

Jamaica Investment Forum 2015
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SHAPING UP FOR GLOBAL OPPORTUNITIES

Jamaica's Growth Strategy



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Jamaica's Economic Reform Program: removing impediments to growth

- High debt
- Financing risks
- Crowding out
- Uncompetitive exchange rate
- Unsustainable balance of payments
- Red tape

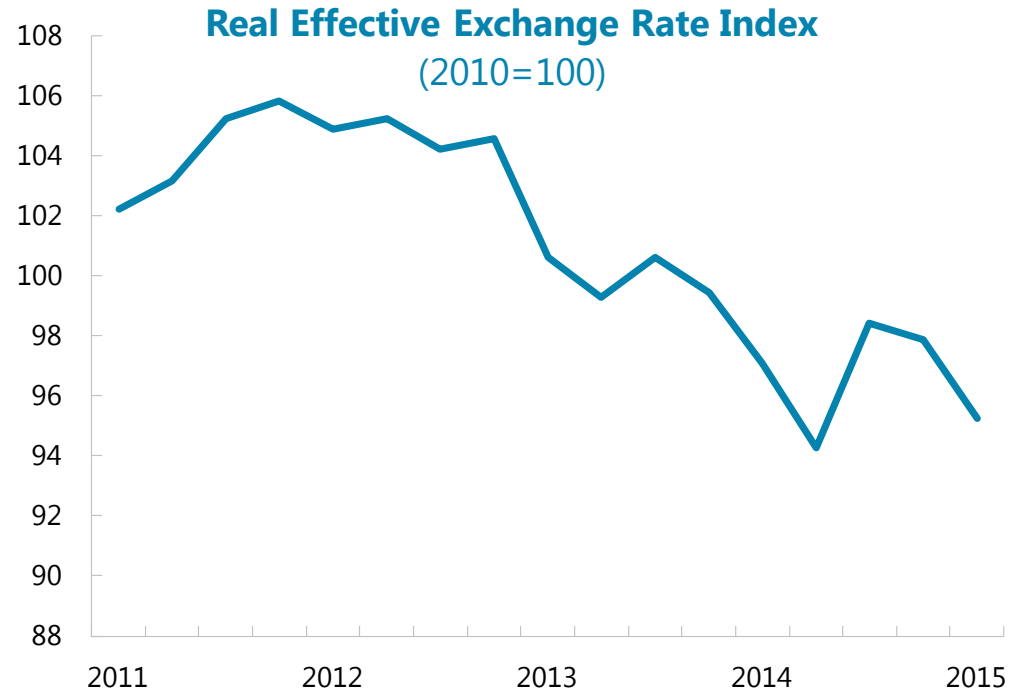
A very strong first half of the marathon

- IMF support (US\$950 million and a four-year program) since May 2013
- Exceptional performance thus far
- Broad partnership
- 6 reviews completed, 8 more to go

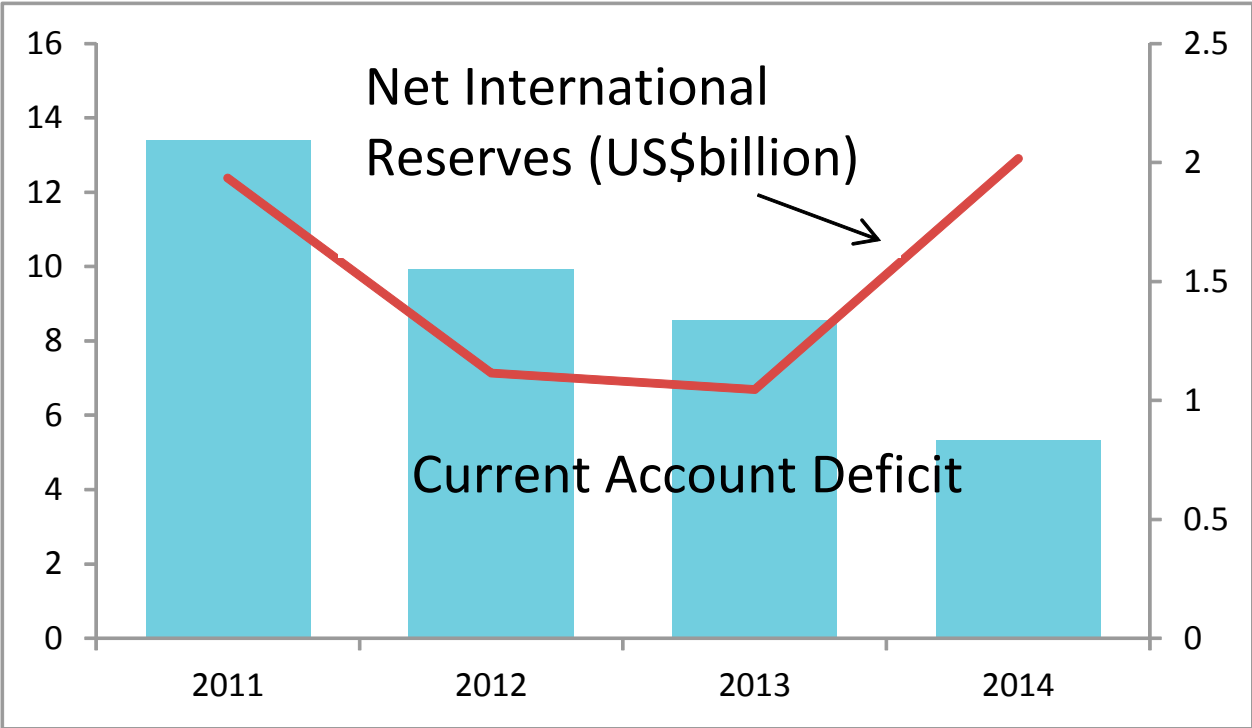
Results 1: Business climate is improving

Faster construction permits

Jamaica's costs of production are declining relative to trading partners



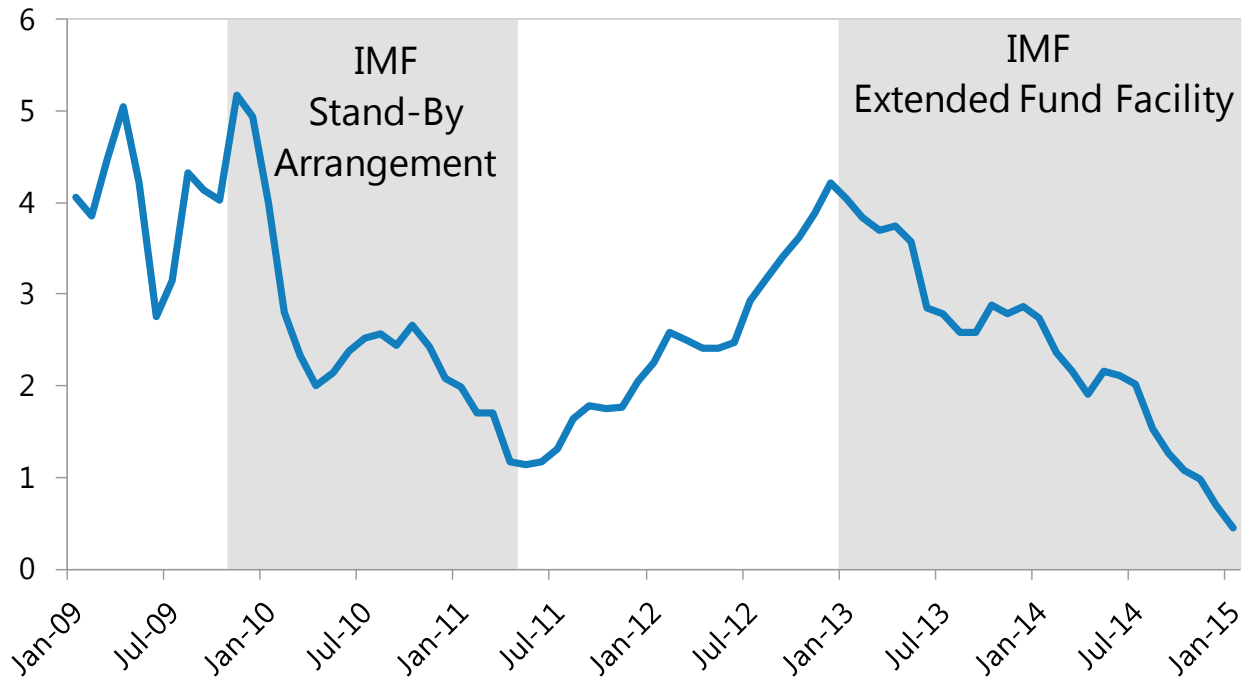
Results: 2. Strengthened external position



Results 3: Government has regained financial viability

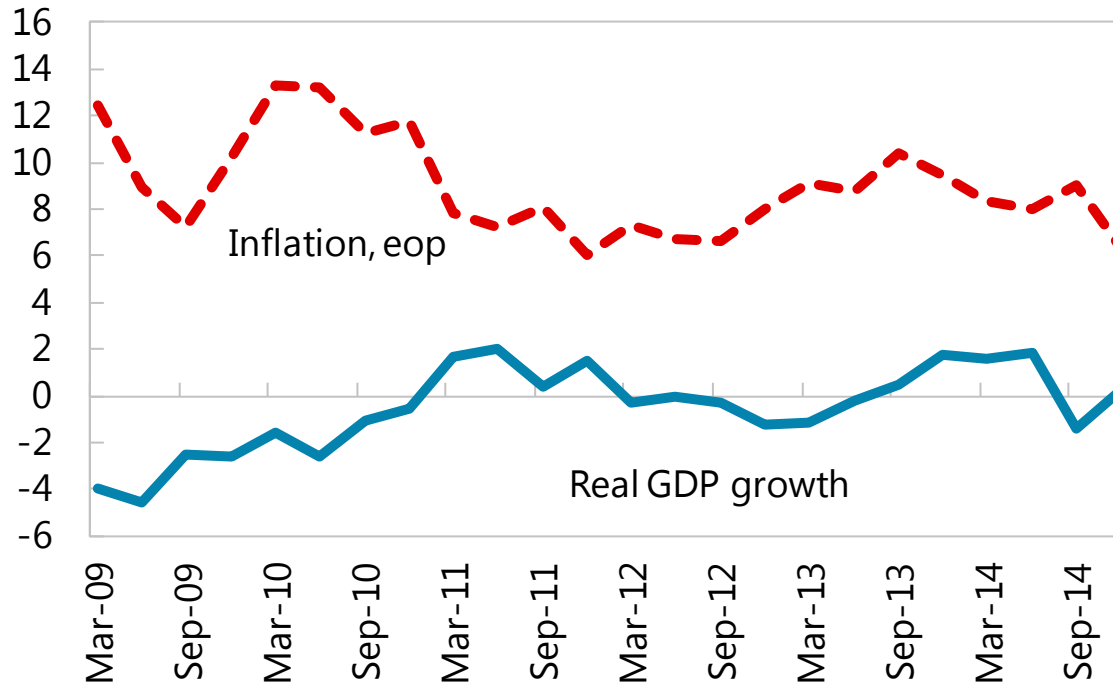
Jamaican Bond Spreads

(EMBIG Yield minus average EMBIG yield for all emerging market economies)



Source: Bloomberg.

Real GDP Growth, Inflation, and Unemployment (percent change)



Global Tailwind 1: Relatively Solid US Growth

WEO Real GDP Growth Projections (January 2015)

(percent change from a year earlier)



World



U.S.



Area



Japan



Brazil



Russia



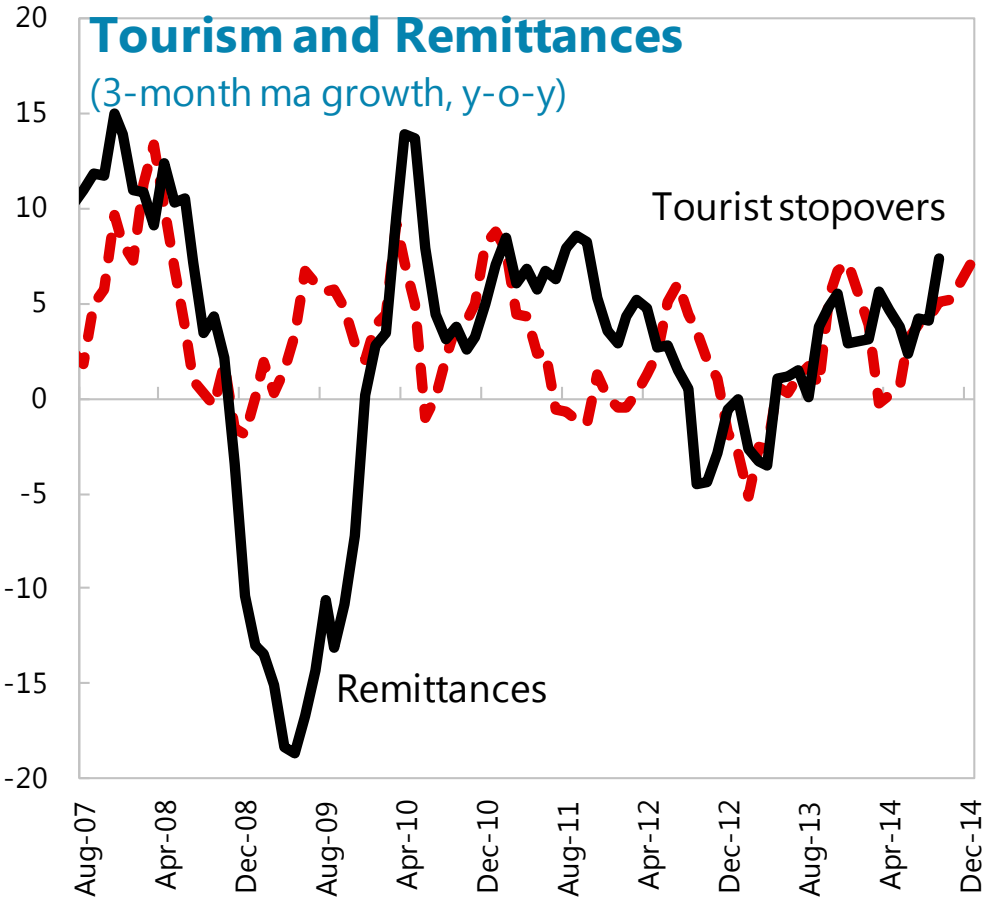
India



China

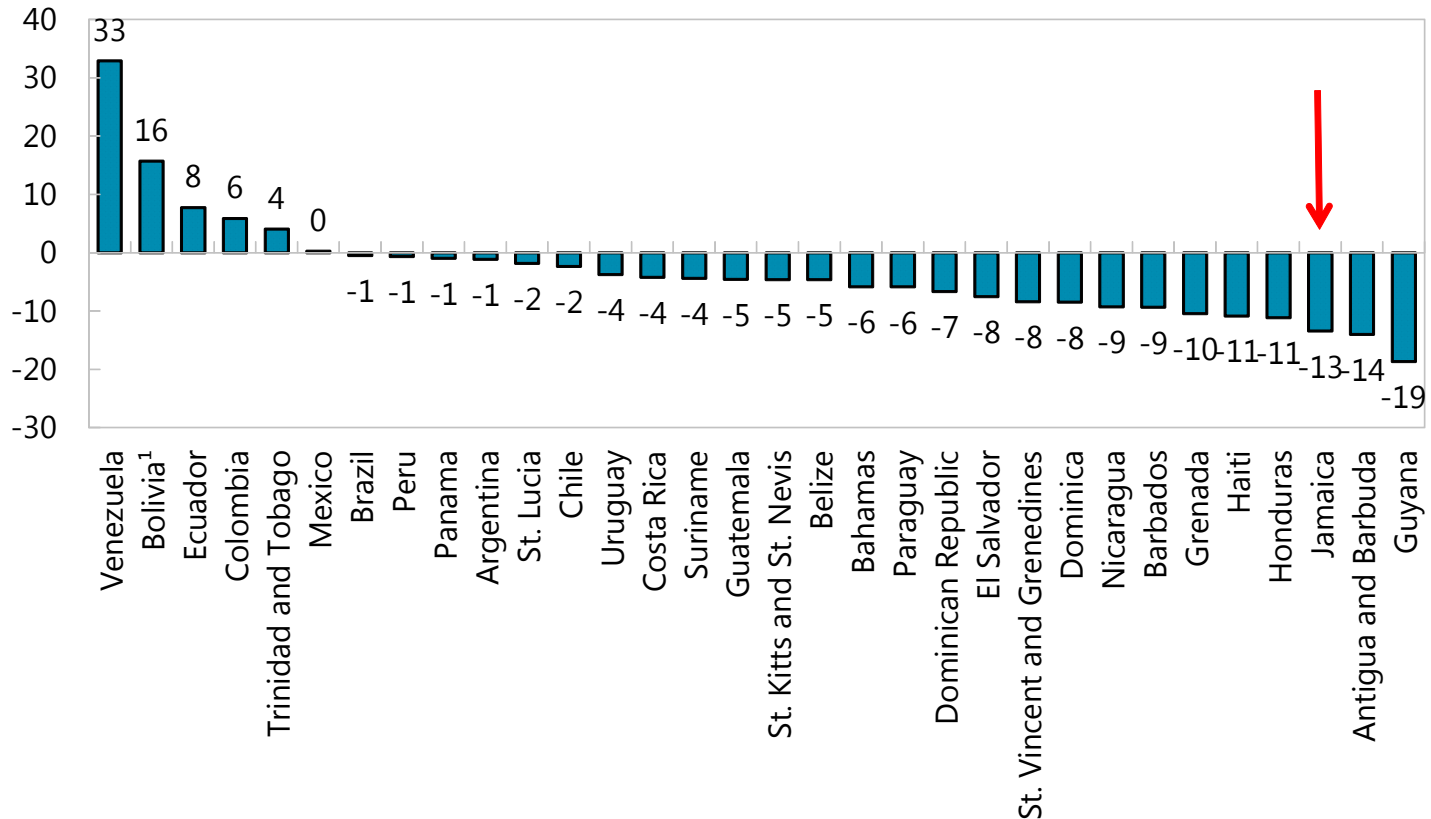
2013	3.3	2.2	-0.5	1.6	2.5	1.3	5.0	7.8
2014	3.3	2.4	0.8	0.1	0.1	0.6	5.8	7.4
2015	3.5	3.6	1.2	0.6	0.3	-3.0	6.3	6.8

Robust US growth: buoyant external inflows for Jamaica



Global Tailwind 2: The plunge in oil prices, a boon for oil-importers

Net Oil Exports, 2014
(Percent of GDP)



Sources: IMF, *World Economic Outlook*; and IMF staff calculations.

¹ Bolivia includes natural gas exports.

A positive outlook

- Jamaica's economic reform program well underway
- Watershed reforms have already been implemented, with long lasting impact
- Will foster an environment for higher private-sector led growth
- Jamaica has IMF's confidence and support
- Global environment and emerging gains from reforms

Jamaica on the right track



Photo from Jamaica Observer