

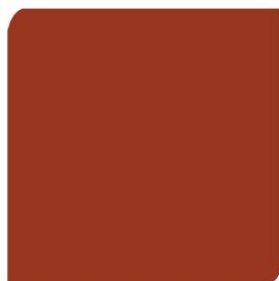
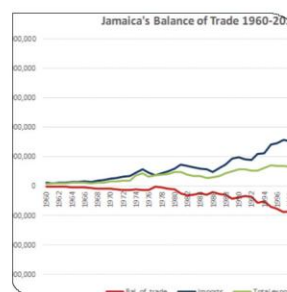
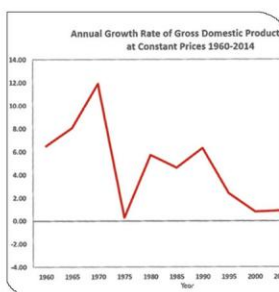
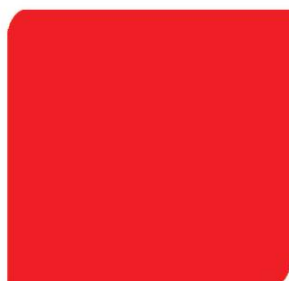
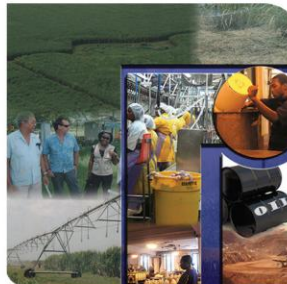


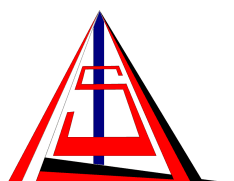
The Statistical Institute of Jamaica

ANNUAL REPORT

AND STATEMENT OF ACCOUNTS APRIL 1, 2015 – MARCH 31, 2016

A Review of Operations





Statistical Institute of Jamaica

Annual Report and Statement of Accounts A Review of Operations April 1, 2015-March 31, 2016

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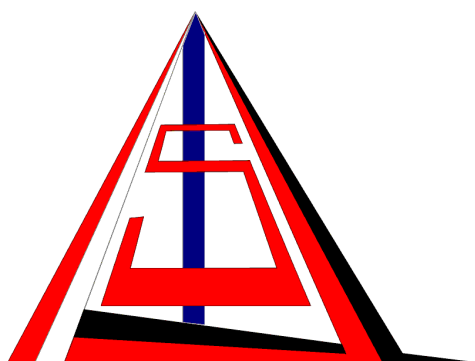
Tel.: (876) 630-1600
Fax: (876) 926-1138
e-mail: info@statinja.gov.jm
website: www.statinja.gov.jm

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VISION

To be a learning organization that is on the cutting edge of information and technology and is responsive to the needs of our clients.



MISSION

To provide relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients.

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CHAIRMAN'S REPORT



During the fiscal year 2015/2016, the Statistical Institute of Jamaica (STATIN) continued its effort to fulfil its mission “to provide relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients.

In addition to the regular programme of work, emphasis was placed on improving the quality and technical soundness of the statistical outputs. With technical assistance from Statistics Canada (STATCAN) under its International Statistical Fellowship Program (ISFP), STATIN embarked on the development of a Quality Assurance Framework (QAF). The objective of the QAF is to promote, support and encourage sound quality management practices and ensure that credible and factual statistical products and services are disseminated to clients. The Institute also participated in a round of assessments by the Economic Commission for Latin America and the Caribbean (ECLAC) on the level of compliance with the Code of Good Practice in Statistics for Latin America and the Caribbean.

Focus was also placed on improving the statistical capacity of staff through participation in training and development initiatives that were facilitated locally and internationally.

STATIN sought to enhance its client focused culture by the timely release of monthly and quarterly statistics and on-going work to improve the user-friendliness of its website.

Unfortunately, inadequate funding affected the progress of work on the development and improvement in some statistical products. This affected the schedule of activities for the conduct of the Household Expenditure Survey (HES) which is used to update the weights for the Consumer Price Index (CPI). The Census of Agriculture and the development of an Agriculture Producer Price Index were also affected by funding constraints. Lack of resources also adversely impacted progress on the establishment of the National Statistics System as well as efforts to maintain the Institute's information communication and technology infrastructure.

Despite budgetary constraints and increased demand for statistics, the regular programme of work was completed through hard work and dedication of all staff and continued consultations with our local and international stakeholders.

I extend heart-felt appreciation to the Board of Directors, Management Team, members of staff and stakeholders who continue to support STATIN in achieving its mission.

A handwritten signature in black ink, appearing to read 'A G Wint', with a stylized flourish at the end.

Professor Alvin G. Wint
Chairman, Board of Director

BOARD OF DIRECTORS



Prof. Alvin Wint C.D., B.Sc., M.B.A., D.B.A.

Board Chairman

Professor of International Business and Special Advisor (External Relations) to the Vice Chancellor, UWI



Carol Coy

Director General
Statistical Institute
of Jamaica



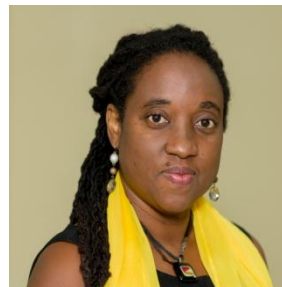
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Bank of Jamaica



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Economic Management
Division
Ministry of Finance
& Public Service



Marva Thompson

Corporate Secretary
Statistical Institute of Jamaica

DIRECTOR GENERAL'S REPORT



STATIN continued to provide quality statistics on the social, economic and environmental conditions in Jamaica during the 2015/2016 fiscal year.

The development of new statistical products in response to stakeholder needs is an important area of the work programme of the organization. During the year work continued on the development of the quarterly Gross Domestic Product by expenditure (QGDP-E) and Trade Indices. The Institute also sought to further strengthen its statistical infrastructure with revisions to the industrial and occupational classification systems. There was also the transition to a new Master Household Frame and improvements were effected to the Master Business Frame.

Continuous improvement in the range and quality of the statistical products is essential if STATIN is to fulfil its mandate. Accessing technical assistance from International agencies and the development of a Quality Assurance Framework (QAF) contributed to this effort.

Technical assistance received included:

- Improvement of the national accounts system through the CARICOM Secretariat, under the Tenth European Development Fund.
- Project for the Regional Advancement of Statistics in the Caribbean (PRASC), a project funded by the Government of Canada and is aimed at building statistical capacity in the region. The PRASC initiative aims to strengthen the statistical systems of the Caribbean in order to address identified gaps, to improve socio-economic measures and support evidence-based policy making.

Through PRASC, Statistics Canada (STATCAN) intends to work with the National Statistical Offices (NSO) of 14 eligible CARICOM countries and will focus on four components in order to:

1. Enhance the System of National Accounts;
2. Improve business statistics by working on a robust business survey infrastructure;
3. Improve household statistics, including sex-disaggregated socio-economic indicators, by working on a robust survey infrastructure for household surveys; and
4. Improve sharing of statistical information and expertise at the national and regional levels.

In preparation for the development of its quality assurance framework, STATIN participated in the most recent round of assessments on the level of compliance with the Code of Good Practice in Statistics (CGPS) for Latin America and the Caribbean. This was undertaken by the Economic Commission for Latin America and the Caribbean (ECLAC). The main objectives of the assessment were to:

- Provide statistical offices with an external, objective and professional view of their performance in relation to the selected principles of the CGPS;
- Help statistical offices develop practices in line with the principles of the CGPS, as well as to improve their statistical production and their service to stakeholders.
- Increase the credibility of statistical offices and the National Statistical Systems (NSS), both within the country and in the international statistical community.

Assistance in the development of a QAF for STATIN was provided by STATCAN under the International Statistical Fellowship Program (ISFP).

Still there is a growing demand for more statistics and for this to be provided in a timely manner and for the information to be easily accessible. This demand is expected to increase further as the global community unanimously adopted the 2030 Agenda for Sustainable Development on September 25, 2015. The 2030 Agenda will necessitate improvement in the availability, quality, timeliness and disaggregation of data. Successful monitoring of the Sustainable Development Goals (SDGs) will therefore require increased support and investment by the Government of Jamaica in the production of statistics. The implementation of the National Statistics System (NSS) will also have to be given priority as this is essential for the production of such a large and integrated set of indicators.

STATIN was nominated to represent the English-speaking Caribbean on the Inter-agency and Expert Group on SDG indicators (IAEG-SDG). This group of representatives from national statistical offices was tasked with developing the indicator framework for the SDG.

The year was however not without challenges. STATIN sees these challenges as opportunities to demonstrate its commitment to the goal of providing official statistics to the government and people of Jamaica. The achievements during the year would not have been possible without the unwavering dedication of the staff and continued support of stakeholders to whom we are grateful.



Carol Coy
Director General

REVIEW OF OPERATIONS

The 2015/16 fiscal year was another productive year as the Institute continued to serve its clients and worked on achieving the strategic objectives set forth in its five-year Strategic Plan 2012-2017. The strategic objectives are to:

- Strengthen the legal framework and to establish and maintain a National Statistics System (NSS);
- Provide coherent, accurate, relevant and timely statistics;
- Improve organizational effectiveness and efficiency;
- Maintain and enhance a client-focused service culture;
- Maintain and expand information, communication and technological infrastructure to support STATIN's operations; and
- Obtain adequate funding to support the Institute's operations.

LEGAL FRAMEWORK

Official statistics in Jamaica are being produced in a fragmented environment, where each Ministry, Department and Agency (MDA) produces its own official data in accordance with its own policy guidelines. Section 3 (iii) of the Amended Statistics Act (1984) defines a coordinating role for STATIN as: "generally, to promote and develop integrated social and economic statistics pertaining to Jamaica and to co-ordinate programmes for the integration of

such statistics". This aspect of the Institute's work has never been fully adopted as the resources required to do this have not been incorporated into the organisation's structure nor was there a specific mechanism in place to effect the coordination. The current best practices recommend that a coordinating mechanism, the National Statistics System (NSS) be established.

In an effort to address this and other weaknesses in the system, amendments to the Statistics Act were proposed. These amendments include the establishment of a Statistics Commission which will provide governance of the NSS. The establishment of the NSS is critical to the provision of quality statistics in Jamaica. STATIN will play the lead role in coordinating the NSS which will comprise all MDAs of government engaged in the provision of official statistics in Jamaica.

The review of the Statistics Act has been completed and the draft amendments were approved by Cabinet in June 2013. Drafting instructions are currently being developed for submission to the Chief Parliamentary Counsel.

Resource constraints have limited the ability of the Institute to advance the development of the National Statistics System (NSS) during the 2015/2016 financial year. Work on drafting a Statistics Master Plan for Jamaica was delayed and activities were limited to the review of the GAP Analysis of MDAs involved in the production of official statistics.

Table 1 Statistical Highlights 2015 and 2014

Category	Comparative Results		Comments
	2015	2014	
Population - End of year	2,728,907	2,723,246	At the end of 2015 the Jamaican population was estimated to be 2,728,907; representing an increase of 5,661 over the estimate for 2014.
Births	37,556	37,892	
Deaths	17,327	17,619	
Migration	(14,568)	(14,889)	
Labour Force (October)	1,325,200	1,310,200*	There was a 1.1% increase in the Labour Force in October 2015 over October 2014; approximately 55% were male and 45% were female.
Male	723,100	716,700*	
Female	602,100	593,500*	
Unemployed Labour Force	178,600	186,200	The number of unemployed persons reduced by 7,600 over the period October 2014 to October 2015. This represented a reduction of approximately 4%.
Male (39%)	67,400	71,100	
Female (61%)	111,200	115,100	
Unemployment Rate	13.5%	14.2%	Reduction in the unemployed labour force was reflected in the unemployment rate. It resulted in a marginal reduction of 0.6 percentage point below the 14.2% recorded in October 2014.
Male	9.3%	9.9%	
Female	18.5%	19.4%	
Unemployment Rate among youth 14 - 24 years	32.7%	36.0%	The unemployment rate for youth 14 - 24 years decreased by 3.3 percentage points from 2014 to 2015.
Employed Labour Force	1,146,600	1,124,000*	The employed labour force increased by 22,600, showing a 2.0% increase above the October 2014 figure.
Male	655,700	645,600*	
Female	490,900	478,400*	
	Ja\$M^p	Ja\$M	Preliminary estimates show that the Jamaican economy grew by 0.8 per cent for the 2015 calendar year over the similar period for 2014.
Gross Domestic Product	742,049	736,133	
	Ja\$	Ja\$	The per capita GDP increased by \$44,825.42 for 2015 over the value for 2014.
GDP per Capita (at current prices)	611,572.40	566,693.00	
Merchandise Trade	US\$M^p	US\$M^R	For the 2015 calendar year the total expenditure on merchandise imports between Jamaica and its trading partners fell by 14.56 % below 2014. Likewise, in 2015 earnings from exports was 12.83% less than in 2014. The trade deficit also moved down, 15.12% lower than the value for 2014.
Total Imports	4,995.90	5,847.30	
Total Exports	1,262.60	1,448.50	
Total Deficit	3,733.30	4,398.80	
Traditional Domestic Exports	792.90	784.10	
Non-Traditional Domestic Export	419.20	596.00	
Consumer Price Index	% Change	% Change	In 2015 the inflation rate was 3.7% compared to 6.4% in 2014.
All Jamaica (All Divisions)	3.7	6.4	
Greater Kingston Metropolitan	5.0	8.6	
Other Urban Areas	3.6	5.7	
Rural Areas	2.6	4.9	
Producer Price Index	% Change	% Change	For the 2015 calendar year, the Mining and Quarrying industry registered a 9.0% increase in output prices, 8.7 percentage points lower than that in 2014. The Manufacturing industry on the other hand declined by 2.1% in 2015.
Mining & Quarrying	9.0	17.7	
Manufacturing	(2.1)	2	

Note: * Data for 2014 and 2015 Labour Force have been compiled using new End of Year 2014 population estimates

STATISTICAL PROGRAMMES AND SERVICES

STATIN continued to fulfill its mandate of providing relevant, timely and accurate statistical information on the social, economic and environment life of Jamaica. This included the continued development of new statistical products and improving a number of the programmes geared towards satisfying changing user needs; reflecting the structural changes in the Jamaican economy and ensuring that the statistical systems align with international methodologies and guidelines.

Demographic and Social Statistics

Demographic Statistics

The Demographic Statistics Report is the main reference on current population trends produced by the Statistical Institute of Jamaica (STATIN). In providing up-to-date and objective information on population and vital statistics, STATIN is assisted by agencies such as the Registrar General's Department (RGD) which provides data on births, deaths and marriages; the Supreme Court of Jamaica which supplies data on divorces; the Passport, Immigration and Citizenship Agency (PICA) for passenger movements; and the National Family Planning

Board, from which STATIN collects data on family planning. Vital statistics, together with regularly conducted censuses of population, form the cornerstone of the system for producing annual estimates of the population and its parameters.

The thematic focus in the 2015 Demographic Statistics report was migration. Migration is a key component in the study of population change and is integral in evaluating population size. It also impacts sustainable development. The destinations of choice for most Jamaican migrants in 2013 (the most recent year for which data was available) were the United States of America (USA), the United Kingdom (UK) and Canada. During 2013, a total of 24,744 persons migrated to these countries, 4.4 per cent below the 25,895 migrants in 2012.

The population of Jamaica was estimated at 2,728,907 at the end of 2015; 1,351,508 males and 1,377,399 females. There were 37,556 births and 17,327 deaths in the year, resulting in a natural increase of 20,229. For the same period, migration was estimated at -14,568 leading to a population increase of 5,661.

Table 1 shows the end-of-year population estimates by broad age groups.

Table 2 End of Year Population by Broad Age Groups: 2011 - 2015

Age Group	2011	2012	2013	2014	2015
0–14	687,937	670,022	652,314	634,083	613,144
15–19	278,012	278,995	273,125	264,534	258,950
20–29	478,299	479,538	484,594	493,810	502,747
30–39	370,086	372,990	378,975	384,912	389,859
40–49	337,500	341,769	344,107	344,349	344,733
50–59	242,161	252,029	261,274	270,071	278,403
60 & over	310,139	316,132	323,473	331,486	341,071
Total	2,704,134	2,711,475	2,717,862	2,723,245	2,728,907

Source: Statistical Institute of Jamaica

Social Statistics

Social Statistics 2015 is the second such publication and presents data on six areas - population & housing, health, education, crime & justice, labour & social protection and gender.

Labour Force

The Labour Force Survey is a household sample survey which has been conducted in Jamaica since 1968. It provides detailed information on the labour force disaggregated by age, sex and other characteristics. The main objectives of the survey are to:

- Determine the level and rate of employment and unemployment;
- Provide data on the structure of the working population;
- Provide data on the persons who are unemployed or outside the labour force;
- Provide data on the underemployed and Informal Sector Employment;
- Determine the participation rate of different sub-groups of the labour force.

Four quarterly surveys were undertaken during the period with the data being released four months after the reference period. The survey process is currently being reviewed with the aim to improve the timeliness.

An annual report was also published during the year. This report also included a chapter on the impact of the Chikungunya Virus (CHIKV) on the Jamaican labour market. The incident rate of persons experiencing symptoms associated with CHIKV was estimated 49.2 per cent. Approximately 48.0 per cent of the persons who were employed reported that they were affected by one or more of the CHIKV symptoms.

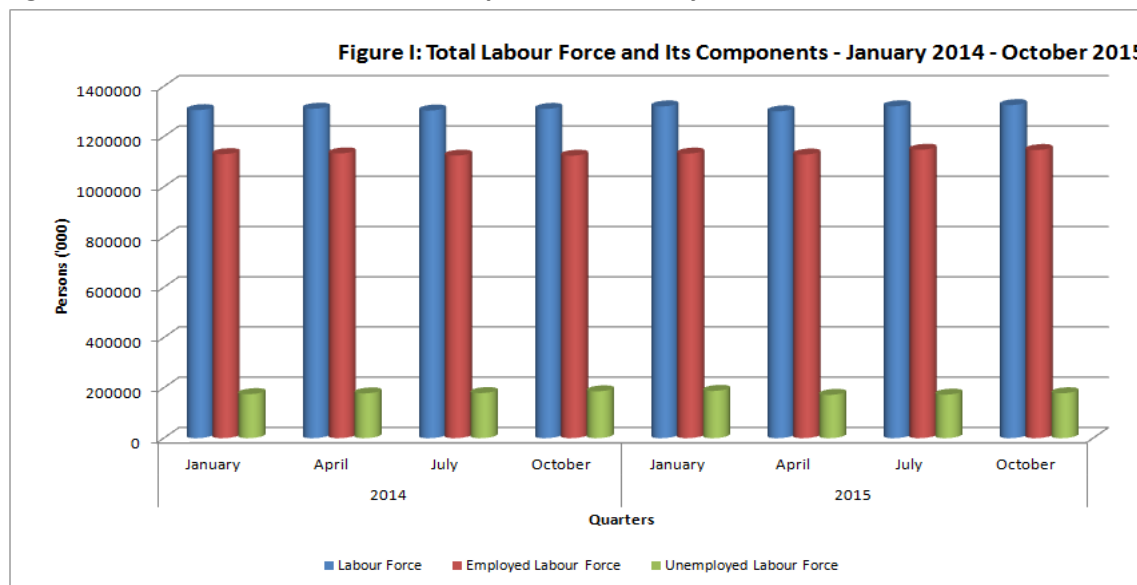
In October 2015, there were 1,325,200 persons in the Jamaican labour force of which 723,100 were males and 602,100 females. This is in comparison to the October 2014 survey when there were 1,310,200 persons of which 716,700 were males and 593,500 were females. The employed labour force consisted of 1,146,600 persons of which 655,700 were males and 490,900 were females. This is in comparison to the October 2014 survey when the employed labour force consisted of

1,124,000 persons: 645,600 males and 478,400 females.

In October 2015, there were 178,600 unemployed persons; 7,600 (4.1%) less than the 186,200 recorded in October 2014. Approximately 38.0 per cent (67,400) of the

unemployed, in October 2015, were males and 62.0 per cent (112,200) were females. The Unemployment Rate was 13.5 per cent, a decrease of 0.7 percentage points compared with 14.2 per cent in October 2014.

Figure 1 Total Labour Force and Its Components - January 2014 to October 2015



Source: Statistical Institute of Jamaica

Survey of Living Conditions

The Jamaica Survey of Living Conditions (JSLC) is designed to collect information on a variety of topics such as consumption, education, health, nutrition, housing, the use of public services and the participation of households in selected welfare programmes. The survey has been conducted annually from 1988 as a joint effort between the Planning Institute of Jamaica (PIOJ) and STATIN. The sample used for the survey is a subset of the sample used for the Labour Force Survey (LFS) which allows the linkages and integrated analysis of the data from the two surveys. Data from the survey have been used consistently to monitor and evaluate national policies and for measuring the standard of living

of the Jamaican people. It is also used to inform policies that effectively target the needy and the population that are deemed to be “at risk”. Over the years, the JSLC has evolved into a multi-domain survey to include indicators applicable to the Millennium Development Goals (MDGs). It was also formulated to extract indicators applicable to the Vision 2030 Jamaica National Development Plan and will also be used to monitor the achievement of the Sustainable Development Goals (SDGs).

Economic Statistics

National Accounts

Estimates of national accounts provide a comprehensive measurement of economic

activity in a country. When such measurements are compared with corresponding periods, they provide valuable indicators of how the economy has performed in relation to the stated policy objectives. During the financial year 2015/2016, statistical data on the economic activities with respect to production, consumption and investment as well as the performance of the Jamaican economy were published in the following reports:

- *Quarterly Gross Domestic Product by Product (QGDP-P) Reports* - Four quarterly GDP reports were completed for 2015. The reports presented data on gross domestic product at current and constant prices. The fourth quarter 2015 report includes preliminary annual GDP estimates at both current and constant prices.
- *The National Income and Product 2014 Report* – This report contains estimates of Gross Domestic Product (GDP) for 2014, that is, the total value of goods and services produced during that year. The report also contains the tables on the Tourism Satellite Account.

The timely production of the statistical data was however impacted by a number of factors, including the:

- Low survey response rates, especially of the Annual National Income survey;
- Lag in the External Trade Statistics;
- Reorganization of Tax Administration Jamaica which affected the flow of administrative data.

Other areas of focus during the fiscal year ended March 31, 2016 were the:

- Improvement of the GDP estimates,
- Implementation of the 2008 System of National Accounts (SNA 2008); and
- Preparation of a 2014 Supply and Use table (SUT).

Based on recommendation received the previous year from the Caribbean Regional Technical Assistance Centre (CARTAC) consultant on the production of the quarterly GDP estimates, the new seasonal adjustment software program - X13 ARIMA was implemented. Like the benchmarking program XLPBM, introduced during the 2014/2015 financial year, the X13 is also a Microsoft Excel®-based function.

The base year for the revised national accounts estimates will be 2014 in keeping with CARICOM's decision to have a regional base year of 2014. Work has begun on the SUT 2014 but the progress was constrained by the lack of data.

Technical assistance was received from a number of agencies within the region for the improvement of the national accounts system. The CARICOM Secretariat provided technical assistance on the compilation of institutional sector accounts. This was in keeping with a programme to improve the production and dissemination of the system of national accounts in the Caribbean region, made possible through the Tenth European Development Fund.

In early 2016, two separate assessments of Jamaica's national accounting system were conducted. The first assessment was undertaken by CARTAC. Various stakeholders that provide data for the system such as the

Bank of Jamaica (BOJ), Tax Administration Jamaica (TAJ), Jamaica Customs Agency and the Ministry of Agriculture also participated. Advice was provided on improving the system including consistency with the 2008 SNA. A team from the Project for Regional Advancement for Statistics in the Caribbean (PRASC) conducted the second assessment of the national accounting system.

PRASC will be working in the Caribbean region for seven years providing/facilitating technical assistance to national statistics offices. Over the seven year period assistance will be provided to national accounts in the areas of supply and use table, institutional accounts, estimation of capital stock and consumption of fixed assets as well as reviewing the compilation of the Quarterly Gross Domestic Product by Expenditure (QGDP-E) and the transition to the SNA 2008.

Economic Performance Summary Review

Total value added for the Jamaican economy was \$744,707 million for the fiscal year 2015/2016, an increase of 1.0 per cent when compared with the \$737,224 million for the fiscal year 2014/2015. All industries grew except the Producers of Government Services which declined by 0.1%.

Preliminary estimates for the 2015 calendar year showed a 0.8 per cent growth in the economy when compared with 2014. There was improved performance in all industries with the exception of Agriculture, Forestry & Fishing and Producers of Government Services which both declined by 0.1 per cent (See Table 3). The continued drought condition negatively impacted the performance of the Agriculture, Forestry & Fishing industry.

Table 3 Annual Rate of Growth of Value Added by Industry at Constant Prices

Industries	% Change				
	2011 ^R	2012 ^R	2013 ^R	2014 ^R	2015
Agriculture, Forestry & Fishing	10.3	2.3	-0.7	-0.4	-0.1
Mining & Quarrying	19.1	-8.7	2.7	0.9	0.6
Manufacturing	1.8	-0.3	-0.5	-0.8	3.1
Construction	0.8	-4.4	1.9	1.7	0.9
Electricity & Water Supply	0.3	-2.2	-2.0	-1.2	1.4
Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment	0.3	-1.4	-0.1	0.3	0.4
Hotels & Restaurants	2.0	1.8	1.2	3.0	2.0
Transport, Storage & Communication	-1.9	-0.1	0.4	0.8	1.1
Finance & Insurance Services	-0.1	-0.0	0.1	0.5	0.3
Real Estate, Renting & Business Activities	-0.4	-0.3	0.3	0.4	0.5
Producers of Government Services	0.5	-0.2	-0.2	-0.1	-0.1
Other Services	0.5	1.2	0.2	1.4	0.8
Less Financial Intermediation Services Indirectly Measured (FISIM)	-4.1	-2.6	-0.6	-0.8	0.1
Total	1.4	-0.5	0.2	0.5	0.8

Source: Statistical Institute of Jamaica

^R Data revised

Consumer Price Index (CPI)

During the fiscal year, compilation of the Consumer Price Index (Low/Middle Income) continued based on the 'basket' of goods and services compiled from the Household Expenditure Survey (HES) conducted June 2004 to March 2005. This CPI series has a price and weight reference base period of December 2006.

The CPI measures the changes in the general level of prices of consumer goods and services purchased by private households and is seen as

the best economic instrument to use when determining the effect of changes in retail prices on household budgets and expenditure.

For the period under review, 12 Monthly Consumer Price Index Bulletins and the 2015 Annual Review were completed.

The "All Jamaica" rate of inflation for the 2015/2016 fiscal year was 3.0 per cent. This movement was 1.0 percentage point below the 4.0 per cent that was recorded for the 2014/2015 period.

Table 4 Consumer Price Index: Main Indicators, March 2016

		All Jamaica	Greater KMA	Other Urban Centres	Rural Areas
Month	March 2016	-0.1	-0.2	-0.2	0.0
	February 2016	-0.7	-1.0	-0.9	-0.4
Fiscal Year	March 2015 – March 2016	3.0	4.0	2.7	2.2
Calendar Year	December 2015 - March 2016	-1.3	-1.6	-1.6	-0.9

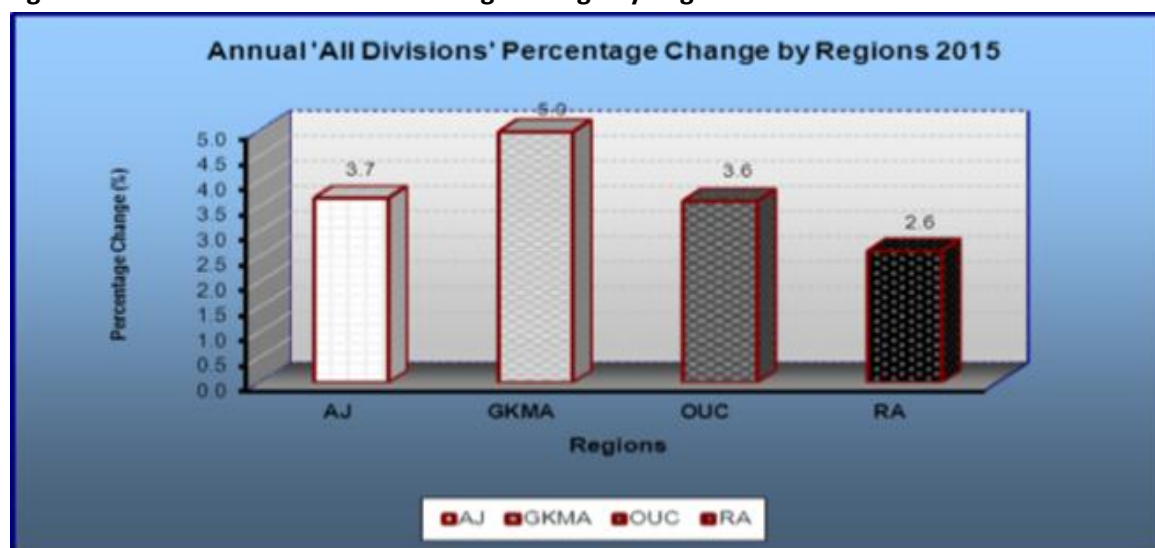
Source: Statistical Institute of Jamaica

The rate of inflation for the calendar year ending December 2015 was 3.7 per cent compared to the 6.4 per cent recorded in 2014. The inflation rate for 2015 was due largely to an increase of 8.7 per cent in the index for the division 'Food and Non-Alcoholic Beverages'. The increase in the index was however tempered by the downward movement of 8.3 per cent in the index for the division 'Housing, Water, Electricity, Gas and Other Fuels' and the negative 4.0 per cent recorded for the 'Transport' division. In 2015, the Mean Annual Index increased by 3.7 per cent compared to that in 2014 which rose by 8.3 per cent.

Factors impacting prices throughout the 2015 calendar year were:

- The depreciation of the Jamaican dollar against its major trading currency, the United States dollar;
- The movement in world oil prices;
- Drought conditions; and
- The reduction in adult bus fares for passengers in the Greater Kingston Metropolitan Area (GKMA) taking the Jamaica Urban Transit Company (JUTC) buses.

Figure 2 Annual 'All Divisions' Percentage Change by Regions - 2015



Source: Statistical Institute of Jamaica

Household Expenditure Survey (HES)

The main purpose of the Household Expenditure Survey (HES) is to obtain information on the goods and services purchased by private households in order to determine the general pattern of expenditure throughout the economy. This information is used to provide data for the computation of the Consumer Price Index (CPI) which is the most commonly used indicator of inflation in Jamaica. Data from the HES is used to determine the 'basket' of goods and services for which prices will be collected as well as the weights used in the compilation of the CPI.

The design and development of the 2017 Household Expenditure Survey (HES) questionnaire was completed. It was reviewed by various stakeholders from both the public and the private sectors as well as consultants from the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), Caribbean Regional Technical Assistance Centre (CARTAC) and Statistics Canada (STATCAN). The recommendations from these reviews as well as

the feedback received from the Pretest that was conducted in October 2015, were incorporated in the design of the questionnaire. Preparation for conducting the Pilot Survey was also started during the period.

The lack of funds affected the progress of work and data collection had to be rescheduled to calendar year 2017. Assistance was however provided for the design phase of the survey by the Inter-American Development Bank (IDB) under the "Understanding Social Effects" project.

Producer Price Index

The Producer Price Index measures the average change over time in the selling price of goods and services received by domestic producers. It therefore measures price change from the perspective of the producer, i.e. it is an output based index.

Twelve Monthly Bulletins and the Annual 2015 Report were published for the period under review.

For the 2015/16 fiscal year producer prices rose by 5.5 per cent for the Mining & Quarrying industry, while there was a fall in the index of

5.0 per cent in output prices for the Manufacturing industry.

Table 5 Fiscal Year Change in the Producer Price Index by Industry: 2015/2016

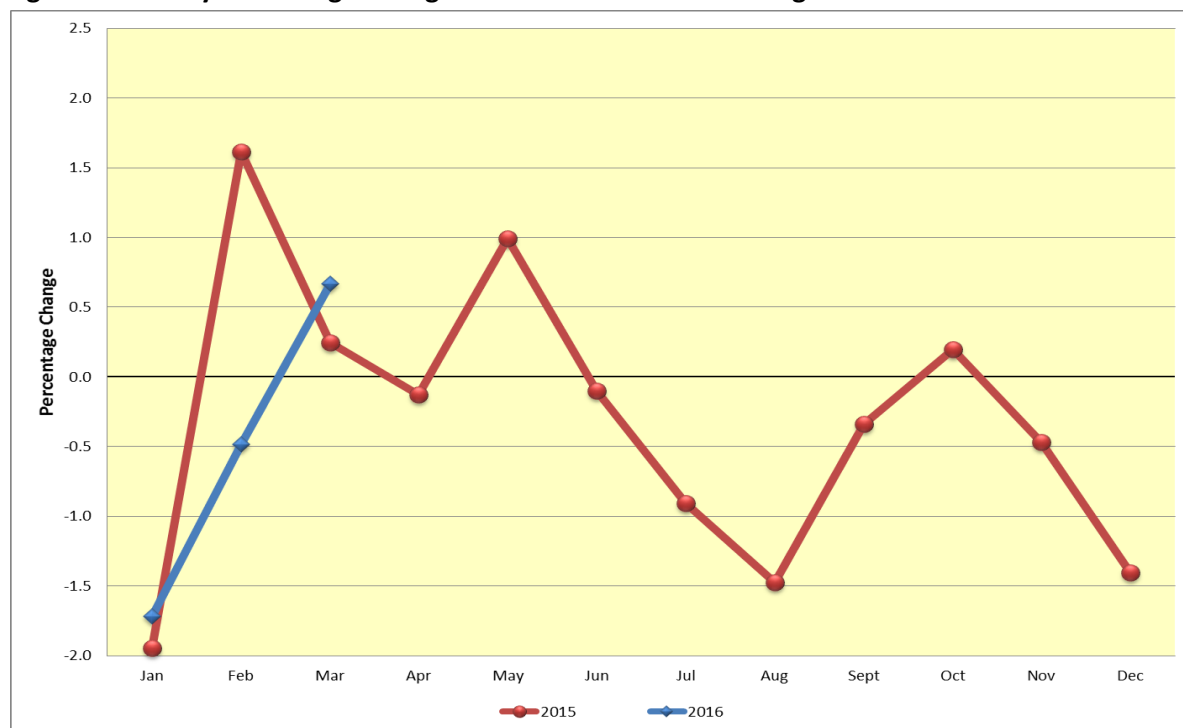
INDUSTRY	Year-to-Date (Fiscal)
	Apr-15 to Mar-16
MINING & QUARRYING	5.5
Bauxite Mining & Alumina Processing	5.5
Other Mining & Quarrying	6.5
MANUFACTURING	-5.0
Food, Beverages & Tobacco	1.3
Textile, Wearing Apparel and Leather Products	7.7
Wood, Wood Products and Furniture	1.7
Paper and Paper Products	3.5
Chemicals and Chemical Products	4.2
Refined Petroleum Products	-35.4
Rubber & Plastic Products	0.4
Other Non-Metallic Mineral Products*	1.4
Fabricated Metal Products excl. Machinery & Equipment	0.3
Other Manufacturing n.e.c.	1.8

Source: Statistical Institute of Jamaica

For the calendar year 2015, the Manufacturing industry's index declined by 2.1 per cent following an increase of 2.0 per cent in the previous year. The decline was attributed mainly to a 21.4 per cent fall in the index for the second highest weighted major group, 'Refined

Petroleum Products'. The downward movement was however moderated by the highest weighted major group 'Food, Beverages & Tobacco' which registered an increase in its index of 1.0 per cent.

Figure 3 Monthly Percentage Change in the PPI for Manufacturing: March 2015 – March 2016

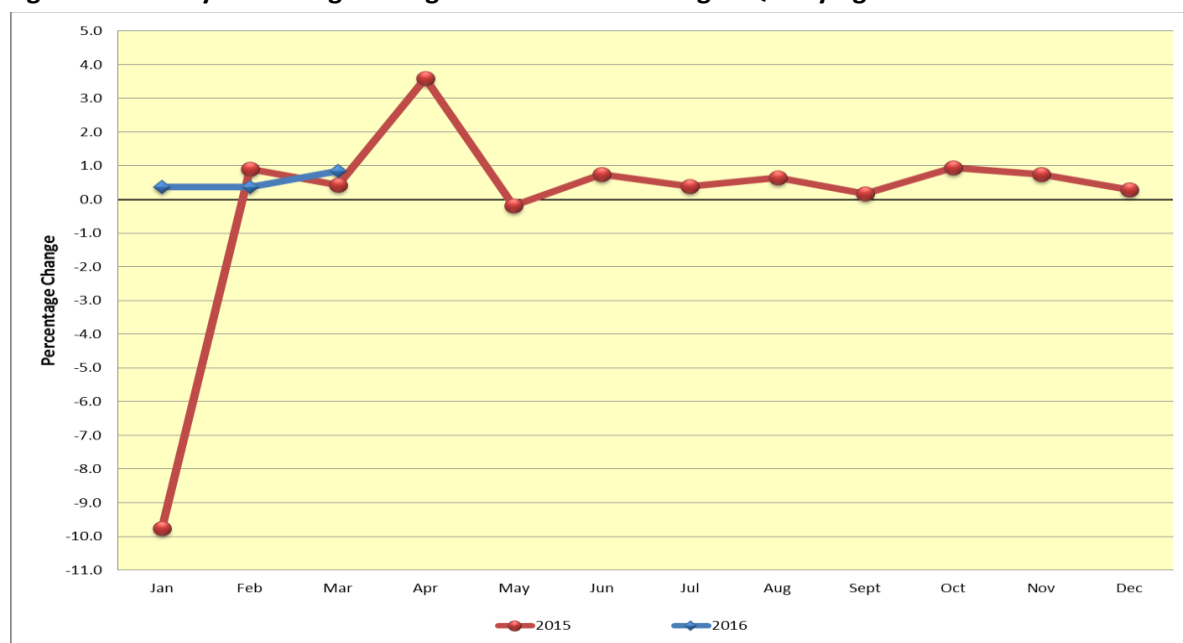


Source: Statistical Institute of Jamaica

The main factors affecting the movements in the Manufacturing industry's index were the lower prices for oil and grains on the

international market, as well as, the depreciation of the Jamaican Dollar.

Figure 4 Monthly Percentage Change in the PPI for Mining & Quarrying: March 2015 – March 2016



Source: Statistical Institute of Jamaica

International Merchandise Trade Statistics (IMTS)

International merchandise trade statistics (IMTS) provides data on the movement of goods in and out of a country. This includes transactions on imports, domestic exports and re-exports traded by all partner countries. International merchandise trade is crucial for economic development and as such the IMTS is one of the indicators tracked by both local and international users.

During the 2015-2016 review period, work continued on the compilation, analysis and dissemination of data on imports and exports generated from records supplied by the Jamaica Customs Agency, as well as major importers and exporters, commodity boards and various public bodies. In April 2015, the Jamaica Customs Agency, the main source of administrative data for trade, introduced the pilot of the Automated System for Customs Data (ASYCUDA). This had a significant impact on the processing of the data submitted to the Institute and new procedures had to be developed to address these changes.

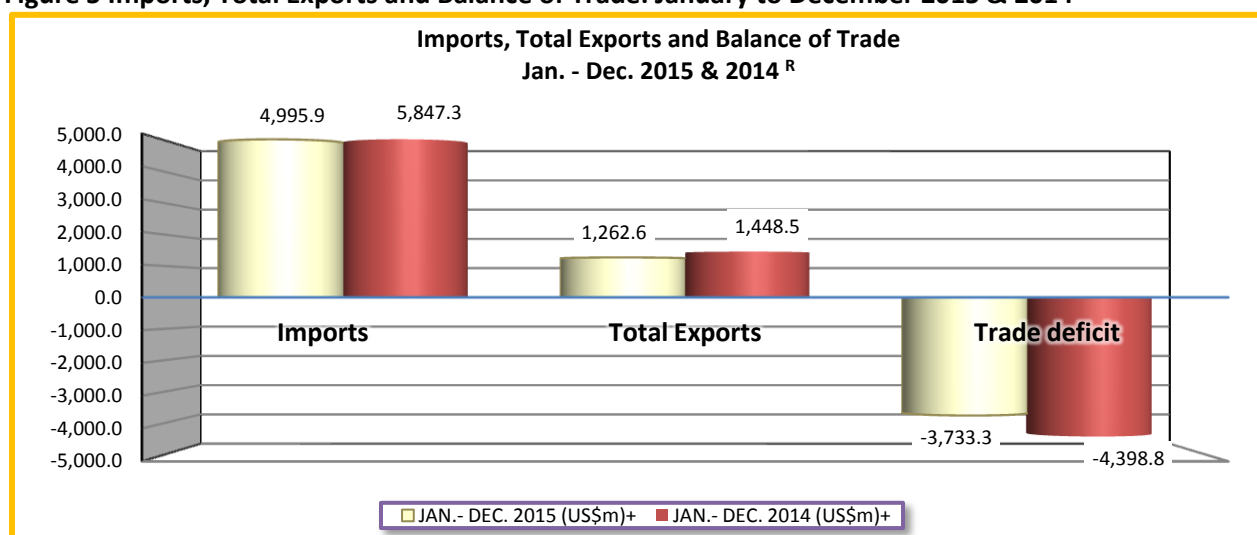
For the period twelve monthly International Merchandise Trade bulletins were produced.

The detailed 2014 Report at the commodity level was also completed.

The merchandise trade deficit for 2015 was US\$3,733.3 million, which was 15.1 per cent or US\$665.5 million less than the US\$4,398.8 million recorded in 2014. Total expenditure on imports amounted to US\$4,995.9 million, which represented a decrease of 14.6 per cent or US\$851.4 million for the same period. The major contributors to the decline in imports were Raw Materials/Intermediate Goods and Capital goods. Earnings from total exports decreased, moving from US\$1,448.5 million for 2014 to US\$1,262.6 million for 2015, a decrease of 12.8 per cent or US\$185.9 million. (See Figure 5)

Domestic exports declined by 12.2 per cent, influenced by the fall in Non-Traditional exports. This category was 29.7 per cent lower than that for 2014. In 2015, traditional domestic exports, which accounted for 65.4 per cent of total domestic exports, increased by approximately 1.12 per cent. Exports of Agriculture and Mining & Quarrying products were 51.9 per cent higher than that in 2014. Exports of manufactured goods however, decreased by 11.9 per cent.

Figure 5 Imports, Total Exports and Balance of Trade: January to December 2015 & 2014



Source: Statistical Institute of Jamaica

R: Data revised for 2014

Employment and Earnings

The Employment and Earnings Survey provides information on employment, earnings and hours worked in all sectors of the economy, with the exception of Agriculture, Government and private educational institutions. Data are collected quarterly from large establishments selected from a sampling frame of establishments based on their employment size and major economic activity. The information is produced in a report entitled the Employment, Earnings and Hours Worked in Large Establishments Report.

Environmental and Multi-domain Statistics

Environmental Statistics

Jamaica's Environment in Your Pocket 2016 provides data and information on the Country's environmental landscape. This report included data on inter alia human settlements, agriculture, biodiversity, energy, weather, extreme events and waste. Preliminary work was also started on the development of the

System of Environmental Economic Accounting (SEEA) with technical assistance from UNECLAC. The first account to be developed will be the energy account due to the importance of energy to the Jamaican economy as well as the availability of related data.

Information and Communication Technology Statistics

STATIN is committed to providing relevant data to meet stakeholder needs through the development of statistical products. One such product is the Information and Communication Technology (ICT) Indicators report.

Core indicators on ICT Access and Use by Households and Individuals for 2014 were prepared and submitted to the International Telecommunications Union (ITU), as per Jamaica's membership obligations.

The first in an annual series of reports on ICT indicators was also prepared and published. This report, entitled "*ICT Indicators Report: Measuring Jamaica's Information Society 2014*"

provided information on ICT indicators for the period 2010-2014 on:

- Households' Access to ICT
- Individuals' Use of ICT
- ICT Infrastructure and Access
- International Trade in ICT Goods

Special Projects

Included in the work programme of the Institute are surveys that are undertaken on behalf of the government of Jamaica, including MDAs as well as international organizations. These partnerships are especially important in the area of social statistics as STATIN is unable to fund surveys required to provide all the necessary data for planning. The international donor agencies assist by providing funding and technical assistance to undertake these surveys. The following were the projects undertaken during the year.

Inflation Expectation Survey

To carry out its inflation targeting monetary policy framework, the Bank of Jamaica (BOJ) commissioned the Institute to conduct eight Inflation Expectation Surveys per year from 2014. The Survey is designed to collect information on the expectation and perception from heads of businesses and decision makers on inflation. The primary objective of the survey is to collect information from key personnel in business establishments on their individual expectations as to the future movement of prices, interest rates, growth rates and the level of wage/salary increases expected over specific time periods.

For the period April 2015 to March 2016, the Institute successfully executed and delivered reports for a total of eight (8) surveys.

Informal Sector Survey

The Informal sector is an important component of the Jamaican economy. STATIN currently produces statistics on employment in the informal sector from data gathered through the Labour Force survey. In the estimation of the GDP, the focus is on ensuring that all activities including non-observed activities are a part of the GDP. However estimates of GDP accruing to the informal sector are not disaggregated. Therefore there is the need for additional statistics to explore the detailed characteristics of the sector and its contribution to Gross Domestic Product (GDP).

In the fiscal year 2014/2015, STATIN partnered with the Inter-American Development Bank (IDB) to execute a survey of the informal sector in Jamaica. The purpose of this survey is to explore different dimensions of this sector in order to improve the knowledge of the characteristics and constraints that persons and organisations in the informal sector may face. The survey was done in two phases. Phase I of the Informal Sector Survey was done in the 2014/2015 fiscal year. Data collection for Phase II of the survey was undertaken in the 2015/2016 fiscal year.

Statistical Product Development

An important focus of the work programme of STATIN is the development of new statistical programmes and products. This is in response to the changing demands for statistical information.

Quarterly GDP by Expenditure

The programme for the development of the quarterly GDP by Expenditure for Jamaica that was started in 2014/2015 was maintained in 2015/2016. Preliminary estimates for quarter 1

2007 to quarter 2 2015 at current prices were submitted to the project sponsor, the Bank of Jamaica (BOJ). Work continued on the production of the estimates at constant prices.

Trade in Services

The need for data on Trade in Services has become critical given the introduction of the CARICOM Single Market and Economy (CSME) as well as ongoing international trade negotiations. Work continued on the Trade in Services programme with the compilation of the relevant variables for Financial and Insurance Services, Bauxite and Alumina, and Electricity and Water.

Trade Indices

Import and Export Price Indices measure changes in the prices of goods moving in and out of a country. The trade indices are required to deflate the GDP current price estimates. Developmental work continued on the monthly and quarterly indices using the unit value approach. This programme is being funded by the Bank of Jamaica as part of the development of the quarterly GDP by expenditure. Assistance was also received from various international bodies in the development of these indices. Of note is the training staff received from the International Trade Centre (ITC) in the use of outlier detection method. The indices are slated for publication by the end of 2016.

Agriculture Producer Price Index (APPI)

The decision was taken to discontinue the development of the Agriculture Producer Price Index (APPI), due to issues related to data availability and reliability. The compilation of data continued however for use internally.

Statistical Infrastructure

In keeping with the Institute's strategic objectives, work on improving the quality and technical soundness of its statistical outputs continued. Of note are the improvement of the sampling frames used for household and business survey programmes and the launch of the revised Jamaica Standard Occupational Classification (JSOC). Other activities engaged in during the fiscal year included the revision of the Jamaica Industrial Classification (JIC), the design and selection of samples and the development of questionnaires for the various surveys undertaken by the Institute. In addition, a review of the new recommendations from the 19th International Conference of Labour Statisticians (ICLS) and its implications for the Labour Force Survey was done. Work in this regard will continue in the 2016/17 fiscal year.

Design and Development

The listing of dwellings which started in October 2013 was completed during the fiscal year. This enabled the transition to a new Master Household Frame in January 2016, based on information from the 2011 Population and Housing Census. Improvements were also effected to the Master Business Frame by conducting a systematic review of and expanding the Business Register, the principal frame for the economic surveys. A new sample was also selected for the economic survey programmes within the Institute. The survey instrument to be used for the House Rental Survey was also designed and developed.

Classifications and Standards

The revised Jamaica Standard Occupational Classification (JSOC) was finalized and launched in July 2015. The classification was revised based on the 2008 International Standard Classification of Occupation (ISCO '08). Subsequent to the launch, internal and external

training sessions were conducted to familiarize users with the nuances and major changes incorporated in the new classification.

The revision of the Jamaica Industrial Classification (JIC), in alignment with the 4th revision of the International Standard Industrial Classification (ISIC) continued. At the end of the reporting period, the basic classification structure was completed and the accompanying explanatory notes were 50% complete. The launch of the revised JIC is scheduled for October 2016.

Data Collection Services

Crime and violence in many of the areas in which the staff had to work continued to pose a challenge for the data collection activities. The inability to access gated communities and the reluctance of some respondents to provide information also impacted the smooth operations in the field. Nonetheless, the Data Collection Unit continued to provide invaluable support in the execution of surveys for the regular work programme of the Institute as well as for external clients' surveys.

Geographic Services

The work of the Geographic Services Unit was adversely impacted by the lack of access to GIS licences. This was however alleviated towards the end of the year with the acquisition of GIS licences through the Government of Jamaica project led by the Ministry of Water, Land, Environment & Climate Change.

OPERATIONAL EFFICIENCY

Improving the organization's effectiveness and efficiency and ensuring that the high quality of its products, services and support are maintained are critical to the continuity of STATIN. To achieve this, the Institute continued

the review of its operational structure and to review and update the job descriptions for all posts within the Institute. A Competency Framework is also being developed to support revision of the performance appraisal system.

Corporate Governance

The responsibility of the Institute has been transferred to the newly created Ministry of Economic Growth and Job Creation. Prior to the 2016 General Election, the Ministry of Finance and Planning (MoFP) had portfolio responsibility for STATIN.

The Board of Directors, along with the reporting Ministry are responsible for monitoring the performance and progress of the work of the Institute. This is achieved through the preparation and submission of quarterly and annual reports to both the Ministry and the Board. The Board of Directors also provides guidance to the Institute regarding its general operations.

In promoting good corporate governance, STATIN ensures that it adheres to the relevant regulations and requirements in carrying out its daily operations. This includes the need to maintain confidentiality of the data provided by individuals and establishments. In this regard and in order to promote compliance, all employees are required to sign the Official Secrets Act and an Oath that indicates commitment to upholding confidentiality as stipulated under the Statistics Act. The Institute is also guided by International standards and guidelines such as the United Nations Fundamental Principles of Statistics.

Quality Management

STATIN recognises the need for the availability of high quality statistics for public and private decision-making. To this end, there were continued efforts towards ensuring the production of quality statistics.

In April 2015, STATIN participated in a round of assessments by the Economic Commission for Latin America and the Caribbean (ECLAC) on the level of compliance with the Code of Good Practice in Statistics for Latin America and the Caribbean. The Institute was assessed on seventeen tenets of good statistical practice.

STATIN also participated in Statistics Canada's (STATCAN's) International Statistical Fellowship Program (ISFP) and as a result started the development of a Quality Assurance Framework (QAF) for the Institute. To date, a number of actions were initiated and accomplishments have been registered under the QAF programme. These include:

- The establishment of a Quality Management Unit (QMU) which will lead the charge in developing and maintaining the institution-wide Quality Assurance Framework;

- The creation of a Quality Assurance Committee – this Committee comprises officers from each Division within the Institute;
- The creation of an official Declaration on Quality
- The draft of a Quality Assurance Framework Document
- The documentation of work processes, a key action under the QAF, has started.

Future action in implementing the Quality Assurance Framework includes the development of a Quality Policy as well as the continued sensitization of staff to existing and future quality management initiatives.

Human Resource Management

At the commencement of the 2015/2016 financial year, there were 343 persons on staff. The staff count was however reduced to 310 by the end of the financial year.

During the review period six members of staff retired (See table 6). In appreciation of their service and contribution to the Institute, the retirees were recognized at the Carol Service held in December 2015.

Table 6 Retirees - Fiscal Year 2015/2016

Name	Position	Years of Service
Miss Yvonne Comrie	Interviewer II	24 Years
Miss Patricia Tomlin	Interviewer II	19 years
Mrs. Cecile Malcolm	Statistical Officer II	44 years
Mrs. Dorrel McDonald	Senior Secretary	31 years
Mr. Douglas Forbes	Director	18 years
Mr. Winston Neil	Interviewer II	15 years

Figure 6 Retirees



Mr. Douglas Forbes (left) receiving plaque from the Director General, Miss Carol Coy.



Mr. Winston Neil giving a vote thanks on behalf of the retirees.



Mrs. Cecile Malcolm smiling proudly with her long service award.

Pension Plan

The Pension Plan for the Statistical Institute of Jamaica was established on February 1, 1986 and is a Defined Benefit Plan. Sagicor Life

Jamaica Ltd. is the Administrator and Fund Manager.

The Trustees responsible for the management of the Pension Plan are:

Table 7 Trustees for STATIN's Pension Plan

Name	Position	Trustee Designation
Carol Coy	Director General	Sponsor appointed
Marva Thompson	Corporate Secretary/Legal Officer	Sponsor appointed
Joyce Stewart	Human Resource Manager	Sponsor appointed
Merville Anderson	Pensioner	Member appointed
Andrew Jones	Statistician	Member appointed

Figure 7 Performance of Pension Plan

Key Plan Statistics

Invested Assets

\$1,616.72M

Investment Returns

18.41%*

* Gross Yield

Real Return

14.75%

Funded Status/Solvency Level

134.06%

Net Yield

16.99%

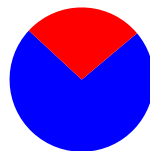
INTEREST CREDITED TO MEMBERS' CONTRIBUTIONS

6.75%

Compulsory

16.99%

Voluntary



73%

Active Members Contributing Voluntary

■ Vol ■ No Vol

FUND MEMBERSHIP



Actives

Deferred

Pensioners

45.4 YRS



Average Age of Active Members

Training and Development

STATIN is committed to the continual development of its human resources. In keeping with this, a number of staff members participated in a wide range of technical courses, conferences and meetings sponsored by a number of international statistical organizations. The focus of these events was spread across the areas of: Digitization of Maps of Historical Censuses; Environmental Economic Accounting; Price Statistics including Real Estate Price Indices; Administrative Registers; Labour Market Information System; National Accounts; Environment Statistics and Business Survey Design.

A number of courses were also offered internally and were geared towards capacity building. These courses offered training in the use of Statistical Software packages, programming, Data Analysis for Complex Sample Data, Quality Management and Leadership and Change Management.

A number of Staff Welfare activities were also undertaken during the period. Training sessions/meetings were held to apprise staff of affairs critical their welfare and for personal planning and decision making. Such activities included Retirement Planning and Personal Financial Management.

As part of our corporate stewardship, work experience opportunities were afforded to a total of 13 participants from various colleges and programmes. These included the University of Technology, Mico University, National Youth Service, Citizen Security and Justice Programme and Heart Trust NTA.

SERVICE CULTURE

In a bid to improve its service culture, STATIN utilised various medium to:

- Disseminate its products and services,
- Improve its public image,
- Promote its products and services,
- Help data users to better understand the statistical information, and
- Encourage participation in the surveys conducted.

Press releases, the annual calendar and the Institute's website were among the medium used to disseminate information to the public. The launch of the Jamaica Standard Occupational Classification (JSOC) Publication and the monthly press releases resulted in significant media attention over the period. Interviews were done with the Director General and subject matter experts.

The annual calendar featured Jamaica's Youth (Persons ages 15-24). Information presented, featured data from the 2011 Population and Housing Census, the National Youth Survey 2010, the Labour Force Survey, July 2014 and the School to Work Transition Survey 2013.

The Institute's website which is one of the main vehicles for the dissemination of statistical information continued to be a useful dissemination tool for the products and services

of the Institute. DataZoa, a cloud-based software which facilitates data dissemination and data time series storage was introduced and used to disseminate data on the web. Since April 2015, STATIN started uploading all its publications on the website.

A review committee commenced the restructuring of the website during the period. The aim is to better satisfy the Institute's stakeholders by improving the functionality, navigation and ease of finding information. The launch date of the new and improved website has been scheduled for 2016.

During the period, STATIN also organised and conducted a number of school presentations and participated in a number of school expositions including the Ministry of Education's National Mathematics Expo. These forums presented the opportunity for students to get to know more about the Institute; improve their understanding of statistics and also learn about alternative careers in the area of statistics.

Feature Articles were published in The Gleaner and Jamaica Observer publications to highlight **"Caricom Statistics Day"**.

STATIN's library also continued to play an important role in the dissemination of information to the public. For the 2015/2016 period the Library helped to satisfy requests for International Merchandise Trade, Population and Labour Force datasets which were the major requests received for unpublished data for this period. Consumer Price Index, Labour Force and Demographic (census 2011) data were more heavily requested by clients seeking

published data. The library continued to see an increase in requests for information and in particular, historical demographic data.

INFORMATION AND COMMUNICATION TECHNOLOGY

During the review period managing the technology infrastructure to maintain access and availability, and developing application systems to enhance data collection and processing were areas of focus. Systems were developed with the purpose of enhancing data capture for surveys as a part of its Computer-Assisted Personal Interviewing (CAPI) initiative. These developments helped to improve data collection and processing for surveys that are a part of the Institute's regular work programme and core activities.

During the year, the Jamaica Customs Agency (Customs) commenced a project for the implementation of their ASYCUDA system. This system will replace the existing C87 system. In preparation for the delivery of data from the new system, a project team was formed between STATIN, eGov and Jamaica Customs. eGov's primary role on the team is to facilitate the delivery of the data via their secure platform.

Applications and/or systems were designed to facilitate a number of activities including:

- Migration Project – database was developed to store migration data. An application system was also developed for stakeholders to conduct research on migration patterns. Presentations were made to key stakeholders such as the Ministry of Foreign Affairs, Global Project Board on International Migration, UNFPA as well as the International Organization on Migration.
- A web-based application which allows users to search for information from the community database was developed and deployed. Future updates to the system included geospatial representation of data based on communities.

FUNDING

The Institute's approved budget for the 2015-2016 fiscal year was \$820.01 million. This sum included inter alia the amount of \$762.29m for recurrent expenses and \$50.00m for HES. A special approval of \$7.72 million was to complete the improvements for the work programme for the Survey of Living Conditions.

Table 8 Fiscal Year 2015/2016 Budget

Budget Item	\$M
Recurrent	762.29
SLC	7.72
HES	50
Total	820.01

OTHER ACTIVITIES

Annual Staff Activity

The annual Christmas function was held on Friday, December 11, 2015 in the Car Park at the Head Office, 7 Cecelio Avenue, Kingston 10. The event took the format of a carol service under the theme 'Christmus in di Yaad...Mingle and Jingle'. Mr. Kevin Bailey, an Associate at the Family Life Ministries and Psychotherapist was the Guest Speaker at the event. Members of Staff and guests were entertained by STATIN's choir, guest performers - Christine and Alex and the Holy Childhood steel band.

Divisional Employee of the Year Awards 2015

The Divisional Employee of the Year Awards is an annual award facilitated by the Institute's Human Resource Development Committee. The award recognizes employees who perform exceptional during the calendar year. Awards for 2015 were presented at the carol service held in December at the Head Office. As a peer award, nominees are selected by their peers for outstanding contribution to their division in the areas of teamwork, positive role model/mentor, leadership and attitude. For 2015 there were five (5) awardees, notably:

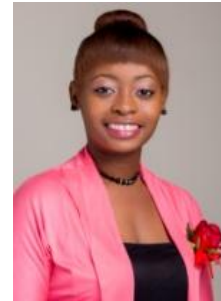
Figure 8 Divisional Employee of the Year 2015



Daniel Flaneur
Corporate Services



Julet James
Information & Technology



Kareen Richards
Administrative Statistics



Garvin Taylor
Field Services (Area 3)



Judith Taylor
Field Services (Area 1)

STATIN Sports and Social Club

The STATIN Sports and Social Club continued to fulfill its core function of providing social and recreational activities for staff members. During 2015/2016, the Sports Club hosted a number of activities including the annual Sports Month held in June where employees within their respective houses competed in indoor and outdoor games. There was also an inter-divisional competition held, an avenue through which employees had the opportunity to display their talents in the performing and culinary arts.

JSOC LAUNCH



SOCIAL SCENES



CAROL SERVICE 2015



APPENDIX A

Directors' Compensation: April 1, 2015 - March 31, 2016

Position of Director	Fees (\$)	Motor Vehicle Up-keep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman	162,500.00				162,500.00
Director 1	110,000.00				110,000.00
Director 2	82,500.00				82,500.00
Director 3	82,500.00				82,500.00
Director 4	60,000.00				60,000.00
Director 5	30,000.00				30,000.00
Director 6	7,500.00				7,500.00

Note: The only payment made to the Board members was for their attendance at meetings.

Additional Note: The Board complement is five Directors plus the Chairman. Please note, during the financial year April 1, 2015 to March 31, 2016, one Director resigned and a new Director was subsequently appointed hence six Directors being accounted for.

APPENDIX B

Senior Executive Compensation 2015/2016

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Al- lowance or Value of Assign- ment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Al- lowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Director General	5,624,054.00		1,219,656.00		12,000.00		6,855,710.00
Technical Advisor*	3,013,047.59		1,130,544.00				4,143,591.59
Director, Administrative Statistics	3,153,311.08		487,860.00				3,641,171.08
Director, Censuses Demography & Social Statistics	3,129,238.97		1,219,656.00				4,348,894.97
Director, Information & Technology	3,347,227.00		1,219,656.00				4,566,883.00
Director, Economic Accounting	3,735,058.00		1,219,656.00				4,954,714.00
Director, Field Services	3,506,393.66		1,219,656.00				4,726,049.66
Director, Corporate Services	4,009,772.39		1,219,656.00				5,229,428.39
Director, Surveys*	4,557,471.93		1,219,656.00				5,777,127.93
Director, Research, Design & Evaluation	3,153,310.96		1,219,656.00				4,372,966.96
Corporate Secretary/Legal Officer	4,332,965.67		643,128.00				4,976,093.67

Notes: Except where otherwise indicated (*), all compensation packages include:

1. Group Life: Non-contributory; equivalent to two (2) times annual basic salary upon death.
2. Group Health: Contributory scheme under GEASO with Sagcor Life of Jamaica Limited.
3. Annual Vacation Leave entitlement.

* - Compensation package includes item 3 above.

APPENDIX C

FINANCIAL STATEMENTS



STATISTICAL INSTITUTE OF JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2016

STATISTICAL INSTITUTE OF JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2016

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Corporate Head-Office
Unit 34
Winchester Business Centre
15 Hope Road
Kingston 10
Jamaica, W.I.

Phone +876-9084007
+876-7542074
Fax +876-7540380
Email info@uhy-ja.com
Web www.uhy-ja.com

**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
STATISTICAL INSTITUTE OF JAMAICA**

Report on the Financial Statements

We have audited the accompanying financial statements of Statistical Institute of Jamaica which comprise the statement of financial position as at 31st March 2016, the statements of comprehensive income, changes in capital and reserve funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Statistics Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

LOCATIONS:

Oxford House
2nd Floor
6 Oxford Road
Kingston 5

T: +876-9263562
F: +876-9291300
E: infobranh@uhy-ja.com

Shop 2B (Upstairs)
Caledonia Mall
Mandeville
Manchester

T: +876-9629153/9626369
F: +876-6252797
E: infobranh@uhy-ja.com

Lot 33 & 34
Cardiff Hall
Runaway Bay
St. Ann

T: +876-9735360/9735981
F: +876-9737546
E: infobranh@uhy-ja.com

The Annex - UGI Building
30 - 34 Market Street
Montego Bay
St James

T: +876-9538486/9719675
F: +876-9533058
E: infobranh@uhy-ja.com

**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
STATISTICAL INSTITUTE OF JAMAICA**

Auditors' Responsibility (cont'd)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualification

The Institute operates a Defined Benefit Plan. IAS 19 - *Employee Benefits* requires that an entity recognizes the net defined liability or asset for its Pension Plan in its Statement of Financial Position. In these and previous financial statements, the Institute's Pension Fund was treated and disclosed as a Defined Contribution Plan. Neither the pension asset nor the defined benefit obligation have been recognised. In the absence of this recognition, the financial statements do not conform to IFRS.

The Actuarial Valuation as at 31st December 2014 revealed a surplus of \$328,718,000 being the excess of accumulated assets over the value of the past service liabilities of the plan.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualification paragraph, the financial statements, give a true and fair view of the financial position of Statistical Institute of Jamaica as of 31st March 2016, and of its financial performance, changes in capital and reserve funds and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Statistics Act.

Report on additional requirements of the Jamaican Statistics Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements which are in agreement therewith, give the information required by the Jamaican Statistics Act, in the manner required.


UHY DAWGEN CHARTERED ACCOUNTANTS

21st July 2016

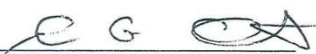
STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

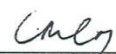
	<u>Notes</u>	2016 \$	2015 \$
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	4	54,598,847	45,609,638
<u>Current Assets</u>			
Inventories	5	957,778	1,173,674
Trade and Other Receivables	6	19,831,959	11,378,307
Prepayments		10,918,372	3,247,935
Short Term Investments	7	14,617,307	13,784,871
Cash and Cash Equivalents	8	53,442,604	41,413,081
		99,768,020	70,997,868
Total Assets		154,366,867	116,607,506
EQUITY AND LIABILITIES			
<u>Capital and Reserves</u>			
Capital Fund	9	26,415,927	27,094,141
Capital Grants	10	4,589,773	4,589,773
General Reserve Fund		(31,549,927)	(66,329,756)
		(544,227)	(34,645,842)
<u>Current Liabilities</u>			
Trade and Other Payables	11	100,581,528	103,385,124
Projects and Contracts	12	54,000,284	47,868,224
Bank Overdraft		329,282	-
		154,911,094	151,253,348
Total Equity and Liabilities		154,366,867	116,607,506

The accompanying notes form an integral part of the financial statements.

APPROVED FOR ISSUE BY THE BOARD ON 21ST JULY 2016
ITS BEHALF BY:

AND SIGNED ON


Alvin Wint
Chairman


Carol Coy
Director General

STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2016

(expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2016 \$	2015 \$
Revenue			
Government Grants	13	680,074,478	645,172,637
Transfer of Surplus on closed projects	12	35,743,141	6,656,020
Other Income	14	<u>6,533,358</u>	<u>12,234,782</u>
		722,350,977	664,063,439
Gain on Disposal of Property, Plant and Equipment		<u>-</u>	<u>825,268</u>
		722,350,977	664,888,707
Administrative Expenses	15	<u>(687,571,148)</u>	<u>(663,990,665)</u>
Surplus for the year		<u>34,779,829</u>	<u>898,042</u>

The accompanying notes form an integral part of the financial statements.

STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF CHANGES IN CAPITAL AND RESERVE FUNDS
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

	<i>Capital Fund</i>	<i>Capital Grants</i>	<i>General Reserve</i>	<i>Total</i>
	\$	\$	\$	\$
Balance at 31st March 2014	25,553,911	4,589,773	(67,227,798)	(37,084,114)
Net movements in the year	1,540,230	-	-	1,540,230
Surplus for the Year	-	-	898,042	898,042
Balance at 31st March 2015	27,094,141	4,589,773	(66,329,756)	(34,645,842)
Net movements in the year	(678,214)	-	-	(678,214)
Surplus for the Year	-	-	34,779,829	34,779,829
Balance at 31st March 2016	26,415,927	4,589,773	(31,549,927)	(544,227)

The accompanying notes form an integral part of the financial statements.

STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF CASH FLOWS
YEAR ENDED 31ST MARCH 2016

(expressed in Jamaican Dollars unless otherwise indicated)

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	34,779,829	898,042
Adjustments to reconcile net Surplus for the year to net cash provided by Operating Activities:		
Depreciation on donated property, plant and equipment	(678,214)	(734,808)
Depreciation on purchased property, plant and equipment	14,024,775	12,743,613
Gain on Disposal of property, plant and equipment	-	(825,268)
	<u>48,126,390</u>	<u>12,081,579</u>
Decrease/(Increase) in Current Assets:		
Inventories	215,896	(8,349)
Trade and Other Receivables	(8,453,652)	(1,379,697)
Prepayments	(7,670,437)	1,291,871
(Decrease)/Increase in Current Liabilities:		
Trade and Other Payables	(2,803,596)	7,119,130
Projects and Contracts	<u>6,132,060</u>	<u>(4,331,817)</u>
Net cash provided by Operating Activities	<u>35,546,661</u>	<u>14,772,717</u>
Cash flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(23,013,984)	(18,605,980)
Proceeds on Disposal of property, plant and equipment	-	1,142,244
Short-Term Investments	<u>(832,436)</u>	<u>(816,005)</u>
Net cash used in Investing Activities	<u>(23,846,420)</u>	<u>(18,279,741)</u>
Cash flows from Financing Activities:		
Bank Overdraft	329,282	-
Capital Grant	<u>-</u>	<u>2,275,038</u>
Net cash provided by Financing Activities	<u>329,282</u>	<u>2,275,038</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	12,029,523	(1,231,986)
Cash and Cash Equivalents at beginning of year	<u>41,413,081</u>	<u>42,645,067</u>
Cash and Cash Equivalents at end of year	<u>53,442,604</u>	<u>41,413,081</u>

The accompanying notes form an integral part of the financial statements.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

1. Identification

The Statistical Institute of Jamaica was established by the Statistics (Amendment) Act Number 3 of 1984 and amended by Number 11 of 2003.

The main functions of the Institute are:-

- (a) To collect, compile, analyse, abstract and publish national statistical information relating to the commercial, industrial, social, economic and general activities and conditions of the people of Jamaica.
- (b) To take any census in Jamaica.

2. Adoption of Standards, Interpretations and Amendments.

The International Accounting Standards Board (IASB) issued certain new standards and interpretations as well as amendments to existing standards, which became effective during the year under review. Management has assessed the relevance of these new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations.

(a) Standards, Interpretations and Amendments to published standards that are in effect:

IAS 19: Defined Benefit Plans: Employee Contributions (Effective July 2014)

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Improvements to IFRS 2010–2012 cycle, which contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

- **IFRS 13: Fair Value Measurement (Effective July 2014)**

Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusion only).

- **IAS 16: Property, Plant and Equipment (Effective July 2014)**

Proportionate restatement of accumulated depreciation under the revaluation method.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

(a) Standards, Interpretations and Amendments to published standards that are in effect (cont'd):

Improvements to IFRS 2010–2012 cycle (Cont'd)

For all depreciable assets:

The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life [IAS 16.50].

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8. [IAS 16.51]

The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the entity [IAS 16.60]; a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. [IAS 16.62A]

The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8. [IAS 16.61] Expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset. [IAS 16.56]

Depreciation should be charged to profit or loss, unless it is included in the carrying amount of another asset [IAS 16.48].

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle. [IAS 16.55]

• **IAS 24: Related Party Disclosures (Effective July 2014)**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity*. [IAS 24.17A, 18A]

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

(a) Standards, Interpretations and Amendments to published standards that are in effect (cont'd):

Improvements to IFRS 2011–2013 cycle, which contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

• **IFRS 13: Fair Value Measurement (Effective July 2014)**

Scope of paragraph 52 (portfolio exception)

Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

• **IAS 40: Investment Property (Effective July 2014)**

Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

These affected the financial statements for accounting periods beginning on or after the first day of the months stated. The adoption of these Standards and amendments had no material impact on the Institute's financial statements.

(b) The following Standards and Interpretations which are considered relevant to the Institute were issued but not yet effective:

IFRS 15 - Revenue from Contracts with Customers (IAS 18 will be superseded by IFRS 15 Revenue from Contracts with Customers.) (Effective January 2018)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- (i) Identify the contract with the customer.
- (ii) Identify the performance obligations in the contract.
- (iii) Determine the transaction price.
- (iv) Allocate the transaction price to the performance obligations in the contracts.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

- (b) **Standards, Interpretations and Amendments to published standards that are not yet effective - cont'd:**

IFRS 15 - Revenue from Contracts with Customers (cont'd)

- (v) Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

IFRS 9: Financial Instruments - Part 1: Classification and Measurement of Financial Instruments (Effective January 2018)

Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

All equity instruments are to be measured subsequently at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss as long as they represent a return on investment.

Improvements to IFRS 2012–2014 cycle, which contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments are as follows:

- **IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (Effective January 2016)**

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016

(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

(b) Standards, Interpretations and Amendments to published standards that are not yet effective - cont'd:

Improvements to IFRS 2012–2014 cycle (cont'd)

- **IFRS 7: Financial Instruments: Disclosures (Effective January 2016)**

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

- **IAS 19: Employee Benefits (Effective January 2016)**

Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

IAS 1: Presentation of Financial Statements (Effective January 2016)

The amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes.

Clarifies that information should not be obscured by aggregating or by providing immaterial information. Materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations apply;

Clarifies that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregated as single line items based on whether or not it will subsequently be reclassified to profit or loss;

Provides additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need to be presented in the order so far listed in paragraph 114 of IAS 1.

IAS 16: Property, Plant and Equipment and IAS 38 Intangible Assets (Effective January 2016)

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;

STATISTICAL INSTITUTE OF JAMAICA

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

YEAR ENDED 31ST MARCH 2016

(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

(b) Standards, Interpretations and Amendments to published standards that are not yet effective - cont'd:

IAS 16: Property, Plant and Equipment and IAS 38 Intangible Assets (cont'd)

- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Amendments to IAS 7 - Statement of Cash Flows (Effective January 2017)

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

These affect financial statements for accounting periods beginning on or after the first day of the month stated. The Institute is assessing the impact these amendments will have on its financial statements.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Committee of the IASB and comply in all material respects with the provisions of the Statistics Act. They have been prepared under the historical cost convention and are expressed in Jamaican Dollars.

(b) Property, Plant and Equipment -

Property, plant and equipment are stated at historical cost less depreciation less any impairment losses.

Depreciation of property, plant and equipment is provided on the straight-line basis calculated at annual rates estimated to write off the cost of each asset over the term of its useful life. The rates of depreciation in use are as follows:-

Buildings	2%
Furniture, Fixtures and Office Equipment	10%
Motor Vehicles	20%
Computer Software & Equipment	25%
Leasehold Improvements	10%

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to the recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus or deficit.

Freehold land is not depreciated.

(c) Inventories -

Inventories are valued at the lower of cost and net realisable value.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(d) Trade and Other Receivables -

Trade and Other Receivables are carried at original amounts less provisions made for bad debts and impairment losses. A provision for bad debts is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. The amount of any provision is the difference between the carrying amount and the expected recoverable amount.

(e) Provisions -

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(f) Impairment of Assets -

Property, plant and equipment and other long-lived assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's selling price or value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(g) Revenue Recognition -

i) *Government Grants*

Revenue from government grants are recognised when there is reasonable assurance that the grant will be received.

ii) *Income from Closed-out Projects*

Revenue from projects is recognised when the projects have been completed and comprises the net income earned after the deduction of expenses incurred or allocated to the project.

iii) *Interest Income*

Interest income is accrued on the principal outstanding on fixed deposits.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(g) Revenue Recognition (cont'd) -

iv) *Sale of Publications, Subscriptions for Publications and Maps*

Revenue comprises the fair value of consideration received or receivable for the provision of publications and maps in the ordinary course of the Institute's activities. The revenue is shown net of discounts.

(h) Foreign Currency Transactions -

During the period, transactions in foreign currencies are converted into Jamaican dollars at the rates of exchange ruling on the dates of those transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Gains or losses arising from fluctuation in the exchange rates are reflected in the Statement of Comprehensive Income.

(i) Use of Estimates and Judgements -

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires directors and management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. These estimates are based on historical experience and directors and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(j) Employee Benefits -

Pension

The Institute operates a Defined Benefit Plan. The pension plan is funded by payments from employer and employees, taking into account the recommendations of the independent qualified actuaries.

The Institute's contributions to the pension plan are charged to the statement of comprehensive income in the period to which the contribution relates. As indicated in the audit report, this is in contravention with IAS 19 - *Employees Benefits*. This is the basis for the qualification of the audit report.

Vacation Accrued

The Institute's vacation leave policy allows a maximum of seventy-five (75) days unused vacation leave to be carried forward for staff. The charge of all outstanding leave is recognised in the statement of comprehensive income in the period to which it relates.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(k) Actuarial Valuation -

In accordance with the Trust Deed, Actuarial Valuations of the Plan are to be done as prescribed by the Pensions (Superannuation Funds and Retirement Schemes) Act 2004. The Trustees have determined that such valuations are to be done at regular intervals provided that no longer than three (3) years elapse between each valuation. The last Actuarial Valuation was done as at 31st December 2014 and the report revealed a surplus of \$328,718,000 being the excess of accumulated assets over the value of the past service liabilities of the plan. The next valuation is due no later than 31st December 2017.

(l) Short-Term Investments -

Short-term investments are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

(m) Cash and Cash Equivalents -

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, foreign and local savings accounts and current accounts held at banks.

(n) Comparative Information -

Where necessary, comparative figures have been re-classified to conform to changes in presentation in the current year. In particular, comparatives have been adjusted to take into account the requirements of IFRS.

(o) Related Party Balances and Transactions -

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity").

- (a) A person or a close member of that person's family is related to the reporting entity if, that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(o) Related Party Balances and Transactions (Cont'd) -

- (b) An entity is related to the reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Committee of the IASB and comply in all material respects with the provisions of the Statistics Act. They have been prepared under the historical cost convention and are expressed in Jamaican Dollars.

(b) Property, Plant and Equipment -

Property, plant and equipment are stated at historical cost less depreciation less any impairment losses.

Depreciation of property, plant and equipment is provided on the straight-line basis calculated at annual rates estimated to write off the cost of each asset over the term of its useful life. The rates of depreciation in use are as follows:-

Buildings	2%
Furniture, Fixtures and Office Equipment	10%
Motor Vehicles	20%
Computer Software & Equipment	25%
Leasehold Improvements	10%

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to the recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus or deficit.

Freehold land is not depreciated.

(c) Inventories -

Inventories are valued at the lower of cost and net realisable value.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(d) Trade and Other Receivables -

Trade and Other Receivables are carried at original amounts less provisions made for bad debts and impairment losses. A provision for bad debts is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. The amount of any provision is the difference between the carrying amount and the expected recoverable amount.

(e) Provisions -

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(f) Impairment of Assets -

Property, plant and equipment and other long-lived assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's selling price or value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(g) Revenue Recognition -

i) *Government Grants*

Revenue from government grants are recognised when there is reasonable assurance that the grant will be received.

ii) *Income from Closed-out Projects*

Revenue from projects is recognised when the projects have been completed and comprises the net income earned after the deduction of expenses incurred or allocated to the project.

iii) *Interest Income*

Interest income is accrued on the principal outstanding on fixed deposits.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(g) Revenue Recognition (cont'd) -

iv) *Sale of Publications, Subscriptions for Publications and Maps*

Revenue comprises the fair value of consideration received or receivable for the provision of publications and maps in the ordinary course of the Institute's activities. The revenue is shown net of discounts.

(h) Foreign Currency Transactions -

During the period, transactions in foreign currencies are converted into Jamaican dollars at the rates of exchange ruling on the dates of those transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Gains or losses arising from fluctuation in the exchange rates are reflected in the Statement of Comprehensive Income.

(i) Use of Estimates and Judgements -

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires directors and management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. These estimates are based on historical experience and directors and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(j) Employee Benefits -

Pension

The Institute operates a Defined Benefit Plan. The pension plan is funded by payments from employer and employees, taking into account the recommendations of the independent qualified actuaries.

The Institute's contributions to the pension plan are charged to the statement of comprehensive income in the period to which the contribution relates. As indicated in the audit report, this is in contravention with IAS 19 - *Employees Benefits*. This is the basis for the qualification of the audit report.

Vacation Accrued

The Institute's vacation leave policy allows a maximum of seventy-five (75) days unused vacation leave to be carried forward for staff. The charge of all outstanding leave is recognised in the statement of comprehensive income in the period to which it relates.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(k) Actuarial Valuation -

In accordance with the Trust Deed, Actuarial Valuations of the Plan are to be done as prescribed by the Pensions (Superannuation Funds and Retirement Schemes) Act 2004. The Trustees have determined that such valuations are to be done at regular intervals provided that no longer than three (3) years elapse between each valuation. The last Actuarial Valuation was done as at 31st December 2014 and the report revealed a surplus of \$328,718,000 being the excess of accumulated assets over the value of the past service liabilities of the plan. The next valuation is due no later than 31st December 2017.

(l) Short-Term Investments -

Short-term investments are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

(m) Cash and Cash Equivalents -

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, foreign and local savings accounts and current accounts held at banks.

(n) Comparative Information -

Where necessary, comparative figures have been re-classified to conform to changes in presentation in the current year. In particular, comparatives have been adjusted to take into account the requirements of IFRS.

(o) Related Party Balances and Transactions -

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity").

- (a) A person or a close member of that person's family is related to the reporting entity if, that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(o) Related Party Balances and Transactions (Cont'd) -

- (b) An entity is related to the reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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4. Property, Plant and Equipment

	<i>Land</i>	<i>Buildings</i>	<i>Leasehold Improvements</i>	<i>Furniture, Fixtures & Equipment</i>	<i>Computer Software & Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$	\$
Cost or Valuation:							
31st March 2014	113,268	5,705,891	13,591,295	42,660,070	182,825,335	5,856,172	250,752,032
Additions	-	-	-	4,662,168	18,782,669	-	23,444,837
Disposal	-	-	-	(3,702,019)	(800,781)	-	(4,502,800)
Transfer of Assets	-	-	-	(1,033,415)	(3,805,442)	-	(4,838,857)
31st March 2015	113,268	5,705,891	13,591,295	42,586,804	197,001,781	5,856,172	264,855,212
Additions	-	-	487,850	3,187,513	19,338,621	-	23,013,984
Disposal	-	-	-	-	-	(970,550)	(970,550)
31st March 2016	113,268	5,705,891	14,079,145	45,774,317	216,340,402	4,885,622	286,898,646
Accumulated Depreciation:							
31st March 2014	-	1,438,702	13,492,865	27,437,002	164,254,439	4,064,776	210,687,785
Charge for the year	-	114,118	14,765	3,172,671	8,464,934	977,125	12,743,613
Released on Disposal	-	-	-	(3,702,019)	(483,805)	-	(4,185,824)
31st March 2015	-	1,552,820	13,507,630	26,907,654	172,235,568	5,041,901	219,245,574
Charge for the year	-	114,117	35,092	2,816,831	10,244,465	814,270	14,024,775
Released on Disposal	-	-	-	-	-	(970,550)	(970,550)
31st March 2016	-	1,666,937	13,542,722	29,724,485	182,480,033	4,885,621	232,299,799
Net Book Value							
31st March 2016	113,268	4,038,954	536,423	16,049,832	33,860,369	1	54,598,847
31st March 2015	113,268	4,153,071	83,665	15,679,150	24,766,213	814,271	45,609,638
31st March 2014	113,268	4,267,189	98,430	15,223,068	18,570,896	1,791,396	40,064,247

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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5. Inventories

	2016	2015
	₤	₤
Printery	160,203	203,323
General	797,575	970,351
	<u>957,778</u>	<u>1,173,674</u>

6. Trade and Other Receivables

	2016	2015
	₤	₤
Trade Receivables	14,012,297	288,440
Subvention Receivable	-	6,163,725
Staff Loans	61,651	144,093
Motor Vehicle Revolving Loan (i)	3,000,000	3,000,000
Other	2,758,011	1,782,049
	<u>19,831,959</u>	<u>11,378,307</u>

- (i) The motor vehicle revolving loan fund was established in June 1996 as a part of the 1994/1996 wage settlement. The Ministry of Finance and Planning agreed to provide the sum of three million dollars (\$3m) for the establishment of this loan fund which is managed by the Accountant General's Department.

7. Short-Term Investments

	2016	2015
	₤	₤
Sagicor Bank - Repurchase Agreement	14,531,300	13,699,331
Fixed Deposit Account - NCB	86,007	85,540
	<u>14,617,307</u>	<u>13,784,871</u>

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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8. Cash and Cash Equivalents

	2016	2015
	\$	\$
Current Accounts		
- Main	2,983,353	7,124,243
- Projects	1,665,644	1,270,754
Retained account-		
- Main (2016: US\$ 396,908, 2015: US\$287,166)	48,169,813	32,877,110
Cash in Transit	597,794	114,974
Petty Cash	26,000	26,000
	<u>53,442,604</u>	<u>41,413,081</u>

9. Capital Fund

	2016	2015
	\$	\$
Balance brought forward	27,094,141	25,553,911
Property, Plant and Equipment donated (CARICOM)	-	2,275,038
Depreciation Charges	<u>(678,214)</u>	<u>(734,808)</u>
Balance carried forward	<u>26,415,927</u>	<u>27,094,141</u>

The fund was established in 1984 and the initial balance represented the value of assets taken over from the Government of Jamaica via the former 'Department of Statistics'.

10. Capital Grants

Included in this balance is an amount of \$4,027,733 which represents a contribution received from the Ministry of Finance and Planning towards the purchase of computer equipment.

11. Trade and Other Payables

	2016	2015
	\$	\$
Trade Payables	18,497,930	22,454,724
Vacation Leave Accrued	64,045,071	59,114,511
Other Payables	<u>18,038,527</u>	<u>21,815,889</u>
	<u>100,581,528</u>	<u>103,385,124</u>

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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12. Projects and Contracts

	2016	2015
	\$	\$
Balance at beginning of year	<u>47,868,224</u>	<u>52,200,041</u>
Receipts:		
Cash	<u>92,553,202</u>	<u>46,359,925</u>
Payments:		
Compensation of employees	40,722,105	18,637,521
Travelling and subsistence	5,369,604	1,494,149
Purchase of goods and other services	2,538,270	22,961,321
National Insurance Scheme	905,328	410,744
National Housing Trust	<u>1,142,692</u>	<u>531,987</u>
	<u>50,677,999</u>	<u>44,035,722</u>
Net Surplus for year	41,875,203	2,324,203
Transfer of Surplus on closed projects	<u>(35,743,143)</u>	<u>(6,656,020)</u>
Balance at end of year	<u>54,000,284</u>	<u>47,868,224</u>

13. Government Grants

This represents cash received from the Government of Jamaica for operational activities.

14. Other Income

	2016	2015
	\$	\$
Interest Income	913,721	880,282
Publications and Subscriptions	214,468	558,076
Revenue Maps	801,418	862,457
Gain on Foreign Exchange	2,437,199	1,479,906
Miscellaneous	<u>2,166,552</u>	<u>8,454,061</u>
	<u>6,533,358</u>	<u>12,234,782</u>

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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15. Administrative Expenses

	2016	2015
	\$	\$
Compensation of Employees	397,668,046	391,812,525
National Insurance Scheme	8,549,598	8,553,933
National Housing Trust	12,021,952	12,048,351
Group Life Insurance	5,064,075	5,661,905
Pension	23,856,689	23,545,173
Travelling and subsistence	85,725,825	78,834,493
Electricity	22,995,997	30,425,657
Telephone	7,226,763	6,296,058
Water	395,636	351,321
Purchase of goods and other services	20,838,711	17,943,336
Rent	84,310,469	71,503,968
Directors' Fees	455,000	522,500
Auditors' Remuneration	1,265,000	1,265,000
Depreciation	13,346,561	12,008,804
Security	2,297,136	2,278,631
Other Administrative Costs	22,357	-
Training	1,531,333	939,010
	<u>687,571,148</u>	<u>663,990,665</u>

16. Taxation

The Institute is exempt from income tax, stamp duty and taxation under the Transfer Tax Act, by virtue of Section 3 (J) of the Statistics Act.

17. Pension

The Institute participates in a Defined Benefit Pension Plan for its employees which is administered by Sagikor Life Jamaica Limited. The Plan is funded by contributions from employees and employer. Pension benefits are based on contributions plus accumulated interest. The Institute's contribution during the year amounted to \$23,856,689 (2015: \$23,545,173).

18. Related Party Balances

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Institute has the following income and expenses incurred in transactions with related parties (other agencies under common control by the Government of Jamaica), in the ordinary course of business:

	2016	2015
	\$	\$
Expenses paid to Related Parties	<u>36,708,672</u>	<u>31,335,025</u>
Income received from Related Parties	<u>19,881,322</u>	<u>26,120,283</u>

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short term investments and trade and other receivables. Financial liabilities have been determined to include trade and other payables and projects and contracts.

The activities of the Institute expose it to certain financial risks which require evaluation, acceptance and management. Operational risks are an inevitable consequence of being in business. The Board of Directors aims to achieve an appropriate balance between risk and return and thereby minimising any potential adverse effects on the Institute's financial performance.

The main types of risks to which the Institute is exposed are credit risk, liquidity risk and market risk. Market risk is further broken down into interest rate risk and currency risk. The management policies of the Institute are designed to identify and analyse these risks, to set up appropriate controls, and to monitor the risks by means of up-to-date information.

The Director General has overall responsibility for the day to day management and operation of the Institute. Through its various divisional heads, the functions of the Institute are carried out. The internal control procedures of the Institute are further enhanced by the Internal Audit function that reports directly to the Board of Directors.

(a) Credit risk

The Institute is exposed to credit risk, which is the risk that its customers, or counter-parties will cause a financial loss for the Institute by failing to discharge their contractual obligations. The Institute's exposure to credit risk is considered minimal as only 0.47% (2015: 2%) is earned through invoicing of customers. Also, the trade receivables represent 14.04% of current assets (2015: 0.41%). Management however carefully manages its exposure to credit risk in order to minimise losses. The accounts department ensures that amounts billed are collected on a timely basis and where amounts are considered doubtful or uncollectible, the necessary provisions or write off are done after careful review and approval by the Board of Directors.

Credit Review Process

The Institute has established a credit quality review process and has credit policies and procedures which require regular analysis of the ability of counter-parties to meet their payment obligations.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(a) Credit risk (Cont'd)

Maximum Exposure to Credit Risk

	2016	2015
	\$	\$
Trade Receivables	14,012,297	288,440
Other Receivables	5,819,662	11,089,867
Short-Term Investments	14,617,307	13,784,871
Cash and Cash Equivalents	<u>53,416,604</u>	<u>41,387,081</u>
	<u>87,865,870</u>	<u>66,550,259</u>

(i) Trade Receivables

Trade receivable balances are not considered high risk. Management closely monitors its customers to minimise the level of bad debts. The Institute has established a credit quality review process and has instituted credit policies and procedures which require regular analysis of the ability of debtors to meet their obligations.

(ii) Other Receivables

Other receivables includes the \$3,000,000 motor revolving loan, amounts recoverable from the revenue authorities with regard to General Consumption Tax and Withholding Tax, staff loans and other miscellaneous amounts. Credit risk with respect to these items is considered low.

(iii) Short-Term Investments and Cash and Cash Equivalents

Short-Term Investments and Cash and cash equivalents comprise current and savings accounts, and deposits held with financial institutions. The Institute limits its exposure to credit risk by placing its cash and cash equivalents with counter-parties that have high credit quality. Accordingly, management does not expect any counter-party to fail to meet its obligations.

There has been no change in the Institute's exposure to credit risk or the manner in which it measures and manages the risk.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to creditors and also to complete projects.

The income generated by the Institute represents only 0.90% (2015: 1.84%) of total income. If the Institute was totally dependent on internally generated income, it would have faced liquidity risk in that regard. The Institute however, is funded mainly by Government Subvention which is pre-determined in the fiscal budget. Total income is usually sufficient to cover expenses. At 31st March 2016, the Institute's current liabilities exceeded its current assets by \$55,143,074 (2015: \$80,255,480).

Liquidity management process

The Institute's liquidity management process, as carried out within the Institute and monitored by the Accounts Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows in relation to payment obligations.
- (ii) Monitoring Statement of Financial Position Liquidity ratios against internal requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities.

There has been no change in the Institute's liquidity risk or the manner in which it measures and manages the risk.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(b) Liquidity risk (Cont'd)

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2016

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Inventories	957,778	-	-	957,778.00
Trade and Other Receivables				
Trade	14,012,297	14,012,297	-	-
Other	5,819,662	-	61,651	5,758,011
Prepayments	10,918,372	10,918,372	-	-
Short-Term Investments	14,617,307	14,617,307	-	-
Cash and Cash Equivalents	53,442,604	-	-	53,442,604
	<u>99,768,020</u>	<u>39,547,976</u>	<u>61,651</u>	<u>60,158,393</u>
Trade and Other Payables				
Trade	18,497,930	18,497,930	-	-
Accruals/Other Payables	82,083,598	18,038,527	-	64,045,071
Bank Overdraft	329,282	-	-	329,282
Projects & Contracts	54,000,284	54,000,284	-	-
	<u>154,911,094</u>	<u>90,536,741</u>	<u>-</u>	<u>64,374,353</u>
Net Current (Liabilities)/Assets	<u>(55,143,074)</u>	<u>(50,988,765)</u>	<u>61,651</u>	<u>(4,215,960)</u>

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
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19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(b) Liquidity risk (Cont'd)

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2015

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Inventories	1,173,674	-	-	1,173,674
Trade and Other Receivables				
Trade	288,440	288,440	-	-
Other	11,089,867	6,163,725	144,093	4,782,049
Prepayments	3,247,935	3,247,935	-	-
Short-Term Investments	13,784,871	13,784,871	-	-
Cash and Cash Equivalents	41,413,081	-	-	41,413,081
	<u>70,997,868</u>	<u>23,484,971</u>	<u>144,093</u>	<u>47,368,804</u>
Trade and Other Payables				
Trade	22,454,724	22,454,724	-	-
Accruals/other payables	80,930,400	21,766,671	-	59,163,729
Projects and Contracts	47,868,224	47,868,224	-	-
	<u>151,253,348</u>	<u>92,089,619</u>	<u>-</u>	<u>59,163,729</u>
Net Current (Liabilities)/Assets	<u>(80,255,480)</u>	<u>(68,604,648)</u>	<u>144,093</u>	<u>(11,794,925)</u>

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. This arises mainly from changes in interest rates, foreign currency rates and equity prices. The Institute's operations are impacted by changes in interest rates and foreign currency movements, but not by changes in equity prices. The effect of these changes however, are not considered significant. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters, while optimising the return on investments. Market risk exposures are measured using sensitivity analyses.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(c) Market Risk (cont'd)

(i) Interest rate risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in the market interest rates.

The Institute is exposed to interest rate risk in respect of its cash on deposit and foreign currency savings account. The Institute manages this risk by maintaining net earning assets and procuring the most advantageous interest rates. It also has a policy which requires that the maturities of interest-bearing financial instruments are closely monitored.

Financial Assets

The Institute's fixed deposit accounts are used to secure bank guarantees issued to landlords while the savings accounts are used to settle foreign currency liabilities. The interest rates on fixed deposits are based on contractual arrangements and are therefore not affected by short term fluctuations in the market interest rates. The interest rates paid on savings accounts will fluctuate from time to time but are usually reflective of market conditions.

At the reporting date, the interest rate profile of the Institute's interest-bearing financial instruments were:

	Interest Rate	2016	Interest Rate	2015
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
<u>J\$ Bank balances</u>				
Guarantee Account	5.20 - 6.00	14,531,300	6.00 - 6.50	13,699,331
Fixed Deposit	0.65	86,007	0.75	85,540
<u>US\$ Bank balances</u>				
Retained Account -Main	0.15	<u>48,169,813</u>	0.20	<u>32,877,110</u>
		<u>62,787,120</u>		<u>46,661,981</u>

Financial Liability

The Institute has no interest-bearing liability and therefore is not exposed to interest rate risk in this regard.

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 NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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 (expressed in Jamaican Dollars unless otherwise indicated)

19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(c) Market Risk (cont'd)

(i) Interest rate risk (cont'd)

Interest rate sensitivity

There have been insignificant movements in the interest rates over the last reporting date. A one percent (1%) (2015: two and a half percent (2.5%)) for Jamaican interest-bearing financial assets and a one percent (1%) (2015: two percent (2%)) for US \$ interest-bearing financial assets movement in interest rate at the reporting date would have increased/(reduced) the reported (deficit)/surplus and accumulated fund by the amounts shown below:

	2016 \$	2015 \$
<u>Increase in interest rates</u>		
<u>J\$ Bank balances (1% (2015: 2.5%))</u>		
Guarantee Account	145,313	342,483
Fixed Deposit	860	2,139
<u>US\$ Bank balances (1% (2015: 2%))</u>		
Retained Account -Main	481,698	657,542
Increase in surplus/deficit and accumulated fund	<u>627,871</u>	<u>1,002,164</u>
	2016 \$	2015 \$
<u>Decrease in interest rates</u>		
<u>J\$ Bank balances (1% (2015: 1%))</u>		
Guarantee Account	(145,313)	(136,993)
Fixed Deposit	(860)	(855)
<u>US\$ Bank balances (0.5% (2015: 0.5%))</u>		
Retained Account -Main	(240,849)	(164,386)
Decrease in surplus/deficit and accumulated fund	<u>(387,022)</u>	<u>(302,234)</u>

Effective February 29, 2016 the interest rate payable on Bank of Jamaica 3 - 6 months commercial deposit rates decreased by 78 basis points from 5.14% to 4.36%. The rate movement subsequent to the year end is expected to be insignificant as there has been some amount of stabilizing of the rates.

This analysis assumes that all other variables, in particular exchange rates, remain constant.

(ii) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flows from financial instruments will vary because of exchange rate fluctuations. The Institute is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican dollar. A foreign currency bank account is maintained at a level which partially meets foreign currency obligations. During the period 1st April 2015 to 31st March 2016, the Institute was a net expender of foreign currency.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016

(expressed in Jamaican Dollars unless otherwise indicated)

19. Financial Instruments & Financial Instruments Risk Management (cont'd)

(c) Market Risk (cont'd)

(ii) Foreign currency risk (cont'd)

The Institute's foreign currency asset at the reporting date is as follows:

Cash and Cash Equivalents:

	<u>2016</u> <u>US\$</u>	<u>2015</u> <u>US\$</u>
Retained Account -Main	<u>394,705</u>	<u>287,186</u>

Sensitivity analysis

Exchange rates in terms of Jamaican Dollars which is the Institute's reporting currency, were as follows:

	<u>US\$</u>
1st May 2016	123.15
31st March 2016	122.04
31st March 2015	114.48

Over the period April 2015 to March 2016 there was a 7% depreciation of the Jamaican dollar against the US dollar. Between March 2016 and May 2016 there has been a further 1% depreciation of the Jamaican dollar against the US dollar.

The appreciation/depreciation of the Jamaican dollar to the extent shown against the United States dollar would have reduced/increased income and equity by the amounts shown below.

	<u>Movement</u>	<u>2016</u>	<u>Movement</u>	<u>2015</u>
	%	<u>J\$</u>	%	<u>J\$</u>
United States dollar	6	<u>2,890,189</u>	10	<u>3,287,476</u>
United States dollar	-1	<u>(481,698)</u>	-1	<u>328,748</u>

The analysis is computed on the same basis for 2015 and assumes that all other variables, in particular, interest rates, remain constant.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd)

(ii) Foreign currency risk (cont'd)

It is not anticipated that any appreciation of the Jamaican dollar against the major currencies would be to any significant extent and this should therefore have marginal adverse effect on the Institute's foreign currency financial instruments. Should there be an appreciation of the Jamaican dollar against the United States Dollar by say, 2% this would increase/reduce deficit/surplus and accumulated fund as shown below:

	Movement	2016	2015
	<u>%</u>	<u>J\$</u>	<u>J\$</u>
United States dollar	2	<u>963,396</u>	<u>3,287,476</u>

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2015.

(d) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Institute's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Institute's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to Senior Management. This responsibility is supported by overall standards for the management of operational risk in the following areas:

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentations of controls and procedures.
- Requirements for the reporting of operational losses and proposed remedial action.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(d) Operational risk (Cont'd):

- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with the Institute's policies is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal audit reviews are discussed with the Chief Accountant, with summaries submitted to senior management.

(e) Fair value:

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The fair values of cash resources, other assets and other liabilities, are assumed to approximate their carrying values due to their short-term nature.

The following table provides an analysis of financial instruments held as at 31st March 2016 that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The carrying value of each class of financial instrument approximates to its fair value.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2016
(expressed in Jamaican Dollars unless otherwise indicated)

19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(f) Capital Management:

The main objectives of the Board when managing capital are to safeguard the ability of the Institute to continue as a going concern and to ensure that there are adequate revenue reserves. The Board of Directors and the Director General monitor and maintain an appropriate balance between revenue and expenditure to ensure that the subvention received is used only for intended purposes and that adequate levels of liquidity is maintained. There is also close monitoring of the projects undertaken by the Institute to ensure that there are no cost overruns, or that such overruns are kept to a minimum.

There were no changes to the Institute's approach to capital management during the year.

The Institute's capital comprises:

	2016	2015
	\$	\$
Capital Fund	26,415,927	27,094,141
Capital Grants	4,589,773	4,589,773
General Reserve Fund	<u>(31,549,927)</u>	<u>(66,329,756)</u>
	<u>(544,227)</u>	<u>(34,645,842)</u>

APPENDIX D

Statistical Reports Published for 2015/2016

Monthly Reports

Consumer Price Indices Bulletin

Producer Price Bulletin

International Merchandise Trade

Quarterly Reports

Gross Domestic Product Estimates

Labour Force Statistics

Annual Reports

CPI Annual Review 2015

PPI Annual Review 2015

National Income Product 2014

Labour Force Annual Report 2015

Demographic Statistics 2015

Social Statistics at a Glance

Jamaica's Environment in Your Pocket 2016

ICT Indicators Report: Measuring Jamaica's Information Society 2014 (the first in an annual series of reports on ICT indicators)



APPENDIX E

Office Locations

Head Office

7 Cecelio Avenue, Kingston 10

Tel: 630-1600

Fax: 926-1138

Printery

84 Hanover Street, Kingston

Tel: 922-8371

Field Offices

Kingston

Shops 60 – 62 Kingston Mall

Ocean Boulevard, Kingston

Tel: 630-1745

Portland

Turner Plaza,

21 Harbour Street, Port Antonio

Tel: 630-1751

St. Ann

Floor 2, 41 Main Street

St. Ann's Bay

Tel: 630-1752

St. James

Shop 32 Overton Plaza

Montego Bay

Tel: 630-1753

Westmoreland

Floor 2, Victoria Mutual Building

123 Great George Street,

Savannalamar

Tel: 630-1754

St. Elizabeth

1 Brigade Street,

Black River

Tel: 630-1755

Manchester

Caledonia Annex Building,

Shop 56, Caledonia Mall

7b Caledonia Road

Mandeville

Tel: 630-1756

Clarendon

16A Manchester Avenue

May Pen

Tel: 630-1757

St. Catherine

Shop 9, 9 King Street

Linstead

Tel: 630-1758



