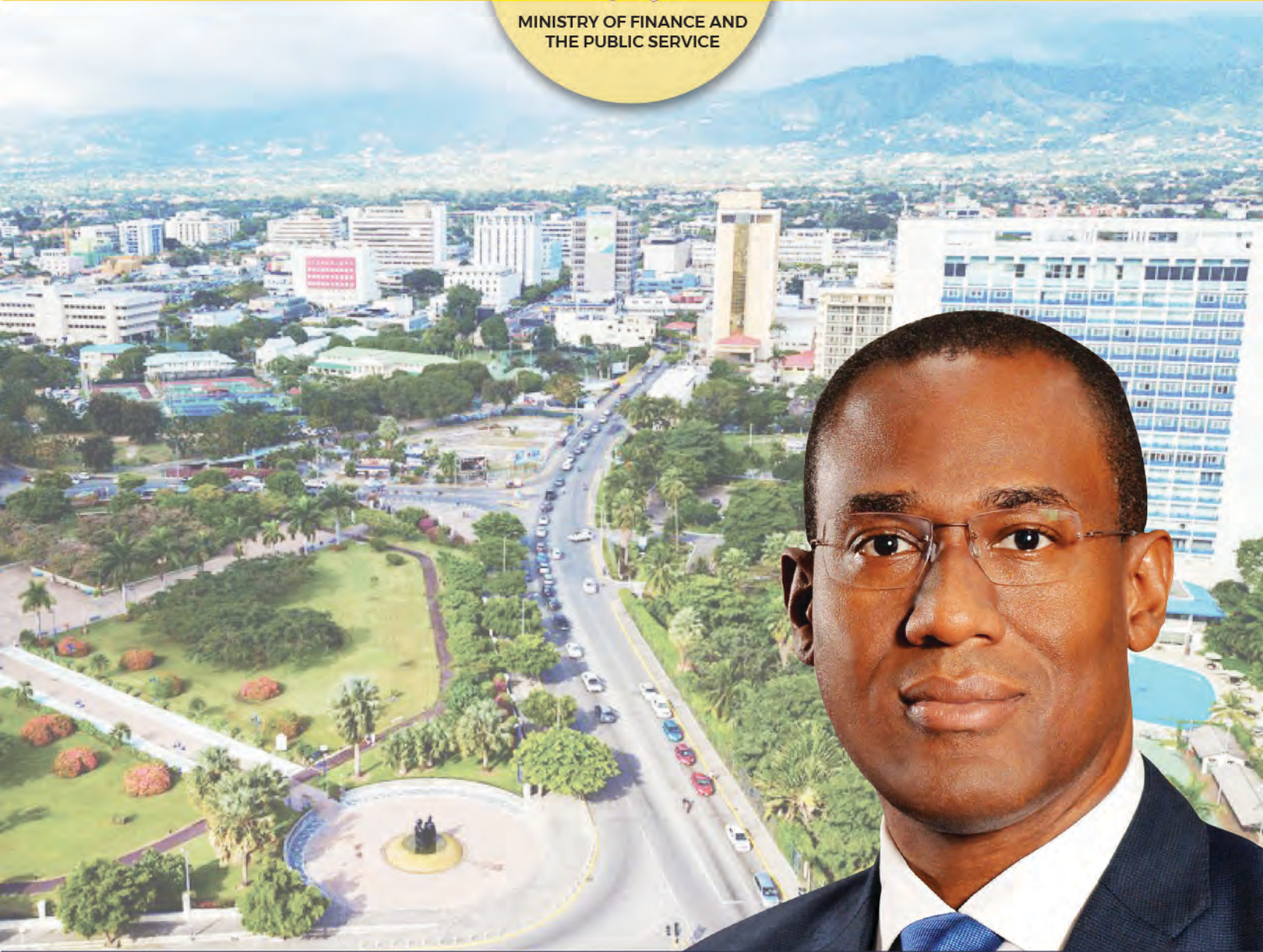




MINISTRY OF FINANCE AND
THE PUBLIC SERVICE



CLOSING BUDGET
DEBATE **2021/22**

MARCH 23, 2021
GORDON HOUSE

HON. NIGEL CLARKE,
DPhil, MP

Minister of Finance and the Public Service

**PREPARING
JAMAICA
TO RECOVER
STRONGER**



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1.0 Expression of Gratitude

Madam Speaker, I rise this afternoon to close the budget debate on the Appropriation Bill for the 2021/22 fiscal year.

This is the 59th budget debate in Jamaica's independent history.

Though it takes place in the almost impossible context of the worst economic crisis in our history and the worst health crisis in our country, it has been no less spirited or vigorous.

For that, on behalf of the people of Jamaica I thank the contributors to the debate, the Most Honourable Prime Minister, for delivering a presentation of substance, achievement, and hope.

I thank the Leader of the Opposition, for his maiden presentation in that position where he tried a few googlys but pitched them well short.

I also thank the Opposition Spokesman on Finance for his first budget presentation. A keen cricketer in his time, he came hustling down the pitch, with fast bowling action, but sadly pitched the ball wide.

Thanks to the Speaker who has been doing an excellent job in maintaining the order of these proceedings.

Thanks to the Parliamentary staff, the Clerk and Deputy Clerk, the Marshals, the Stenographers, and all who work at the House of Parliament for your dedication and professionalism.

Thanks to the Financial Secretary and the entire staff at the Ministry of Finance, who are among the finest in this region, and indeed among the finest anywhere in the world.

Thanks also to my security detail and driver.

And, of course, I again express thanks to my family, for their loving support.

Thanks, too, to the members of the media and the listening public for tuning in. For those in the diaspora and those following on social media, on YouTube or on Facebook or on Twitter, thank you for your participation and interest.

2.0 Introductory Remarks

2.1 The Evolving Nature of the Health Crisis

Madam Speaker, the health crisis continues to evolve. Economic recovery, which we are programming to begin in the upcoming fiscal year, depends on winning the battle against COVID-19 in the public health theatre of this war.

The measures announced by the Most Hon. Prime Minister Andrew Holness yesterday are designed to control the spread of the coronavirus by restricting movement.

The progress of the vaccination programme will also be critical.

The evolving nature of the coronavirus public health dynamics could have a significant impact on budgetary outcomes. Uncertainties exist and yesterday's announcement was a fulfillment of that reality.

In light of the programmed triple weekend lockdown the GOJ will provide two million \$2m per constituency to support citizens requiring assistance across the lockdown periods. The provision will be disbursed to the CDF on April 1 for further distribution.

These uncertainties increase the risks in the budgeting and fiscal forecasting process. Prudence is therefore required.

We have presented a budget that is aligned with the priorities of: (i) vaccination of the population against COVID-19 and winning the battle against the virus; (ii) economic recovery stronger and faster than before; (iii) social support for the vulnerable and those impacted by the pandemic; (iv) continued financing of the provision of the public goods and services on which our society and economy depend; and (v) the preservation of stability, which is a pre-requisite of all other priorities.

The budget has benefited from the dividends of good policy, literally and figuratively.

Madam Speaker, policy matters and good policy matters even more.

2.2 Accurate Data and Information – Prerequisites for Health Democracy

Jamaica's democracy is alive and well. Even in the midst of an unprecedented, unpredictable, and dangerous crisis.

It is an amazing inheritance we enjoy, and we should do all that we can to nourish and further entrench it so that we can bequeath to future generations an even more robust and vibrant democracy than we ourselves have experienced.

The fiscal plans and programmes for the upcoming fiscal year were laid in the House and we have had the freedom to express points of view on these plans. We have the freedom to agree, to disagree, to debate, and to rebut.

And the public has that freedom too. The media has that freedom too. We all do.

These freedoms are sources of strength for our young nation.

We must always remember that freedom is a value in itself and not merely a means to achieve other values.

It is worth noting that the literature suggests that freedom is not the natural state of humankind. For this I rely on the prodigious scholarship of Jamaica's own Professor Orlando Patterson, one of the world's foremost experts on freedom.

Domination is what has come natural to humankind throughout the long course of human history.

The political architecture of the world, since World War II, has moved steadily towards a rules-based international order, steadily replacing the principle of “might is right” with setbacks from time to time.

And we have constructed a politically independent Jamaican state based on principles that include freedom as an inalienable right.

However, political independence does not, by itself allow for a maximization of freedom, neither at the level of the state nor at the level of the individual.

The maximization of freedom, for the individual, and the state, depends materially on the attainment of economic independence.

That is why, in my very first speech as Minister of Finance and the Public Service, I stated that the pursuit of economic independence would be a founding pillar of economic policymaking at the Ministry of Finance.

I also stated that protection of the vulnerable and the pursuit of economic expansion as the other two interlocking pillars.

Madam Speaker, these values and objectives have been expressed in our policy choice to date.

Madam Speaker, it is self-evident that freedom, liberty, and the sustenance of our democracy also critically depend on the availability of accurate information and data.

In more autocratic political regimes where decision-making is centralized and dependent on a few people then what is important is that those decision-makers have the accurate information. The population needs it less as many decisions are made for them.

In democratic regimes, however, the citizen is at the center of decision-making – they put leaders in place, they effectively choose the policy direction of the country. Furthermore, in democratic regimes with liberal market-based structures, every day decisions by free economic agents aggregate to influence the progression of the economy. It is therefore of fundamental importance that citizens have access to and are presented with accurate and reliable data. Because their decisions affect everyone’s life.

Madam Speaker, there is nothing more empowering of the citizen than his or her possession of accurate information, knowledge, and understanding.

It is said that “knowledge is power”, Madam Speaker, and I firmly agree.

We must therefore committed ourselves to true empowerment of the people – and not just mere words and platitudes – by always promoting the increase in knowledge and understanding of the people, in addition to fostering public discourse based on a healthy respect for data, facts, logic, reason, and the methods of scientific enquiry to which we owe much of our material progress.

3.0 Inaccurate Data and False Assertion from the Opposition

Madam Speaker, in the interest of public discourse based on facts and accurate data I propose to address certain inaccuracies and false assertions propagated by the Opposition.

3.1 Comparative Fiscal Spend

Much of the Opposition Spokesman's thesis was grounded in provably inaccurate and factually wrong claims on Jamaica's fiscal spend in response to the COVID-19 pandemic.

Madam Speaker, I have to begin by saying that the original error was with the publisher of the report¹ which he referenced, the Inter-American Development Bank, but as I go through what the report mistakenly contained, I invite you you make your own mind up as to whether the Opposition Spokesman should have picked this up himself as he read the page that summarized Jamaica's fiscal response to the COVID-19 pandemic.

Particularly considering all of the Supplementary Budgets and the statements in this House and the information in the public domain.

The table in the report² that the Opposition Spokesman quoted referenced reported Jamaica's fiscal allocation for the health sector response as "Not Applicable" (in other words, \$0) while listing the medical expenditures such as on PPE equipment borne by other countries.

Shouldn't alarm bells have gone off?

Isn't it general knowledge that Jamaica allocated billions of dollars for the health sector³ response across the last supplementary budget of 2019/20 and three supplementary budgets in 2020/21?

Yet the Opposition Spokesman used a report that underestimated Jamaica's health response by at least \$8 billion.

In fairness, the Opposition Spokesman did not compare health expenditures. However, the gross omission of Jamaica's health expenditure in the same table he referenced should have exposed the possibility that the table may have had other omissions and errors.

¹ The Caribbean Quarterly Bulletin, Volume 9, Issue 3, November 2020

² Page 62, The Caribbean Quarterly Bulletin, Volume 9, Issue 3, November 2020

³ The precise allocation was \$8.02 billion

Isn't it general knowledge in Jamaica that the Compassionate Grant was paid out to close to 400,000 Jamaicans? Didn't everyone see the lines on TV and on social media? Didn't everyone read the news reports?

Yet the Opposition Spokesman used figures that, in an obvious error, stated that the Compassionate Grant of \$150 million when in fact it was closer to \$4 billion.

That is a large error.

Should I continue?

My fellow Jamaicans, isn't it general knowledge that a \$1.2 billion Back to School grant was provided to PATH households?

The Opposition Spokesman used a table from a report that, in another obvious error, failed to include the PATH Back to School Grant, provided in August 2020.

The table the Opposition Spokesman used also under-reports the \$1 billion in productivity incentives to farmers, erroneously reporting it as \$200 million.

The table the Opposition Spokesman used did not include the \$1.85 billion in support to PATH and Non-PATH families for the provision of laptops.

The table the Opposition Spokesman used underestimated the fiscal support in the SET Cash and BEST Cash grants by \$3 billion.

The table the Opposition Spokesman used did not include the \$189 million to the CDF, the \$140 million to the Municipalities, or the \$40 million for the disabled community.

And the list of omissions goes on and on. I should also add that the report also over-estimated in one area.

The net effect however was a gross under reporting of Jamaica's fiscal response to the pandemic which was very unfortunate.

Madam Speaker, these fiscal outlays were approved in this Parliament and reported on by me on several occasions.

Again, the original error in methodology was the Inter-American Development Bank's but the Opposition Spokesman, as a member of this House, should have easily seen that the data he was relying on was egregiously flawed.

He then used that erroneous tabulation to compare us with our Caribbean neighbours, made false conclusions, and inadvertently constructed a false narrative based on inaccurate data.

It was very unfortunate.

As he presented, I was perplexed. Why isn't the Opposition Spokesman not seeing that he is relying on faulty information?

The very next day after his presentation, Friday March 12 I wrote to the Inter-American Development Bank in Washington, D.C., and, to their credit, they quickly

appointed a team to investigate and by Monday they acknowledged the error in a letter to me, which read in part:

“ We received your letter from March 12, 2021. We are sorry for any inconvenience caused by the original version of our report.

*Thank you for the updated information that your team sent us on March 15, 2021 regarding your government’s fiscal stimulus spending in response to the Covid-19 pandemic. The numbers reveal a **doubling** of efforts relative to the measures we reported last fall in the IDB’s Caribbean Quarterly Bulletin. We regret the incomplete and inaccurate accounting of Jamaica’s programs in the Bulletin. Two specific examples are, the lack of reporting for spending directed at the health response (J\$8 billion) and, the full dimension of the Compassionate Grant Program (J\$4 billion versus J\$150 million). These augmented programs certainly are helping to alleviate the impact of the health crisis, and economic recession on Jamaican households and businesses.”*

Madam Speaker, the table in the report from which the Opposition Spokesman quoted was erroneous not by 10% or 20% but by 100%!!!!⁴

I say, in humility, recognizing that we are fallible, that bad data and wrong data leads to false narratives and bad policy.

The Opposition Spokesman compared fiscal responses for Barbados, Bahamas, Suriname, Trinidad and Tobago, and Jamaica and put Jamaica at the bottom based on this IDB report.

Madam Speaker, adjusting the IDB report with the correct figure for Jamaica, contrary to what the Opposition Spokesman reported, Jamaica’s fiscal response to the COVID-19 pandemic was ahead of Bahamas and Trinidad and Tobago, both significantly wealthier countries.

The wealthier a country the more ability you have for a response to the crisis.

What is more, Madam Speaker, is that these countries have much lower debt than Jamaica. Debt is a fixed cost. It is not discretionary.

The less debt a country has, the more flexibility it has to respond to the crisis.

As for Suriname, another country which entered the crisis with lower debt than Jamaica, that the Opposition Spokesman reported spent more than Jamaica, here is what the same report had to say about Suriname⁵:

Inflation increased from 4.2 percent in December 2019 to 40 percent at the end of August 2020.....

.....Suriname was downgraded to a negative outlook by Fitch, Moody’s, and Standard and Poor’s . Suriname’s sovereign credit rating was downgraded to selective default by Standard and Poor’s, restricted default by Fitch, and Caa3 by Moody’s in July 2020, but those ratings were subsequently raised by Standard and

⁴ The Opposition Spokesman did not use all the information in the table

⁵ Pages 64-66, Page 62, The Caribbean Quarterly Bulletin, Volume 9, Issue 3, November 2020

Poor's and Fitch to CCC and CC, respectively. The main reason for the slightly upward revision was the consent from bondholders to restructure the amortization schedule of Suriname's four - year US\$125 million 2023 bond.

So the Opposition Spokesman chided the government for spending less than our CARICOM neighbor that ended up defaulting on its debt with inflation skyrocketing from 4.2% to 40% in eight months.

Well, indeed, that is a choice. But that is not a choice the Jamaican people want its Government to make.

Madam Speaker, one-dimensional analysis cannot cut it. Especially one dimensional analysis that relies on faulty data.

The Opposition Spokesman relied on provable erroneous data. I say in humility, recognizing that we are fallible, that bad data, wrong data leads to false narratives and bad policy Madam Speaker.

3.2 Food Poverty

Another problem is that the Opposition Spokesman compounded the error by using the faulty data on comparative fiscal spend to make other assertions.

Madam Speaker, the Opposition Spokesman on Finance built much of his presentation around food poverty and compared Jamaica regionally in an unfavourable way, and of course blamed the Government.

First, Madam Speaker, I took the opportunity to read the report⁶ he quoted from which is a standard publication of the US Department of Agriculture that uses quantitative techniques to estimate levels of food poverty in 76 low and middle-income countries.

I did not simply look at the table in the report. The report describes the methodology that the authors use to derive their results.

The first important thing to note is that the methodology is a theoretical quantitative model. It is based on numbers and formulae in a proverbial "spreadsheet" or model. They did not go to these countries to conduct actual surveys with actual people. As STATIN does, they did not come to Jamaica to measure food poverty by visiting households here.

They took pre-COVID-19 macro data and incorporated per capita income, the size of the GDP contraction that each country is projected to experience, the impact of this on per capita income, and several other variables and, with a quantitative model, used that to project, theoretically, how that affects food poverty.

Here is how they describe their methodology⁷:

⁶ United States Dept of Agriculture – Economic Research Service. Covid 19 Working Paper – Covid 19 Updates and Impacts on Food Security – published January 2021

⁷ Page 4, United States Dept of Agriculture – Economic Research Service. Covid 19 Working Paper – Covid 19 Updates and Impacts on Food Security – published January 2021

“How Was the Study Conducted?”

*The 2020 IFSA report incorporated initial estimates of income shocks from the COVID-19 pandemic as presented in the International Monetary Fund’s World Economic Outlook (WEO) report of April 2020 and compared them with projections from the ERS International Macroeconomic Data Set (IMDS) published in January 2020, which represents the pre-pandemic scenario. In early September 2020, ERS produced an unpublished update to its IMDS estimates, incorporating the best available information on the anticipated decline in GDP in 2020 and potential recovery in 2021. The updated IMDS estimates use data from IHS Global Insight, Oxford Economic Forecasting, as well as estimated and projected values developed by ERS. **We used the newly updated GDP information from the IMDS September update to re-estimate the COVID-19 impacts on food security for 2020 and 2030 presented in the 2020 IFSA report.**” (emphasis added)*

So contrary to how the Opposition Spokesman used the data from the study – to somehow imply that this measurement was after the CARE Programme, and therefore an assessment of its adequacy is, again, a provably inaccurate claim.

The study used “spreadsheets” taking as input GDP contraction and implied theoretical levels of food poverty. If GDP contracts by 12%, then food poverty will rise by x% through some complex multivariate model. That is it. These are not direct measurements of real people in Jamaica or anywhere else and the report does NOT consider the impact of policy.

The last direct measurement of poverty that was done of real people in Jamaica by STATIN, showed that poverty declined to the lowest levels in 12 years under the Andrew Holness administration. That was a direct measurement.

However, back to the theoretical study introduced into this debate by the Opposition Spokesman.

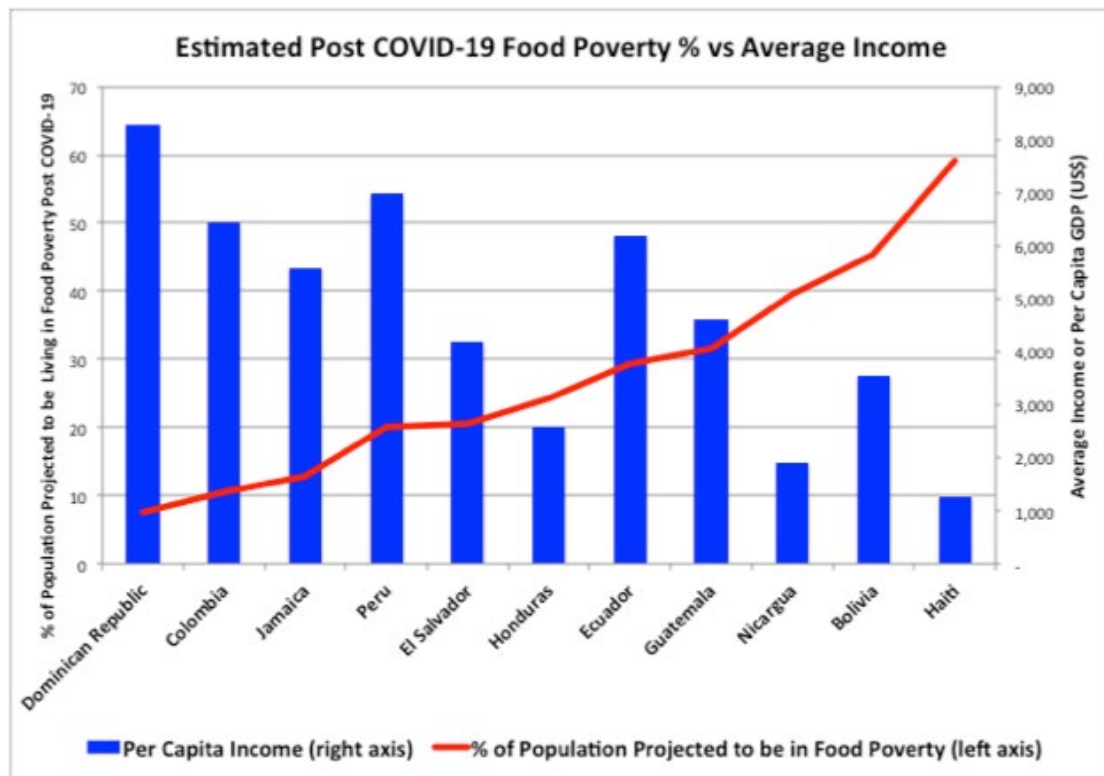
Am I discarding it because it is theoretical and does not result from direct measurement? No. Not at all. It has its value and use. But to use this study to weigh the Government’s response to the COVID-19 pandemic is a gross misapplication of the report.

But let us examine this report that the Opposition Spokesman has relied on so much in his thesis.

Here is what the same food poverty report introduced by the Opposition Spokesman on Finance says, that I do not recall him highlighting:

1/ Of the countries surveyed, theoretically estimated food poverty in Jamaica is the lowest in Latin America and the Caribbean pre-COVID-19 and post-COVID-19 with the only exception of Columbia and Dominican Republic, both of which have higher average incomes than Jamaica.

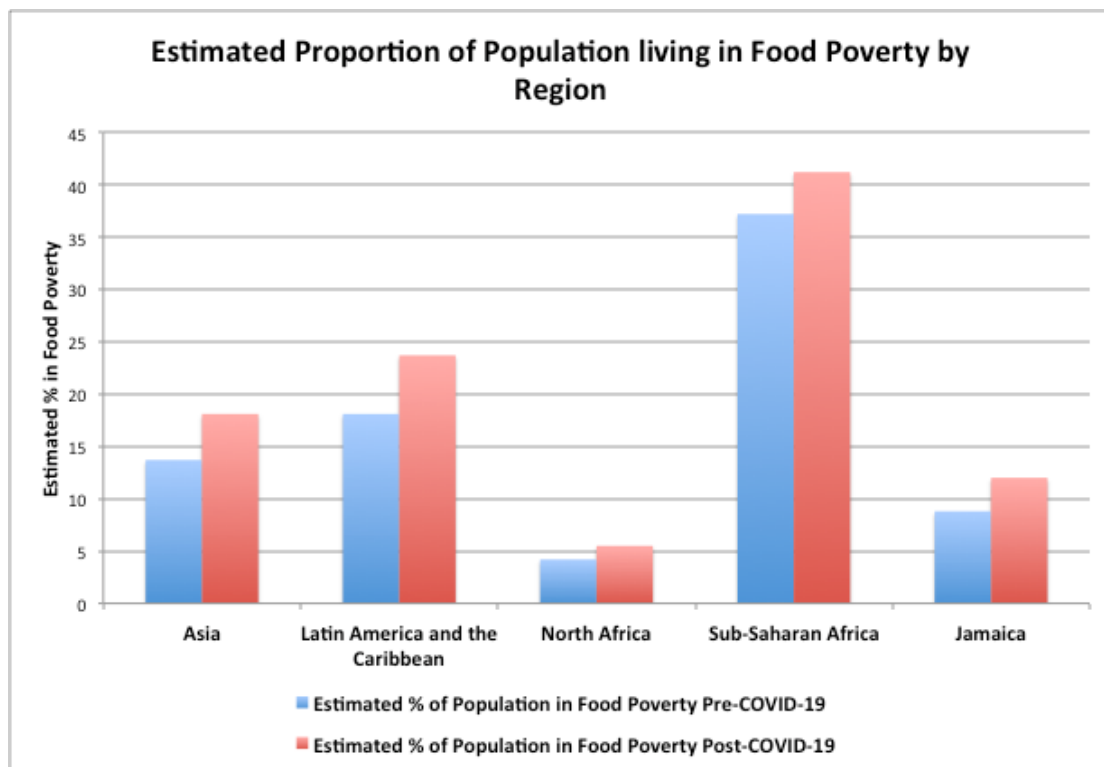
Figure 1 - Estimated Post COVID-19 Food Poverty % vs Average Income



Source: United States Dept of Agriculture – Economic Research Service. Covid 19 Working Paper – Covid 19 Updates and Impacts on Food Security – published January 2021

2/ In every region of the world, food poverty is estimated to have increased as a result of the COVID-19 pandemic.

Figure 2 - Estimated Proportion of Population living in Food Poverty by Region



The Opposition Spokesman chose not to make these points from the report.

Now, poverty is real and the Government that achieved the lowest poverty outturn in 12 years, continues to focus on poverty reduction in face of the pandemic with continued support to vulnerable populations.

3.3 Food Prices

The Opposition Spokesman also made claims about increases in food prices.

Let's be clear, Madam Speaker.

Inflation exists. Prices increase. That is one of the properties of almost all economies.

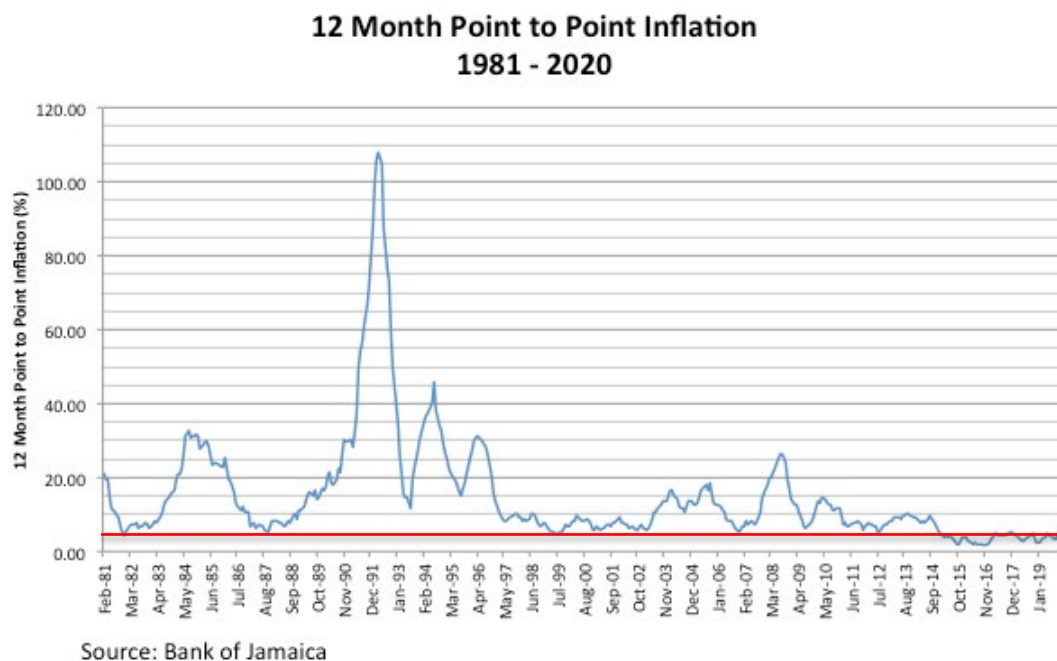
Our policy intent is, through the conduct of monetary policy by the Central Bank, and with the role of competition, the movement in the general level of prices will be low single digits on an annual basis.

This policy has been working. Inflation has been low, stable, and predictable for the past five years.

When you compare that with our history, Madam Speaker, it is a remarkable turnaround that this House and both Government and Opposition can be proud of. It is only in the last six years that we have consistently had inflation less than, equal to or slightly above 5% per annum.

Our young people need to be familiar with this history.

Figure 3 - 12 Month Point to Point Inflation



Now inflation has a compounding effect.

We should not undermine this achievement.

Now inflation of 4% per annum over 5 years leads to a cumulative increase of 22% when you compare year five with year one.

Inflation of 5% per year over 5 years leads to a cumulative increase of 28% when you compare year five with year one.

So if you are unemployed or if you are on a fixed income, the cumulative impact of even these historically low rates of inflation, over a number of years can hurt.

It is for that reason that we have allocated \$700 million to increase public sector pensions this year, in particular. This is so even though pensions are contractually fixed payments.

And it is for this reason that economic recovery is important so that we can recover the jobs that we have lost due to COVID-19.

However, Madam Speaker, the Opposition Spokesman came to the nation's Parliament last week Tuesday and presented a widely-circulated image of prices purportedly from 2016 and 2021 with dramatic increases.

I have already acknowledged that cumulative price increases even with 4% - 5% annual inflation can be 22% - 28% cumulatively over 5 years.

However, the price increase data, for the items presented by the Opposition Spokesman were simply not credible.

There is no other way to say it.

The Opposition Spokesman provided no source for his information. Look at his speech again. Notice that every other table the source was detailed ... not this one though.

He expects to walk to the nation's Parliament and present data to the people of Jamaica, make the case that this data is nationally representative, without telling them exactly where the data came from?

The Opposition Spokesman said on radio that he got the information from a single wholesale business. Which wholesale exactly?

The retail/wholesale trade in Jamaica is worth several hundred billion dollars per year and consists of a multitude of individual corner shops, grocery stores, single supermarkets, chain supermarkets, wholesales, and others.

What are the annual sales of this one wholesale and what does that represent as a share of the entire retail and wholesale trade of Jamaica?

Madam Speaker, Jamaica is fortunate to have a Consumer Affairs Commission ("CAC") that seeks to assist consumers in making informed decisions by conducting and publishing price surveys on various essential consumer goods including basic food items.

The Consumer Affairs Commission, formerly the Pricing commission, has been doing this since 1971. That is, for 50 years.

The Consumer Affairs Commission takes its authority from the Consumer Protection Act passed in 2005 when the Most Hon PJ Patterson was Prime Minister and amended in 2012 when the Most Hon Portia Simpson Miller was Prime Minister. Prime Minister Simpson Miller, in particular, relied heavily on the Consumer Affairs Commission in her term. Check the archives.

Today the CAC has an annual budget of \$135 million spent mostly on collecting prices, maintaining an extensive price database, and publishing this information. They employ 32 Jamaicans with an additional survey officer corp of 10 Jamaicans who visit 88 outlets across Jamaica in every single parish, every single month, every single year. Some of these are chains with many sub-stores.

Price data is captured on smartphones using the SurveyToGo software, this data is signed off by the outlets and, uploaded to the Consumer Affairs Commission in-house designed Survey Data Entry Tool (SDET). The data undergoes a data verification process whereby outlets are contacted to query price anomalies.

The Consumer Affairs Commission performs rigorous analysis on its price data to ascertain monthly and annual average price changes. The data is made available to consumers through a Price Enquiry Tool on the Consumer Affairs Commission website and CAC Mobile App (designed for android and iPhone users).

In addition, the CAC publishes a Grocery Consumer Alert in at least one nationally circulated newspaper every single month with the name of the outlet, the description of the item, and the price of the item.

The CAC data is transparent – they tell you exactly where they got it from and when they got it – and this data is available to anyone at any time.

A number of stakeholders including the Bank of Jamaica, trade unions, students, researchers, and policymakers rely on the Consumer Affairs Commission for their data and all stakeholders are encouraged to access and use the information in a responsible way.

The question is: with this robust, transparent price data available going back many years, collected in an independent, objective, and professional manner, that is nationally representative and on which many rely, why would the Opposition's Spokesman come to Parliament with his data gathered from one "degge degge" unnamed source?

Up to now I am not aware that he has not disclosed the source of that price data.

Why?

If he wanted to make a point on prices, why not use the data recognized as authoritative where institutional processes of peer review and validation exist and the effort involves a national team with a \$135 million annual budget.

Madam Speaker, the independently collected, objectively assessed, robustly validated, and transparently available data from the Consumer Affairs Commission puncture the credibility of the Opposition Spokesman's representations. And the Consumer Affairs Commission is on the record in this regard.

The Consumer Affairs Commission data, transparently available for anyone to see on its website, collected from 88 outlets reports that the average prices of:

Tin mackerel moved by 34% between Feb 2016 and Feb 2021 or approximately 6% per year compounded;

Corned beef moved by between 17% and 31% between Feb 2016 and Feb 2021 or approximately 3% to 5% per year depending on the brand;

Cooking oil moved by between 16% and 22% between Feb 2016 and Feb 2021 or approximately 3% to 4% per year depending on the brand;

Rice moved by 36% between Feb 2016 and Feb 2021 or approximately 7% per year;

Pre-packed dark sugar by 38% between Feb 2016 and Feb 2021;

Chicken back moved by 87% Feb 2016 and Feb 2021 or approximately 13% per year.

This is not my data. This data has been confirmed in correspondence to me from the Consumer Affairs Commission.

Figure 4 - Average Increase in Prices from the Consumer Affairs Commission

ITEMS	BRAND	SIZE	UNIT	Feb 2016 - Feb 2021 Point to Point Average % Change
Chicken Back ¹	Local	1	kg	87%
Chicken	Best Dressed	1	kg	26%
Chicken	CB	1	kg	24%
Cooking Oil	Chef	500	ml	16%
Cooking Oil	Lider	500	mL	20%
Mackerel	Grace	155	g	34%
Corned Beef	Grace	340	g	31%
Corned Beef	Nupak	340	g	17%
Corned Beef	Eve	340	g	26%
Corned Beef	Lasco	340	g	13%
Corned Beef	Miracle	340	g	28%
Corned Beef	Caribbean Choice	340	g	21%
Milk Powder	Readi-Milk (Lasco)	80	g	23%
Milk Powder	Lasco	80	g	3%
Milk Powder	Anchor	80	g	14%
Sweetened Condensed Milk	Betty	395	g	24%
Rice	Bulk	1	kg	36%
Cornmeal	Bulk	1	kg	8%
Dark Sugar	Jamaica Gold	1	kg	38%

Converted to Pounds

Rice	Bulk	1	lb	36%
Cornmeal	Bulk	1	lb	8%
Dark Sugar	Bulk	1	lb	72%

Now let me say that, a few months ago, in December, I believe, Prime Minister Holness directed that the policy around allocation of chicken back importation licenses, which has been in place across administrations, be revamped. Minister Green took some new policy proposals to Cabinet, which be implemented effective April 1. The expectation is that we will see improvements in chicken back pricing and we will let you know.

With the exception of chicken back prices, however, the independently collected, objectively assessed, robustly validated, and transparently available data from the

Consumer Affairs Commission differs radically from the subjective information presented by the Opposition Spokesman from a single unnamed source.

What is more, the Opposition Spokesman conveniently left out the price of counter flour, that, between 2016 and 2021, has declined by 4% or -0.8% per year.

Why would the Opposition Spokesman not include the most basic of food items?

Look how many Jamaicans eat dumpling. Average dumpling price is down in 2021 as compared with 2016, and him leave that out?

I don't doubt that someone handed the Opposition Spokesman the faulty information from a single wholesale business, as he says, but the point is that the data presented is simply not credible as a national statistic.

And a lot of damage is done by holding up numbers that are not nationally representative and that differ by a significant degree to official, reliable, provable data.

Madam Speaker the discrepancy with the numbers that the Opposition Spokesman presented is with the 2016 data. And I want to take the time to explain this to the country.

If you use lower 2016 numbers than were in fact the case, then you will grossly overestimate the increases in 2021. You say to people "My 2021 prices are correct" but if they don't know that your 2016 numbers are not correct they will not detect the gross error.

Madam Speaker, I am going to show you the Consumer Alert published by the Consumer Affairs Commission in newspapers during 2016.

Public information Madam Speaker.

It has lots of numbers but let us focus on the items the Opposition Spokesman referenced in his poster – mackerel, cooking oil, rice, dark bulk sugar

Figure 5 - 2016 Prices Quoted by the Opposition Spokesman

Food Item	2016 Prices Quoted By The Opposition Spokesman J\$
Rice (lb)	31


Cornmeal (lb)	45
Grace Tin Mackerel 155gm	55
Whole Chicken	160
Cooking Oil	85
Sardine	118
Milk Powder 100gm	96
Betty Milk	175
Tin Corned Beef 340gm	227
Bulk Dark Sugar (lb)	55

And other items in his table, sardines, corned beef, milk powder and condensed milk.

Let us look at the prices quoted by the Opposition Spokesman from 2016 and compare with the month by month data from the Consumer Affairs Commission Across Jamaica. And make up your own mind.

Bear in mind the units and recall that 2.2 pounds make one kilogram.

Figure 6 - Consumer Affairs Commission Prices - April 2016



CONSUMER ATTORNEY COMMISSION

Consumer Alert!

Survey of Grocery Items – April 7-8, 2016

TM

CORPORATE AREA

CLARENDON

WESTMORELAND

ST. JAMES

ITEMS	BRAND	SIZE	CONSTANT SPRING		WATERLOO ROAD		HAYENDALE		RED HILLS ROAD		CLARENDON		WESTMORELAND		ST. JAMES	
			Price Per lb. in past year	Current Price Per lb.	Price Per lb. in past year	Current Price Per lb.	Price Per lb. in past year	Current Price Per lb.	Price Per lb. in past year	Current Price Per lb.	Price Per lb. in past year	Current Price Per lb.	Price Per lb. in past year	Current Price Per lb.	Price Per lb. in past year	Current Price Per lb.
CORNBED BEEF FROZEN	BRIDGE	340 g	407.74	387.36	379.81	364.81	361.30	361.30	347.67	364.80	361.30	322.66	366.00	354.75	323.35	366.24
	BRIDGE	340 g	366.81	332.61					336.74	316.74	316.74	317.51	200.00	383.40	316.70	
	LARUE	340 g		314.65				327.76	327.76	327.76	327.77	316.80	317.67	314.67	335.00	316.78
BLACKBELL CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g		66.87	61.81	66.88	76.16	76.23				76.26	67.05	86.00		66.88
	LARUE	150 g		66.88	70.76	66.88	66.86	67.29				66.00	66.88	70.00		66.87
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE/BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
CORNBED BEEF FROZEN	BRIDGE	1 kg	1987.78	1640.38	1686.82	1882.86	1976.86	1955.86	2224.84	1175.00	1986.38	2736.48		1480.42	1482.82	1946.46
	BRIDGE/BRIDGE	1 kg	479.88	474.51	466.87	466.88	467.87	455.46	486.72	482.00	479.88	486.72	482.00	479.88	486.72	482.00
	CD	1 kg	476.99	468.88	466.88	462.00	462.00	427.00		427.00	418.75	476.00	462.18		512.56	436.87
	LARUE	1500 g		126.87	126.93	116.88	110.66	116.88	116.88	112.00	172.36	192.78	136.88		146.88	133.88
FLORIAN'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	117.38	120.00	110.00	110.00	116.84	114.46	126.88	157.30	106.80	186.88		126.88	126.88	133.88
	BRIDGE/BRIDGE	BRIDGE	300 g		227.46	248.26		227.44	236.81	346.00	266.88	236.88	203.23 (100.00)	346.00	342.88	224.81
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76	118.76	114.78	114.72	125.00	126.00	126.00
	BRIDGE/BRIDGE	BRIDGE/BRIDGE	1.1		261.38	264.75	232.31		266.88	262.88	271.00	2		1480.42	1482.82	1946.46
BRIDGE'S CAMPBELL'S TOMATO SOUP - FROZEN	BRIDGE	150 g	129.95	127.87	127.88	119.68	127.86	119.68	118.76	118.76</						

Figure 7 - Consumer Affairs Commission Prices May 2016

[illegible]

Figure 8 - Consumer Affairs Commission Prices - June 2016

Consumer Alert!

Survey of Grocery Items – June 9-10, 2016

CORPORATE AREA														HANOVER				PORTLAND			
ITEMS	BRAND	SIZE	HALF-WAY TREE	CONSTANT SPRING	LOGANAS	BARIBAN	WASHINGTON/OLD FASHIONED	WISCONSIN ROAD	HAVENDALE	RED HILLS ROAD	LUCAS	HOPKINS	PORT ANTONIO	BUFF BAY							
CORNERED EGG (CARTON)	ENE	34.9 g	295.05	298.00	308.81	316.81	308.72	294.03	304.07	312.74	308.65	308.72	308.74	308.68							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9 g	308.38	308.38	314.65	307.75	314.87	307.37	307.75	307.75	307.75	307.75	307.75	307.75							
MACARONI (CARTON)	MAC	34.9																			

Figure 9 - Consumer Affairs Commission Prices July 2016



<div>  <h1>Consumer Alert!™</h1> <h2>Survey of Grocery Items - July 7-8, 2016</h2> </div>																								
CORPORATE AREA										ST. ANN					ST. ELIZABETH									
ITEMS	BRAND	SIZE	CONSTANT SPRING	LEGENDRE	HAVENDALE	RED HILLS ROAD	WATERLOO ROAD	BROWN'S TOWN	OCHO RIOS	ST. ANN'S BAY	CLAYTON'S BAY	PORT MARIA	SANTA CRUZ	JUNCTION	BLACK RIVER									
CORNED BEEF (CANNED - 17%)	GRACE	340 g																						
	EVE	340 g																						
	LASCO	340 g	314.65	342.50	316.89	316.89	314.65																	
MACKEREL (CANNED IN TUNA SAUCE - 17%)	GRACE	155 g	85.87		80.50	78.16	74.75	77.00	75.00	80.50	80.50	73.00	75.00	81.00	72.00	74.00	70.95	75.00	85.00	73.00				
	KENDEL	155 g			72.50	72.50	69.78	72.50	65.00															
	LASCO	155 g	68.55		72.32	63.64	68.55	67.00	65.00	68.00	68.50	69.00	65.00	69.00	66.00	63.00	65.80	67.50	75.00	72.00				
TUNA IN OIL (17%)	BRUNSWICK	106 g		120.99	119.68	124.83	127.38	124.00	115.86	129.00														
	GRACE	142 g			163.29	163.29	163.29	167.76	160.00	161.00	170.06	167.00	163.00	164.00	152.00		165.50	150.73		160.85				
	BRUNSWICK (FIBRO)	142 g			116.81	109.54	116.81	115.34	103.00	110.00	118.71	149.00	118.00	117.00	121.00		178.00	103.00	114.95	108.91				
VENISON SAUSAGE (CHICKEN) (17%)	GRACE	140 g	109.14	109.24	110.94	107.47	108.93	109.50	112.00	113.59	105.00	110.00	114.00	102.00	105.00		101.79	105.96	115.00	99.50				
	EVE	140 g	111.00	114.16	108.09	105.89	108.05	111.84	98.00	103.00	104.85	109.00	103.00	112.00	110.00	97.00		97.70	105.00	101.20				
	LASCO	140 g	107.47		106.76	103.11	106.29	108.35	96.00	105.00	100.77	101.00	100.00	101.00	98.00	95.00	96.75	98.99	95.15					
BUTTER BEANS (17%)	GRACE	300 g	169.18	172.41	158.61	153.99	161.79	158.00	145.00								152.00	146.00	156.10	147.85	147.85			
	LASCO	400 g	147.15		137.95		141.20	137.47	136.00	136.00	136.05	138.00	138.00	140.00	127.00	132.00		128.46		135.75				
	BROAD BEANS (17%)	300 g	GRACE	172.41	158.61	153.99	161.79	158.00	145.00								152.00	146.00	156.10	147.85	147.85			
BAKED BEANS (17%)	GRACE	400 g	147.15		137.95		141.20	137.47	136.00	136.00	136.05	138.00	138.00	140.00	127.00	132.00		128.46		135.75				
	LASCO	300 g			158.61	153.99	151.79	152.82	156.00	157.00	158.73	159.00	159.00	159.00	148.00	141.00	147.85	147.85						
	LASCO	400 g	124.27		116.50		115.30	136.61	112.00	115.00	113.52	117.00	117.00	132.00	114.00	108.48	108.48		116.50					
DRIED SALTED FISH (17%)	NONE	1 kg		1040.33																				
	BEST DRESSED (Shrimp & Potatoes) (17%)	1 kg		484.42	470.99	460.20	461.36	448.83	446.37	418.00	398.00	462.00	465.00	451.00	429.00	492.80	564.52	480.19	490.00	467.15				
	CHICKEN - MIXED (17%)	1 kg		489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99	489.99
SHRIMP MILK POWDER (17%)	LOCAL	1 kg	489.99		489.99		489.99		489.99		489.99		489.99		489.99		489.99		489.99		489.99		489.99	
	LASCO - READMILK	80 g			116.50		110.68	119.30	114.00	140.00	115.00	115.34	117.00	117.00	118.00	148.00	162.87	106.25	115.00					
	POWDERED WHOLE MILK (17%)	80 g			116.50		110.68	119.30	114.00	140.00	115.00	115.34	117.00	117.00	118.00	148.00	162.87	106.25	115.00					
SWEETENED CONDENSED MILK (17%)	BETTY	385 g	227.45		216.59	227.44	236.91	227.35	200.00	225.00	227.44	229.00	230.00	230.00	255.00	218.00	222.45	218.00	240.00	233.15				
	LASCO	400 g		637.24	573.47	578.49	597.49	597.49	550.00	550.00	597.50	597.50	597.50		550.00	587.85	565.86		573.50					
	SMA GOLD	400 g		1513.92	1698.50	1623.51	1588.00	1380.00		1838.50					1624.00	1700.00	1623.00	1794.34	1580.00	1725.95				
COOKING OIL - (17%)	CHER	500 mL		208.99	192.71	192.71	192.71	192.65	198.00	194.00	212.00				198.00	198.00	208.05	185.01	185.00					
	LIDER	500 mL	208.91		192.71	192.71	192.71	192.65	198.00	194.00	212.00				198.00	198.00	208.05	185.01	185.00					
	UNCLE SAM'S	500 mL		153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99	153.99
RICE - (17%)	BULK	1 kg	85.07	92.99	87.50	85.23	93.94	87.00	83.60	88.00	87.25	99.00	99.00	99.00	88.00	88.00	87.89	70.47	88.00	95.91				
	CONFECTION (BULK) (17%)	1 kg	105.00	105.99	90.43	106.25	96.88	82.00	89.00	88.00	99.25	110.00	143.00	85.00	116.00	116.00	88.00	89.00	89.00	106.70				
	CONFECTION (BULK) (17%)	1 kg	105.34	117.99	109.72	97.92	107.11	104.10	107.00	99.00	93.50	119.50	110.00	110.00	99.00	94.60	92.40	113.08	100.87	99.00	120.79			
BUTTER BEANS (17%)	JF MILLS	1 kg	174.79		160.31	157.11	164.16	160.00	158.00						143.00		143.00	157.00	150.00	163.40				
	EXCELSIOR	336 g	154.23	173.99	152.28	152.28	152.28	152.28	155.00	155.00	160.00	160.00	160.00	160.00	158.00	158.00	162.63	158.00	158.00	158.00				
	NATIONAL	350 g	155.87	157.99	146.13	146.13	146.13	146.00	140.00	147.00	146.25	146.00		145.00	145.00	135.00	152.00	140.29	148.00	176.00				
CANDLE (17%)	SPOTLIGHT	8 pk		154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72	154.72
	CHLORIDE	475 mL	102.39	99.01	70.80	91.42	86.13		90.00	75.00		90.00	90.00	92.00	88.00	75.00	88.00	92.01	95.00	82.31				
	CHLORIDE	475 mL	82.90	81.53	74.94	76.74			75.00	75.14	76.00	75.00	75.00	68.00	68.00	70.00	68.00	70.00	74.95					

Figure 10 - Consumer Affairs Prices August 2016



Consumer Alert!™

Survey of Grocery Items – August 11-12, 2016

CORPORATE AREA										ST. MARY					MANCHESTER				
			CONSTANT SPRING	LEGUMINA	WATERLOO	HAVENDALE	RED HILLS ROAD			ANNOTTO BAY	MIDGATE	PORT MARIA			MANDEVILLE			CHRISTINA	
ITEMS	BRAND	SIZE	Public Supermarket J&S	Carl Hone Supermarket J&S	General Food Supermarket J&S	Mega Mart J&S	Super Value J&S	Extra Supermarket J&S	Larry's Food J&S	New Market J&S	Butter & Better Supermarket J&S	Orlando's Supermarket J&S	H&M Supermarket J&S	Rainbow Supermarket J&S	Super Plus Mini Way Mid J&S	Shoppers Fair Cuckooon Super J&S	Max Fresh Super J&S	Must All Super J&S	
CORNED BEEF (CANNED - 17%)	GRACE	340 g	414.73	368.08	352.61	356.96	361.39	344.67	356.45	365.00	363.00	334.00	397.04	368.00	378.60	348.18	368.04	334.00	
	NUPAK	340 g	335.51				310.06	316.36	310.06							316.37	326.20	310.06	
	LASCO	340 g		314.65			314.65	327.77	314.65	328.00	330.00		347.09	325.00	314.50	327.76	314.64	328.00	
MACKEREL (CANNED IN TUNA SAUCE - 17%)	GRACE	155 g	85.87	80.50	77.20	78.16	74.75	77.00	75.00	80.50	80.50	73.00	75.00	81.00	72.00	74.00	70.95	75.00	
	KENDEL	155 g		77.33	72.50	72.40	72.50	72.50	69.78	73.00	73.00						66.70	70.00	
	BRUNSWICK	106 g		120.99	119.68	124.83	127.38	124.00	115.86	129.00	113.00	120.00	109.07	113.00	121.98		122.28	120.00	
TUNA IN OIL (17%)	GRACE	142 g	177.08	124.18	123.29	123.29	123.29	127.76	115.86	129.00	113.00	120.00	109.07	113.00	121.98		122.28	120.00	
	BUMBLE BEE	142 g		165.85	155.45	140.41	133.98	139.33	133.98	133.00	133.00	133.00	133.00	143.45	145.00	133.98	168.54	166.00	
	GRACE	106.14		110.37	108.93	110.36	113.22	112.00	113.00	105.00	109.00	109.27	115.00	108.30	110.37	101.88	96.00		
VENISON SAUSAGES (CHICKEN) (17%)	LASCO	140 g	107.47	106.29	102.99	103.11	106.31	106.31	106.29	100.00	100.00	93.00	109.98	108.00	98.98	97.73	102.04	100.00	
	BUTTER BEANS (TX)	GRACE	300 g	172.41	156.61	156.11	153.89	148.25	151.79	151.00	145.00	158.50	181.90	158.00	147.91	136.59	152.26	145.00	
	BROAD BEANS (TX)	GRACE	300 g	147.15	133.81	137.47	133.81	137.94	141.26	138.00	135.00	132.00	150.87	138.00	139.79	151.93	149.17		
BAKED BEANS (TX)	GRACE	300 g	165.19	156.81	156.11	154.00	151.04	151.79	151.00	145.00	145.00	181.90	158.00	147.91	136.59	152.26	145.00		
	LASCO	400 g		116.50		113.01	113.01	121.16	119.30	116.00	117.00	116.00	146.95	138.00		113.01	100.65	117.00	
	WISD BAKED BEAN (TX)	NONE	1 kg	1128.37	1359.10		1060.15	1383.36	1111.36	126.78	1078.00	1100.00	968.00	940.45	1055.00	1061.27	951.96	1050.96	
WHOLE & CHICKEN (CANNED - 17%)	BEST DRESSED CB	1 kg	470.99	484.42	430.00	448.37	461.36	449.83	449.83	440.00	451.00	431.20	450.00	451.00	449.96	460.19	431.62	440.00	
	GRACE	1 kg	488.99	425.00	427.00	455.33	442.00	427.00					460.00		424.36	452.19			
	LASCO - READ/LEAK	80 g			116.00		110.68	116.50	119.30	145.00	150.00	114.00	115.60	115.00	110.63	110.88	111.84		
CONDENSED WHOLE MILK (17%)	BETTY	395 g	256.29	227.45	227.44	227.44	236.90	236.91	237.00	226.00	230.00	227.99	226.00	224.73	225.29	208.49	225.00		
	LASCO STEP 1	450 g		637.24	597.41	595.00	579.49	596.00	611.75	587.00	580.00	590.00	579.69	575.55	583.96	585.55	573.52	595.00	
	NESTLE LACOGEN 1	400 g	679.99	632.90	605.21	584.90	629.43	619.73	635.00	605.00	604.00	629.42	598.00	579.96	569.43	581.00	605.00		
COOKING OIL (17%)	LIDER	500 mL	211.99	194.57	194.47	186.95	189.61	180.80	185.70	185.00	195.00	188.00	223.39	189.00	181.96	182.76	172.18	180.00	
	UNCLE RAMS	500 mL	194.99				176.13	178.15	176.13		185.00			172.98		173.88	167.51	172.00	
	WATA	600 mL		95.56	52.54	54.76	50.51	50.50	50.50	50.00	50.00	50.00	48.50	50.00	50.05	44.46	50.41		
BULK BUTTER (17%)	BULK	1 kg	193.99		146.39		149.51	145.50		145.00	145.00	145.00	155.00	155.00	129.96	145.75	136.77		
	BULK	1 kg	92.99	84.50	87.50	87.50	84.50	84.50	84.50	83.00	83.00	83.00	83.00	83.00		83.63	84.00		
	GRACE	800 g					333.00	242.40		233.00	235.00	224.00	247.82	235.00	275.94	264.88			
COUNTRY BUTTER (17%)	ALBERTO	1 kg		216.33	211.00	174.36	201.50	215.47		200.00									
	BULK	1 kg	105.99	105.00	93.88	103.20	106.25	104.70	104.69	99.00	121.00	77.00	114.92	110.00	96.71	79.85	68.64	100.00	
	BULK	1 kg	102.99		116.67	107.00	108.90	108.90	101.20	101.20	101.20	116.13	99.00	109.91	99.31	92.29	100.00		
HARDWOOD BEANS - 17%	JF MILLS	2 "lb" box		160.31	160.31	160.00	157.11	160.30	184.16	160.00	160.00	155.00	184.08	160.00					
	NONE	2 "lb" box	287.50 (National)	287.50 (National)	287.50 (National)	287.50 (National)	287.50 (National)	287.50 (National)	287.50 (National)	288.50 (National)	288.50 (National)	288.50 (National)	288.50 (National)	288.50 (National)	288.50 (National)	215.00 (Top Load)	275.00 (Top Load)	275.00 (Top Load)	
	EXCLUSIDR	336 g		147.63	153.61		152.38	155.50	152.38	155.00	155.00	208.00	177.56	155.00	151.90	152.38	146.26	160.00	
WATER CRACKERS	NATIONAL	350 g	157.99	155.87	140.29	146.00	146.13	151.96	146.13	145.00	145.00	140.00	152.44	148.00	170.86		140.78		
	WELSH-3	475 mL		76.10	74.94		74.94	76.74	75.14	75.00	75.00	75.00	86.23		72.19		69.94	70.00	
	LOCAL	1 doz		363.37		332.03		389.82	371.34	380.00	320.00	413.58	300.00			334.94	334.04	320.00	

NOTES:

- All prices disclosed are indicative of what were available.
- Cash register prices are not subject to the price for that particular item.
- Prices are based on the lowest price available for that particular item.
- Prices are based on the lowest price available for that particular item.

Tip: "Check to make sure that the shelf edge price matches the item displayed as well as the price at the cash register."

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Figure 12 - Consumer Affairs Commission November 2016

It is the 2016 number he quotes that most significantly differs with the published records of the Consumer Affairs Commission. They published these prices in 2016.

And Mr. Robinson's 2016 prices are well below which leads to gross over estimation of what he projects the increases between 2016 and 2021 to be.

His 2016 prices for tin mackerel, corned beef, milk powder, cooking oil and rice differ from the prices in the Consumer Affairs Commission database across multiple outlets in Jamaica by a significant degree.

Now if you say cooking oil cost \$85 in 2016 and \$220 in 2021 then of course you get a 159% increase as the Opposition Spokesman erroneously reported.

But if cooking oil prices were actually closer to \$200 in 2016 then you get a very different number – the actual increase – of 16% or 3% per year.

159% versus 16% Madam Speaker.

30% per year increase vs 3% per year Madam Speaker.

And similarly for other items quoted.

The Opposition Spokesman 2016 prices are not credible, they are significantly underestimated and his percentage increases are grossly exaggerated.

Hastag Not Credible.

The Opposition knows very well that it is highly irresponsible to rely on price data from a single source to make economic policy or to pronounce on policy.

If that were acceptable then we could do away with STATIN, do away with the Consumer Affairs Commission and the finance minister would just make policy based on walking into a single shop the weekend before the budget presentation.

Policy-making requires collection of objective data in a scientific way.

Madam Speaker, prices have increased. We know that. We also know that the average is not everyone's experience. By definition, depending on where they shop some will experience above average increases and some below average increases. The key is to have accurate timely information that will aid decision making.

At the first opportunity we will allocate additional resources to the Consumer Affairs Commission to ensure they can publish and disseminate their work more widely – whatever the result – so that citizens will be informed and the space for the weeds of misinformation to take root will not exist.

While I believe the Opposition Spokesman may have had sincere intent, the impact of the gross and irresponsible exaggeration of price increases breeds fear. And we will not allow anyone to inadvertently plunder and prey upon the fears of the people.

Knowledge drives away fear.

3.4 BOJ Dividend

The Opposition Leader made a deeply unfortunate error, with his misleading statements on BOJ that undermines the work of hundreds of public servants.

He implied that the record dividends being paid by the Central Bank are funded by profits which are majority comprised of realized and unrealized foreign exchange gains.

Madam Speaker, I want to provide some facts and ask some questions.

Between 1989 and 2007, when the PNP was in office, there was an average annual depreciation in the value of the Jamaican dollar by 14% per year.

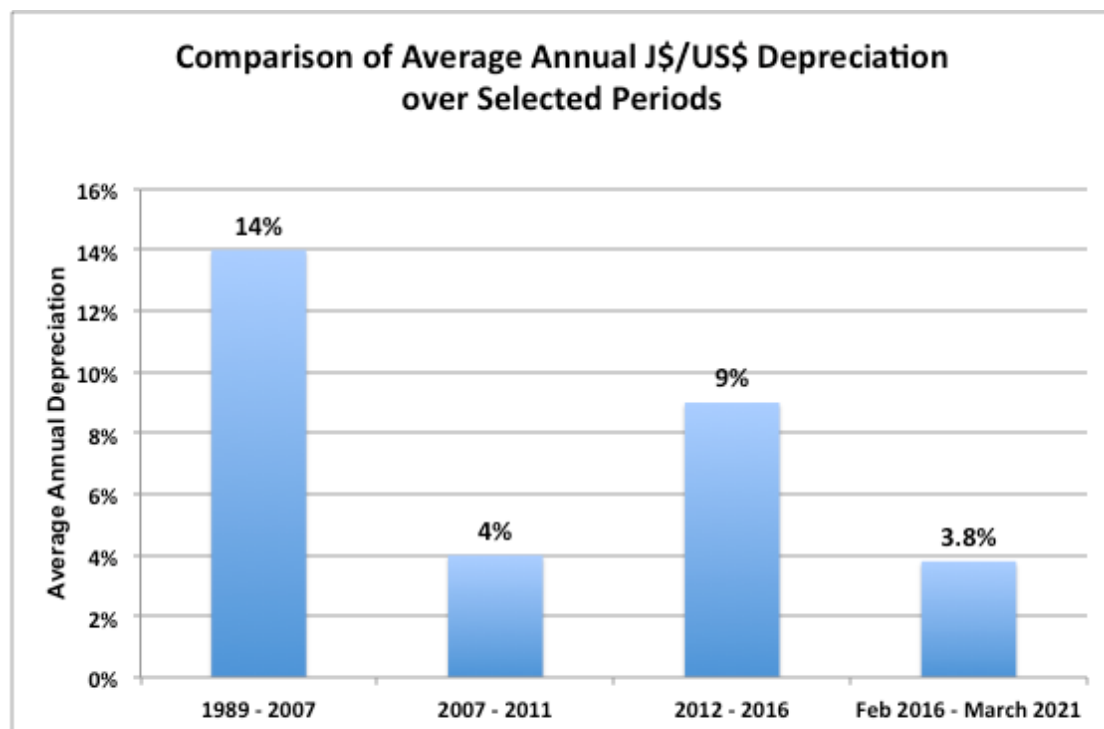
Between 2012 and 2016, when the PNP were again in office, the depreciation in the value of the Jamaican dollar was 9% per year.

Thus far between 2016 and 2021 to date, under Prime Minister Andrew Holness, despite all the hollering by Mr. Golding, the depreciation of the Jamaican dollar has averaged 3.8% per annum.

And even if you don't consider the revaluation over the past two weeks the depreciation would still have averaged just over 4% per annum.

This is the lowest level in our history.... That is a simple, provable fact.

Figure 13 - Comparison of Average Annual J\$/US\$ Depreciation over Selected Periods



Source: Bank of Jamaica

Knowledge is power Madam Speaker, and the media, financial journalists, commentators, those watching on television and following on social media should be familiar with thereby narrowing the opportunity for the weeds of misinformation and the thorns of whipped up fear to thrive.

So if depreciation leads to foreign exchange gains, which, in turn explain BOJ dividends, “just so”, I want to share you the BOJ’s foreign exchange gains of the past and ask where were the dividends paid over to the people of Jamaica.

Madam Speaker, the audited financial statements of the BOJ show, that between 2000 and 2007 and between 2012 and 2016, eleven years when the PNP was in power, according to Mr. Golding’s analysis, the Bank of Jamaica enjoyed foreign exchange gains of approximately US\$728 million.

Let me say that again.

I want to ask where were the dividends paid over to the people of Jamaica?

Madam Speaker, US\$728 million converted today J\$ is \$107 billion.

I want to know ... Where are the dividends?

And I am just talking about 11 of the 18 years. I have not even touched the most devastating parts – the 1990’s.

Madam Speaker, as a percentage of GDP in each of those 11 years, 2000 – 2007 and 2012 – 2016, the Foreign Exchange gains of BOJ under the PNP cumulatively amounted to a massive 6% of GDP....that is the budget to educate 500,000 Jamaican students in a year.

I want to know, the children of Jamaica want to know – where are their dividends?

US\$727 million or \$107 billion of foreign exchange gains, under them Madam Speaker in today’s money, and not one red cent of dividend.....

...Absolute Zilch to the people of Jamaica.

And when we, due to good policy, are able to fund a \$60 billion SERVE Jamaica Programme, with a historic, largest ever, \$33 billion dividend to the people of Jamaica, from central bank profits, he wants to complain?

Madam Speaker, they say, “when you live in a glass house don’t throw stone!”

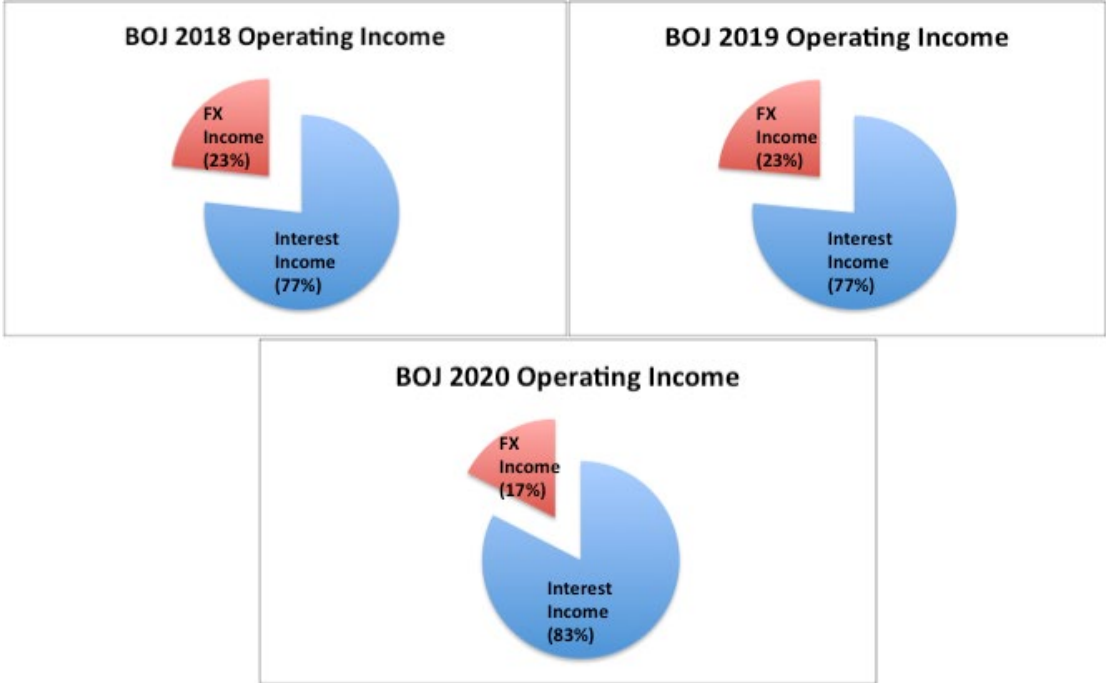
And it is quite evident Madam Speaker, that if even if you sprinkle a little Golding dust on it, it is still only a glass house.

Madam Speaker, the fact is that the Bank of Jamaica has two sources of operating income – interest income and foreign exchange earnings including realized and unrealized foreign exchange gains.

The vast majority of its revenues have always been from interest income.

Over the last three years interest income has contributed between 77% and 83% of operating income while foreign exchange earnings have contributed between 17% and 23%.

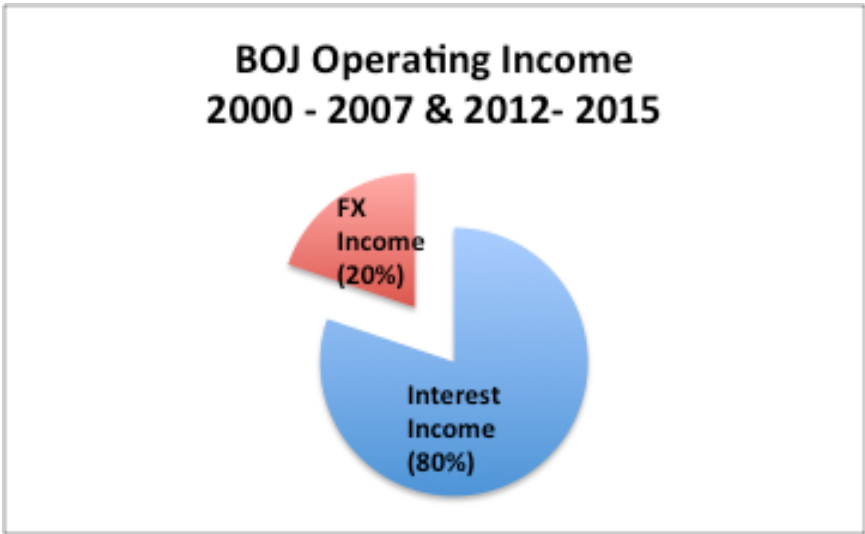
Figure 14 - BOJ Operating Income 2018 - 2020



Source:
BOJ Audited Financial Statements

Over the period 2000 – 2007 and 2012 to 2015 when the PNP were in power, interest income from the BOJ similarly contributed 80% of operating income with foreign exchange earnings at 20%.

Figure 15 - BOJ Operating Income 2000-2007 & 2012-2015



So unlike what Mr .Golding was trying to insinuate with an erroneous calculation, the structural make up of BOJ operating income has not changed.

What has changed is good policy – policy that supported a modernization effort that allowed for operating income to be profitability earned.

What is different is that after expenses are deducted from consolidated operating earnings BOJ has been profitable and is in a position to make a substantial and historical dividend payment.

And as I said before and the auditors of BOJ have confirmed, the historic dividend of approximately \$33 billion constitute approximately 22% foreign exchange gains.

Madam for more than half of the years between 2000 and 2017, the BOJ lost money. In fact, for the cumulative period 2000 to 2017 the BOJ made a net loss.

So when you hear me celebrate BOJ's profitability and this record dividend there is a reason I celebrate. I celebrate for Jamaica. I share the development in a celebratory style in nationalistic pride being painfully aware of Jamaica's historical monetary data.

And anyone who truly understands the monetary history of Jamaica, and particularly the last 20 – 30 years would celebrate the restoration of sustainable profitability of the central bank and the record historic dividends that it will pay during the first week of April, at a time when we need it most.

And it is only possible because of good policy.

Prior to this the BOJ was fighting with one hand tied behind its back.

Madam Speaker, I repeat the BOJ capital was stated as J\$2 million in the original 1960 Bank of Jamaica Act. In 1976, the BOJ's capital was doubled to J\$4 million. And, Madam Speaker, BOJ's capital remained at the same paltry figure of J\$4 million over the 42 years between 1976 and 2018.

That's like asking a man to paint a house without a paintbrush.

So we also injected \$20 billion of permanent capital – which is capital that cannot be removed - into the BOJ in 2018 to empower the BOJ to fulfill its mandate.

And we made a deliberate shift in monetary policy towards inflation targeting which began in earnest in 2018, and away from the previous policy where a preoccupation with the exchange rate biased policy towards excessive interventions, which ultimately had a hidden and non-transparent fiscal cost.

Inflation targeting has now been given the force of law with the BOJ Amendment Act, chiseled and passed with bipartisan support.

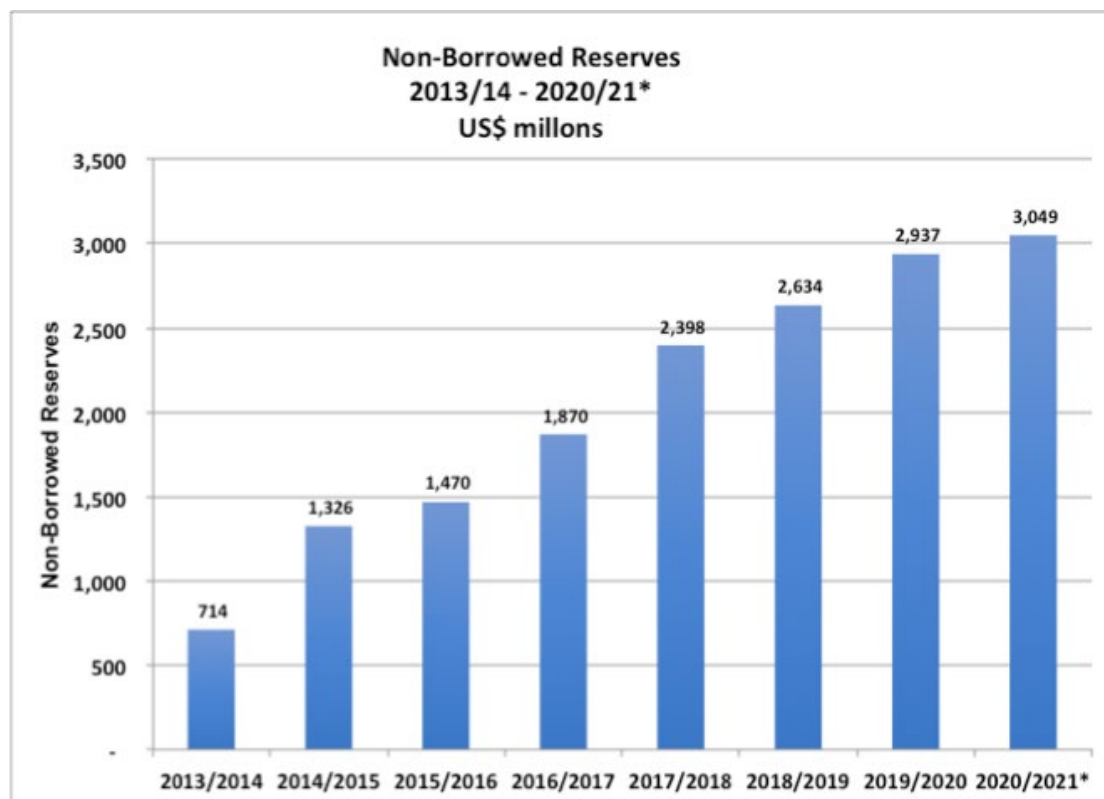
These series of steps has led to a reversal of fortunes for the BOJ. They were able to reduce interest rates 10 times since 2018.

And Madam Speaker, through deliberate policy action, good policy, we doubled non-borrowed reserves between 2015/16 and 2020/21 increasing from US\$1.5 billion in 2015/16 to US\$3.0 billion in 2020/21.

I have never seen a newspaper article report on this. This is materially significant. Before 2016 we would report reserves of say US\$2.5 billion but well over US\$1 billion of that number was borrowed and backed by certificates of deposits and other liabilities.

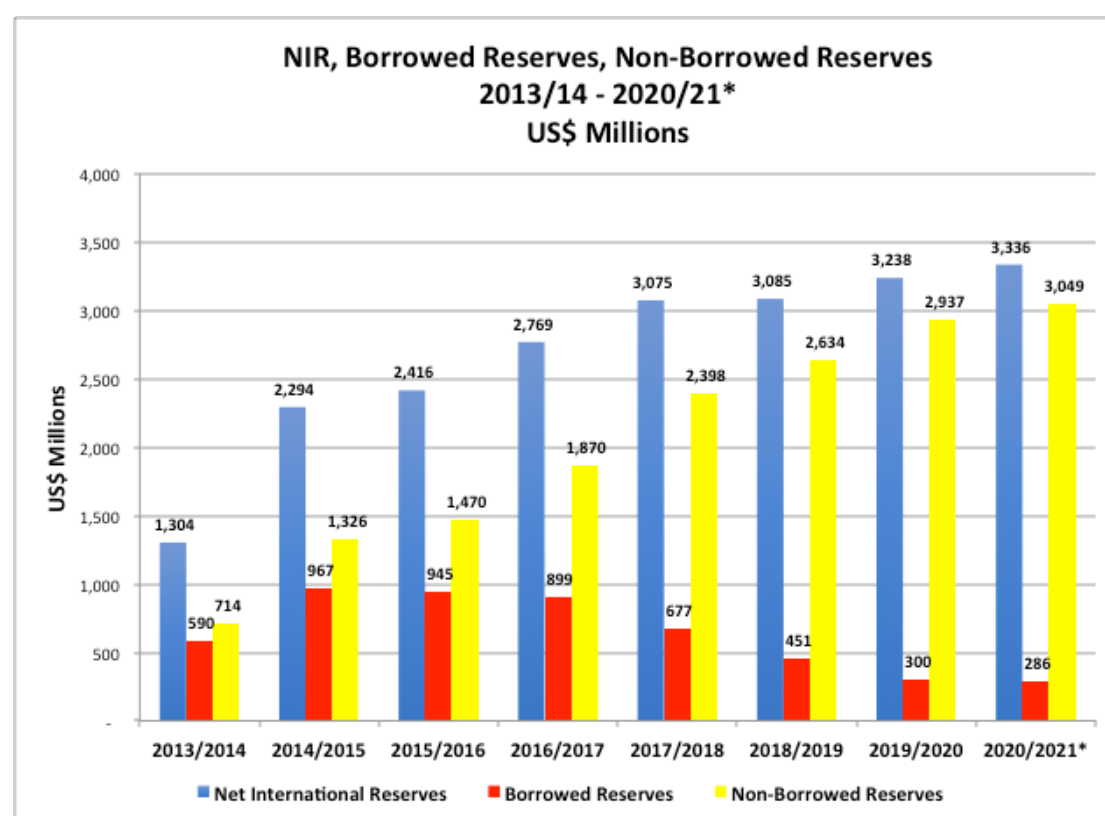
Under this administration, we have been able to retire over US\$1 billion of these borrowed amounts.

Figure 16 - Non Borrowed Reserves 2013/14 - 2020/21



Source: BOJ

Figure 17 - NIR, Borrowed Reserves, Non-Borrowed Reserves 2013/14 - 2020/21



Source: BOJ. 2020/21 which ends March 31, 2021 is projected

Jamaica's foreign reserves belong to all Jamaicans. Foreign reserves serve the purpose of ensuring that our economy has funds to help us absorb economic shocks that disrupt the supply of foreign exchange. Prior to the pandemic we strived to ensure that the reserves held on the central bank's balance sheet met international standards related to the adequacy of reserves and this good policy is serving us well now. Given the fall off in tourism foreign exchange flows of US\$ 2.5 billion it is a good thing that we had these reserves.

Now, madam speaker, Central Banks around the world make profits which they distribute to their people.

When policy is pursued that results in central bank losses, that taxpayers are called upon to fund, we know who bears the costs – you the people - but the question of who actually benefits is not usually transparent.

So, examples of central bank dividend distributions include:

The Bank of England routinely pays dividends of 500 million pounds sterling annually to Her Majesty's Treasury for the period 2010 - 2019

The Canadian central bank has paid dividends that averaged \$1 billion Canadian dollars annually in respect of the ten years 2010 - 2019

The Australian central bank has paid dividends that averaged over \$2 billion Australian dollars annually for the period 2010-2019

The Federal Reserve in the United States pays dividends every year to the US Treasury and these dividends have averaged US\$75 billion per year over the period 2010 -2019

What about Jamaica?

As I have demonstrated before, even though they made over US\$ 728 million or \$106 billion, in today's money, of foreign exchange gains in 2000 – 2007 and 2012 – 2015, they paid ZERO dividends.

Glass House, Madam Speaker.

Due to good policy, we had \$90 billion of opening cash last year when the pandemic hit and due to good policy we have an additional \$30 billion that will help us implement a Social and Economic Recovery Programme with Vaccines of \$60 billion.

Policy Matters. Good Policy Matters More.

Good policy pays dividends which improve peoples lives.

3.5 New Dialogue Around Exchange Rate and Foreign Currency

Madam Speaker, the dialogue and public discourse we have had around the exchange rate in Jamaica over the past 30 years has not serves us well.

We do not print US dollars in Jamaica.

Every US dollar you purchase in Jamaica was earned by someone, borrowed from someone, or sent by remittance to someone here.

For US dollars to be available, there has to be a supply.

Arguing in our society about how this scarce commodity is allocated, and the level at which it is available, has been a preoccupation of much of the last 40 years.

And it has been politicized by both sides, which is unfortunate, as it misses the real issue.

Some countries have foreign exchange controls where the central bank effectively rations foreign exchange and tells you how much you can buy and at what price.

We rejected that long ago. Jamaicans do not want such a system.

However, if we don't want exchange controls and want to be able to freely buy or sell foreign exchange with minimal restrictions, then clearly, for any given level of supply of US dollars, a market system is the best means of allocating those resources.

And the BOJ is working hard and needs to continue to work hard to improve the transparency and functioning of the market through systems and technology.

However, a subsidized system would result in losses for the central bank, non-transparent benefit transfers towards the largest users, a huge bill for taxpayers and

economic ruin. Later I will present a case in our CARICOM region that makes the point.

We are better off focusing our time, thought, and energies on how we can increase the supply of US dollars to our country, which is the real issue. That is the fundamental issue. For too long, we have been skirting around this central issue.

And there is no better time to focus on this than now, when our foreign exchange earnings are the lowest levels in 20 years.

4.0 Impact of the Pandemic on Female Unemployment

The Opposition Spokesman spoke about the gender impact of the pandemic expressed in particular at widening unemployment gender gap. On that score he is correct.

Madam Speaker, in my budget presentation last year I spoke proudly how this government had closed the gender employment gap.

Female unemployment was 20% in 2013 and fell to a historic low of 8.6% in October 2019.

Male unemployment in 2013 was 10.6% in October 2013, and fell to a historic low of 6.0% in October 2019.

So, Madam Speaker, the negative difference in female and male unemployment which used to be 9.4% has been decimated, has been demolished, has been smashed to only 2.6%.

Figure 18 - Unemployment Rate Gender Gap - Pre Pandemic



Madam Speaker, pre-pandemic, employment under the Holness administration was good for everyone but it was especially good for women.

While the rest of the world was talking about increasing female labor force participation, our Jamaican women led the way.

But then the pandemic hit and 130,000 Jamaicans lost their job. Interestingly, the gender make up of this initial shock maintained the gender gap in unemployment.

However, in the recovery of jobs to October, females have been reemployed more quickly than males leading to a widening of the gender gap in employment.

This is so as the service economy has been hardest hit – service jobs in tourism are majority female as are customer service jobs in restaurants bars and food outlets.

Job losses in these areas of the economy have recovered more slowly and hence the widened gender disparity.

The good news however is that the gender gap in unemployment is still far below its recent high in 2013

The other good news is that the CARE Programme disproportionately benefited women.

Just over 60% of the 440,000 beneficiaries of the CARE Programme were female and 40% were male.

Approximately 61% of the beneficiaries of the Compassionate Grant under the CARE Programme were female and 39% were male

Approximately 59% of the monthly unemployment stipend beneficiaries, ie the SET Cash beneficiaries are female.

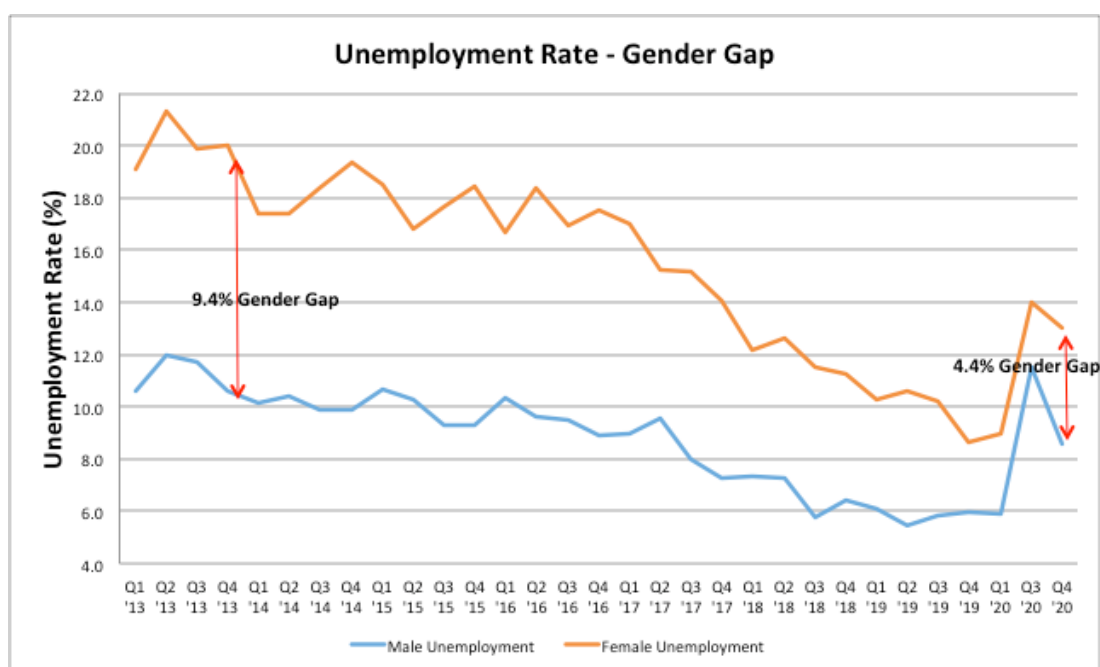
These women will receive further temporary unemployment support under the SERVE Jamaica Programme.

Madam Speaker, we too care about gender disparities and the impact of the pandemic on females.

And our policy response is a tangible demonstration of that

Again policy matters, good policy matters more, and women benefit from the good policy of the Andrew Holbess Government.

Figure 19 - Unemployment Rate - Gender Gap 2013 - 2020



5.0 Why Increased Spending is not an Option at this time

Madam Speaker, it is useful to take stock to consider what we have had to do to respond to the fiscal challenges created by this COVID-19 pandemic.

It was by divine providence that, prior to the pandemic, we happened to be harvesting resources to make a historic pre-payment on debt. Resources from Trans Jamaica and Wigton privatisations, resources from reintegration of public bodies like Petroleum Corporation of Jamaica and resources from deliberate and conscious over-performance of fiscal targets were to fund a historic pre-payment of debt.

By the time the pandemic came we were therefore very fortunate to have an opening cash balance of \$90 billion. It was meant to create room for faster debt reduction and greater growth-related spending. While that plan was very painfully thwarted, it is a blessing that we had those resources to help cushion the impact of the pandemic. Without that, we would be in a very different position today.. We were one of the first off the block in the region and, believe it or not, in the world in putting together a fiscal response, announced on March 10, 2020 and enhanced in my closing presentation on March 24, 2020, because we could.

In addition we took the step to suspend our fiscal rules and extended the date by which Jamaica's debt/GDP ratio should be reduced to 60% by two years.

We also adjusted the automatic correction mechanism in our fiscal rules to lower the pace of the fiscal correction. The law passed in 2014 required fiscal correction over two years. We relaxed that requirement by doubling the time required for fiscal correction to four years easing fiscal pressures. Otherwise coming into the 2021/22 fiscal year, we would have been looking at even bigger fiscal challenge.

And even with the renewal of NHT contributions, Madam Speaker, the resources were still insufficient to fund an economic recovery programme in FY21/22.

We harvested a one-off, \$33 billion dividend from the Bank of Jamaica which will fund the \$60 billion Social and Economic Recovery with Vaccine for Jamaica Programme, the SERVE Jamaica Programme.

As I have described before this \$33 billion dividend was the result of good policy, meticulously implemented.

Without that dividend the fiscal challenges would have been far worse.

So we were fortunate to have \$90 billion of extra resources this fiscal year and \$33 billion of extra resources programmed for next fiscal year. A total of approximately 6 percent of GDP in fiscal spending to keep the proverbial “trains running on time” and to provide economic, social and medical support to the vulnerable populations in the country. For a country with the scale of our fiscal problems, this is a considerable achievement. We should be proud of what we been able to achieve while not having no nominal debt increase.

These resources were the unambiguous fruit of good policy – of looking ahead, across the horizon, planning for tomorrow as well as today.

Now, Madam Speaker, is not the time to abandon that approach.

In describing the components of the SERVE Jamaica Programme I said that instead of it being \$60 billion, I wish it could have been \$100 billion or \$200 billion and explained the constraints that placed a hold on that desire.

Since then, the view has been expressed that we should spend more to boost growth funded by reducing the primary balance – which is the fiscal savings required to pay our interest bill.

This would result in us targeting a fiscal balance lower than provided for in our legislated fiscal rules.

Indeed, the Opposition Spokesman made such a suggestion in his presentation arguing that it would boost growth.

As I mentioned in my opening presentation, I have given this situation a lot of thought and in the process I have reviewed a lot of data and information and I want to share with my thoughts with you, the people of Jamaica.

5.1 Consumption Stimulus, If Not Targeted, Tends to Leak

Madam Speaker, we have to make policy that suits the particular provable realities of Jamaica.

Our conversation is happening against the backdrop of the policy action by the United States which no doubt has had an influence on some.

Madam Speaker, the United States is a very, very different country than ours. It is very wealthy with a very diverse economic base, and it is quite self-sufficient. Trade

is approximately 20% of GDP. For Jamaica trade in goods and services is over 80% of GDP.

As a result, Madam Speaker, relative to other countries such as the United States, incrementally boosting consumption in Jamaica has much less of an impact on economic growth unless it is targeted at the very poorest quintiles where the expenditure basket has the most domestic content.

When you boost outside of that grouping you are likely to get increased savings, a greater proportion of foreign sourced consumption and/or consumption of items with high import content. That is not going to support growth

Speaking more technically, Madam Speaker, the fiscal multiplier is a term that measures the impact of discretionary fiscal policy on economic output. It is simply the ratio of the change in economic output from change in a particular type of expenditure.

The economic literature has empirical studies on the size of fiscal multipliers in developing and developed countries over long periods of time.

The general findings are that in developing countries like ours increases consumption expenditure most times does not have a statistically significant impact on growth of economic output and this is especially the case under these conditions:

Openness of the Economy. The more open the economy the lower the fiscal multiplier. Increased openness is associated with increased leakage through imports. That is, for very open economies, consumption related fiscal stimuli grow other foreign economies as they finance imports from, and hence production in, those economies. And if trade as a percentage of GDP exceeds a particular threshold, usually estimated at 60%, the fiscal multiplier is actually negative. Meaning driving consumption weakens growth through the feedback effect of consumer import-related current account deterioration. According to PIOJ data total trade represented an average of 83.1% between 2010 and 2019. Jamaica's high trade openness negatively impacts the fiscal multiplier of consumption oriented stimuli.

Indebtedness of the Country Empirical data suggests that highly indebted countries (defined as countries with Debt to GDP >60%) generally have lower fiscal multipliers. Fiscal Stimulus in high debt countries tend to negatively impact credibility and confidence on private investment and increases interest rate risk premium. Given projected debt ratio of 110% fiscal multiplier is likely to be negligible or negative.

So it is very firmly established through theoretical and empirical studies that for small, open, highly indebted economies fiscal multipliers from consumption expenditure is negligible and is often negative.

In other words, the literature suggests that boosting consumption expenditure, **as a strategy for economic growth in Jamaica**, is not a bankable or reliable strategy.

5.2 Investment Expenditure has Higher Fiscal Multiplier but Local Absorptive Capacity is Limiting Factor

On the other hand, Madam Speaker, it has been shown, however, that government investment otherwise known as public investment has positive fiscal multiplier in most scenarios.

Public investment often has import content. However, appropriately planned and executed public investment leads to increased capacity and thus translates into higher productivity of existing and new investment. That is, it increases the returns on existing and new investment. This, in turn spurs private investment and hence the multiplier effect.

For this reason, Madam Speaker, a little over half of the SERVE Jamaica Programme is dedicated to public investment.

Now, Madam Speaker, a practical factor that has to be considered in the Jamaican context is the limited absorptive capacity of the public sector to execute on public investment.

We know from experience that we have almost always underperformed our capital budget targets....perhaps meeting it only twice in the last 12 years....and that is with capital budgets growing at a mostly, modest clip, or in some years declining.

One of the reasons for this is the challenge of executing on these projects – bureaucratic delays that we need to address but also real resource constraints – absence of people, outdated systems and complicated procedures etc..

The exception has been public investments arising from government-to-government cooperation where these projects are funded and contracted by foreign governments where the implementation is largely outside of Jamaica's public bureaucracy – those have been scalable. But they have disadvantages as well.

Jamaica's naked reality is that the country's current ability to, in quick time, ramp up public investment, and execute on it in the upcoming year is neither realistic nor practical.

Obviously, we don't accept this limitation as permanent and we continue to work to increase our absorption capacity; but I am telling you today's reality

So, it would be nice to imagine that the government could suddenly add \$20 billion more of public investment, with high domestic value add, for the upcoming fiscal year and execute on it. But that would be an exercise in fooling ourselves, particularly under current pandemic conditions.

In fact, executing on the \$31 billion public investment in the SERVE Jamaica Programme will itself likely have its implementation challenges. The South Coast Highway will not be an issue, for reasons mentioned earlier, but the new \$8 billion public investment, speaking from the Ministry of Finance's point of view, will be challenging. This new public investment is included in the budget this year in response to the pandemic. However, it is not yet in the public investment management pipeline. We will have to go through that process, complete procurement, initiate and complete preparatory activities and implement and complete in a single fiscal year. Given our realities and just talking plain, this is not straightforward.

So to scale up public investment “on the fly”, much beyond what we have already done, is not practical for Jamaica at this point in time. We have serious capacity constraints in terms of, in quick time, adding new domestic value add public investment projects. Talk is cheap Madam Speaker, but we have to confront our reality today.

Remember the largest capex achievement was \$68 billion in 2019/20 including \$8 billion for PATH. Taking out PATH, which is now on the recurrent side of the budget, gives a record capex achievement of \$60 billion. By comparison this year we are programming nominal capex of \$52 billion not far from our high and 20% above the budget for this fiscal year 2020/21.

Let us implement this first and then see if we have the capacity to absorb more..

Yes we could import some new trucks and buses as a public investment but that would not meet the definition of having an immediate fiscal multiplier effect. In fact the foreign exchange outflow at this time would work against us

5.3 Vulnerabilities because of High Debt

So given the structure of our economy seeking to boost growth through consumption can have a negative impact because of leakage, unless it is targeted at where consumption is likely to be domestically weighted, and while public investment has positive multiplier we are limited by the implementation capacity of the public bureaucracy.

In addition, Madam Speaker, there is the complication of our high debt – at 110% of GDP – one of the highest in our hemisphere - in the context of multiple vulnerabilities.

Countries around the world are often grouped into high income, middle income, and low income.

Debt-to-GDP ratios have also increased in high income countries. Even the United States’ debt-to-GDP ratio has increased substantially to 100%. However, these countries are much more diversified, with more robust economies, and with a great stock of wealth, all of which makes them much less vulnerable to risk and external shocks. And importantly they have reserve currency!!

A category five hurricane may imperil Miami, but it will not derail the United States. Alumina prices tanking may affect Louisiana, but it won’t even register in Washington State.

Lower income countries have experienced large increases in debt ratios too, but they stand to benefit from multilateral debt suspension initiatives extended to the poorest countries in the world.

Let me be the first to tell you that it is very likely that middle income countries with high debt ratios as a result of the pandemic will be faced with one of two options: restructure their debts or reduce their debts through consolidation.

In my opening presentation I said – “When you see it happen around the world, remember I mentioned it here first.”

Well let me tell you that it is already happening. Right here in our CARICOM region, in our hemisphere and around the world.

Suriname, our CARICOM neighbor, had growth rates of 1.7%, 2.6% and 2.5% in 2017, 2018 and 2019, higher than ours each of these years, and their debt was 75% in 2018 and 82% in 2019 prior to the COVID-19 pandemic, significantly lower than ours in each of those years.

However, in 2020, as a result of conditions brought on by the pandemic Suriname defaulted on its debt and is now engaged in a restructuring with bondholders.

From IDB and IMF reports, Suriname's debt was 109% of GDP June 2020 and by November it was estimated at 145%.

Inflation was 4.2% in December 2019 and by August 2020 it was 40%.

We have been there. We know how destructive that is especially for the poor.

And all of this happened like that...snap...suddenly.

The risks are real my fellow Jamaicans. This is real and it is happening right here in our neighbourhood.

In the Surinamese case, the channel through which this pressure built was the monetary channel. The crisis exacerbated their current account deficit. Though they have a floating exchange rate, the IDB reports that over the past few years they have been targeting an exchange rate level, maintaining it at a rate from which it hardly moved presumably using reserves. Once supply of foreign exchange inflows dwindled they ended up with a one-off 90% devaluation and boom!

Now, Suriname may get lucky because they just discovered oil....so they will be alright over time. But for now, they are negotiating a program with the IMF to bail them out.

Jamaica's risks are profound and we need to be mindful given our history of policy relapse.

Too much rainfall has regularly sent our economy sinking;

Drought, or too *little* rainfall, regularly depresses economic output;

Tropical cyclones or hurricanes have flattened our economy in the past;

Commodity price volatility – oil, bauxite, alumina, grains, soyabeans – have wreaked havoc on our economy and lives in recent time;

Terrorist action elsewhere has in the past has had a devastating impact on travel and our tourist industry;

Geopolitical tension and social strife can create instability in our society;

Sanctions against countries and firms which operate in Jamaica and contribute to our economy have had harmful consequences in the country.

Any one or more of these variables, all of which are outside of our control, could put us back before we have the chance to recover. And this is before you consider the risks associated with the potential evolution of the coronavirus into more deadly and resistant strains.

We are far more resilient today than we were ten years ago, but we still remain a small, open economy with multiple vulnerabilities.

The point is that if those risks materialize while we are still burdened with high debt – remember Suriname's debt/gdp was only 82% going into the crisis – the situation can change more quickly than most realise, with little time to adjust.

What starts as a shock in one economic channel ultimately affects other channels, and the fiscal channel ultimately expresses the unsustainability of the cumulative problem in the form of a technical or real debt default followed by a debt restructuring.

Now, Jamaica has already had two debt restructurings in the last decade, which were extremely costly socially and economically, and we cannot afford a third. Who would believe us after that?

Suriname is not alone either. Ecuador had to restructure their debt during the pandemic year, 2020, as well.

Furthermore, in January, Reuters reported that the country of Chad officially requested a debt restructuring, the first country to do so under a new common framework agreed by Group of 20⁸

In February, Reuters also reported that due to conditions brought on by COVID Zambia would use the common framework to restructure its debts as well⁹

Reuters also reports that S&P, the international credit rating firm expects Ethiopia to follow soon¹⁰

So far this common framework for debt restructuring is only open to lower income countries. As time passes it will not be surprising to see some highly indebted middle income countries, including some in the western hemisphere, come forward to restructure their debts.

Now if and when that begins to happen, Jamaica's dynamics have to be far out of this zone. Or else we will be seen as a potential candidate, risk premia will rise and it can become self-fulfilling. I am trying everything in my power to avoid that potential outcome.

⁸ <https://www.reuters.com/article/us-chad-debt/chad-becomes-first-country-to-ask-for-debt-overhaul-under-g20-common-framework-idUSKBN29X0Q5>

⁹ <https://www.reuters.com/article/us-zambia-debt/zambia-requests-debt-restructuring-under-g20-common-framework-idUSKBN2A50XL>

¹⁰ <https://www.reuters.com/article/us-ethiopia-ratings-s-p/sp-joins-fitch-in-downgrade-of-ethiopia-on-potential-debt-restructuring-idUSKBN2AD06W>

We don't want to be confused with other highly indebted middle-income countries. I am working to ensure that by then we will have differentiated ourselves by our institutions, by how we handled this crisis, and by the clarity of our thought and the deliberate nature of our policymaking.

And for those who say, "just move by a likkle bit man. Dat not going trouble anybody". To them I say, remember that its always only a "straw" that breaks the "camel's back". We need to use our resources wisely.

Just today Prime Minister Andrew Holness's experience, leadership and vision was again called upon as leader of a middle income country that is weathering this crisis well, relative to others. He was locked in meetings with Prime Minister Trudeau of Canada and the United Nations Secretary General on crafting a global proposals forward for other middle income countries involving investment and possible accommodations.

My fellow Jamaicans, we are in the midst of a dangerous crisis. There is a LOT of uncertainty. And add to that all the other vulnerabilities I mentioned earlier. We may need to spend more as the crisis evolves, and we need to be prepared for what may be around the corner. Jamaica doesn't have infinite resources. We have managed on our own so far in this crisis because of our prudence and our predisposition to always be thinking ahead. You have my word that if the revenue collection improves, or we find additional resources, we will put more money in people's hands in a targeted way towards those who most need it. But we cannot count our chickens before they eggs hatch.

The crisis is far from over.

We have to keep our powder dry.

And so we have to be prudent.

We have to balance what we know now, in terms of the resources, and what we don't know, in terms of the evolution of the crisis.

We cannot find ourselves out of resources at the wrong time.

If we throw out good policy not knowing where this crisis is headed we would be taking risks that we cannot afford.

6.0 Private Sector Led Recovery

We are in the midst of an unprecedented, unpredictable and dangerous global health and economic crisis.

The budget has been cast in this context and is focused on providing the resources to allow us to respond to the crisis and to recover stronger, faster and better than before.

6.1 GOJ Recovery Spending - The SERVE Jamaica Programme

The budget, through the \$60 billion SERVE Jamaica Programme, provides the resources for us to

attain herd immunity in our population in this fiscal year with some margin to provide for the costs of administration and distribution and to account for the possibility of escalation in prices of vaccines throughout the year.

support economic recovery with a historically large infrastructure programme that will be challenging to implement

support economic recovery with large allocations of rural farm roads and productivity incentives.

support thousands of small businesses to make the digital transition to improve their productivity which will enhance growth.

Support vulnerable segments of the population to be employed in construction activities

provide opportunities for thousands more in vulnerable segments of the population to be employed in activities that improve our urban and rural environment and that increase resilience

The budget, through the \$60 billion SERVE Jamaica Programme, provides opportunities for thousands to have access to Wi-Fi through a programme to build out Wi-Fi connectivity in public spaces especially in rural communities.

The budget, through the \$60 billion SERVE Jamaica Programme, provides opportunities for thousands to have access to obtain digital devices through the Constituency Development Fund and through municipalities.

The budget, through the \$60 billion SERVE Jamaica Programme, provides opportunities for thousands of the indigent and destitute to receive extra support at this time.

The budget, through the \$60 billion SERVE Jamaica Programme, provides opportunities for 15,000 taxi men and 5,000 contract carriage operators to be supported through license fees..

The budget, through the \$60 billion SERVE Jamaica Programme, will provide temporary monthly unemployment support to 50,000 Jamaicans who have been unemployed as a result of COVID.

The budget, through the \$60 billion SERVE Jamaica Programme, will provide a \$10,000 grant to Jamaicans, 60 and over who have no formal source of income or, if they do, it is less than \$1.5 million per annum.

Now with this programme we have the practical challenge that we expect this demographic to be well over 100,000 persons and from our experience with the CARE Programme most do not have a functioning bank account.

At this phase of the COVID pandemic, and for this population in particular, gathering to collect at remittance companies is not an option, unless, of course they are vaccinated. Given the vaccination timetable this would not happen until June or July.

This consideration would have influenced the formulation of this grant in my opening budget presentation where the grant was described as conditional. What is meant is that because collection will be physical i.e. in person and because the population group we expect to be in receipt of the grant is large, i.e. over 100,000 persons vaccination is essential for it to work. If only 40% of that demographic is vaccinated, for example, it would be counterproductive to incentive 100,000 of them to congregate at remittance outlets across the country.

Here is what I will say. Let us see how the vaccination proceeds through June and July and the population of the over 60 that are vaccinated by then. We will reassess at that time. And I will consult with relevant stakeholders and announce the modality of access to and payment of this grant, at that time.

The key, Madam Speaker, is that over 100,000 Jamaicans will benefit from this grant.

Now Madam Speaker, subject to the evolution of the health crisis, we expect economic recovery to begin this fiscal year and for furthermore, for economic recovery to be kick-started in the next quarter.

6.2 Expectations for Economic and Jobs Recovery

Madam Speaker, subject to the evolution of the health crisis, we also expect job recovery to begin this fiscal year and, furthermore, for job recovery to be kick-started in the next quarter.

However, Madam Speaker, it will take several quarters, actually a few years, for that economic and job recovery to restore all what we have lost from the pandemic.

What we desire, however, is that the recovery is steady, and that it is consistent and that it happens in a few years rather than the decade long time frame of our previous recoveries.

Make no mistake. For some countries it will take a decade or the better part of it to recover to pre-pandemic levels.

Our aim from the outset was a quick recovery to pre-pandemic levels of employment and economic activity.

6.3 Central Bank Digital Currency and Financial Inclusion

We will be piloting Central Bank Digital Currency this year to bring more Jamaicans into the financial system. We expect this to spur exciting innovations. Our economy will deepen with increased access to finance, and output will increase.

We expect over the medium term that central bank digital currency to play a significant role in recovering stronger.

6.4 MSMEs

MSME's are the backbone of the economy. We are improving access to finance. Inclusive of provisions of \$2 billion in this year's budget, there will be three equity funds focused on MSME's.

A US\$15 million fund will launch shortly, to which the GOJ investment is US\$5 million and the additional \$2 billion will spawn two additional funds. We are aiming to find investment managers who can leverage the Government's investment by raising an additional \$4 to \$6 billion from institutional investors to invest alongside the GOJ's \$2 billion.

All told, we aim to have between J\$8 billion and J\$10 billion of equity capital focused on MSME's up from zero a year ago.

This will be a game changer.

In addition the digitalization support for MSME's will foster MSME growth.

6.4 Agriculture

To recover faster and stronger, agriculture will be important. The pandemic, and its impact on imports, has provided the opportunity to boost agricultural output and hence the allocation to productivity incentives and farm roads that I know Minister Green will judiciously employ.

But to get more out of agriculture we will need to make it less susceptible to the weather with proper storage and irrigation facilities.

Our capital budget includes just under \$1 billion to support irrigation of arable lands in the Essex Valley area of St Elizabeth, Amity Hall and Bridge Pen in St Catherine, and Parnassus in Clarendon;

I am working with Minister Green, from the finance angle, on storage solutions as well. He will speak more on these in his presentation.

The full restoration of lost jobs and economic output will require reboot of tourism and will not happen in a single fiscal year. It will also depend on the pace of health and economic recovery in tourism source markets.

6.5 Tourism

However, what we are doing, Madam Speaker is making the investment in this fiscal year to deepen the tourism product as announced by the prime minister. So as tourism arrivals increase again, more of the dollars will stay in Jamaica.

That is why, even in the pandemic period, we are:

Expanding the Montego Freeport Terminal to accommodate larger vessels
Constructing new Artisan village of craft shops, restaurants and performance spaces in Falmouth
Building a new town centre in Falmouth on 50 acres of land using a PPP modality
Reconstructing a second berthing facility at the Reynolds Pier able to accommodate the largest classes of cruise ships and constructing a new promenade linking the Reynolds Pier to the Ocho Rios Fishing Village, Island Village, the Main Cruise Terminal and the town of Ocho Rios
Constructing a new museum, restaurant and entertainment facilities in Port Royal

By investing in tourism infrastructure we are improving the productivity of tourism in Jamaica, and the value-add in Jamaica.

In addition Madam Speaker we are making the moves now to diversify the tourism product into higher value segments.

The amendment of the Casino Gaming Act and the launch of the Request for Proposals I mentioned in my opening presentation, is to facilitate at least US\$2 billion of investment, in aggregate, that is eager, to invest in casino gaming resorts in Jamaica.

They are knocking on our door. Every month, every week. Even in the pandemic. And we are having to assure them that we will soon have the law passed and the RFP launched.

6.6 Logistics

The Prime Minister has spoken about the Caymanas Special Economic Zone and the confirmed interest of international investors to invest tens of billion of Jamaican dollars in this project.

We are working to repeal and replace the Customs Act bringing in modern procedures that will facilitate the leveraging of our airport and airport assets, along with our hardworking people, to play a larger role in the global supply chain.

These productivity enhancing changes will unleash investment and jobs across the medium term.

6.7 Infrastructure

Madam Speaker, we are investing in infrastructure to improve productivity of new and existing investments. This will support durable growth.

The South Coast Highway project is already interesting developers in bringing significant housing investment to St Thomas

As the Prime Minister has mentioned before with the MoBay Perimeter Project and with extension of the road from Montpelier to Holland Bamboo and the completion of the vision of the South Coast Improvement Highway, goods and people will be able

to be transported from Kingston to Montego Bay on a four lane highway none stop. You know what I call that? Cyapet!

We could also achieve this by expansion of Mobay to Ocho Rios for four lane connection from Kingston to MoBay via the North Coast

That will increase the productivity of investment and usher in new investment too. Actually you cannot imagine the transformative impact of connecting:

Jamaica's two major cities of a country by direct, efficient four lane highway.

Jamaica's two international airports of a country by direct, efficient four lane highway

Jamaica's two major seaports of a country by direct, efficient four lane highway.

This will make all kinds of economic activity more productive and things ideas that may not have been feasible before will become feasible with this transformation.

This is all scheduled to be completed within the economic recovery period and will likely boost our recovery efforts.

Madam Speaker, where the GOJ will have absorption capacity in public investments we will organize for the private sector to step in.

In a 2019 study commissioned by the World Bank, Jamaica was rated by the World Bank as 4th in all the countries of Latin America and the Caribbean for Public Private Partnerships overall, 5th in Latin America and the Caribbean for the investment and business climate for PPP, and 1st in Latin America and the Caribbean for the maturity of our PPP environment.

We will leverage our earned reputation for successful PPP implementation to mobilise international and domestic capital for investment in water, sewerage, healthcare in Jamaica.

Minister Tufton has spoken about the multi-billion centers of excellence in nephrology and oncology which will be realized through the PPP modality.

The Prime Minister has spoken about the expansion of storage and distribution which will also be realized through the PPP modality.

And, as the Prime Minister has announced, we are working towards having highway projects beyond the South Coast Highway and the Montego Perimeter Road projects being conducted using an open competitive modality with the assistance of the World Bank. Ideally some of these will use the PPP modality too.

And there is more to come.

6.8 Large-Scale Investment

We will be finalizing our Large Scale and Pioneer Industry investment regime in this fiscal year which will further put us in a position to attract large scale US\$ billion investments.

6.9 Mobilising Capital for Private Sector Led Recovery

In targeting a robust recovery, recognizing the constraints of government, the GOJ is working to mobilise hundreds of billions of Jamaican dollars of international and domestic capital for investment in Jamaica across the medium term across the areas highlighted previously and beyond.

This will fuel and sustain our economic recovery and we will recover stronger, faster and better.

So Madam Speaker, ultimately, the Government Jamaica is deliberately and consciously pursuing a private sector led economic recovery.

While the Government will invest to the full extent of its capacity we will reap far more investment, multiples of government investment, from the international and local private sector over the medium term. This has the potential to transform Jamaica.

7.0 Concluding Remarks

In concluding Madam Speaker, policy matters. Good policy matters more.

The Opposition says people should be at the centre of good policy.

But of course.

Who benefited from the good policy that yielded \$90 billion of cash resources last year? – nearly 500,000 PEOPLE

Who is benefiting from the good policy that yielded the \$30 billion of dividend resources for this year?

- 15,000 taxi driver – 15,000 PEOPLE
- 5,000 contract carriage operators – 5,000 PEOPLE
- 50,000 unemployed – 50,000 PEOPLE
- 100,000 seniors – 100,000 PEOPLE
- 17,000 who will receive digital devices – 17,000 PEOPLE
- thousands of farmers to receive productivity incentives - PEOPLE
- thousands to find work on infrastructure construction sites – PEOPLE
- thousands to find temporary work in Paint the City and River Training – PEOPLE
- and Madam Speaker up to 2 million vaccinated Jamaicans – PEOPLE

It is PEOPLE who benefit from good policy.

When we roll out new social pension for the elderly, who benefit – PEOPLE

It is PEOPLE who benefit from good policy

That is why ***policy matters and good policy matters more***

On this side improving the lives and lived experience of the Jamaica people is our mandate and focus.

This COVID-19 pandemic interrupted our progress but, with good policy, we will recover faster, better and stronger than before.

And against the background of 16 years of heavy tax increases prior to 2016:

every single year, except one, between 2000/1 and 2015/16 taxes;
where tax increases totaled over \$100 billion in nominal terms;
and where tax increases, in real terms, were 14% of GDP cumulatively;
averaging 0.87% of GDP every year over that 16 year period;

We are particularly pleased that:

For the sixth consecutive year now – the budget has no new net taxes.

For the fourth consecutive year now – the budget has no new taxes.

For the third consecutive year now – some tax or fee has been abolished in the budget.

And this is so even in the middle of the pandemic.

My fellow Jamaicans, we have agency as an independent people. We can create the future we want. We can fulfill our destiny as a people.

And with God's help we can pursue good policy that will allow Jamaica to recover faster, better and stronger than before.

God bless you. God bless Jamaica.

