**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**DATE: Wednesday, November 16, 2016**

**ECONOMY RECORDS GROWTH IN 2nd QUARTER OF THE FISCAL YEAR – JULY to SEPTEMBER, 2016**

The Director General, Planning Institute of Jamaica, **Dr. Wayne Henry**, reported at the Institute’s quarterly press briefing, that the economy continued to record growth during the second quarter of the fiscal year. For July–September 2016, real Gross Domestic Product (GDP) is estimated to have increased by 2.2 per cent relative to July–September 2015. Real value added in the Goods Producing Industry grew by 6.7 per cent, while real value added for the Services Industry expanded by 0.8 per cent. The improved economic performance during the July–September quarter was pushed mainly by the performance of the Agriculture, Forestry & Fishing industry which grew by an estimated 28.0 per cent during the quarter. Growth was also recorded for the Electricity & Water Supply industry which grew by an estimated 2.9 per cent and Hotels & Restaurants which grew by 2.3 per cent. The improvement in the Agriculture industry was facilitated by more favourable weather conditions relative to the corresponding quarter of 2015. Growth in the Hotels & Restaurants industry was due to an increase in stopover arrivals, up by 2.7 per cent, while total visitor expenditure increased by 5.8 per cent to US$589.6 million. .

Additionally, within the Goods Producing Industry, increases were recorded for Mining & Quarrying, up 2.0 per cent and Construction, up 1.2 per cent. However, real value added for the Manufacture industry was estimated to have remained flat, explained by growth in the Food, Beverages and Tobacco component counterbalanced by an estimated decline in the Other Manufacturing component. For Services, all industries registered increases, with the exception of Producers of Government Services, down 0.2 per cent.

The Director General noted that the performance during the quarter took place against the background of a quarterly inflation rate of 1.4 per cent; a fiscal deficit of $10.4 billion; and real depreciation of the exchange rate. Dr. Henry also revealed positive indicators for the Labour Market. The unemployment rate for July 2016 was 12.9 per cent compared with a rate of 13.1 per cent in July 2015. The employed labour force increased by 39 100 persons to 1 186 900 relative to July 2015. This represents the highest level of employment ever for a single month in Jamaica’s history. The number of persons outside the labour force declined by 38 200 persons relative to July 2015.

The outlook for the October–December 2016 quarter is positive. Strong performances are forecast for Agriculture, Hotels & Restaurants and Construction. Also, the impact of initiatives such as a Major Infrastructure Development Programme; greater stability in prices associated with increased food production and stable crude oil prices; and continued strengthening of confidence levels consequent on an IMF Board approval of a successor three-year Precautionary Stand-by Arrangement should be favourable. For the October–December 2016 quarter, real GDP is projected to grow within the range of 1.0 per cent to 2.0 per cent vis-a-vis October–December 2015.

**Security status**

Under the *Vision 2030 Jamaica – National Development Plan* framework, security status was reviewed by Programme Director, Vision 2030 Jamaica Secretariat, Ms. Elizabeth Emanuel. She stated that the indicator Category 1 Crimes were subdivided into two groups – Serious and Violent Crimes and Acquisitory Crimes – in keeping with the classifications of the Jamaica Constabulary Force. Category 1 Crimes include murder, shooting, rape, aggravated assault, robbery, break-ins and larceny. She reported that a total of 174 Category 1 Crimes per 100 000 population were committed over the period January to September 2016, a decline of 20.2 per cent from 218 per 100 000 population vis-a-vis the similar period in 2015. However, the murder rate for January to September 2016 was 34.8 per 100 000 population, up 2.7 per cent from 33.9 per 100 000 population compared with the similar period in 2015. These figures continue the downward trend in overall crime rates that began in June of 2010 into a sixth consecutive year, despite the upward movement in the murder rate in the first three quarters of 2016.

With respect to the overall performance under Vision 2030 Jamaica over the seven year period 2009/10 to 2015/16, Ms. Emanuel reported that progress had been mixed. A summary of the progress made under the framework of national outcome indicators and targets for the Vision 2030 Jamaica - National Development Plan indicated that of a total of 67 indicators, 62.7 had shown improvement over the baseline year 2007 based on results to 2015, while 34.3 per cent had showed no improvement or had worsened relative to the baseline year of 2007.

 **END**

**Contact: Carole James (Communications Manager)**

**Telephone: 960-9339/906-4471/2/935-5145(D)**

**E-mail: carole\_james@pioj.gov.jm**