



An International Monetary Fund (IMF) staff team led by Uma Ramakrishnan visited Kingston from December 3 to 7, 2018, to take stock of progress on Jamaica's economic reform program supported by the IMF's precautionary [Stand-By Arrangement](#) (SBA). At the end of the visit, Ms. Ramakrishnan issued the following statement:

"Positive developments continue to sustain Jamaica's economic reform program. The unemployment rate is at an all-time low of 8.4 percent, with significant gains among women and younger workers. Inflation is in the Bank of Jamaica's (BOJ) target range of 4–6 percent. Gross international reserves were at US\$3.4 billion at end-November. Growth for this fiscal year is expected to be 1½–2 percent. Looking ahead, lower global oil prices, if sustained, should support a narrower current account deficit and support domestic demand.

"Continued buoyancy in tax revenue is supporting more capital spending, helping economic activity and living standards. Public debt is expected to fall below 100 percent of GDP by the end of this fiscal year, for the first time since FY2000/01.

“Protracted wage negotiations with the unsettled groups, however, pose risks to this positive picture as they create budgetary uncertainty. This could weigh against efforts to reallocate resources away from the wage bill and toward priority spending areas such as crime, social protection, and disaster resilience. Beyond the current wage negotiations, more fundamental reforms to the compensation framework for public sector employees and a streamlining of government functions, will be necessary to sustainably reduce the wage bill.

“The BOJ and the Financial Services Commission (FSC) are jointly undertaking a risk-based pilot program for consolidated supervision, informed by the recent IMF’s Financial Sector Assessment Program (FSAP). There is also close cooperation between the BOJ and the FSC aimed at better monitoring and sharing of financial sector regulatory information.

“During the visit, the team met with Prime Minister Andrew Holness, Minister of Finance and the Public Service Dr. Nigel Clarke, Bank of Jamaica Governor Brian Wynter, and Jamaica’s high-level officials from different ministries, agencies and the central bank. The team also engaged with members of the private sector, labor unions, and the opposition.

“We would like to thank the Jamaican authorities for their continued hospitality and frank discussions.”

*** - FMI