

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

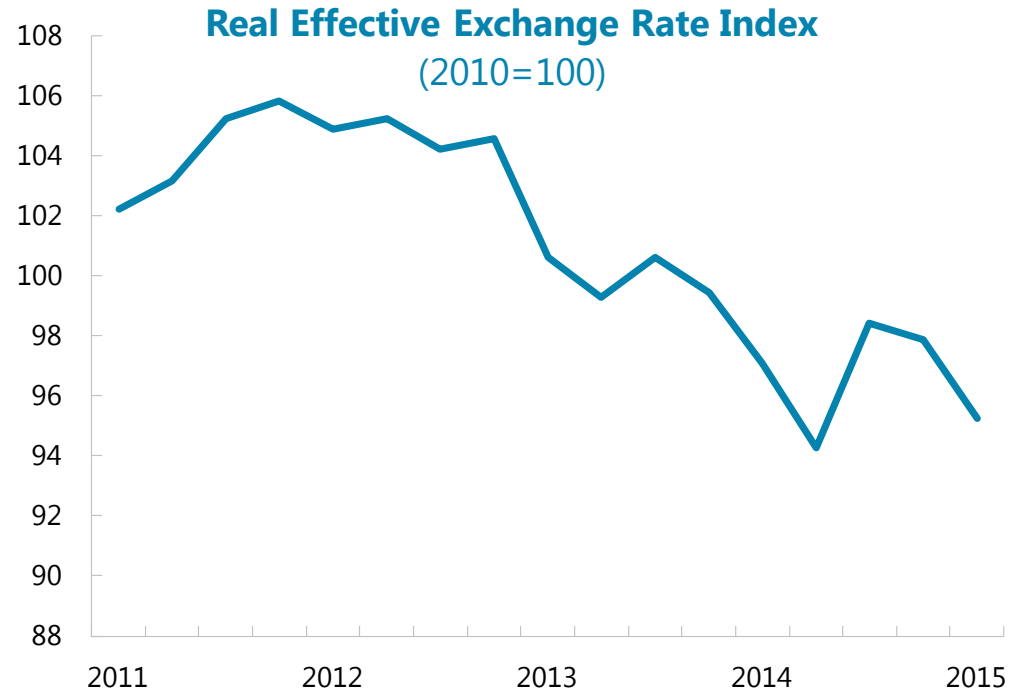
# A very strong first half of the marathon

- 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

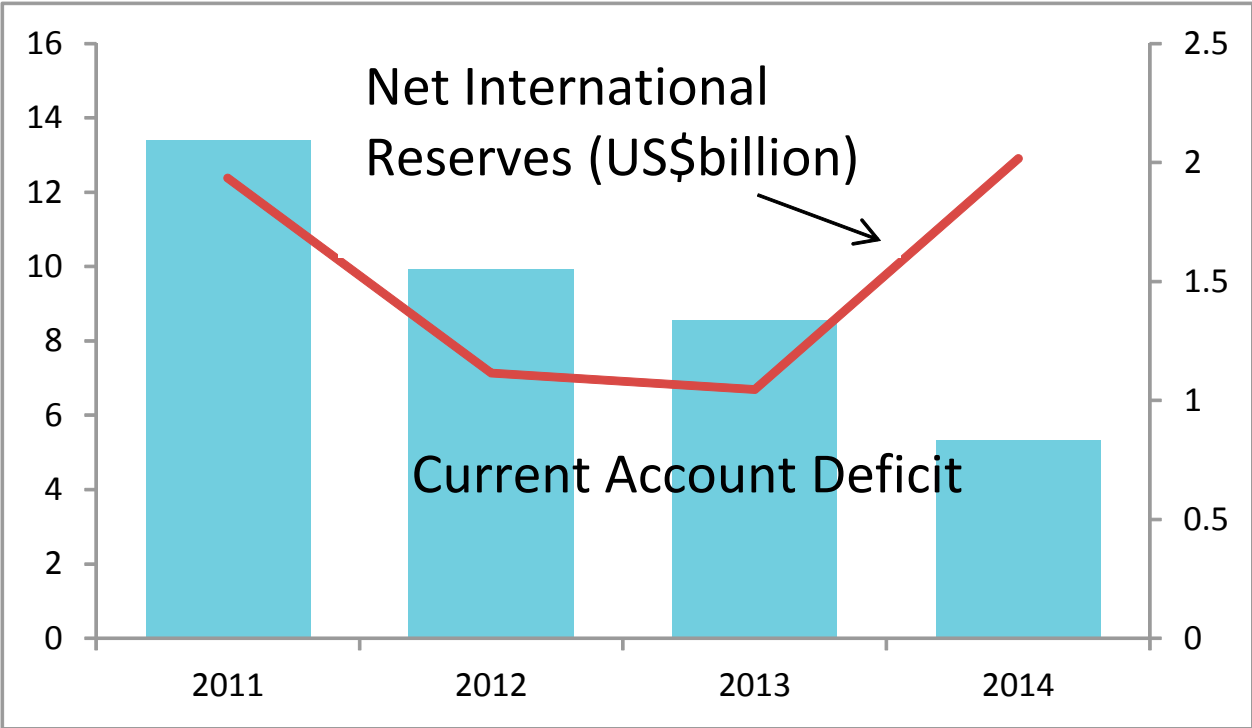
# Results 1: Business climate is improving

Faster construction permits

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



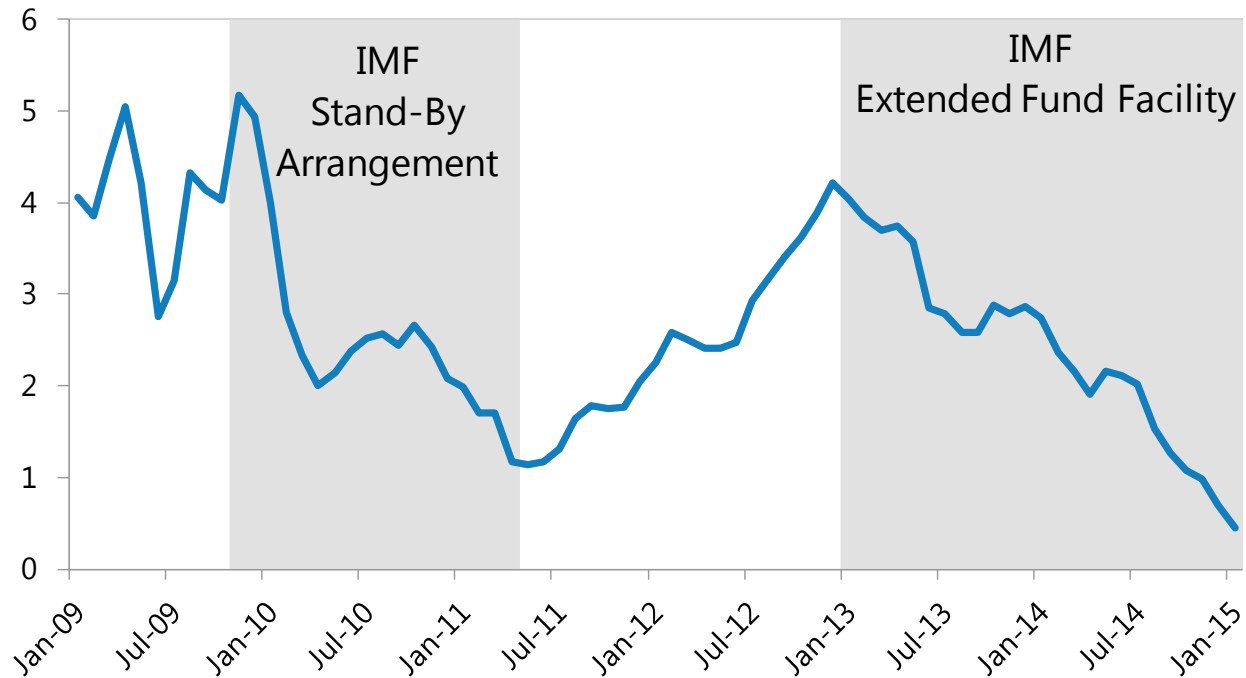
# Results: 2. Strengthened external position



# Results 3: Government has regained financial viability

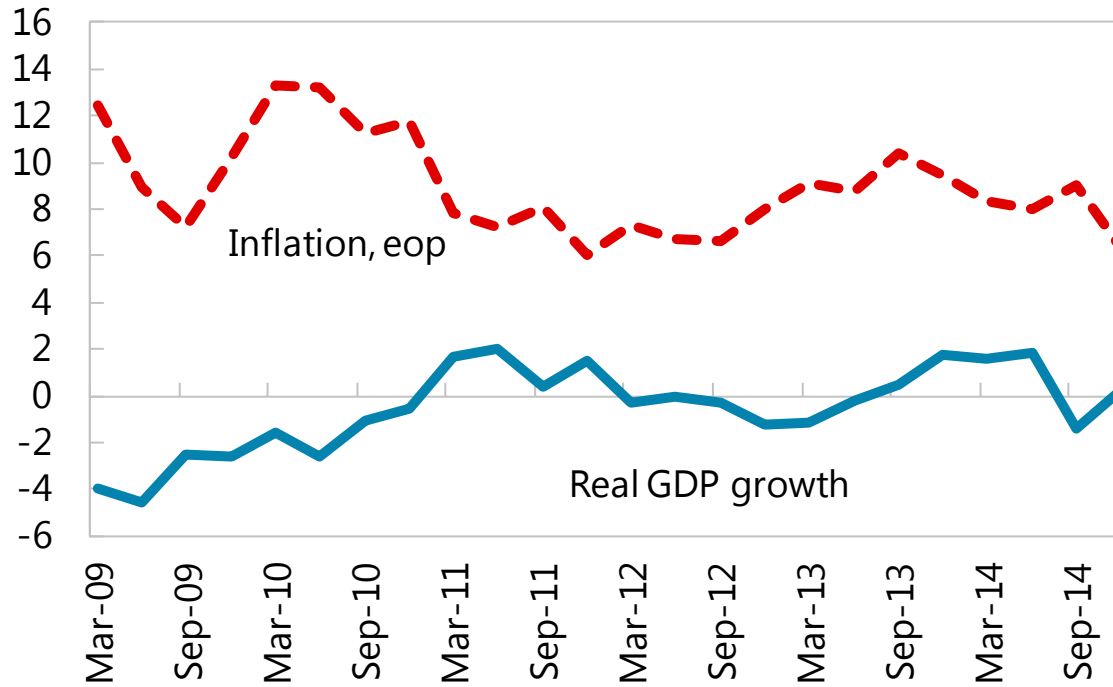
## Jamaican Bond Spreads

(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

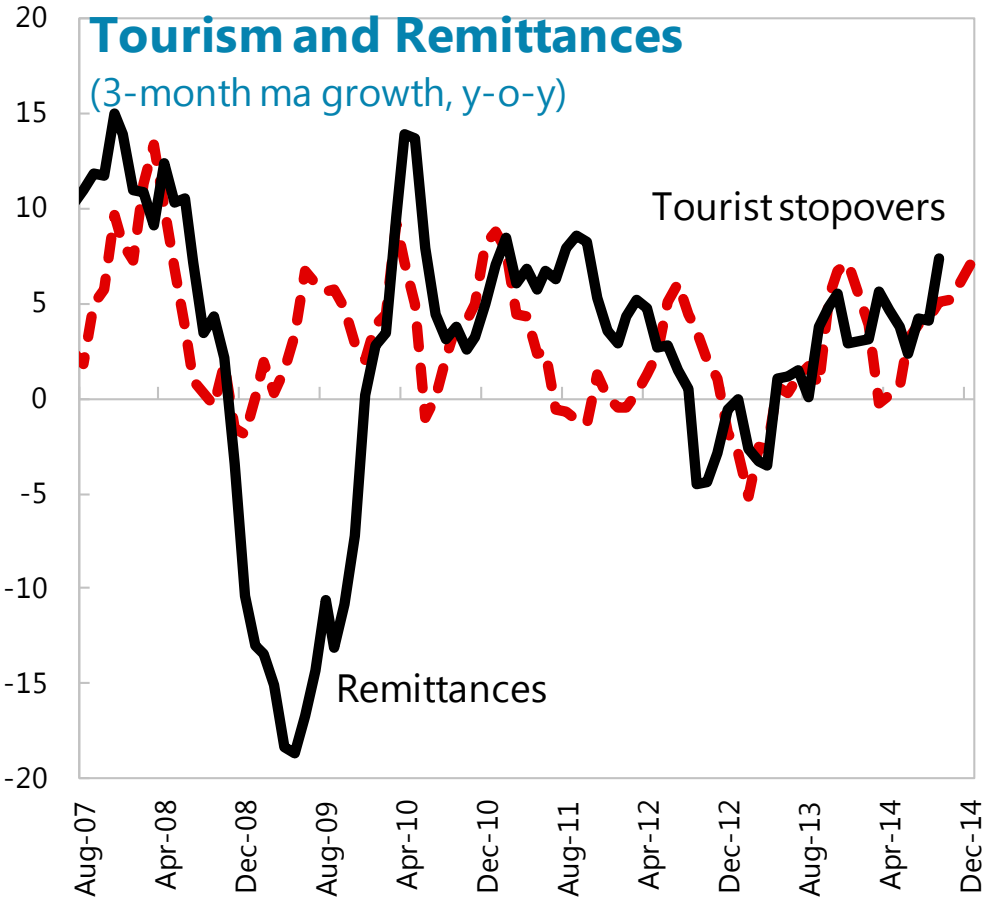


China

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

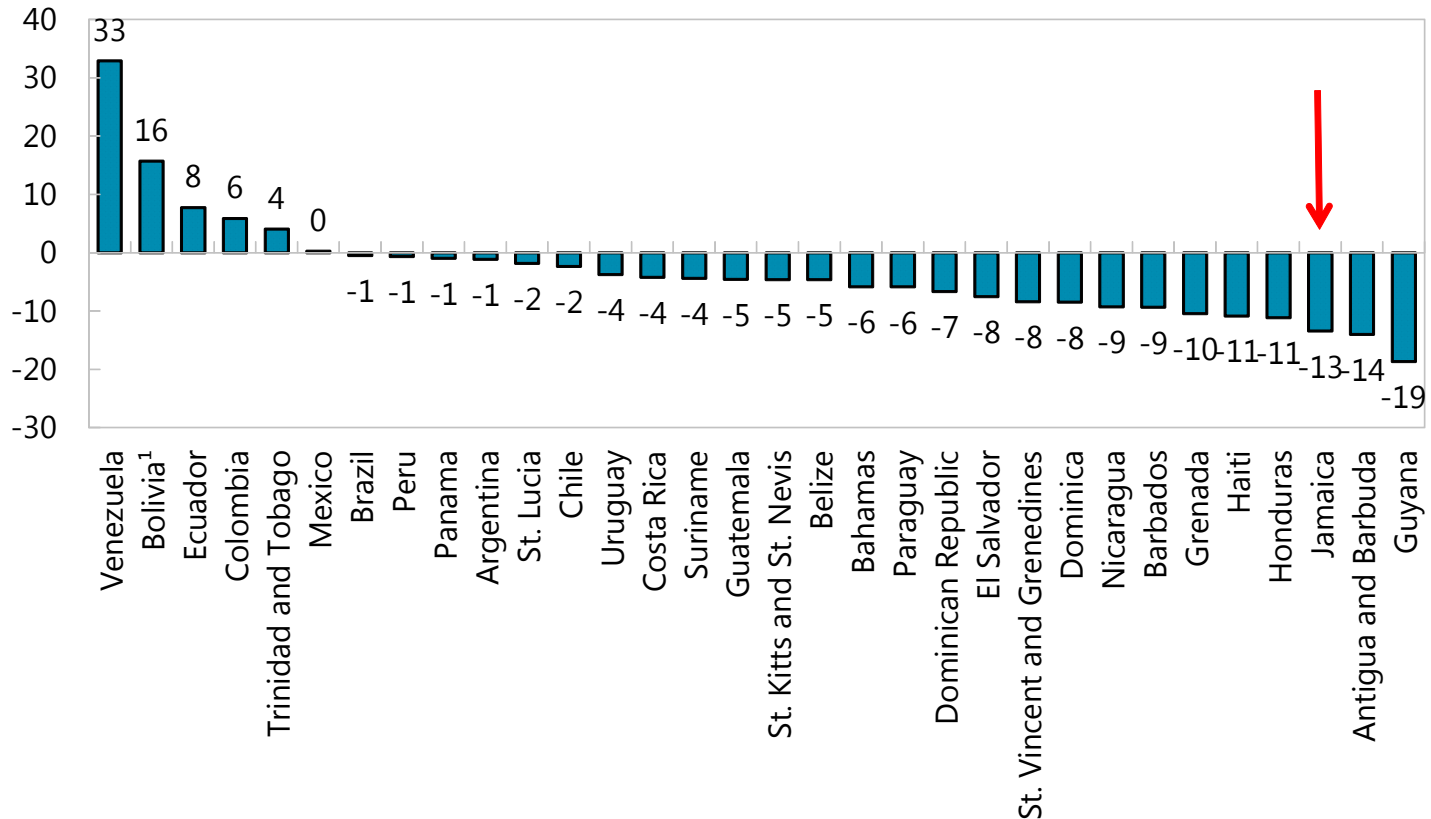


# Robust US growth: buoyant external inflows for Jamaica



# 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.

<sup>1</sup> 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