



International Monetary Fund

IMF Executive Board Completes Ninth Review Under the IMF's Extended Fund Facility Arrangement for Jamaica and Approves US\$39.7 Million Disbursement

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The Executive Board of the International Monetary Fund (IMF) today completed the ninth review of Jamaica's economic performance under the program supported by a four-year, SDR 615.38 million (about US\$932.3 million at the time of approval) arrangement under the Extended Fund Facility (EFF).

The completion of the review enables an immediate purchase of an amount equivalent to SDR 28.32 million (about US\$39.7 million). The EFF arrangement was approved on May 1, 2013 (see Press Release 13/150).

Following the Board discussion of the review, Mr. Min Zhu, Deputy Managing Director and Acting Chair, made the following statement:

"The authorities remain firmly committed to the economic program supported by the Extended Fund Facility. Program performance is on track and structural reforms have progressed broadly on schedule.

"Macroeconomic fundamentals continue to strengthen. Inflation is at a historical low and the current account is improving, aided by declining oil prices. The recent upgrade in the credit ratings followed by the large international bond placement signaled improved investor confidence in Jamaica's reform program. But growth remains weak and unemployment needs to decrease further. Sustained efforts in structural reforms, including by reducing energy costs, improving the business environment, and developing critical infrastructure, should help boost investment and growth.

"The recent Petrocaribe debt buyback has lowered the ratio of public debt to GDP, which the ongoing fiscal consolidation should maintain firmly on a downward path. Nonetheless, it is essential to move forward with public sector reforms, including as regards public financial management, to improve the efficiency of government services. It is also important to continue strengthening fiscal revenue by reforming customs and tax administration and broadening the tax base.

"Recent steps to loosen the monetary stance should support credit creation, while maintaining price stability. The completion of the transition of the retail repo contracts to a trust-based framework represents a milestone in buttressing financial sector stability."