



MANAGING HIGH PUBLIC



THE CASE OF JAMAICA

Presentation by Pamella McLaren

Ministry of Finance & Planning

Seminar on

Preventing and Managing Debt Crisis to Promote Long-Term Sustainability

Santiago, Chile

November 9-10 2011



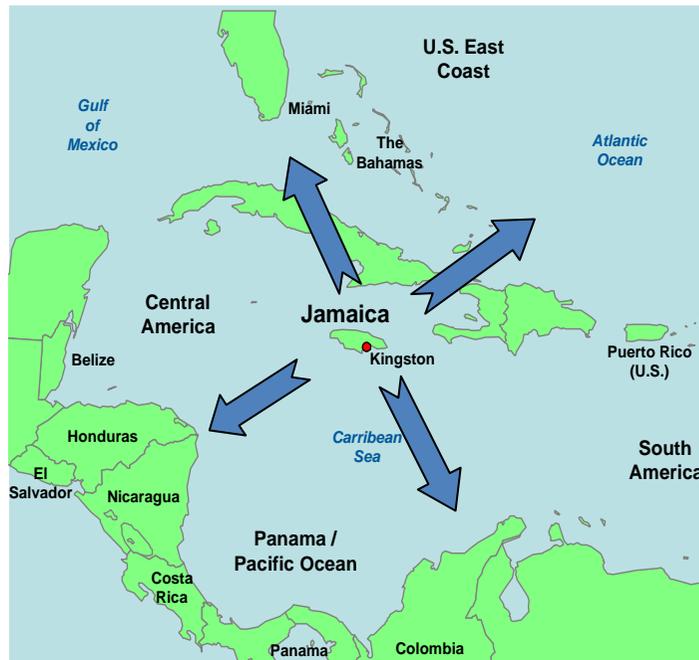
Themes

- Introduction
- Debt Perspectives
 - External
 - Domestic
- Fiscal Dominance
- Managing Jamaica's Debt
 - Jamaica Debt Exchange
 - Institutional Reforms
- Challenges

Jamaica Fact Sheet



Strategic Location: Center of Caribbean & Central America



Prime Minister:	Hon. Andrew Holness
Form of Government:	Parliamentary Democracy
Judicial System:	English Common Law
Continuity of Institutions:	49 Years - uninterrupted democracy since 1962
Last General Election:	September 2007
Current Political Party:	The Jamaica Labour Party
Parliamentary term:	5 years

GDP:	US\$12,510M (2009/10)
GDP per Capita:	US\$4,633 (2009/10)
Population:	2.7 Million (2009)
Territory:	10,991 km ²

FX Rate:	J\$86.40/US\$1 (Sept. 2011)
Inflation:	13.3% (2009/10)
6 month T-Bill Rate:	6.26643% (Oct. 28, 2011)
Net Int'l Reserves	US\$2080.6 mil (Sept. 2011)

JAMAICA'S

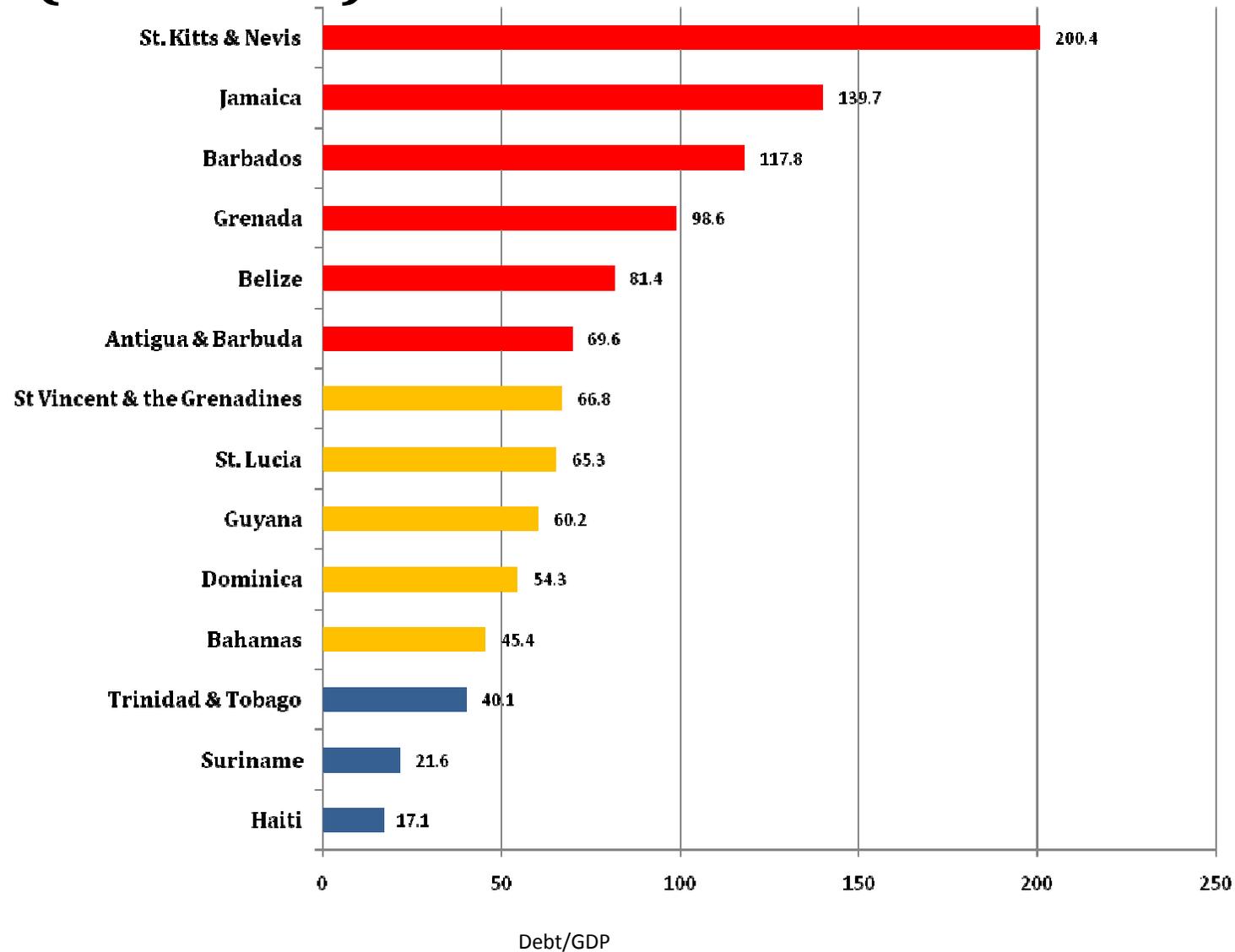


DEBT PERSPECTIVES





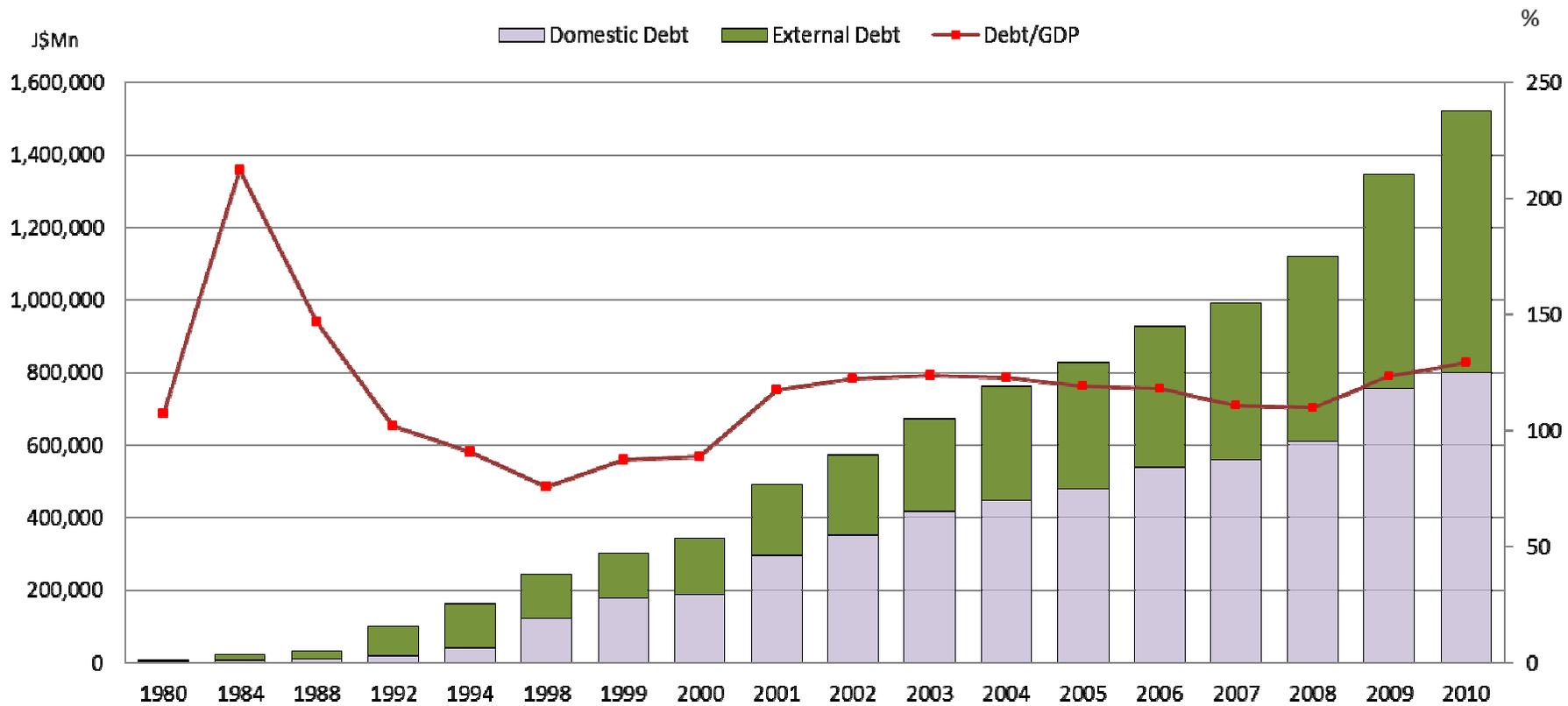
The Caribbean: Public Debt-to-GDP (end 2010)



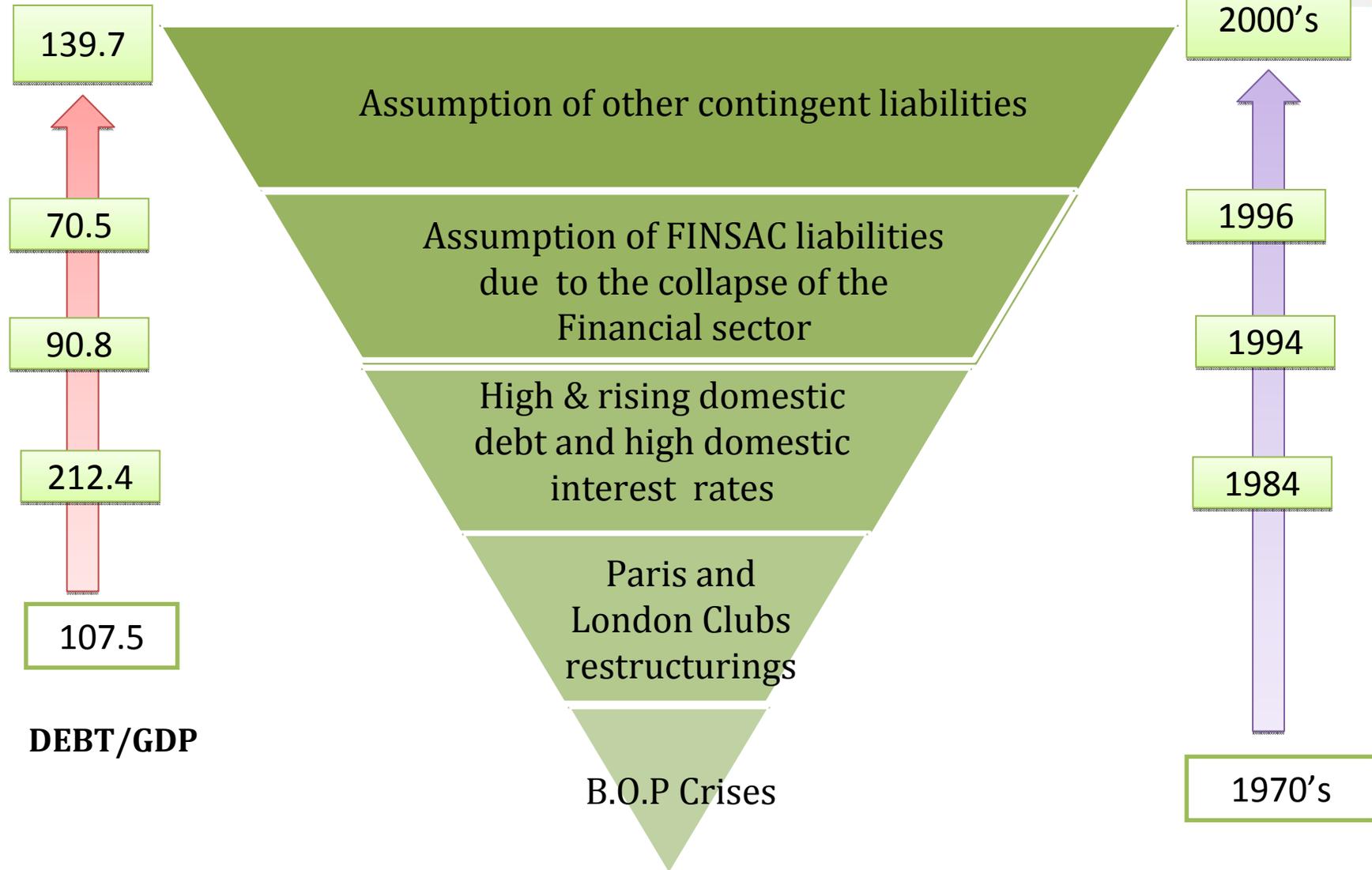
The Big Picture



Chart Title



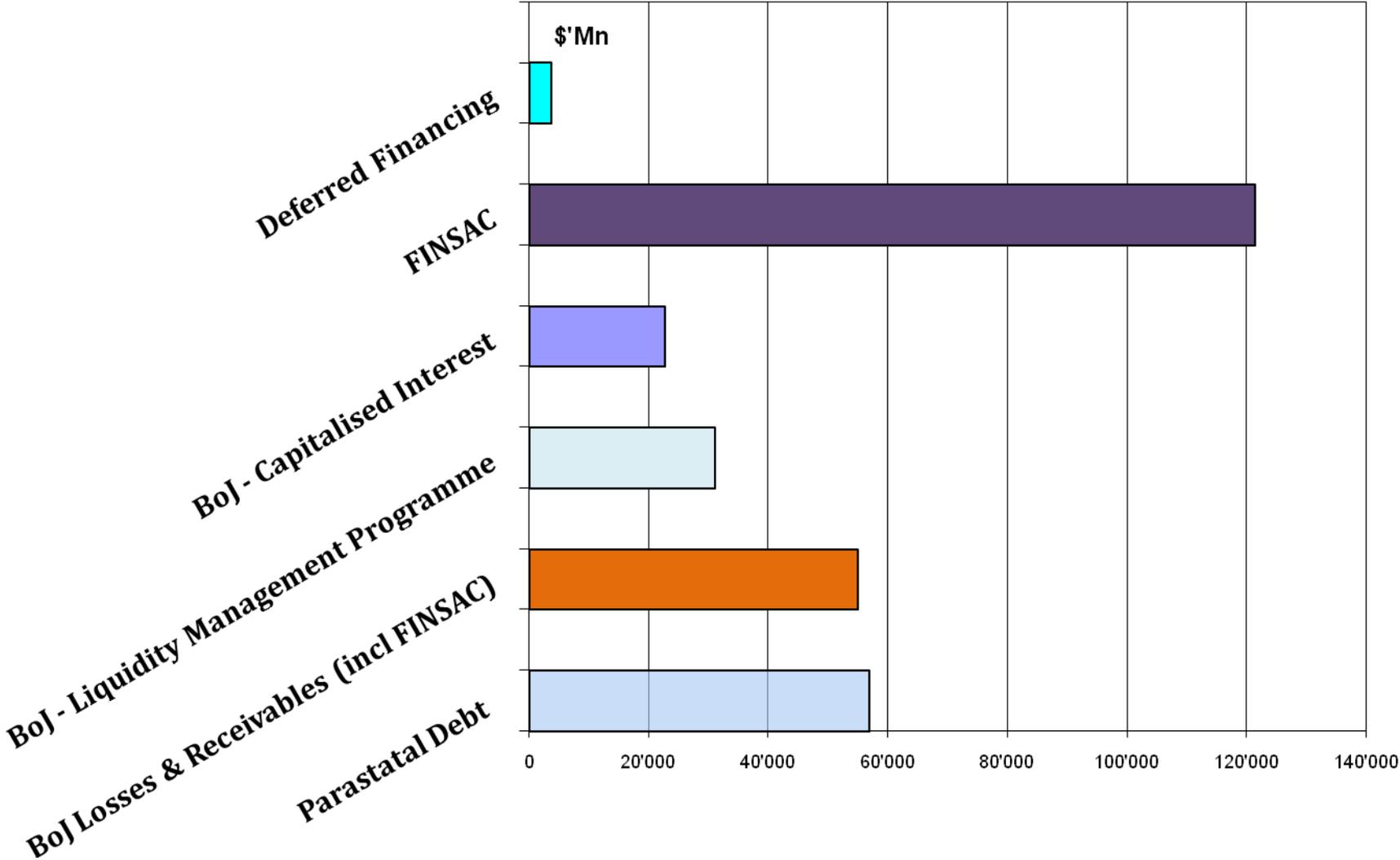
Factors Contributing to the Increase



DEBT/GDP



Contingent Liabilities

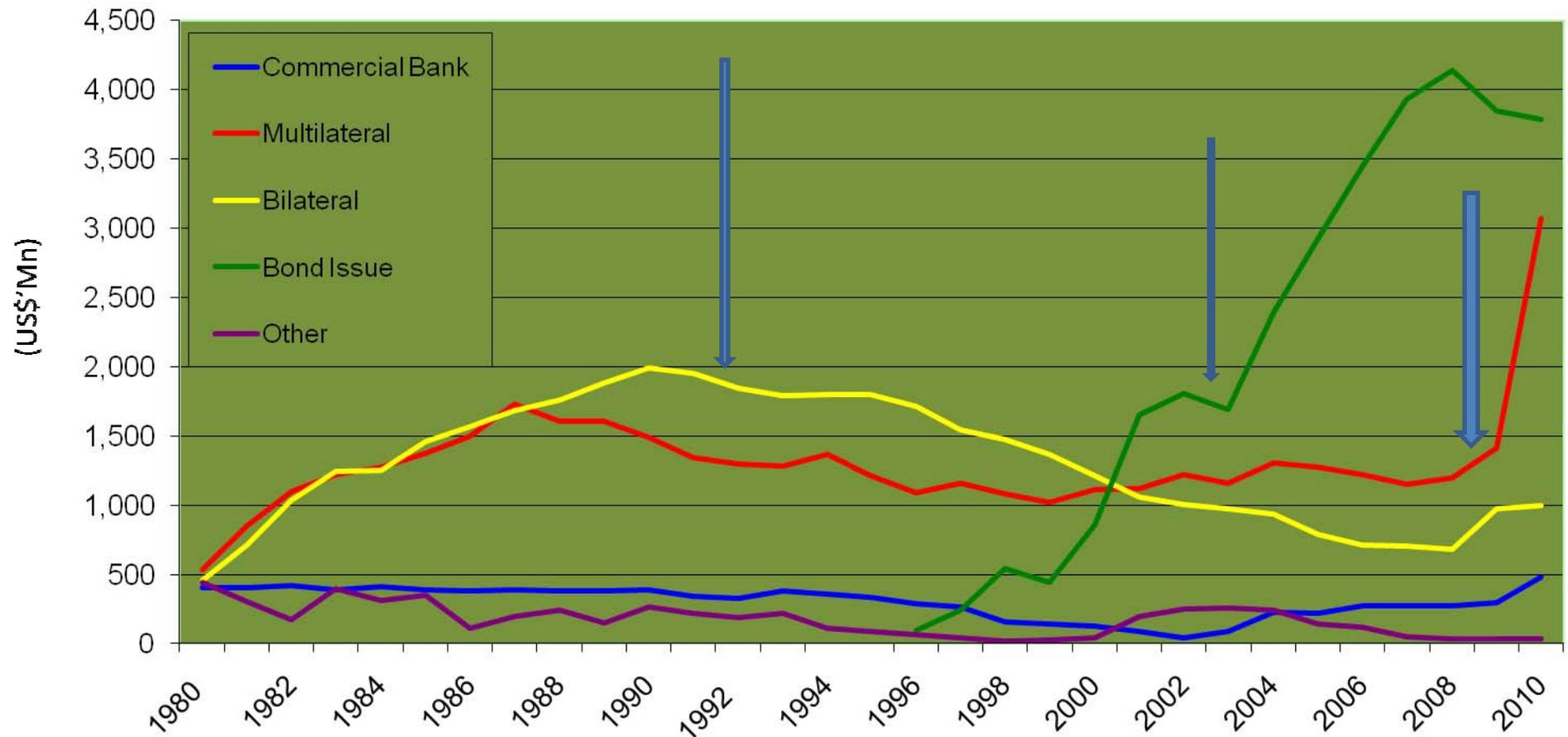




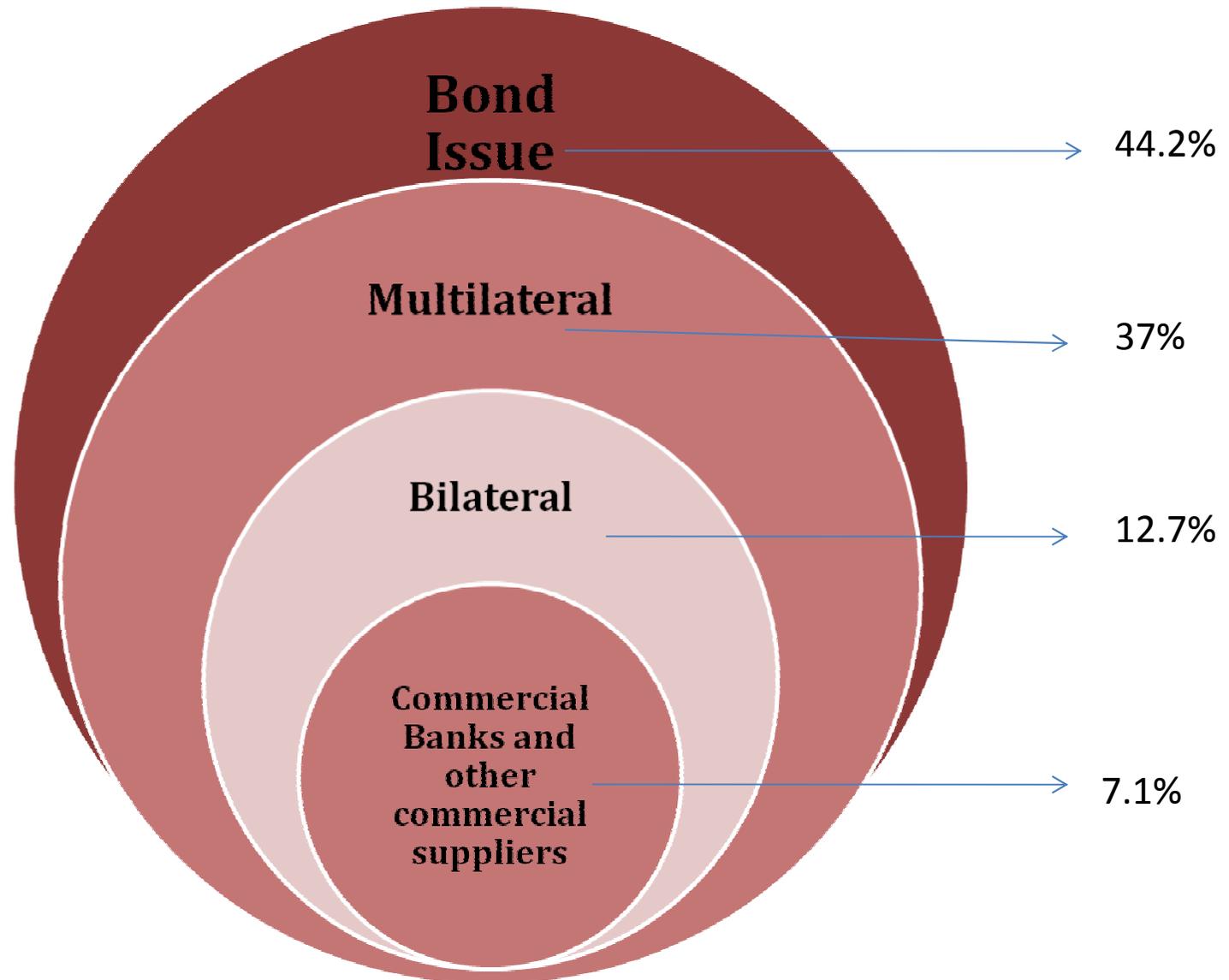
EXTERNAL DEBT



External Debt



External Creditors



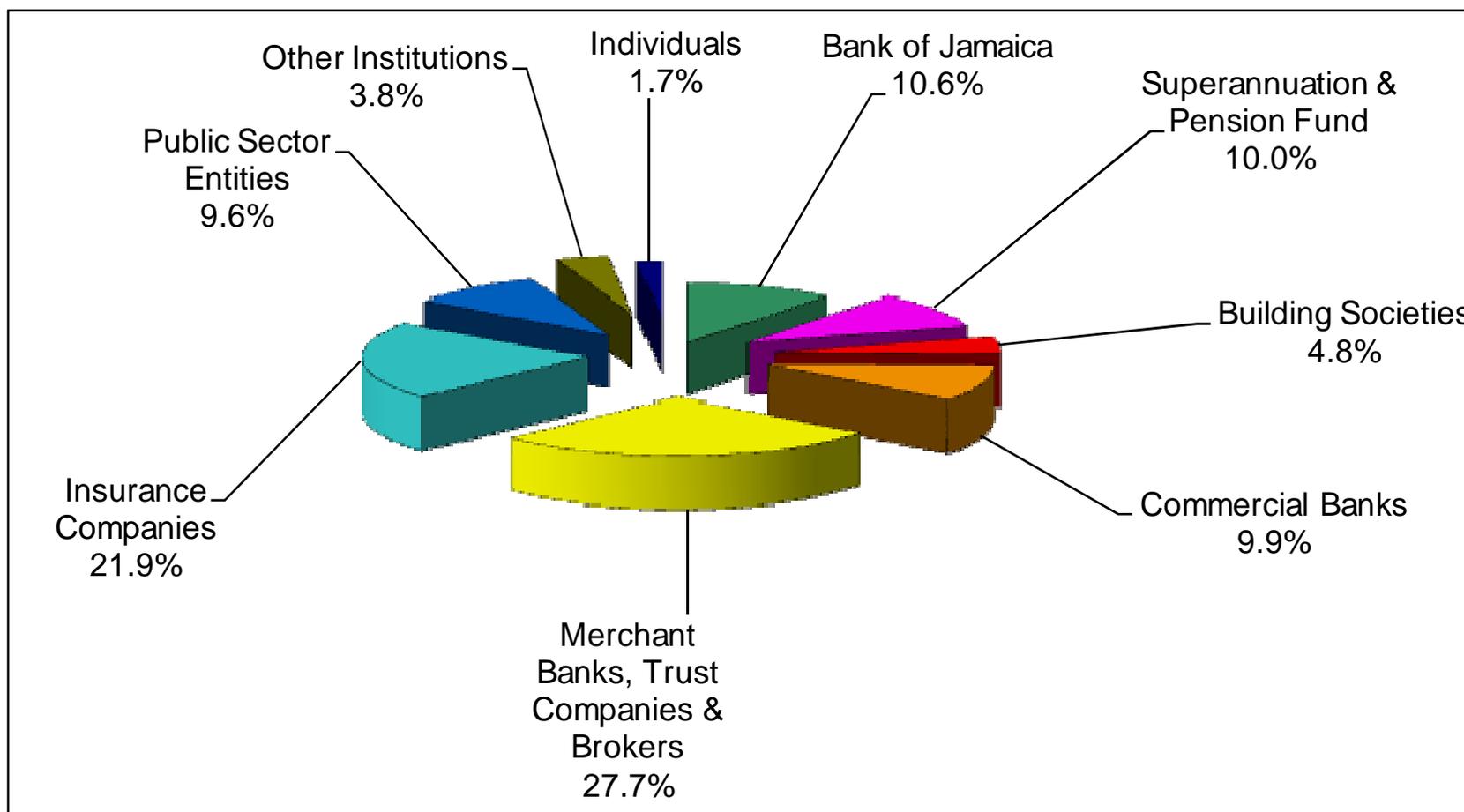


DOMESTIC DEBT

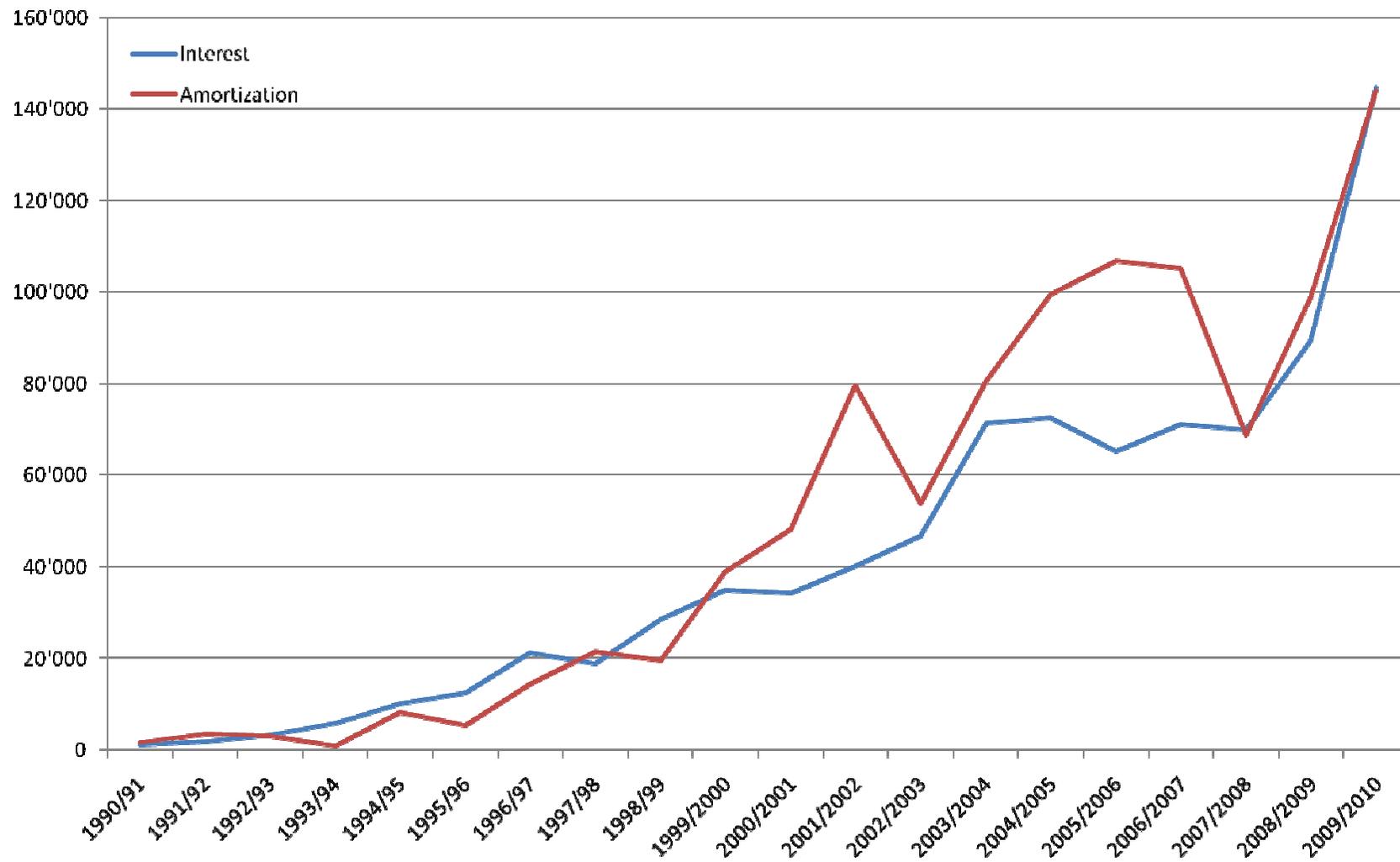




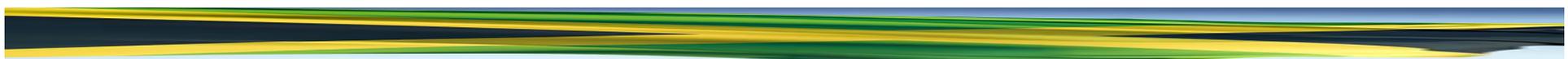
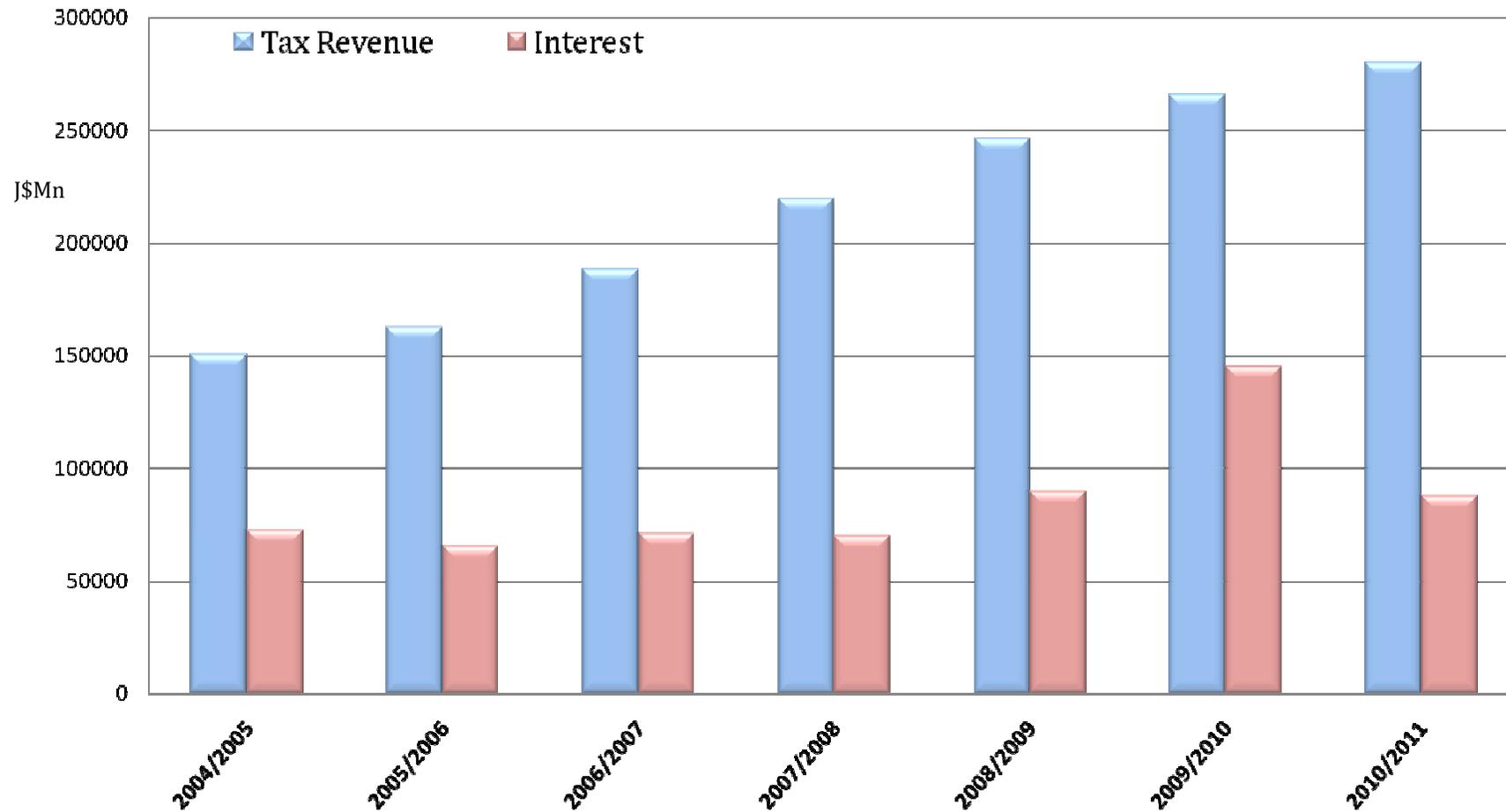
Holders of GOJ Domestic Debt (as at September 2011)



Domestic Debt Interest Payment and Amortization



Domestic Interest Payments & Tax Revenue



FISCAL

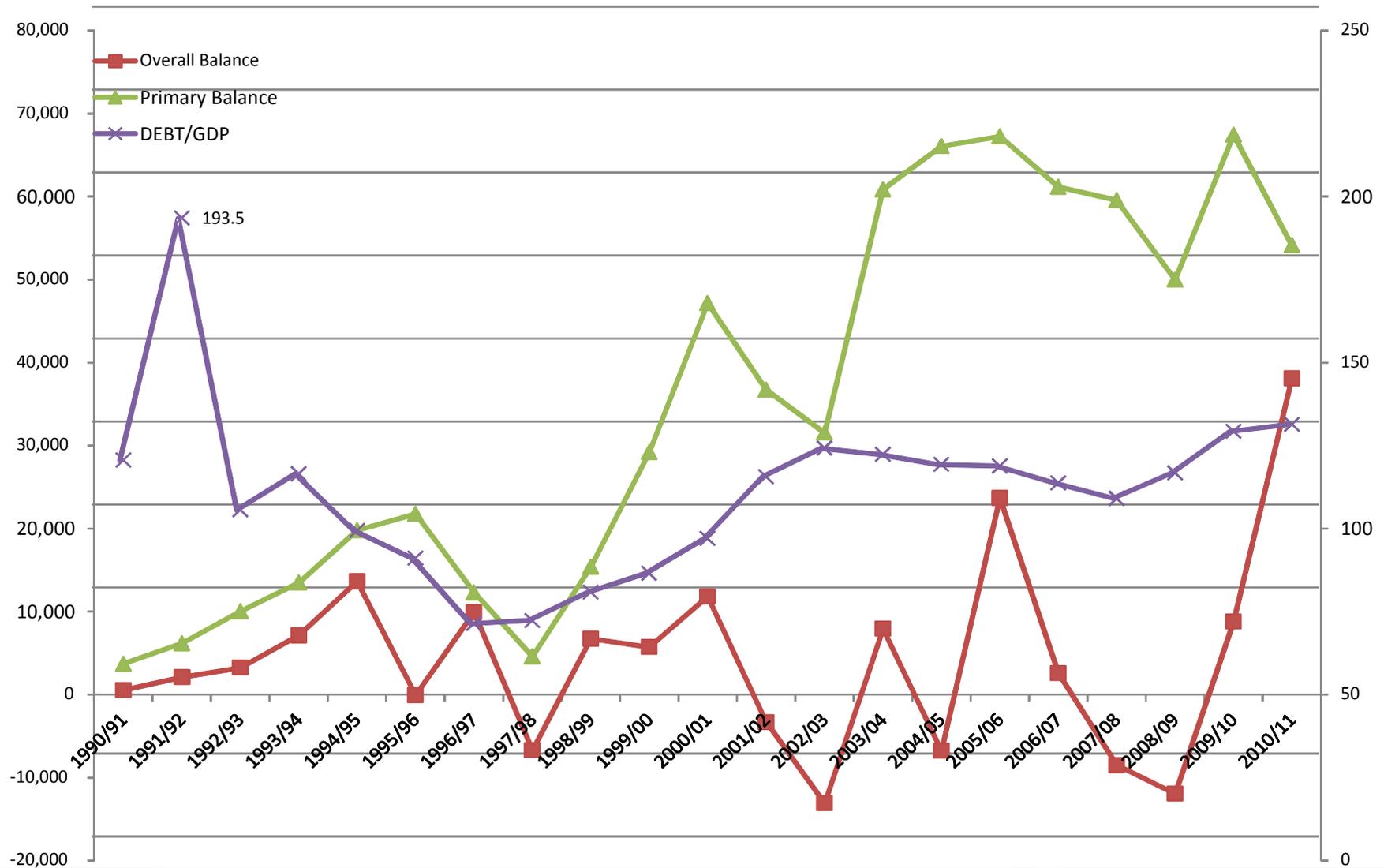


DOMINANCE





Fiscal Dynamics



MANAGING



DEBT



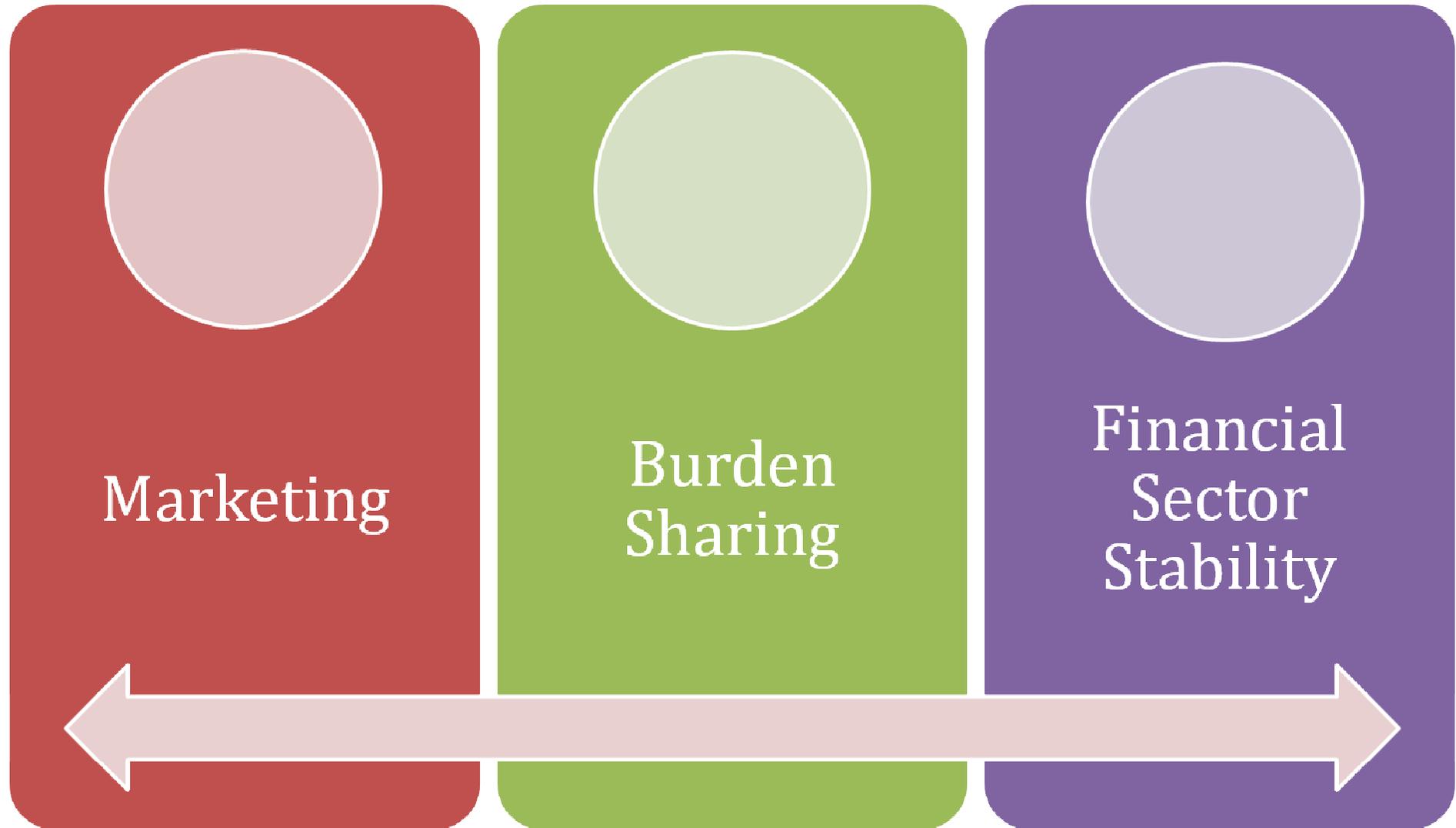


Pro-active Debt Management





The Dilemma





Objectives of JDX

Achieve substantial, but balanced cost savings

Improve maturity profile

Control balance of fixed, variable, and USD instruments

Ensure banking system stability

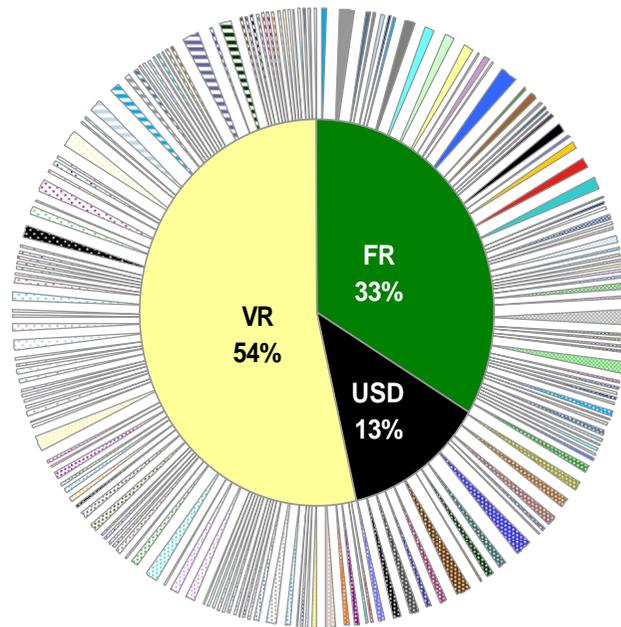
Obtain substantially 100% participation rate

Simple offer for retail participation

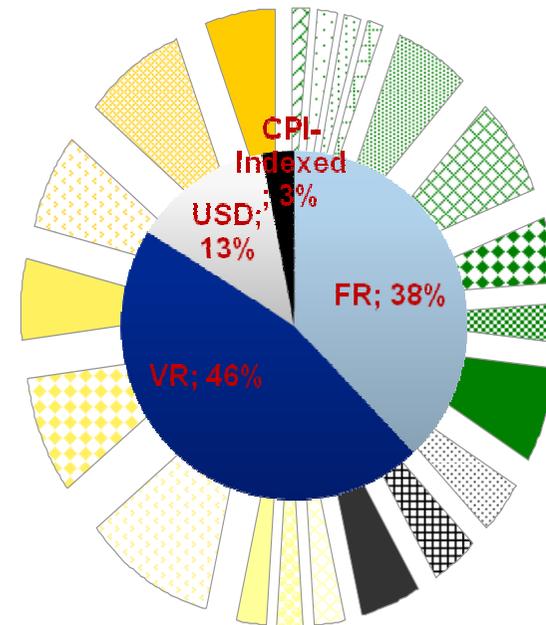
Positive Impact of JDX



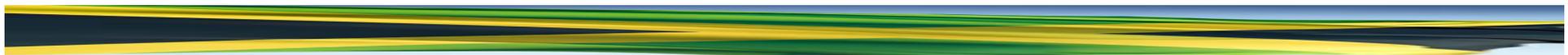
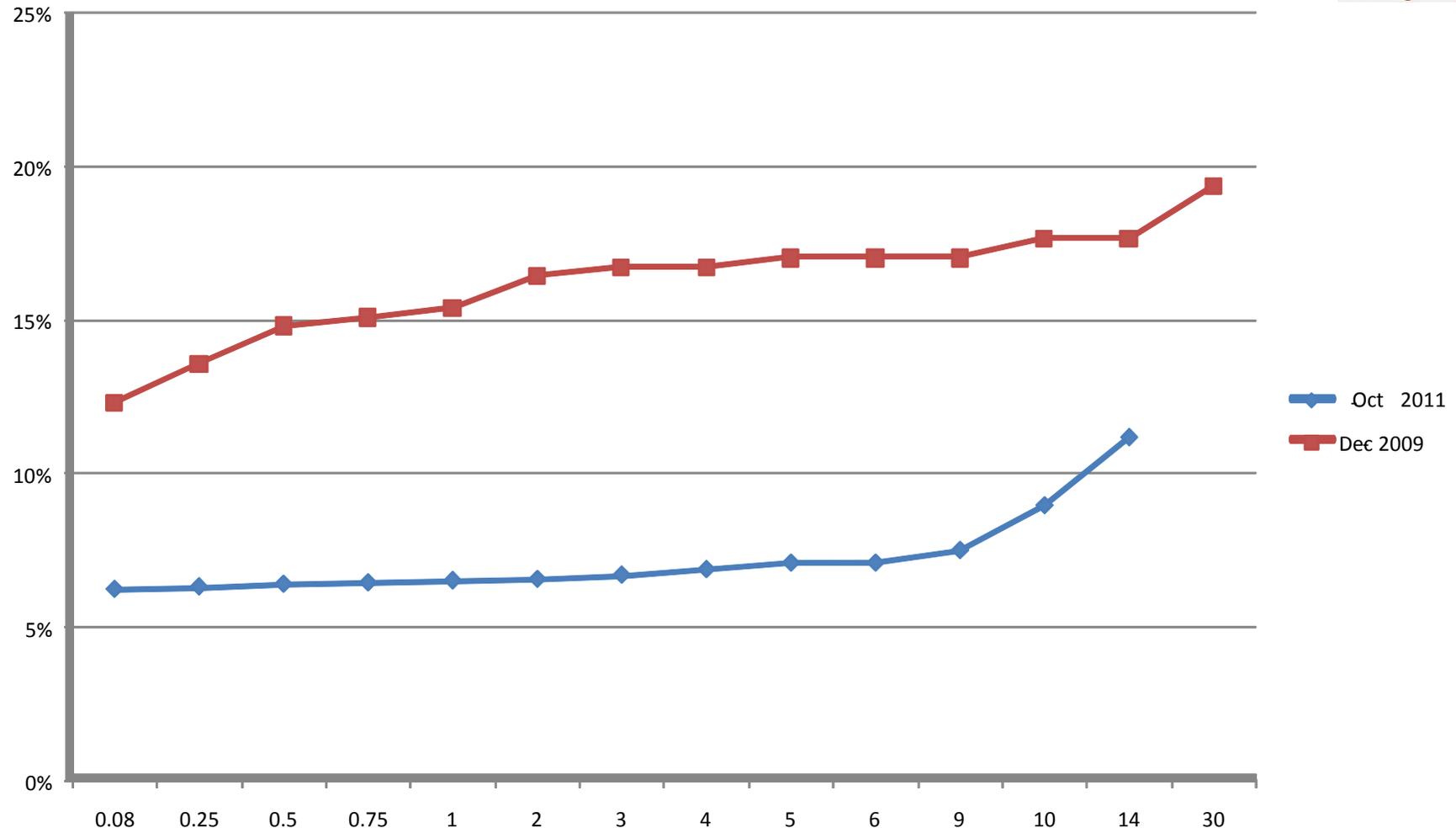
Pre JDX



Post JDX



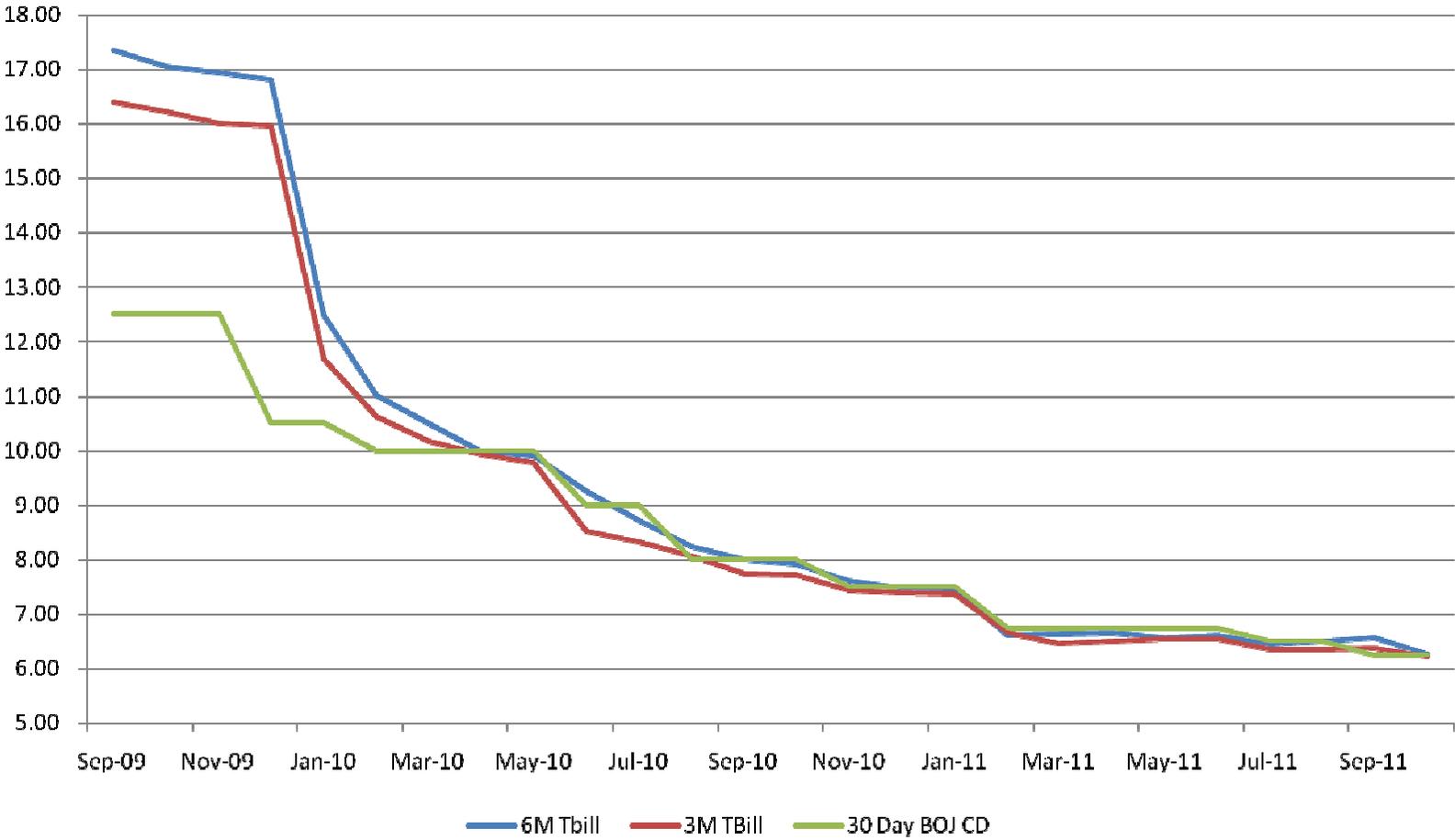
Pre and Post JDX J\$ Yield Curve



Interest Rates Decline....



GOJ TBill & BOJ CD Rates
Sep-09 to Oct-11



Institutional Reforms



Fiscal Responsibility Framework

Restructuring of the DMU

Legal Framework

Central Treasury Management

Tax - Policy and Administration



CHALLENGES





The Challenge Continues

Restructuring of the Debt Management Unit

Debt/GDP ratio 100% by 2015/2016

Management of contingent liabilities

Prevention of high and recurrent fiscal deficits

Tax reform - policy and administration

Improved credit ratings



The Challenge Continues

Preventing!!!

Preventing!!!

To Promote Long-Term Sustainability





Data Websites



- Ministry of Finance and Planning
 - www.mof.gov.jm
- Bank of Jamaica
 - www.boj.org.jm
- Planning Institute of Jamaica
 - www.pioj.gov.jm
- Statistical Institute of Jamaica
 - www.statinja.com

