

# No Additional Burden From Indirect Taxation – PM

**PRIME MINISTER** the Most Hon. Andrew Holness says the Government's tax strategy will not place additional burden on Jamaicans. This strategy shifts the focus from personal income tax to indirect taxes.

He noted, instead, that it will allow citizens to have greater control of their own money, by giving them more of their income to spend and essentially, enable them to make wiser decisions about their consumption.

"Putting it that way makes the tax system more efficient. But more than that, it gives you, the income earner who is also a

consumer, the ability to have a greater determination on how much tax you pay by making a determination on how much consumption you will do," he said.

The Prime Minister was responding to questions posed by journalists during a press briefing held at the Office of the Prime Minister on March 22.

Mr. Holness also said the benefits of the measures will be evidenced by more reliable revenue.

"That means we won't have to resort to borrowing because we have had a shortfall...The income earner, the consumer, is going to be better off and inevitably,



Prime Minister the Most Hon. Andrew Holness fields questions from journalists during a press briefing held at the Office of the Prime Minister on March 22.

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**"The income earner, the consumer is going to be better off, and inevitably, Government's resources, in terms of the revenues that it will raise, will be more certain and predictable."**

will raise, will be more certain and predictable. Jamaica is better off for that move," he said.

Under the new tax arrangement, the Government has increased the personal income tax threshold to \$1.5 million effective April 1.

A total of 397,083 of the 469,131 Jamaicans, who are on the Pay As You Earn (PAYE) tax roll, will now be exempt from paying taxes because they are now completely below the \$1.5 million tax threshold.

## Interest Rates on New Loans Trending Down

**MINISTER OF Finance and the Public Service, Hon. Audley Shaw, says lending rates by banks on new loans as at December 2016 are trending down.**

Closing the 2017/18 Budget Debate in the House of Representatives on March 22, the Minister pointed out that interest rates on new loans for large projects are now at 10.23 per cent, compared with 13 per cent in December 2015.

"Interest rates on new loans to medium-size projects have fallen to 11.16 per cent, down from 12.8 per cent in December 2015. Even for small projects, loan rates have declined to 13.55 per cent, down from nearly 14 per cent a year before," Mr. Shaw added.

He argued that these reductions in lending rates augur well for continued economic growth, as businesses can now access well-needed capital at affordable rates.

Mr. Shaw said while there are opportunities for further reductions, he is confident that the Government's continued focus on lowering interest rates and the continued focus on public-private partnerships will see further reductions and expansion



Finance and the Public Service Minister, Hon. Audley Shaw

of credit to support the economic growth agenda.

Regarding the high fees charged by the banks, the Finance Minister said he is encouraged by National Commercial Bank (NCB), First Global and First Caribbean's decision to remove fees on dormant accounts.

He also mentioned that he was pleased to learn that the shift to electronic transactions, which is, for the most part, free, is happening quickly.

He added that a more comprehensive use of electronic means of conducting financial transactions is imperative, if the Government is to increase economic growth.

## Increased Benefits for NHT Contributors

**THE GOVERNMENT** has announced a raft of increased benefits for several categories of contributors to the National Housing Trust (NHT).

Making his contribution to the 2017/18 budget debate in Parliament on March 21, Prime Minister the Most Hon. Andrew Holness said the move is in an effort to increase home ownership across all income levels in Jamaica.

Effective July 1, 2017, home improvement and house lot loans will be increased. NHT contributors seeking home improvement loans can now access up to \$2.5 million, up from \$1.5 million.

In addition, loans to purchase land (House Lot loans) will be increased to

\$2.5 million from the previous limit of \$2 million.

The Government will also provide a grant to NHT mortgagors with disabilities or those who reside with and care for a family member with disabilities. The grant is to be used to retrofit/upgrade the dwelling to make it suitable to serve their needs.

The Prime Minister also announced the implementation of a Low Income Construction Subsidy, Housing Microfinance and Mortgage Financing.

"We are paying special attention to housing for our tourism workers with the NHT projects slated for Industry Cove in Hanover, Friendship and Meadows of Irwin in



Home constructed under the National Housing Trust's (NHT) Sandhill Vista housing development programme in Hellshire, St. Catherine.

St. James, Windsor, Dry Valley and Granville in Trelawny, Mansard in St. Ann and Galina in St. Mary," he said.

The Housing Microfinance project which begins on April 1, 2017,

will allow contributors to repair or improve their existing homes or build their own homes, one step at a time, with a maximum of \$850,000 with loan tenures of six months to five years.

## JCF to Get 200 Additional Motor Vehicles

**THE MINISTRY** of National Security will be acquiring 200 additional motor vehicles for the Jamaica Constabulary Force (JCF), at a cost of approximately \$418 million.

Portfolio Minister, Hon. Robert Montague, noted that these will include 120 pick-ups and 80 motorcars.

"We are hopeful that with this purchase to improve mobility, we will see much more from our officers," he said.

The Minister was speaking at the presentation of a Mitsubishi Rosa bus, valued at \$7.6 million, to the Jamaica Police Federation on March 20.



National Security Minister, Hon. Robert Montague (left), shakes the hand of Jamaica Police Federation Chairman, Sergeant Raymond Wilson, after presenting him with the keys to a new Mitsubishi Rosa bus. The presentation was made during a ceremony at the NCB North Tower parking lot in New Kingston, on March 20.

The presentation was made to Federation Chairman, Sergeant Raymond Wilson, during a ceremony in New Kingston.

Mr. Montague said the Ministry has also identified funds to purchase a sewage disposal truck as well as a hearse for the JCF.

He indicated that the truck is being acquired to reduce the cost to hire private contractors to pull sewage from premises occupied by the JCF.

The Mitsubishi bus, which was acquired through a local automobile dealership, is expected to go a far way in safely transporting Federation members to and from work.

## \$131.5M in Savings from Energy Efficiency Programme

**MINISTER OF Science, Energy and Technology, Dr. the Hon. Andrew Wheatley, says the Government has realised savings of some \$131.5 million through the Energy Efficiency and Conservation Programme (EECP).**

"This is money that can be diverted to other areas, such as social and infrastructural development," he said.

He noted that the programme, being undertaken in collaboration with international funding partners, has retrofitted a range of Government facilities, including public health, administrative and educational buildings, and facilitated training in best practices for energy efficiency and conservation.



Minister of Science, Energy and Technology, Dr. the Hon. Andrew Wheatley (2nd right), listens to Chief Executive Officer of the Jamaica Public Service, Kelly Tomblin (left), at an Energy Policy Workshop staged by the University of the West Indies (UWI) at The Jamaica Pegasus Hotel on March 23. Others (from 2nd left) are UWI Professor, Tara Desgupta; and Coordinator for the UWI Institute of Sustainable Development, Dr. David Smith.

Dr. Wheatley was addressing a workshop on

'Low Greenhouse Gas Emissions: Promoting Energy

Efficiency and Renewable Energy in Buildings in Jamaica Project' at The Jamaica Pegasus Hotel on March 23.

He noted that the figures for October 2016 show that the EECP intervention has led to a reduction in carbon dioxide emissions by some 3,000 tonnes.

He said the Ministry is conducting evaluations to further assess the success of the programme.

The EECP, launched in 2012, aims to enhance Jamaica's energy efficiency and conservation potential through the design and execution of concrete energy efficiency and energy conservation cost-saving measures in the public sector.

## More Participants in NYS Summer Employment Programme



State Minister in the Ministry of Education, Youth and Information, Hon. Floyd Green (left), interacts with young persons at the recently launched National Youth Service (NYS) 2017 Summer Employment Programme at Half Way Tree Transportation Centre. To the State Minister's left is Chairman of the NYS, Robert Miller. The Government has increased the number of participants in the Programme from 6,000 to 8,000.