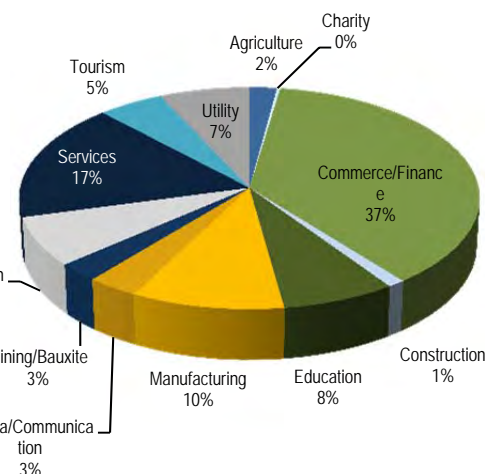


Figure 3.8: Asset Values for Funds by Industry



Solvency of Active Pension Plans

Of the 357 active pension plans for which the FSC received solvency data as at June 30, 2021, 346 or 97% were solvent, a 1% increase from the previous period. During the quarter, the number of valuations completed as at 2020 plan year ends increased from 15 to 42, and revealed that 98% of those plans have maintained a solvency level above 100%. Nevertheless, the majority of actuarial valuations received by the FSC were completed as at 2018 to 2019 plan year ends, and revealed that 98% of DB plans and 97% of DC plans were solvent.

Notwithstanding the strong solvency position of the majority of DB plans, trustees should continue to monitor the plans' liabilities and ensure that the sponsors quickly address any shortfall in assets available to fund those liabilities. Likewise, trustees of DC plans, especially those which are insolvent, should make every effort to regularly review the plans' asset allocations and investment strategies as well as monitor the payment of contributions, to increase and maintain the assets available for members' benefits.

Table 4: Solvency of Active Pension Plans

Plan Year End	Benefit Type	Solvency Level based on AVR & CFR					% of plans which are solvent
		Number of plans	Less than 100%	Between 100% and 120%	Between 120% and 150%	Greater than 150%	
2020	DB	10	1	2	4	3	90%
	DC	32	0	28	4	0	100%
	Total	42	1	30	8	3	98%
2019	DB	25	0	5	9	11	100%
	DC	78	2	56	11	9	97%
	Total	103	2	61	20	20	98%
2018	DB	26	1	4	8	13	96%
	DC	86	3	60	18	5	97%
	Total	112	4	64	26	18	96%
2017 and earlier	DB	25	1	4	8	12	96%
	DC	75	3	49	18	5	96%
	Total	100	4	53	26	17	96%

Inactive and Terminating Pension Plans

The number of inactive plans (17) and membership in those plans (1,724) remained the same during the quarter. However, total assets in inactive plans increased by 9.86% from the \$268.85 billion reported as at March 31, 2021, to \$295.13 million as at June 30, 2021. Conversely, assets and membership in terminating plans continued on trend and receded by 3.92% and 2.73% respectively during the quarter, notwithstanding an increase in the number of terminating plans (425, or 52% of private pension plans). Those 425 plans accounted for \$7.76 billion in private pension assets by the end of 2021 Q2. (See: Tables 5 and 6)

Table 5: Inactive Pension Plans by Benefit Type			
	Jun-21	Mar-21	Dec-20
Number of Plans			
Defined Benefit	4	4	4
Defined Contribution	13	13	13
Total Inactive Plans	17	17	17
Membership			
Defined Benefit	1,668	1,668	1815
Defined Contribution	56	56	56
Total Membership	1,724	1,724	1,871
Asset Values			
Defined Benefit (\$' Mil)	230	205	202
Defined Contribution (\$' Mil)	65	64	63
Total Asset Values (\$' Mil)	295	269	266

Table 6: Terminating Pension Plans by Benefit Type			
	Jun-21	Mar-21	Dec-20
Number of Plans			
Defined Benefit	102	102	102
Defined Contribution	323	320	320
Total Terminating Plans	425	422	422
Membership			
Defined Benefit	98	146	363
Defined Contribution	365	330	600
Total Membership	463	476	963
Asset Values			
Defined Benefit (\$' Mil)	4,641	4,826	5,104
Defined Contribution (\$' Mil)	3,118	3,175	3,730
Total Asset Values (\$' Mil)	7,760	8,001	8,834

Investment Managers

The number of IMs remained at 25 during the quarter. Further, Securities Dealers ("SD") continued to account for the largest number of IMs (15), and managed the largest portion of assets valued at \$383.49 billion. This represented quarterly growth of 3.62%. While appreciation of assets contributed to this growth, the transfer of the sole pension plan managed by a credit union to a SD also played a part. Consequently, the two (2) licensed credit unions had no funds under management ("FUM") as at June 30, 2021. The remaining assets were managed by two (2) Life Insurance Companies ("LICs"), which had the second largest portion of FUM (\$256.35 billion) and six (6) other IMs (\$55.90 billion). Funds managed by LICs and other IMs increased by 2.91% and 3.15% respectively. (See Figure 3.9 and Table 7)

Figure 3.9: Investment Managers' Share of Market Assets

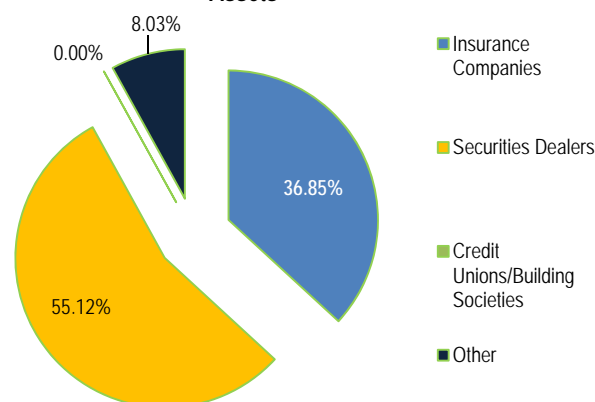


Table 7: Total Assets under Management of Investment Managers						
Investment Managers	Number of Entities Jun 2021	Asset Values Jun 2021 (\$'Millions)	Number of Entities Mar 2021	Asset Values Mar 2021 (\$'Millions)	Number of Entities Dec 2020	Asset Values Dec 2020 (\$'Millions)
Insurance Companies	2	256,349	2	249,108	2	245,762
Securities Dealers	15	383,493	15	370,095	16	362,969
Credit Unions	2	-	2	584	1	567
Other	6	55,896	6	54,187	6	53,154
Total	25	695,737	25	673,975	25	662,451

RISK OUTLOOK



The PIOJ reported overall growth of 12.9% in the goods and services industries during April to June 2021, a contrast from the 5.7% contraction in the last quarter. This growth was partially attributed to the relaxation of COVID-19 protocols during the period. However, as the government implements tighter restrictions given the detection of new COVID variants and the population's vaccine hesitancy, regression in the economy could be seen in the upcoming quarter, and could lead to a reduction in the number of active pension plans and pension plan membership within the various sectors.



The Statistical Institute of Jamaica reported an increase in the unemployment rate to 9% as at April 2021. As the pandemic continues to affect the Jamaican population's ability to live, work and do business, and by extension consider saving towards retirement, it is expected that increasing private pension coverage will continue to be a challenge over the medium term.



Following the reduction in inflation to 4.3% as at June 30, 2021, the BOJ has projected that inflation will average within a range of 5.5% to 6.5% (higher than the average rate of 4.8% previously projected) over the next eight quarters. This would mean a reduction in disposable income if actualized, thus lessening the funds available for retirement savings. Further, a higher inflation rate would impact the real yields achieved by DC plans and the ensuing rate credited to members' contributions.



The JSE Main Index moved from 397,354.26 points as at April 1, 2021 to 425,564.15 points by June 30, 2021, a positive moment compared to the previous quarter, which is reflective of the volatile nature of equities. While there was also an increase in assets invested in equities over the period, trustees and agents should continue to actively monitor investments in stocks and shares and the movements in the market to reduce any possible future losses due to volatility, as well as take advantage of alternative investment opportunities permitted by the Investment Regulations.



Natural disasters such as droughts, hurricanes, heat waves, wildfires, and floods as well as changes in government policies to address same, are expected to impact the global economy and thus investment returns. As climate change becomes a growing concern globally, there exists a threat to the long-term sustainability of pension assets and ultimately the Jamaican economy. Pension plan investments in companies whose operations could be severely affected by climate-related events could increase the plan's downside risk exposure and could result in a decline in investment returns in the event of a natural disaster. Similar events could hinder a plan sponsors' operations, especially those that are dependent on fair weather conditions for production, and in turn, affect their ability to fulfill their obligations to members. To mitigate against climate risk, when selecting investments, trustees must continue to actively consider environmental, social, and governance factors in the investment process as stipulated by the Investment Regulations, and the impact the factors may have on the future viability of the plan as well as members' benefits. Further, it is recommended that trustees examine their current exposure to these risks by analyzing the potential financial performance of investments held in their portfolios with respect to projected climate change scenarios.



SUMMARY

As at June 30, 2021, the total value of assets in the Jamaican private pensions industry amounted to \$695.74 billion, a 3.23% increase which has brought total assets within close proximity to values reported prior to the pandemic. Also, private pension coverage remained the same over the quarter due to marginal increases in both plan membership and the employed labour force. As the industry's assets continue to recover, prudence must be priority, as the economic outlook remains tenuous due to the prolonging of the pandemic.

The FSC will continue to fulfill its mandate of supervising the industry, and partner with trustees, sponsors, agents and other stakeholders, to foster stability within the industry and ultimately protect the benefits of pension plan members.

Insurance Quarterly Report- June 2021

Overview of the Insurance Sector

There were eighteen registered insurance companies at June 30, 2021. However, only seventeen were operational. The six (6) life insurance companies continued their dominance within the insurance sector, accounting for 78 per cent of the sector's total assets, while the general insurance companies accounted for 22 per cent as at end June 2021.

Life Insurance

Invested assets for the life insurance companies grew by 3.1 per cent to \$335.4 billion as at June 30, 2021 from the \$325.2 billion as at June 2020. Aggregate total assets increased by 4.8 per cent to \$377.3 billion as at end June 2021. Combined capital rose by 7.3 per cent to \$123.0 billion, from \$114.6 billion at June 2020. Return on capital (ROC) for the life industry, was 7.6 per cent at June 2021 (June 2020: 13.3 per cent) (See Table 3).

For the six-month period ending June 2021, net premiums earned (NPE) for the industry was relatively the same as for the corresponding period in 2020. See Table 1. Aggregate other income declined by 16.3 per cent from the \$4.1 billion recorded for the comparative period in 2020, to reach \$3.4 billion at June 2021. This was mainly due to a drop in a number of miscellaneous income items. Combined net investment income increased to \$13.4 billion from the \$647.7 million for the first 6 months of 2020. This was primarily due to fair value gains as result of the recovery of the equities market.

Consequently, total revenue increased by 32.9 per cent to \$52.6 billion (June 2020:\$39.6 billion). Total expenses excluding taxes for the life insurers rose by 82 per cent to \$43.3 billion (June 2020: \$23.8 billion). The hike in expenses was due to a growth in claims and an increase in net actuarial reserves. Net Income before tax fell 38.6 per cent to reach \$9.3 billion at June 2021, (June 2020: \$15.2 billion).

Table 1 - Statistical Information and Financial Position of the Life Insurance Industry

As at	Jun 20 \$'B	Sept. 20 \$'B	Dec 20 \$'B	Mar. 21 \$'B	June. 21 \$'B	%age Change between June 2020 & June 2021
Balance Sheet						
Total Investment Assets	325.2	322.3	328.3	330.7	335.4	3.1
Total Assets	359.9	360.8	367.3	371.9	377.3	4.8
Insurance Liabilities	95.8	123.6	121.63	124.5	128.1	33.7
Other Liabilities	149.4	122.3	125.54	124.7	126.2	(15.6)
Total Liabilities	245.2	245.87	247.2	249.2	254.3	3.7
Capital & Surplus	114.6	114.89	120.15	122.7	123.0	7.3
Profit and loss (YTD)	Jun 20 \$'B	Sept. 20 \$'B	Dec 20 \$'B	Mar. 21 \$'B	June. 21 \$'B	%age Change between June 2020 & June 2021
Net Premium Earned	35.6	49.5	67.5	17.6	35.8	0.6
Net Investment Income	(0.6)	1.3	8.6	5.5	13.4	2,173.5
Other Income	4.1	4.0	5.0	1.5	3.4	(16.3)
Total Expenses before tax	23.8	30.6	48.4	19.8	43.3	82.0
Net Income before tax	15.2	24.2	32.7	4.8	9.3	(38.6)
Net Income	12.0	19.1	25.8	3.7	7.3	(39.6)

General Insurance

Total assets of general insurance companies were \$106.9 billion as at June 2021. This represents a growth of 8.0 per cent over the amount recorded as at June 2020. Aggregate invested assets increased by 3.0 per cent to \$54.2 billion at the end of the June 2021. (June 2020: \$52.7). Combined total liabilities rose by 9.1 per cent to \$79.0 billion as at end of June 2021 from the \$72.4 billion seen as at June 2020. The accumulated capital base for the sector grew by 7.0 per cent to \$27.9 billion compared to the \$26.0 billion as at June 2020 (see Table 2).

As shown in Table 2, aggregate net premium earned for the six month period that ended June 2021 was relatively the same as the amount seen for the corresponding period in 2020. Driven by unrealised gains as the equities market recovered, combined net investment income increased by 50 per cent to \$1.0 billion in the reporting period. Other income climbed by 56.3 per cent to \$679.4 million as there was growth in miscellaneous line income items. Therefore total revenue was \$12.3 billion, which was 3.8 per cent more than the corresponding period in 2020. With aggregate total underwriting expenses fell by 6 per cent to \$10.4 billion, net income before tax was approximately \$2 billion. (June 2020: \$853.4 million).

Table 2 - Statistical Information and Financial Position of the General Insurance Industry						
As at	Jun 20 \$'B	Sept 20 \$'B	Dec 20 \$'B	Mar' 21 \$'B	Jun' 21 \$'B	%age Change between June 2020 & June 2021
Balance Sheet						
Total Investment Assets	52.7	51.8	52.7	52.9	54.2	3.0
Total Assets	99.0	95.0	93.4	95.5	106.9	8.0
Insurance Liabilities	53.9	53.4	51.9	52.7	59.1	9.6
Other Liabilities	18.5	15.1	14.1	15.5	19.9	7.7
Total Liabilities	72.4	68.5	66.0	68.2	79.0	9.1
Capital & Surplus	26.0	26.4	26.9	27.0	27.9	7.0
Profit and loss (YTD)						
Net Premium Earned	10.8	16.0	21.6	5.3	10.7	(1.1)
Net Investment Income	0.6	1.2	1.9	0.4	1.0	50.0
Other Income	0.4	0.9	1.1	0.3	0.7	56.3
Total Expenses before taxes	11.3	16.3	21.8	5.5	10.6	(5.8)
Income (Loss) before Tax	0.9	1.9	3.2	0.7	2.0	130.8
Net Income	0.5	1.2	2.3	0.5	1.4	188.3

Table 3 - Selected Prudential Ratio for Insurance Companies						
Ratio	20- Jun	20 Sept	20 Dec	21 Mar	21 Jun	FSC Benchmark
Life Companies						
Solvency Ratio	46.7	46.7	48.6	49.2	48.4	≥ 10%
Return on Capital (YTD)	13.3	21.1	27.2	3.9	7.6	≤ 20%
General Companies						
Solvency Ratio	36.0	38.6	40.8	39.3	35.3	≥ 25%
Return on Capital (YTD)	3.3	7.1	13.5	2.7	7.1	≤ 20%
Underwriting Ratio (YTD)	102.1	99.4	98.7	100.9	97.0	≤100%

SECURITIES INDUSTRY JUNE 2021 QUARTERLY SUMMARY

Overview

This section provides information on the securities industry for the quarter ended June 2021

Market Intermediaries

The Financial Services Commission (FSC) had registered forty-six (46) intermediaries¹ to operate in Jamaica as at June 30, 2021. The analysis will concentrate on twenty-nine (29) securities dealer businesses whose primary activity is dealing in securities out of the forty-six (46) regulated intermediaries.

Aggregate balance sheet assets as at the end of June 2021 stood at J\$780.3 billion, reflecting a 3.9 per cent increase over March 2021 quarter and a 16.8 per cent growth over June 2020 levels. Total assets were supported by a capital base of J\$131.9 billion, a growth of 3.3 per cent from the J\$127.7 billion reported for the previous quarter. When compared to the corresponding period last year, capital base recorded a 25.3 per cent increase moving from J\$ 105.3 billion as at June 30, 2020. The changes in both capital and total balance sheet assets indicated a modest increase in market business operations for the June 2021 quarter (See Table 1).

Quarter over quarter, both capital ratios saw a slight decrease despite the uptick in business activities. The Capital to Risk Weighted Asset Ratio (CAR) and the Capital to Total Assets Ratio (C/TA) both fell by 0.1 percentage point, respectively. Year over year, however, while the average CAR remained constant at 22.3 per cent, the C/TA stood at 16.9 per cent; a 1.1 percentage points increase when compared to June 2020 (see Table 2).

Total funds under management (FUM)² was approximately J\$1.42 trillion as at June 30, 2021. This represented a growth of 7.9 per cent and 3.8 per cent when compared to the previous year and quarter respectively (see table 1).

The securities firms' aggregate total revenue (comprising of interest income and other income) of J\$18.6 billion was recorded for the second quarter of 2021, reflecting a 12.7 per cent increase quarter over quarter. Additionally, the figure reported for June 2021 represented a 66.1 per cent increase when compared to the June 2020 returns. The growth in total revenues stemmed from an increase in non-interest income (fees and commission, dividend incomes and capital gains) for June 2021 when compared to both the previous quarter and corresponding period of 2020,

Additionally, total expenses saw a quarter over quarter decrease of 0.9 per cent. This predominantly stemmed from a decrease in operating expenses which stood at J\$6.6 billion as at June 2021 (March 2021: J\$7.2 billion). Conversely, when compared to June 2020 levels, total

¹ These include investment advisors (individual and company) as well as individual dealers.

² This amount includes pension funds and CIS funds managed by core securities dealer companies

expenses rose throughout the reporting period. The uptick in total expenses was due primarily to the rise in operating expenses that accounts for 61 per cent of total expenses for June 2021.

As a result, net profit after tax increased by J\$3.9 billion or 195.0 per cent, moving from J\$2.0 billion in June 30, 2020 to J\$5.9 billion in June 30, 2021 (March 2021: J\$4.0 billion). This return led to a positive return on assets ("ROE") of 4.5 per cent for the quarter ended June 2021 compared to 1.9 per cent for the corresponding period last year and a 3.1 per cent for the previous quarter (see Table 2).

Table 1: Statistical information of the Securities Firms, June 2020 to June 2021

As at	Jun 20 \$'B	Sep 20 \$'B	Dec 20 \$'B	Mar 21 \$'B	Jun 21 \$'B	%age Change between Jun'20 & Jun '21	%age Change between Mar '21 & Jun '21
Balance Sheet							
Total Assets	668.2	728.9	736.9	751.2	780.3	16.8	3.9
Total Liabilities	562.9	605.8	606.8	623.5	648.4	15.2	4.0
Total Capital	105.3	123.1	130.1	127.7	131.9	25.3	3.3
Total Repo Liabilities(including COPs)	464.8	480.4	490.7	516.4	550.5	18.4	6.6
Funds Under Management	1,316.81	1,348.70	1,375.00	1,367.95	1,420.30	7.9	3.8
Profit and loss	Jun 20 \$'B	Sep 20 \$'B	Dec 20 \$'B	Mar 21 \$'B	Jun 21 \$'B	%age Change between Jun'20 & Jun '21	%age Change between Mar '21 & Jun '21
Total Revenue	11.2	15.7	17.1	16.5	18.6	66.1	12.7
Non-Interest Income	4.7	9.7	10.7	10.0	11.3	140.4	13.0
Total Expense	8.4	9.2	10.0	11.0	10.9	29.8	-0.9
Total Interest Income	6.5	6.0	6.4	6.5	7.3	12.3	12.3
Total Interest Expense	4.0	3.8	3.7	3.9	4.3	7.5	10.3
Net Interest Income	2.4	2.2	2.6	2.6	3.0	25.0	15.4
Net Profit	2.0	6.1	4.2	4.0	5.9	195.0	47.5

Table 2: Selected Prudential Ratio for Securities Firms

Ratio	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	FSC Benchmark
Capital/Risk Weighted Asset	22.3%	28.7%	22.8%	22.4%	22.3%	≥ 14%
Capital/Total Assets	15.8%	16.9%	17.7%	17.0%	16.9%	≥ 6%
Return on Equity	1.90%	5.0%	3.2%	3.1%	4.5%	N/A

DIGITAL BANKING

More Jamaicans encouraged to do Digital Banking

- Chanel Spence, Jamaica Information Service

More Jamaicans are being encouraged to become a part of the formal banking system by reaping the rewards available through digital banking.

The call came from the Ministry of Finance and the Public Service at the second staging of their virtual Wealth Summit on Wednesday (October 20), with a focus on Digital Financial Inclusion.

Delivering opening remarks at the event, Minister of State in the Ministry of Finance and the Public Service, Hon. Marsha Smith, emphasised that the summit is important to the thrust of the Ministry to improve the financial literacy of all Jamaicans.

“The change brought about by COVID-19 has forced Jamaicans to go digital to keep the economy going. Jamaicans now have to access many services online instead of in person. While many of us have transitioned successfully to doing business online, a lot of us are still struggling with the digital world,” she said.

Ms. Smith pointed out that the summits are created to help Jamaicans find financial stability and a road to recovery due to the challenges experienced by the COVID-19 pandemic.

“The World Bank describes digital inclusion as the deployment of cost-saving digital means to reach financially excluded and underserved populations with a range of formal financial services suited to their needs that are responsibly delivered at a cost affordable to customers and sustainable to providers,” she said.

She added that the summit is aimed at clearing up the confusion that exists with how Jamaicans can participate in the digital economy.

“There is no need to stay away from the digital economy. What we simply need are the tools and the information as to how to adapt to this economy to suit our own purposes. After all, it is the Government of Jamaica’s thrust to ensure that much of its own services become digital and so as one of the largest providers of services in the country, you will eventually need to become a digital participant in the economy in order to access government services,” the State Minister said.

The Wealth Summit is part of a free quarterly series put on by the Ministry, geared at improving the financial literacy of Jamaicans. The event was live streamed on the Finance Ministry and the Jamaica Information Service (JIS) Facebook and YouTube pages.

Presentations were made by various members of the public and private sectors. Persons can check on upcoming summits to be staged by visiting the Ministry’s landing page.

2.3 Per Cent Inflation Out-Turn for September

- Douglas McIntosh, Jamaica Information Service

The Statistical Institute of Jamaica (STATIN) is reporting that the inflation rate for September 2021 was 2.3 per cent.

Director General, Carol Coy, said that the out-turn was largely due to a three per cent increase in food and non-alcoholic beverages, the heaviest weighted division in the consumer price index (CPI).

“This is the largest increase recorded for this division since the new CPI basket was introduced in April 2020,” she said, during STATIN’s digital quarterly media briefing on Wednesday (October 20).

Ms. Coy informed that the increase in the food and non-alcoholic beverages index was due mainly to a 3.1 per cent increase in the “food” group.

“The class ‘vegetables, tubers, plantains, cooking bananas and pulses’ increased by 9.9 per cent. This increase resulted from higher prices for some agricultural produce such as tomato, cabbage, carrot and sweet pepper,” she indicated.

Other notable increases recorded in the food group were for the categories fruits and nuts, up 4.3 per cent; meat and other parts of slaughtered animals, fish and seafoods, and oils and fats, up 0.9 per cent; and cereals and cereal products, up 0.6 per cent.

Also contributing was an 8.1 per cent increase in the index for the ‘Transport’ division.

Ms. Coy told journalists that this was due to the 15 per cent increase in bus, route taxi and hackney carriage fares granted by the Government, noting that “this movement was, however, tempered by lower petrol prices”.

Additionally, she said the division ‘Housing, Water, Electricity, Gas and other Fuels’ increased by 0.8 per cent, largely due to increased electricity, water and sewerage rates.

Meanwhile, the ‘Education’ division moved up by 2.4 per cent, due to a rise in tuition fees at the start of the 2021/22 academic year.

“The point-to-point inflation rate (September 2020-September 2021) was 8.2 per cent. This was influenced by the point-to-point inflation rate for the divisions ‘Food and Non-Alcoholic Beverages’, up 10.2 per cent, ‘Transport’, up 13 per cent, and ‘Housing, Water, Electricity, Gas and other Fuels’, up 6.6 per cent,” Ms. Coy said.



Regulating Utilities for the Benefit of All

FOR IMMEDIATE RELEASE

**Jamaica Stock Exchange's Managing Director to Open OUR's
Customer Service & Complaints Handling Symposium**

(KINGSTON, Jamaica; 2021 October 27): Managing Director of the Jamaica Stock Exchange, Mrs. Marlene Street Forrest will be the guest speaker at the Office of Utilities Regulation's (OUR) 5th Annual Symposium on Customer Service and Complaints Handling to be held on 2021 November 3.

The event will take the form of a mini conference, including two round table sessions with consumer affairs counterparts from regulatory agencies in Bahamas and Florida as well as speakers from local service providers, who will share their experience in complaints handling and customer experience. The theme of the event is, "Excellent Customer Service Delivery – Future Trends."

The line-up of speakers include: Jeffery Smith, Regional Manager, National Water Commission; Terry-Kay Datadeen, Quality Assurance and Training Team Leader, Digicel Jamaica; Shanique Donaldson McIntosh, Manager, Customer Experience, Jamaica Public Service Company Limited; Sophia Morgan, Senior Manager, Customer Experience, FLOW and Naomi Watkins, Co-ordinator, Consumer Affairs (Operations), OUR. Other speakers are: Mavis Johnson Collie, International Relations Adviser, Utilities Regulation & Competition Authority (URCA), Bahamas, Stephanie Bolton, Director, Consumer Affairs Division, Maryland Public Service Commission and Yvonne Nicholson, Director, Consumer & Public Affairs Department, OUR. The event will be moderated by Rochelle Cameron, Attorney-at-Law and Consultant.

In 2017, the OUR organized the first Symposium on Utilities Customer Service based on the findings of its 2016 National Consumer Satisfaction Survey which revealed that customers did not generally think highly of the service they received from their utility providers. In relation to customer satisfaction, most respondents rated their utility providers as poor performers. Given these findings and in keeping with the organisation's efforts to continually implement policies aimed at improving the quality of service delivered to utility consumers, the OUR in 2017 July and August, conducted a Mystery Shopping (MS) survey. This measured, among other things, the current levels of in-store customer service provided by the regulated utility providers and customer satisfaction in relation to the provision of prescribed utility services, such as service quality, specifically, customer experience. The findings of the MS Survey revealed that none of the utility service providers were delivering an above average customer service experience.

The first Annual Symposium created an environment where customer service representatives from the OUR, as well as major and private utility providers could converge to examine utilities customer service issues with a view to improving the quality of customer service.

Each year the Symposium provides a space for discussions between the regulator and the service providers to develop processes and procedures to improve the customer service experience of utility customers. It also provided a platform for the collaborative development of a Code of Practice, which,

when finalized, will be adopted by the OUR and large and small utility service providers.

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Contact: Elizabeth Bennett Marsh – Public Education Specialist: 876-968-6053

Understanding Jamaica's Financial Sector



Fiñaññcial Forum

November
8 & 15 2021

at 10:00 AM



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Director - Stakeholder
Engagement, Communication
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Sanya Goffe

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Melanie Williams

Coordinator - National
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Dr. Mark Jamison

Economic Regulatory Expert -
University of Florida



David Answer

Communications
Officer - FSC



Orville Johnson

Executive Director -
Insurance Association
of Jamaica

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Foreign Exchange Summary

as at October 22, 2021

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.81	1.37	1.16
Barbados (BBD)	2.03	1.64	2.81	2.37
Belize (BZD)	2.02	1.65	2.80	2.36
Guyana (GYD)	218.00	170.57	290.32	245.03
Haiti (HTG)	100.91	81.24	134.78	116.79
Jamaica * (JMD)	154.26	125.51	212.78	181.55
OECS (XCD)	2.71	2.19	3.71	3.13
Suriname (SRD)	21.58	17.33	30.03	23.95
T&T (TTD)	6.80	5.89	9.88	8.37

*Rates applicable for Customs & GCT purposes

Business News In Brief

Regional tourism set to rise by 47.3% in 2021

The World Travel & Tourism Council (WTTC) says the Caribbean's travel and tourism sector is recovering at a faster rate than any other region in the world, with its contribution to GDP expected to rise 47.3% in 2021, relative to 30.7% globally. The Caribbean region is expecting increased yields of nearly US\$12 billion for 2021, driven by both international and domestic travel spend. However, current performance still trails 2019, where travel and tourism represented more than 14% of the region's GDP contributing more than US\$58 billion." [\(LOOP\)](#)

Cayman Islands reopens border on November 20

The Cayman Islands border will reopen on November 20, Premier Wayne Panton has announced. At that point, all quarantine requirements will be lifted for most vaccinated travellers entering the jurisdiction as the island moves to Phase 4 of government's reopening plan. According to the Premier, Cayman was on the cusp of reaching the 80% vaccination target and he expects that threshold will be reached before November 20. Tourism Minister Kenneth Bryan confirmed that visitors will still be required to show proof of a negative PCR test within 72 hours of arrival and proof of vaccination. There are now four airlines with confirmed routes to the Cayman Islands, namely, British Airways, JetBlue, Air Canada and Cayman Airways. [\(CC\)](#)

TT looks to property taxes for significant revenue

Trinidad and Tobago is targeting property taxes in its current fiscal year (FY 2022) as a significant revenue stream. Currently no property tax is being collected, with focus being placed on valuation rolls. All property owners are required to file an annual property tax valuation form with a deadline of November 30. To date 127,969 property owners and occupiers have submitted return forms which is below the 50% threshold Finance Minister Colm Imbert has established for each category of property to commence collections. The property tax levy is a prescribed percentage of the Annual Taxable Value of the respective properties at the following rates: Residential (3%); Commercial (5%); Industrial with building (6%); Industrial without building (3%) and Agricultural (1%). Annual Taxable Value (ATV) is the Annual Rental Value at which a property will let from year to year after a deduction of 10% for Voids. All properties in Trinidad and Tobago are deemed to have a rental value. The rental value is a calculation of the rent the property will obtain on the open market (if it were put up for rent). [\(TE\)](#) [\(LOOP\)](#)

Corporate Movements

⇒ Stationery & Office Supplies Limited has appointed Allan McDaniel as Managing Director effective October 15, 2021 ;

Jamaica's inflation rate jumps to 8.2%

Jamaica has recorded an inflation rate of 2.3% for the month of September resulting in a point-to-point inflation rate of 8.2% — a rate well above the Bank of Jamaica's target of 4 to 6%. That was the highest one month increase in consumer prices in Jamaica since September 2013, when prices rose 2.8%. According to the Statistical Institute of Jamaica the movement in the All-Jamaica Consumer Price Index (CPI) was largely due to an increase of 3.0% in the heavily weighted 'Food and Non-Alcoholic Beverages' division. Increases in the index for the divisions: 'Transport' (8.1%), 'Housing, Water, Electricity, Gas & Other Fuels' (0.8%), and 'Education' (2.4%), also contributed to the overall inflation rate. On a point-to-point basis 'Food and Non-Alcoholic Beverages' increased by 10.2%, 'Transport' (13.0%) and 'Housing, Water, Electricity, Gas and other Fuels' (6.6%). The fiscal year-to-date inflation rate was 6.6%, while the calendar year-to-date inflation rate was 7.1% for the review period. The CPI measures relative changes in the prices of consumer goods & services. [\(STATIN\)](#)

Stock Market Summary

as at October 22, 2021

Jamaica Stock Exchange

Overall Market activity resulted from trading in 53 stocks of which 25 advanced, 21 declined and 7 traded firm. Market volume amounted to 9,856,555 units valued at over J\$101,827,765.96. Wigton Windfarm Ltd Ordinary Shares was volume leader with 2,871,670 units. The JSE Index declined by 2,627.64 points (0.65 %) to close at 400,578.43.

Jamaica Junior Stock Exchange

Overall market activity resulted from trading in 32 stocks of which 15 advanced, 11 declined and 6 traded firm. Market volume amounted to 8,337,540 units valued at over J\$23,193,961.31. Index closed at 3,302.13.

Barbados Stock Exchange

1 security declined as 1,600 shares traded on the Regular Market, with a total value of \$880. Eppley Caribbean Property Fund SCC - Value Fund was the sole security trading. Index closed at 2,426.67.

Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 15 securities of which 2 advanced, 8 declined and 5 traded firm. Trading activity on the First Tier Market registered a volume of 126,898 shares crossing the floor of the Exchange valued at TT\$3,755,057.90. NCB financial Group Ltd was volume leader with 45,576 shares changing hands for a value of TT\$367,306.33. The All T&T Index declined by 8.56 points to close at 1,928.22 and the Composite Index declined by 4.43 points to close at 1,418.54.

Guyana Stock Exchange

1 stocks advanced and 3 traded firm as 46,645 units crossed the floor. Banks DIH (DIH) was volume leader with 10,292 shares traded. The LSI closed at 965.42.

Eastern Caribbean Securities Exchange (ECSE)

2 stocks traded a total of 370 shares. Grenada Electricity Services Ltd was volume leader with 250 shares.

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

Editorial Manager: Joseph Cox ; Email: tei.info@caricom.org

Business News In Brief

CARICOM commodity exporters to grow by 21.1% in 2022

According to the October 2021 issue of Regional Economic Outlook for Latin America and the Caribbean (LAC), published by the IMF, the economic performance was robust in the first quarter of 2021 but lost momentum in some countries in the second quarter, reflecting the rebound in COVID-19 cases. Real GDP for the LAC is projected to grow by 6.3% in 2021, followed by a more moderate growth of 3% in 2022. Specifically, tourism dependent economies in the Caribbean are slated to grow by 2.3% in 2021 and by 4.1% in 2022 whereas commodity exporting economies in the Region are slated to grow by 5.6% in 2021 but accelerating to 21.1% in 2022. Broadly favorable external conditions, high commodity prices, and pent-up demand support short-term growth, while monetary and fiscal policy reversals would be inimical to economic growth. ([IMF](#))



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Primer for Business](https://www.caricom.org/the-new-normal/)**

<https://www.caricom.org/the-new-normal/>

Legislative amendment allows for virtual AGMs

The Jamaican Senate on October 22, approved the Companies (Amendment) Act, 2021, to allow a company in Jamaica to hold general meetings in a hybrid format, that is in -person and virtually, or as completely electronic meetings. General meetings include annual general meetings (AGMs) or extraordinary general meetings (EGMs). The legislation was passed with 3 amendments. Minister of Foreign Affairs and Foreign Trade, Senator Kamina Johnson Smith, who piloted the Bill, said it allows companies to leverage technology for business continuity and legal compliance while preserving shareholders' rights and safety. Such meetings (virtual-only meeting or a hybrid meeting) can only be held unless expressly prohibited by the articles of a company. ([LOOP](#))

International Oil Prices as at October 22, 2021

Futures	Price	US\$ Change	Change %
WTI Crude	US\$84.03	+1.41	+1.71
Brent Crude	US\$85.77	+1.02	+1.20
OPEC Basket	US\$83.36	+0.06	+0.07
Natural Gas	US\$5.31	+0.11	+2.12



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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.