

No Need to Panic over Movement of Dollar

Bank of Jamaica (BoJ) Governor, Brian Wynter is assuring the country that there is no need for alarm over the movement in the exchange rate.

“The bank and I are aware of the concerns about recent movements in the exchange rate; I want to reassure you that the depreciation in the exchange rate thus far has been in keeping with our expectations and the policy objective of ensuring that goods and services produced locally can be sold at competitive prices in the global market. This is absolutely essential for export-led growth,” he stated. He was speaking at the Jamaica Exporters’ Association (JEA) awards function held last evening (June 11) at the Jamaica Pegasus Hotel in New Kingston. As at June 12, the exchange rate stood at \$100.60 to US\$1. Mr. Wynter noted that the BoJ has been receiving reports of companies that have been benefiting from the adjustment in the exchange rate and others are re-positioning to capitalise on the opportunities that are being created by a more competitive Jamaican dollar. “This includes a company that has successfully competed for orders in a market it was unable previously to get into. This includes a medical practice making considerable capital improvements in order to be able to provide first rate services locally, more conveniently and at more competitive rates than is available and is going to be available overseas,” he stated. The Governor said the BoJ is committed to a flexible exchange rate regime that will enhance the ability of Jamaican businesses to compete in both export and domestic markets. “Nonetheless, the bank remains watchful over the potential short-term negative impact of exchange rate movements on the standard of living. It’s true that the exchange rate moving increases your costs even to an exporter because of your inputs; we are mindful of that,” he said. Mr. Wynter stated that the bank is also working “steadily and deliberately” to re-build the Net International Reserves (NIR). He noted that the decline in reserves was the “source of considerable concern in all corners of our society during the last two years.” “We have now made good headway in the re-building of the reserves, which brings comfort and confidence, not only to our domestic stakeholders but also to international investors, who continue to have strong interest in Jamaica and its many investment opportunities,” he stated. The Annual Exporters’ Awards Presentation and Banquet was held as part of activities to mark National Exporters Month being observed from June 1 to 30, under the theme: “Exports is Everybody’s Business”.