

Economic Alert iQ

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Regional

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The Results are in:

- The Jamaica Labor Party (JLP) has won the 2016 General Elections after claiming 33 of the 63 constituency seats. Prime Minister elect Andrew Holness is expected to be sworn in as the country's 12th Prime Minister in the coming days. He would be the 9th person to hold this esteemed office.

JLP's Plan:

- Prior to the general elections the JLP outlined a ten point plan, aimed at re-invigorating the anemic economic growth that has been characteristic of the island in the recent years. The main points of the plan are:
 - Reform government and establish a Ministry of Economic Growth and Job Creation. This ministry will ensure that investments are rapidly facilitated to avoid government obstacles.
 - Restore the benefits at the Junior Stock Market to grow equity financing for the expansion of small to medium size businesses in order to stabilize the base for job creation.
 - Reforming the tax system which should see simpler and more friendly business tax environment. Additionally the removal of personal income tax for everyone who earns a gross salary of JMD\$1.5m or less (Approx. TTD80,700.00) has been proposed.
 - The divestment of loss making government entities onto the Jamaica Stock Exchange; including the listing of Urban Development Corporation (UDC) and Factories Corporation of Jamaica.

- Investment in water infrastructure which should reduce the impact of drought on the economy, but also boost agriculture and housing construction.
- Restructuring of the National Housing Trust (NHT), the Housing Agency and the Mortgage Bank to expand affordable housing construction and reduce interest rates on mortgages. Additionally the JLP aims to create a special intergenerational 50 to 60 year mortgage which will make home ownership and payments easier.
- Creation of a special council of investment ambassadors who will be tasked to specially seek out large investors from all over the world and bring them to Jamaica.
- Improving the skills of Jamaicans in order to attract high value investments to sustain long term economic growth. A National Apprenticeship Programme and a National Service Programme would be created where students earn a stipend and gain work experience and certification.
- Advance Jamaica as a digital society and employ the young people that have trained under the national apprenticeship and service programs.
- Revitalize and rebuild town centers and cities with a clear vision and policy. The JLP reiterated its commitment to partnering with the private sector to get this done.

JLP and the IMF:

- Andrew Holness has emphasized that a Government led by him would not abandon the existing agreement with the International Monetary Fund (IMF). **"To be absolutely clear, and to ensure that I am not misconstrued, Jamaica must honour its obligations, and repayment of the debt must be a priority,"** Holness told The Sunday Gleaner, one of Jamaica's daily newspapers. Holness added that Jamaicans must be mindful that it was a JLP administration that initiated a deal with the Fund.

Jamaica's Credit Ratings:

Fitch	S&P	Moody's
B	B	Caa2

Jamaica's Capital Market performance:

- On December 30th 2015, Jamaica Stock exchange was named the best performing Exchange in the world for 2015 having surged approximately 80% for the year. YTD the JSE main index is up 4.63%



Source: Jamaica Stock Exchange

Jamaican Government Bond	Price (USD)	YTD Price Change	Coupon
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Tenor			
2025	108.993	2.26%	7.63%
2028	100.992	3.81%	6.75%

Source: Bloomberg



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