



**JAMAICA STOCK EXCHANGE'S
11th ANNUAL REGIONAL CONFERENCE
ON INVESTMENTS AND THE CAPITAL MARKETS
AT
THE JAMAICA PEGASUS HOTEL
ON JANUARY 18, 2016**

OFFICIAL OPENING

**WELCOME BY ALLAN LEWIS, CHAIRMAN
OF THE JAMAICA STOCK EXCHANGE**

- **Thank you Master of Ceremonies**
- **Our keynote speakers Prime Minister of Jamaica, the Most Hon. Portia Simpson Miller;**
- **Mr. Gregory Fisher;**
- **Honourable Members of the Cabinet;**
- **Honourable Members of Parliament**
- **Members of the Diplomatic Corps**
- **Our visiting delegates speakers presenters and sponsors from other countries**
- **Delegates speakers presenters and sponsors from Jamaica**
- **Representatives of the media**
- **Colleague Board Members ;**
- **Distinguished Ladies and Gentlemen, Colleagues:**

I would like to think that I have a lively questioning mind that ruminates on matters worthy of intellectual consideration. One of the ways I exercise in this way is a regular exchange of emails with a friend. He has a very demanding and influential position in the governance of Jamaica so our schedules don't allow us to speak or meet as often as we used to but we write each other by email periodically albeit irregularly.

He recently reminded me of an email I wrote 3 years ago, On February 18, 2013 to be precise and my note to him included the questions

“What has my professional life been worth? Have I helped to make Jamaica and the Caribbean a better place than when I started to work at Life of Jamaica in 1983?” I won't bore you with a lot of details but suffice it to say that in the email I was skeptical that the targets set out in the 2012/13 budget would be met. Actually, Honourable Prime Minister I even suggested that there was not even a “ghost of a chance” the targets would be met.

This evening I am proud and pleased to admit I was wrong. Since that email exchange with my good friend, Jamaica's macro economy is well poised because our Government led by the Honourable Portia Simpson Miller has performed extraordinarily.

Quoting from the report from the International Monetary Fund “Tenth Review Under the arrangement under the extended fund facility and request for modification of performance criteria” dated December 2015,

“Jamaica has made important achievements under the economic program. Inflation and the current account deficit have fallen significantly, supported by low oil prices. Business confidence continues to be strong and private credit growth is showing signs of recovery, while public debt is falling.”

However, the extraordinary nature of the performance of the Government of Jamaica in general and the Ministry of Finance & Planning in particular under your leadership Honourable PM is reflected later in the report.

“With macro-economic stability well established, the recalibration of fiscal and monetary targets should help to support growth and job creation. Discussions focused on how best to support growth and job creation. The mission agreed to the broad parameters for the FY2016/17 budget which will involve a modest fiscal stimulus both this year and next”.

Consider the statement carefully. “macro-economic stability well established and fiscal stimulus” are both mentioned in the same sentence about Jamaica. I am incredulous at what has been achieved in less than three years transforming the discussion about the Jamaica economy from “will we be able to negotiate an agreement with the IMF?” to “How will we be able to get growth and job creation so that an increasing number of Jamaicans experience increasing prosperity? This extraordinary and performance by the Government Prime Minister Simpson-Miller, has led to lower interest rates for all

borrowers. For example, sometimes I have to pinch myself when I think of mortgage loan rates offered by private sector lenders for new borrowers below 8%. Notwithstanding aspersions that not all benefits are being passed on to consumers there is still no doubt that we are all paying much less for electricity and petrol , as much as 50% less, than we were paying 18 months ago.

Having acknowledged the remarkable gains in the management of our macro- economy and financial sector, It bears repeating that the JSE is a vital institution in the broader financial market infrastructure for a well-functioning financial system. Since an effective financial system plays a vital role in supporting economic growth and meeting the financial needs of citizens, it follows that the JSE plays a vital role in achieving this goal: A goal that we all would like to be achieved.

Elaborating further, the JSE facilitates economic growth and development in a number of ways. Firstly, by helping to better allocate financial and other resources for the greatest possible benefit for the economy, thus promoting a higher and more sustainable rate of productivity.

Secondly, an efficient JSE helps to promote a resilient financial system; one that adjusts to changing circumstances while continuing to provide core economic functions even during severe but plausible shocks.

The third way in which the JSE help to promote growth and prosperity is in the promotion of a fair financial system so that investors can enter into transactions with the confidence they will be treated equitably. Fair treatment does not involve shielding investors from responsibility for their financial decisions. Some investor losses are an unavoidable feature of an efficient market economy. Instead, fair treatment involves ensuring investment decisions are made based on the best information.

It is in this context that the members of the Board of Directors are extremely proud of the capable management team and team members at the JSE for the work they do each and every day in producing a reliable, trustworthy, credible, efficient and resilient exchange that facilitates the purchase; sale and custody of financial securities.

In reflecting on the successes achieved in 2015, I recall the alleged exchange between an investor and God.

The investor asks: "God, how long is a million years to you?"

God answers, "To me a million years is about a minute My Son"

The investor asks "God, how much is a million dollars to you?"

God replies, "To me a million dollars is a penny My Son?"

The investor thinking he can trick his God then says

"God, may I have a penny?"

Without missing a beat God replies, "Yes, but wait a minute My Son"

So it did not take us a million years Madam Prime Minister but I believe it has taken effective leadership by Marlene; great efforts by our competent team of professionals at the JSE and finally good disciplined governance by the Board of directors.

While we welcome the publicity from Bloomberg and others that recognized the JSE main index as the number one performing index in 2015 of all stock exchange indices in the world, it is the effective work that Marlene and her team does each and every day that make us we even more satisfied. We are grateful Madam Prime Minister that you recognized the importance of this achievement and included it in your annual new year's message to the country.

The fact is that the improving macro -economy and the work done by the stakeholders in the listed companies to increase profits and dividends for investors have also contributed to the returns exhibited by the JSE Main Index. Congratulations are also due to the directors, management and other team members of the listed companies for providing quality goods and services that meet the needs of consumers leading to increasing profits and dividends for shareholders.

Having set the stage Madam Prime Minister it behooves me to raise an important point on behalf of all stakeholders involved in the Jamaica Stock Exchange and that is the current incentive regime to promote the listing of new companies on the Junior Market. We are aware and comforted that the Government supports the exchange and understands its importance for economic growth and shared prosperity.

Additionally, we have had and continue to have discussions with the Minister of Finance and officials from the ministry but we suggest that in the absence of an alternative regime, the government extends the current arrangement for a limited time, the suggestion being one year, and give the policymakers enough time to promulgate an effective alternative. We have ideas for alternatives that we hope will satisfy the conditions of your Government but we submit that the least desirable outcome is for the current regime to terminate without an alternative in place. We hope you agree!

As I conclude these remarks, it remains for me to welcome all delegates to the conference and hope that you will find the agenda during the next couple of days worthwhile. Welcome also to our speakers. We believe we have secured an impressive group of speakers and presenters, of course leading off tonight Mr. Greg Fisher and our own Prime Minister of Jamaica, the Honourable Portia Simpson Miller. Finally welcome to our sponsors who effectively underwrite much of the cost of organizing and hosting the conference on your behalf. Thank you all for agreeing to participate and share your ideas and opinions.

As Caribbean people, we believe we are among the best at balancing work and play. We also think that economic growth and development will be enhanced throughout the Caribbean by professionals and tradesmen and women; government officials and private sector leaders; students and those nearing retirement; all forging regional relationships.

It is our hope that this conference will meet both these complementary goals especially if you the delegates, speakers, presenters and sponsors use the event accordingly.

Ladies and Gentlemen, thank you for your gracious attention.

Best wishes to you all for a successful conference, and for good health and prosperity in 2016 and beyond.

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