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### **IMF Mission and Jamaican Authorities Reach Staff-Level Agreement on Key Elements for EFF-Supported Program**

Mr. Jan Kees Martijn, Head of the International Monetary Fund (IMF) mission to Jamaica, issued the following statement today in Kingston:

“The mission has reached a staff-level agreement with the Jamaican authorities on the key elements of an economic program that can be supported by a 48-month arrangement under the Extended Fund Facility (EFF), in the amount equivalent to SDR479 million (about US\$750 million or 175 percent of quota). We have agreed on understandings that are reflected in the authorities’ economic program, as stated in the Letter of Intent that will be reviewed by IMF Management and finalized before the agreement is approved. Staff envisages that the IMF’s Executive Board would consider the proposed arrangement under the EFF by the end of March, subject to the timely completion of prior actions to be taken by the Jamaican government and obtaining necessary financing assurances.

“The authorities have announced a debt exchange that, along with the fiscal adjustment and structural reform measures in the economic program, will help reduce Jamaica’s medium-term financing needs and contribute to debt sustainability. In addition to continued support from international financial institutions and other official creditors, the success of the authorities’ program will depend critically on a high rate of participation of private creditors in the debt exchange. All these elements will help secure financing assurances for a Fund-supported program.

“Over the last three decades, the Jamaican economy has experienced very low economic growth, declining productivity, and reduced international competitiveness. An important factor behind these problems has been Jamaica’s unsustainable debt burden, which has undermined confidence and elevated risks to economic stability. Additionally, Jamaica’s high debt service has limited the government’s potential to provide the services needed to achieve sustained rates of growth and increased welfare for its citizens.

“The main objective of Jamaica’s economic reform program is to contain the country’s rising economic and external vulnerabilities and address economic imbalances, while putting

Jamaica on a path of sustainable growth. The program also aims to promote macroeconomic and financial stability, including through achieving and sustaining higher primary fiscal surpluses that can help underpin debt sustainability, pave the way for private-sector led growth through the implementation of a comprehensive set of structural reforms, and promote social stability through enhanced social protection for the most vulnerable.

“This involves implementing a coordinated set of reforms to: (i) strengthen public finances, including through comprehensive tax reform, expenditure rationalization, and improved public debt management and public financial management; (ii) enhance the resilience of the financial sector through strengthened supervisory, regulatory, and crisis management frameworks; (iii) improve growth-generating efficiency through enhancements to the business environment, increased competitiveness, and strengthened institutional capacity and governance (including through a broad legislative agenda); and (iv) protect the most vulnerable and promote economic self-reliance, including through the establishment of a floor on social spending, maintaining the real value of PATH (Program of Advancement through Health and Education) benefits, and expanding re-certification and the Steps-to-Work program.

“Jamaica, which became a member of the IMF on February 21, 1963, has a current IMF quota of SDR273.5 million (about US\$434 million).”