

# CARICOM BUSINESS

A Weekly Business News Aggregation Service

Vol. 2 No. 35

## Foreign Exchange Summary

as at August 30, 2019

Member State	USD	CAD	GBP	Euro
Bahamas (BSD)	1.00	0.75	1.22	1.10
Barbados (BBD)	2.03	1.53	2.49	2.26
Belize (BZD)	2.02	1.53	2.48	2.24
Guyana (GYD)	210.45	158.28	232.38	256.27
Haiti (HTG)	94.09	70.84	115.91	104.08
Jamaica * (JMD)	137.76	103.09	167.41	152.08
OECS (XCD)	2.71	2.03	3.28	2.98
Suriname (SRD)	7.52	5.58	9.17	8.31
T&T (TTD)	6.76	5.37	8.72	7.93

\*Rates applicable for Customs & GCT purposes

## Business News In Brief

### Bahamas records lowest fiscal deficit in a decade

The Government of the Bahamas announced in its Fourth Quarter Report on Budgetary Performance for Fiscal Year 2018/19 that it achieved the lowest fiscal deficit in ten years in that budget cycle, with a low 0.1 percent increase in the debt-to-GDP (Gross Domestic Product) ratio which now stands at 58.8%. The state reports a deficit reduction of 46% year-on-year, ending at \$222.4 million, or 1.7% of GDP. At the same time, the government recorded year-on-year revenue growth of 18 %, most of which came in from value-added tax (VAT) and trade taxes. ([NG](#))

### Economic growth in OECD area slows to 0.5%

Economic data from the OECD is confirming ominous signs of an increasingly weaker global economy. Growth of real GDP in the OECD area slowed to 0.5% in the second quarter of 2019, compared with 0.6% in the previous quarter, according to provisional estimates. Among the major seven economies, GDP growth slowed markedly in the UK to minus 0.2% from 0.5% in the first quarter of 2019 and in Germany to minus 0.1% from 0.4%. OECD Chief Economist Laurence Boone has stated that the slowdown in manufacturing prompted by trade tensions will spread to other sectors that have so far been less affected. European governments, Germany & the Netherlands in particular, will need to increase spending to stimulate the economy, she said. ([CC](#))

### Minimum tax on profits coming - OECD

The Organisation for Economic Co-operation and Development (OECD) will be releasing a proposal for global corporate tax reform before the next meeting of G20 finance ministers and central bankers set for October 17 in Washington, DC. In an interview with Agence France-Presse news agency, the OECD's Head of Tax Policy, Pascal Saint-Amans noted that the OECD is pursuing two avenues to target the issue that certain businesses, digital companies in particular, can have significant market share in a country where they do not have a physical presence, and as a result escape corporate taxation there. "The first concerns how we tax companies that aren't taxed currently and how to reallocate tax assessment rights," Saint-Amans said. "The other involves the creation of a minimum tax on profits... the idea is if a company operates abroad, and this activity is taxed in a country with a rate below the minimum, the country where the firm is based could recover the difference." ([CC](#))

### Corporate Movements

- ⇒ tTech Limited (TTECH) has advised that Ms. Marcelle Smart, Consulting Services Manager, has resigned effective September 12, 2019.
- ⇒ Medical Disposables & Supplies Limited (MDS) has advised that Ms. Janice Pitter, Financial Controller, has tendered her resignation effective September 13, 2019.

### Jamaica records 18 consecutive quarters of growth

The Jamaican economy recorded growth of one per cent in the April to June 2019 quarter, extending Jamaica's growth trend to 18 consecutive quarters or four-and-a-half years. That's the word from Dr. Wayne Henry, Director General, Planning Institute of Jamaica. Growth in the economy was however negatively affected by drought conditions, which led to a 2.5% contraction of the Agriculture, Forestry and Fishing industry & impacted further by a 1% decline in Construction. Dr. Henry said the overall Goods-Producing Industry's flat out-turn was largely attributed to improved performances by the mining & quarrying, & manufacturing industries, which grew by 4.5 and 1.7 %, respectively. The Services Sector was estimated to have grown by 1.4%, relative to the corresponding quarter of the previous year. This reflected growth in all subsectors, was largely spurred by an estimated 5.6% expansion in Hotels and Restaurants, consequent on a 7.8% increase in foreign national arrivals ([JIS](#))

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## Stock Market Summary

as at August 30, 2019

### Jamaica Stock Exchange

Overall Market activity resulted from trading in 38 stocks of which 22 advanced, 13 declined and 3 traded firm. Market volume amounted to 24,252,652 units valued at over J\$191,230,760.17. Sagicor Select Funds Limited - Financial was volume leader with 13,442,708 units (55.43%) traded. JSE Index advanced by 3,491.26 points (0.68%) to close at 520,410.28.

### Barbados Stock Exchange

2 securities traded firm as 13,763 shares traded on the Regular Market, with a total value of BD\$3,149.65. Eppley Caribbean Property Fund SCC – Development Fund was the volume leader trading 13,000 shares at \$3.26. Index closed at 3,318.74.

### Trinidad & Tobago Stock Exchange

Overall Market activity resulted from trading in 13 securities of which 2 advanced, 5 declined and 6 traded firm. Trading activity on the First Tier Market registered a volume of 264,453 shares crossing the floor of the Exchange valued at TT\$4,943,085.58. National Enterprises Limited was the volume leader with 113,294 shares changing hands for a value of TT\$679,764.00. The All T&T Index declined by 0.25 points (0.01%) to close at 1,755.14. The Composite Index declined by 0.13 points (0.01%) to close at 1,382.84 and the Cross Listed Index remained at 136.84.

### Guyana Stock Exchange

Market activity resulted from trading in 4 stocks of which all traded firm. Market volume amounted to 15,317 units with Banks DIH (DIH) being volume leader with 7,633 shares traded. The LSI closed at 586.58.

### Eastern Caribbean Securities Exchange (ECSE)

Market activity resulted from trading in 3 stocks with a volume of 1,870 shares. Bank of St Vincent & the Grenadines Ltd was volume leader with 1,700 shares traded. Index closed at 150.86.

CARICOM Business is a weekly newsletter produced by the Directorate of Trade & Economic Integration.

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## Business News In Brief

### Jamaica's records \$31.2 billion fiscal surplus

For the 12-month period to June 2019, Jamaica's central government's operations recorded a fiscal surplus of \$31.2 billion (1.5% of GDP), relative to the surplus of \$13.6 billion (0.7% of GDP) for the similar period of 2018. The 12-month primary surplus at June 2019 was 7.7% of GDP, compared to 7.4% at June 2018. The fiscal outturn for the review period reflected a faster pace of growth in revenues and grants, compared with the increase in expenditure. The public bodies recorded an operating surplus of \$5.2 billion (0.3 per cent of GDP) for the June 2019 quarter, lower than the surplus of \$10.0 billion (0.5 per cent of GDP) for the corresponding period of 2018. The lower operating balance primarily reflected the incorporation of a profitable entity, the PetroCaribe Development Fund, into the operations of central government. Bank of Jamaica's projections also indicate that inflation will fall below the lower limit of the 4.0 to 6.0% target at various points over the period August 2019 to June 2020. This forecast assumes that core inflation will remain in the range 2.0 - 3.0% over the forecast horizon. ([BOJ](#))

### Belize Exports jump 44.1 Percent

On the heels of a contraction in the economy of 0.8% during the second quarter of 2019, Belize's exports for the month of July 2019 increased by 44.1% relative to July 2018, while imports jumped 15.6%, according to the Statistical Institute of Belize (SIB). In its latest External Trade Bulletin, the SIB reported that the total domestic exports for July 2019 amounted to almost \$46 million, up \$14.1 million relative to \$31.9 million recorded in July 2018. Imports were valued at \$191.4 million in July 2019, which represented a 15.6 % or \$25.8 million increase relative to the \$165.6 million reported for July 2018. In the meantime, the SIB is reporting a decline of 0.2% in consumer prices for July. For the first seven months of 2019 a year to date inflation rate of minus 0.02% was reported. ([SIB](#))

### International Oil Prices as at August 30, 2019

Futures	Price	US\$ Change	Change
WTI Crude	US\$55.10	-1.61	-2.84%
Brent Crude	US\$59.25	-1.24	-2.05%
OPEC Basket	US\$60.24	+0.08	+0.13%
Natural Gas	US\$2.285	-0.011	-0.48%