

ECONOMIC SECTOR ANALYSIS (2013)

This document summarizes the performance of eight (8) industries of the economy during 2013, which are:

1. Agriculture, Forestry and Fishing
2. Construction
3. Energy, Electricity and Water
4. Hotels and Restaurants
5. Manufacture
6. Micro and Small Enterprises
7. Mining and Quarrying
8. Transportation, Storage and Communication

It also provides information on policies and programmes which were developed and implemented for each sector during the year.¹

1.0 AN OVERVIEW OF THE JAMAICAN ECONOMY

The Government implemented and facilitated a number of projects to support economic growth, such as the establishment of Agro Parks, investments in Business Process Outsourcing (BPO), construction of hotels, as well as steps to facilitate investment in Energy Solutions and the Logistic Hub.

Macroeconomic Policies

The framework for Jamaica's Macroeconomic Policy was guided by the *Medium Term Socio- Economic Policy Framework (MTF)* which is geared towards a reduction in the debt/GDP ratio and creating an environment to facilitate sustainable economic growth. The components of the MTF included:

- Fiscal consolidation, supported by fiscal and monetary policies to create a stable and strong macroeconomic environment.

¹The primary source of information is the *Economic and Social Survey Jamaica (2013)* from the Planning Institute of Jamaica.

- Reforms for structural and business environment to strengthen external competitiveness and foster growth and employment.
- Management of debt to reduce public debt, while ensuring financial stability.
- Steps to improve price and non-price competitiveness.
- Improving social protection to alleviate the impact of fiscal constraints on the vulnerable.

Macroeconomic Performance

Real Gross Domestic Product (constant 2007 prices) for 2013 totalled J\$732.4 billion, reflecting an increase of 0.2 per cent relative to 2012. The performance was due to growth in both the Goods Producing (0.4 per cent) and Services (0.1 per cent) Sectors.

- Receipts from exports fell from US\$1,728.4 million in 2012 to US\$1,559.9 million in 2013. This was attributed to a contraction in the earnings for six categories, the largest being Chemicals. Expenditure from exports also declined by 9.7 per cent, relative to a 1.8 per cent fall in import. This resulted in a merchandise trade deficit of US\$4,658.7 million.
- The fiscal deficit which was accrued from Central Government Operations totalled J\$19.6 billion, compared to a budget deficit of J\$24.8 billion. This was due to a lower than planned expenditure which was more than the shortfall in Revenues and Grants. A decline in the collection of Tax Revenues, Non-tax Revenues, Bauxite Levy and Capital Revenue, contributed to this shortfall.
- Annual average inflation rate was 9.5 per cent in 2013, compared to 8.0 per cent for the previous year. Inflation was impacted by higher costs in transport and crude oil prices, adverse weather conditions, increased revenue measures and depreciation of the Jamaican dollar.
- The foreign exchange rate for Jamaica closed at \$106.38 per US\$1.00 at the end of December 2013, with nominal depreciation of 12.6 per cent and real depreciation of 4.4 per cent. The depreciation reflected insufficient private inflows to meet an increased demand, as well as a decline in the Net International Reserves (NIR).

- Following the completion of the National Debt Exchange Programme in 2012, the Central Bank lowered the interest rate payable on 30-day deposits to 5.75 per cent in 2013, from 6.25 per cent in 2012.

SECTORAL PERFORMANCE

1. AGRICULTURE, FORESTRY AND FISHING

Real value added for the Agriculture, Forestry and Fishing sector declined by 0.5 per cent in 2013. This performance was due to adverse weather conditions, emanating from drought conditions during the first half of the year as well as damages from Hurricane Sandy which resulted in an estimated \$1.5 billion loss to the sector. During the year, employment increased by 0.6 per cent to 202,375.

Performance

Traditional Export Crops

Export earnings from this sub-group increased to US\$22.1 million in 2013, from US\$ 20.1 million in 2012. This was as a result of growth in the value of exports from coffee and citrus earnings. However, output for Traditional Exports Crops declined by 17.3 per cent due to a fall in the production of banana (21.6 per cent) and sugar cane (4.9 per cent). The dip in sugar production was attributed to a decline in the quantity of sugar cane produced by the estates. Meanwhile banana was negatively impacted by a lagged effect from Hurricane Sandy which destroyed 66.0 per cent of the crop in 2012. Other traditional crops for which production declined were citrus and cocoa. The former was due to the Citrus Greening Disease while the latter was as a result of Hurricane Sandy. Crops for which there were increased output included coffee and coconut. The performance for coffee was due to improvement in the deliveries of coffee berries, while coconut was positively impacted by the curtaining of the effect from the Lethal Yellowing Disease.

Other Agricultural Crops

Gross output for other Agricultural Crops grew by 1.5 per cent in 2013. This sub group was also negatively impacted by Hurricane Sandy in the first and second quarters, but rebounded in the last two quarters as a result of favourable weather conditions and Government initiatives. These initiatives included: the Hurricane Sandy Recovery Programme which assisted farmers with replacement plant material, the Drought Mitigation Programme which trucked water to the most needed areas, and the Agro Parks. Increased output was recorded in five crop groups, with condiments (11.6 per cent) reflecting the largest and fruits the smallest. The greatest decline was registered by plantains (14.5 per cent), followed by other tubers (8.8 per cent).

Animal Rearing

Production within this sub-category contracted by 1.1 per cent due to a decrease in the output for pork, poultry and goat flesh. An increase was recorded for beef and veal.

Fishing

The production of fish increased by 35 per cent in 2013, due to growth in both aquaculture and the marine fish subsectors.

Policies and Programmes

- ***Food Safety Policy Implementation Plan***

This was tabled in the House of Parliament in 2013 as a Ministry Paper and seeks to support the food safety system, as well as tracing food from the “farm to the table” in Jamaica.

- ***Food and Nutrition Security Policy***

The Policy was approved in 2013 and the Food and Nutrition Security Action Plan drafted. The food and nutritional goals which are to be met were defined. This will enable agriculture and food systems to deliver adequate and appropriate quantities

of food, particularly to low income and vulnerable groups. The Policy also seeks to increase the availability of nutritious foods through food replacement programmes, re-orientation of food imports and food distribution system.

- ***Animal Health and Welfare Policy***

This Policy which was drafted in 2013, seeks to harmonize and strengthen the regulatory, legislative and institutional framework. It aims to assist Government and stakeholders to improve animal health and welfare systems to international standards.

- ***National Plant Health Policy-Implementation Plan***

The Implementation Plan was drafted in 2013 to provide for improvement in plant health. It also facilitates the revision of legislations, institutional strengthening, scientific systems, surveillance systems, emergency responses and public awareness.

- ***Agro Park Development Project***

The project comprises a clustering of different agricultural related activities within a geographical area, in which several primary producers, suppliers, processors cooperate to achieve sustainable market, driven by agro food production. In 2013, seven of nine agro parks began operations in communities which included Plantain Garden River, Yallas, Amity Hall, Hill Run, Ebony Park and New Forest/Duff House. The remaining parks are scheduled to begin in 2014/2015.

Financing

The Development Bank of Jamaica provided loans for potential agriculture and agro processing projects through the People's Cooperative (PC) Bank and other financial institutions. The loan for agricultural projects increased from \$676.2 million in 2012 to \$2,184.7 million in 2013.

2. CONSTRUCTION

Real value added for the Construction sector grew by 1.8 per cent in 2013. This was attributed to increased activities in the Building construction, Building installation and Other construction. The employed labour force for the Construction sector increased by 2.3 per cent, from 80,233 in 2012 to 83,025 in 2013. The total number of men employed in the sector in 2013 was 80,150, compared to 2,875 women.

Residential Activities

The expansion in Residential construction was influenced by an increase in housing starts. Total housing starts by the Housing Agency of Jamaica (HAJ) grew by 61.8 per cent, while those of the National Housing Trust contracted by 5.6 per cent.

Non-Residential Activities

Activities were primarily influenced by road construction projects, associated with the North-South leg of the Highway 2000. Capital expenditure for the Construction sector increased by 22 per cent in 2013. This was mainly attributed to activities within the National Road Operating and Construction Company Limited, National Water Commission, Jamaica Public Service and Jamaica Social Investment Fund. A decline in capital expenditure was registered by the National Works Agency, Telecommunication Sub-Sector, Port Authority of Jamaica and Urban Development Corporation.

Policies and Programmes

- ***National Squatter Management Policy and Implementation Plan***

This Policy was implemented in 2013 with the main objectives of addressing informal settlements in Jamaica and examining the Social, Environmental, Health and Economic impact of squatting.

- ***Housing Public-Private Partnership Policy***

A committee of internal stakeholders was established in November 2013 to review a Policy for addressing issues associated with unsolicited proposals. The committee

focused on identifying factors affecting joint venture programmes and strategies to alleviate them.

- ***Low Income Housing Programme***

These were aimed at improving the poor living conditions of households within inner city and informal communities which include:

- **GOJ/ Food for the Poor (FFP)/ Petro Caribe Housing** that falls under the Jamaica Emergency Employment Programme (JEEP). This project is funded through a \$500 Million grant from Petro Caribe Development Fund. An agreement was finalized with HAJ to construct one hundred two bedroom wooden units per month, over a five year period.
- **GOJ/FFP/NHT** which is a five year programme to assist persons with salaries, ranging from \$7,000-\$10,000 with housing need. A total of 600 concrete houses should be built each year.

Financing

The disbursement of mortgages increased among all major mortgage agencies, namely National Housing Trust, Building Societies, Life Insurance and Credit Unions. In addition, the value of financing amounted to \$37.7 billion, an increase of \$9.0 billion over the previous year.

3. ENERGY, ELECTRICITY AND WATER

This sector contracted in Real Value Added by 2.0 per cent in 2013 due to reduced electricity demand, prevailing drought conditions and high levels of leakages. Employment increased by 9.4 per cent to 8,450, compared to 7,700 in 2012.

Total electricity generated was 4,141.6 (GWH)². Non-Jamaica Public Service comprised 43.4 per cent of this amount, realizing a 16.7 per cent increase while Jamaica Public Service (JPS) production declined by 9.7 per cent to 2,342.2 (GWH)².

Performance

Energy Sector

Petrojam lowered production of Liquid Petroleum Gas (LPG), E10, Automotive Diesel Oil and Asphalt, while there was increased production of Heavy Fuel Oil and Marine Diesel Oil. The importation of crude oil fell by 3.1 percent to 8.5 million barrels, compared to 8.8 million barrels in 2012 due to an increase in the prices which averaged US\$103.16.

Under the 2004 Petro-Caribe Energy Cooperation Agreement, Venezuela continued to be Jamaica's main supplier of oil which amounted to 6,816.3 barrels for 2013 or 79.8 per cent of total crude oil imported. In terms of imported finished products by Petrojam, the total value increased by 0.9 per cent to US\$853.3. This increase resulted from a growth in expenditure for E10-87 and E10-90. Imports of petroleum for the Bauxite/Alumina sub-sector valued US\$335.2 million, an increase of US\$64.2 million over 2012. Higher demand by Bauxite Companies contributed to the growth.

Energy Consumption

Total energy consumption measured in Barrels of Oil (BOE) was 20.4 mb or 20.6 per cent more than in 2012. This resulted from higher consumption of Alternative Energy sources albeit a fall of consumption in Petroleum-based sources. Most Petroleum-based products registered a decline in demand. The largest decline was by Automotive Diesel Oil, followed by Fuel oil with the exception of E10-90 and Turbo Fuel.

Electricity Sector

Total generation amounted to 896.5 megawatts (MW) during 2013. The West Kingston Power Plant (WKPP) was the only capacity expansion commissioned since 2012. However, JPS will be adding new generating capacity through the development of Maggoty Hydro Plant that will provide a 7.2 MW to the National grid. Renewable energy will also provide an additional 78MW.

Electricity sales decline from 3,090.2 GWH in 2012 to 3,025.8 GWH in 2013. This fall off was explained by reduced demand due to a sluggish economy, electricity substituted for alternative energy sources and more conservation practices by consumers.

Water Sector

Total potable water production by the National Water Commission (NWC) contracted by 1.5 per cent to approximately 298,029.9 megalitres in 2013. Kingston, St. Andrew and St. Thomas and Other parishes also experienced reduction by 2.5 and 1.5 per cent respectively. Water consumption recorded 92,286.2 megalitres in 2013, representing a 2.3 per cent decline. Of the total water produced, approximately 69.0 percent was Non Revenue Water (NRW). This general increase in NRW continued to be of concern for the National Water Commission (NWC) so they have embarked on NRW reduction activities which are being addressed through projects such as KMA Water Supply Improvement Programme and the Rural Water Supply Programme. The number of NWC water connections increased by 1.2 percent to 459,563 for KSA and 0.2 percent to 125,087 for other parishes.

Policies and Programmes

Energy Sector

The National Energy Policy (NEP) seeks to facilitate:

- The modernization of the energy infrastructure/diversifying fuel source, using modern energy infrastructure to reduce high electricity costs. The Government aims to develop a Combined Cycle Plant that will produce 381 MW with the use of natural gas.
- The Energy Efficiency and Conservation (EEC) which is a cost cutting measure to reduce the electricity consumption of establishments among Government, statutory agencies and other public buildings. Several retrofitting exercises were done that resulted in the installations of Solar Control films at

19 public sector locations; Cool Roof solutions at 11 public facilities and air conditioning solutions at 4 facilities.

- The Energy Security and Efficiency Enhancement Project (ESEEP) which aims to improve performance by developing energy efficiency through private investment, consumer education and project management, monitoring and evaluation systems.
- Developing renewable energy which is among the initiatives to reduce the country's dependence on fossil fuel. The areas of focus for renewable sources are hydro, bio fuels and wind and solar.

Electricity Sector

Among the activities which took place in 2013 were:

- Installation of Residential Automatic Metering Infrastructure (RAMI) meter and sub feeder meter to improve the company's measurements of loss associated with electricity.
- Strike force operation which involved the removal of illegal connection or "throw up". The operations led to the removing of over 198,000 illegal connections.
- Replacement of outdated and malfunctioning meters

Water Sector

The updating of the 2004 Jamaica Water Sector Policy (WSP) and the Rural Water Supply Development Strategy (RWSDS) commenced in 2013 and seek to:

- Develop the updated Policy aimed at expanding the coverage of safe potable drinking water.
- Identify the areas without access to potable water and develop a methodology to determine the most effective cost of supplying water to the affected community.
- Develop a framework to address the cost of social water.
- Establish a framework for expanded coverage of wastewater and sewerage services.

- Develop a framework to manage the impact of climate change on water resource facilities and supplies.
- Develop a more reliable statistics on the water sector.
- Identify an improved environment to encourage more private participation.

4. HOTELS AND RESTAURANTS

Since 2001, Hotels and Restaurants sector has consistently experienced growth in Real Value Added. In 2013, the sector increased by 0.9 per cent due to a growth in stopover arrivals of visitors from the United States of America and Europe. Overall, stopover arrivals increased by 1.1 per cent, from 1,986,085 in 2012 to 2,008,409 in 2013. However, cruise passengers declined by 4.2 per cent, from 1,320,083 to 1,265,268.

Policies and Programmes

The Ministry of Tourism and Entertainment pursued policies, programmes and projects to achieve growth and development and strengthen the linkages with other sectors. The major strategic priorities were:

- Maintaining and increasing market share.
- Intensifying tourism linkages with other industries.
- Incorporating tourism into community development.
- Increasing investments and developing transformational projects.
- Developing support structures to strengthen product offerings in the sector.

The policies included:

- Community Based Tourism Policy which Policy seeks to establish entrepreneurial initiatives among community groups and diversifying tourism products, while improving the standard of living within these communities.
- Management of Water Based Activities that is geared towards improving water based activities by ensuring a viable, safe and productive Watersports sector.

- Multi-Hazard Contingency Programme that provides an Emergency Management Framework that is linked with the Office of Disaster and Emergency Management. The development of strategies to reduce disaster risks for the Tourism sector is undertaken by the National Disaster Committee. Stakeholders within the sector are assisted to develop emergency and disaster preparedness plans.
- Art, Craft and Souvenir Concept Paper – The paper was developed through consultations with stakeholders and aims to promote greater awareness of locally produced items, encourage innovation and improve packaging. It also sought to implement regulation, create production and distribution facilities, and strengthen linkages within the economy.

Linkages

The Ministry embarked on a number of strategies to strengthen the local value chain between the Tourism sector and the Manufacturing, Agriculture, Entertainment and Sports sectors. Among the activities were the establishment of the Tourism Linkages Hub, the launch of an Agro-Tourism Farmers' Market in Negril and the development of an online tool for use by buyers to identify needs and for suppliers to provide those needs.

Incentives

Tourism Enhancement Fund (TEF)

The TEF has supported a number of projects, which include upgrading of landscapes, maintaining environmental projects, training workers and restoring heritage sites. These projects were geared towards development and improving the attractiveness of resorts and towns.

The Summer Internship Programme (SIP) is a key element of TEF which train and mentor youth in order to produce future leaders. SIP primarily focuses on customer service and effective teamwork among youths. In 2013, a total of 366 interns were trained and placed in 90 organizations across the island.

Another TEF programme is The Tourism Incentive Programme (TIP), which aims to improve the tourism product and provide short-term employment. At the end of March 2013, a total of \$140.7 million was allocated to Phase 1 of the TIP and 1,897 persons were employed. Phase 2 was scheduled to begin in July 2013 and completed by March 2014. A total of \$396 million was allocated to this Phase and 3,152 persons were employed in 2013. Phase 3 began in November 2013 with a disbursement of \$148.9 million. A total of 1,632 persons were employed.

5. MANUFACTURE

This sector contracted by 0.8 per cent in Real Value Added during 2013. Competition from international producers, a decline in sugar production, total manufactured exports contributed to the decrease. During the year, employment declined due to a fall-off in production levels. The employed labour force averaged 71,876 in 2013, compared to 76,950 in 2012.

Production

Food Processing

Output within the food processing sub-sector declined due to a fall in the production of sugar and molasses commodities. An increase was recorded for four (4) commodities, cornmeal, dairy products, flour and poultry meats.

Beverages and Tobacco

The production of rum and alcohol increased by 11.0 per cent. Growth was also recorded by carbonated beverages (3.3 per cent) and beer and stout (16.6 per cent).

Petroleum Products

Due to a decline in the production of petroleum products, three of six product groupings declined: automotive diesel oil by 18.1 per cent, gasoline by 7.3 per cent; and Liquid Petroleum Gas by 35.2 per cent.

Chemical & Chemical Products

This sub sector experienced a major contraction in the production of most of its product groupings, with salt and aluminum sulphate falling by 2.9 per cent and 66.4 per cent, respectively. However, fertilizer production increased by 15.9 per cent for this group.

Exports

Total earnings from manufactured exports was US\$177.5 million in 2013, which was 17.7 per cent lower than 2012. Traditional exports contracted due to a fall in all categories. Decrease was also recorded among non-traditional exports as a result of a decline in four of the nine categories, Chemicals, Beverages & Tobacco, Mineral Fuels and Manufactured Goods.

Producer Price Index (PPI)

Producer prices grew by 9.3 per cent during 2013. This was due to higher cost of raw materials and the depreciation of the Jamaican Dollar.

Policies and Programmes

Some of the programmes and policies included:

- An Omnibus Legislation which was passed in 2013 to provide a competitive regime for all sectors to access duty free treatments, allowances for investments and employment introduction through tax credits.
- A National Export Strategy (NES) which was developed in 2009 to boost the country's export potential. Assessments of the three-year implementation period were done in 2013 to report the accomplishments.
- Scrap Metal Industry which is guided by a Trade Regulation that outlines the rules for exporters of scrap metal, thereby reducing the challenges associated with the industry. For example, the licensing of each exporter as an approved exporter.

- Jamaica Manufacturer's Association (JMA) which continued to support the Manufacture Sector through development in marketing and promotions, partnership and other strategies.

Investment

These were largely from the expansion of existing companies which provided job creations. A notable new investment was the establishment of a plant to produce transformers which is expected to employ about 24 workers. The estimated value of the investment is \$84.0 million and is slated for completion by the end of 2014.

6. MICRO AND SMALL ENTERPRISES (MSE)

The volume and value of loans disbursed in the sector showed significant growth of 90.1 percent in 2013, with Wholesale & Trade industry accounting for the majority of loans disbursed to MSE's which had the largest share of registered MSE's businesses.

A total of 9,996 MSE's were registered, compared to the previous year's figure of 10,175. MSE's comprised 80.4 per cent of all the firms that filed GCT returns and 4,303 of these were aligned to the Wholesale & Retail Trade. Sales for the MSEs totaled \$50.1 billion in 2013, a decrease from 2012 which totaled 55.7 billion. This was as a result of a decline in sales in all industries except for the Water & Energy and Mining Sector.

According to the 2013 Labour Force Survey, 36.2 per cent of the employed labour force was Own Account Worker. An average of 401,575 persons was employed within the sector, compared to 402,150 persons for the previous year.

Policies and Programmes

The Micro, Small, Medium Enterprises and Entrepreneurship Policy was launched in 2013 to facilitate small businesses into the global logistics hub initiative which will establish measures geared towards financing MSMs. Other MIIC projects used for enhancing the business sector included the National Export Strategy and the Inter-

American Investment Corporation's FINPYME Export Plus that primarily focus on boosting the country's accessibility to the export markets.

Development and Business

Government agencies continued to provide developmental and business services to MSE's. These entities include: The Scientific Research Council (SRC); Jamaica Business Development Corporation (JBDC); Technology Innovation Centre (TIC); University of Technology, Jamaica (UTECH) and the Bureau of Standards, Jamaica (BSJ). Private and Multilateral agencies also provided services to enable the development of the sector.

Financing

MSE's continued to access funding through wholesale lenders such as Sagicor Bank, Development Bank Jamaica Ltd, National Insurance fund and Micro Investment Development Agency (MIDA). Disbursement from wholesale lenders was estimated at \$2,288.0 million, compared to \$2,757.1 million in 2012. Retail lending agencies such as Jamaica National Small Business Loan Ltd, Access Financial Services, National Commercial Bank (NCB), and Export-Import Bank allocated a total of \$7,200.7 million in 2013 versus \$3,787.2 million in 2012.

7. MINING AND QUARRYING 2013

Real Value Added for the Mining and Quarrying industry increased by 3.8 per cent. This resulted in an overall contribution of 2.3 per cent to total GDP. The performance was attributed to increased production of alumina as a result of the global demand of aluminium.

The employed labour force for the Mining & Quarrying industry grew by 10.8 per cent or 5,400 persons, accounting for 0.5 per cent of the labour force. The number of males increased by 16.7 per cent to 4,900 while females declined by 25.9 per cent to 300.

Bauxite & Alumina Sub-Industry

During 2013, bauxite production grew by 1.03 per cent to 9,435.2 kilo tonnes. The positive performance was due to an increase in the volume of bauxite and alumina which offset the decline in crude bauxite production. The production of alumina also recorded an upward movement of 5.53 per cent to 1,854.9 kilo tonnes while crude bauxite declined by 10 per cent to 4,688.3 kilo tonnes.

Exports

Total Bauxite exports grew by 2.8 per cent to 9,573.4 kilo tonnes in 2013 compared to a 8.8 per cent contraction for the previous year. The performance was as a result of a 6.8 per cent rise in the volumes of Bauxite Equivalent of Aluminium that offset a decline in crude bauxite production of 1.1 per cent. In 2013, the total export of alumina was 1,901.8 kilo tonnes, 1,753.5 kilo tonnes in 2012. The high demand for alumina in North America resulted in an increase in the volumes of alumina exports which totalled 830.5 kilo tonnes.

Earnings

Total value of exports for bauxite and alumina grew by 3.5 per cent to US\$644.6 million, compared to a decrease of 15.8 per cent in 2012. The performance in 2013 was attributed to an higher in the value of exports for alumina. Foreign exchange inflows increased by 42.2 per cent to US\$354.2 million, compared to US\$249.1 million in 2012. Bauxite levy fell by US\$2.8 million in 2013, totalling US\$12.3 million.

Minerals Sub-Industry (Quarrying)

Although there was growth in the Construction industry in 2013, the production of industrial minerals (quarrying) declined during the year. Growth among industrial minerals was experienced by silica sand (13.8 per cent), pozzolan (4.7 per cent), and marl and fill (1.0 per cent). Marble remained unchanged at 0.1 kilo tonnes. Among the minerals which declined in production, clay was the largest- moving from 300.6 kilo tonnes to 112.3 kilo tonnes. This resulted from the use of a sealant mineral instead of clay to complete several construction projects. Other minerals

which experienced a decline production were sand and gravel (26.5 per cent), gypsum (25.4 per cent and shale (18.1 per cent). The smallest decline was experienced by limestone (12.7 per cent).

Policy and Programmes

The National Minerals policy was revised in 2013. In order to achieve sustainable development of the Quarrying sub industry, the Policy provides a framework which focuses primarily on increasing private investment and creating linkages with other sectors in the economy. A bill was tabled in Parliament to amend the Quarries Control Act that would develop and implement mechanisms to reduce informality and illegal activities.

8. TRANSPORT, STORAGE AND COMMUNICATION

Real value added for the Transport, Storage and Communication sector grew by 0.2 per cent during 2013. This was attributed to an increase in the Communication segment of the sector. The Transport and Storage segment contracted, resulting from a decline in activities at the islands seaports and weak performance in airport activities.

Transportation

A total of 390,369 vehicles was examined for fitness by the Island Traffic Authority, which issued 310,297 certificates of fitness.

Marine Transportation

Plans to position Jamaica as a major player in the global supply chain industry intensified with regard to the maritime industry in 2013. Activities and discussions were centered around the expansion of privatization of the maritime/ shipping infrastructure.

Air Transportation

Activities in the air transport segment included the expansion of domestic, international and air transport infrastructure, as well as facilitating the expansion in the aviation industry. Construction works on the Control Towers continued for both the Norman Manley international Airport (NMIA) and Sangster International Airport. The NMIA benefitted from the completion of several projects such as:

- The development of the East Airfield which include an upgrading of drainage structure and additional cargo for improved cargo operations.
- Installation of a water conveyance system.
- Installation of new chilled water distribution system.

Communication

During 2013, the Government focused on creating a new framework for the Information and Communication Technology (ICT) Policy which included:

- Strengthening of the ICT sector through the development of drafting instructions for the Data Protection Bill, reviewing the Cybercrimes Act, and engaging a consultant for drafting instructions for the Telecommunications Act.
- The establishment of a single ICT Regulator to enable a more modern and robust regulatory framework.
- The introduction of number portability which allows users of mobile or fixed lines to switch to any service provider.

Seven companies invested in the Business Process Outsourcing (BPO) segment of the industry, generating over 1,500 jobs. These companies were projected to invest US\$155 million. In terms of performance of the Communication sector, nine (9) telecommunication licences were renewed in 2013, compared to eleven (11) in 2012. The number of telephone subscribers grew from 2,968,081 in December 2012 to 3,043,552 in June 2013. Mobile users increased by 3.0 per cent, to 2,795,673 in 2013. However, fixed lines recorded a decline of 2.1 per cent, to 247,879. A total of 364 Community Access Points (CAP) were commission into service, comprising 202

educational institutions, 40 libraries, 65 post offices and 57 Ministry of Health facilities across the island. CAP allows for broadband network.

Post and Telecommunications Department (PTD)

There was an 8.4 per cent contraction in the number of mails handled during 2013. The total number of mails was 54.8 million pieces. The decline was attributable to the fall in the Letters category, which accounted for 54.6 million pieces. Parcels increased by 19 per cent or 100,000 pieces and Other mails, 17.4 per cent or 108,000 pieces.

During 2013, expenditure for the Department increased by 11.8 per cent to \$1,918 million, while revenues moved up by 19.7 per cent to \$1,583 million. This contributed to an improvement of \$335 million in the Department's deficit, relative to \$393 million in 2012.