

MINISTRY PAPER No. 101 | 2021

STATISTICAL INSTITUTE OF JAMAICA ANNUAL REPORTS FOR FINANCIAL YEARS ENDED MARCH 31, 2017, MARCH 31, 2018 AND MARCH 31, 2019

1.0 INTRODUCTION

1.1 The matter for tabling in the Honourable House of Representatives is the Annual Reports for the Statistical Institute of Jamaica (STATIN) for the financial years ended March 31, 2017, March 31, 2018 and March 31, 2019.

1.1.2 STATIN was established on April 9, 1984 under the Statistics (Amendment) Act. The Institute is vested with all the authority formerly held by the Department of Statistics formerly the Bureau of Statistics in addition to a broader scope under the 1984 Amendment. STATIN's mission is to provide on a timely basis, a comprehensive body of reliable and accurate statistical information in relation to Jamaica, which meets recognised international standards. Its main functions include collecting, compiling, analysing, abstracting and publishing national statistical information relating to the commercial, industrial, socio-economic and general activities of Jamaicans. STATIN also conducts census in Jamaica.

2.0 DISCLOSURES

2.1 Auditors' Report

2.1.2 The auditors (Crowe Horwath Jamaica) conducted the audit of the financial statements for 2016/17, 2017/18 and 2018/19 in accordance with International Standards on Auditing. For 2016/17, Crowe Horwath expressed a qualified opinion on the basis that STATIN did not recognise the Defined Benefit Plan it operates in accordance with International Accounting Standard (IAS). The IAS requires that an entity recognises the net defined liability or asset for its Defined Pension Plan in its Statement of Financial Position. In the financial statements for 2016/17 and previous years, STATIN's Pension Fund was treated and disclosed as a Defined Contribution Plan. Neither the pension asset nor the defined benefit obligation was recognised. In the absence of this recognition, the financial statements do not conform to the International Financial Reporting standards (IFRS). For 2017/18 and 2018/19 STATIN recognised the pension assets of the Defined Benefit Plan in its Statement of Financial Position in keeping with IFRS. Consequently for 2017/18 and 2018/19, the Auditors expressed an unqualified opinion and indicated that the evidence contained was sufficient and appropriate to provide a basis for their opinion and stated that the financial statements give a true and fair view of the financial position in keeping with IFRS and the Statistics (Amendment) Act 1984.

2.2. Compensation for Senior Executives and Directors

2.2.1 In accordance with the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act, details of the compensation packages for the senior executives are included in the Annual Report. Table 1 shows the salaries and emoluments paid to senior executives totalling \$173.31 million over the three-year period 2016/17 to 2018/19.

Table 1 Compensation for Senior Executives and Directors

Particulars	2016/17 \$m	2017/18 \$m	2018/19 \$m
Senior Executives	54.14	59.21	59.96
Directors	0.55	0.40	0.74

2.2.2 STATIN commenced the 2016/17 financial year with a seven (7) member Board. In 2016/17 the Institute inadvertently included the Corporate Secretary among the members listed in the annual report. Consequent on the change in administration in 2016, the retiring Board continued until January 2018 when a new seven (7) member Board was appointed. Fees paid to directors totalled \$1.69 million (Table 1) over the three-year period 2016/17 to 2018/19. During 2017/18 fees totalling \$0.40 million were paid to eight (8) directors which included payments to two (2) directors who continued until a new Board was appointed in 2017/18.

3.0 OPERATIONAL REVIEW

3.1 Since its establishment, STATIN has produced a wide range of statistics covering the social, environmental and economic conditions of the Jamaican people. STATIN's strategic objectives over the three-year period 2016/17 to 2018/19, were geared at strengthening the legal framework and to establish and maintain a National Statistics System; to provide coherent, accurate relevant and timely statistics; to improve organizational effectiveness and efficiency; to maintain and enhance a client-focused service culture; to maintain and expand information, communication and technological infrastructure to support STATIN's operations and obtain adequate funding to support the Institute's operations.

3.2 Major Activities for 2016/17 to 2018/19

3.2.1 Demographic Statistics

The Demographic Statistics Report is the main reference on current population trends produced by STATIN. The published reports provide statistical analysis on population size and composition, births, deaths, migration, marriages, divorces and family planning. The demographics for the three (3) calendar years 2016 to 2018 showed that the population continues to decline primarily through reduced birth rate and migration. Details are as follows:-

Table 2 Population of Jamaica between 2016 and 2018

Particulars	Year 2016	Year 2017	Year 2018	Movement 2016-2017	Movement 2017-2018
Population	2,730,894	2,728,864	2,726,667	(2,030)	(2,197)
No of Female	1,352,752	1,377,472	1,376,427	24,720	(1,045)
No of Males	1,378,142	1,351,392	1,350,240	(26,750)	(1,152)
No of Births	35,959	34,226	33,090	(1,733)	(1,136)

3.2.2 Labour Force Survey

The Labour Force Survey is a household survey administered on a quarterly basis to a representative sample of the population fourteen (14) years and over living in private households in Jamaica. The Survey provides the basis for the estimate of the economic activity and characteristics of the labour force, employment and unemployment. The Survey reveals that the number of persons employed in Jamaica increased between calendar years 2015 and 2018. This resulted in the unemployment rate being reduced to 8.7% in 2018 down from 13.5% in 2015.

Table 3 Population Employment and Unemployment Rates for Calendar Years 2015 - 2018

Particulars	October of each year	Year 2015	Year 2016	Year 2017	Year 2018
# of Persons in the Jamaican Labour Force		1,325,400	1,354,100	1,346,800	1,334,900
Unemployment Rate		13.5%	12.9%	10.4%	8.7%
Reduction in Unemployment		0.7%	0.6%	2.5%	1.7%

3.2.3 The Consumer price Index

The Consumer price index (CPI) measures changes in the general level of prices of goods and services purchased by private households. It is compiled for 3 areas (1) Greater Kingston Area, (2) Other Urban Centres (OUC) and (3) Rural Areas. The change in the CPI for the three (3) years 2016 to 2018 were 1.7%, 5.2%, and 2.8% respectively. There has been eight (8) consecutive years of single-digit inflation for Jamaica.

3.2.4 Economic Performance Summary Review

STATIN provides statistics covering a number of areas of the Jamaican economy on a monthly, quarterly and annual basis. These include statistics on economic activity with respect to production, consumption and investment. Of these reports the quarterly gross domestic product (GDP) estimated at current prices is widely utilized. The statistical data shows that for the three (3) years 2016 to 2018 the Jamaican economy grew by 1.4%, 0.5% and 1.9% respectively.

3.2.5 2021 Population and Housing Census

In 2021 Jamaica will be undertaking its 15th population and housing census and during the 2018/19 financial year the planning for this exercise continued. This is in keeping with the 2020 world programme on Population and Housing Census, which was approved by the United Nations Statistical Commission (UNSC) at its 46th session and adopted by the United Nations Economic and Social Council in Resolution E/RES/2015/10. The 2020 world programme is primarily aimed at ensuring that each member state conducts a Population and Housing Census at least once in the period from 2015 to 2024 and disseminates the results. At December 2019 field mapping for nine (9) parishes was completed. The second pre-test was conducted and revision continues on the enumeration manual and visitation record. Work also continues on the finalization of the training plan, and the electronic household and individual questionnaires.

4.0 FINANCIAL HIGHLIGHTS

Table 4 Income and Expenditure Statement (\$ million) for 2016/17, 2017/18 & 2018/19

Particulars	2016/17	2017/18	2018/19	Change			
				2016/17 to 2017/18	2017/18 to 2018/19	2016/17 to 2017/18	2017/18 to 2018/19
	\$M	\$M	\$M	\$M	\$M	%	%
Income:							
Government Grants	779.45	766.68	814.62	-12.77	47.94	-0.16	6.25
Surplus on closed projects	3.39	39.26	7.30	35.87	-31.96	105.81	-81.41
Other Income	4.65	3.09	3.04	-1.56	-0.05	-3.35	-1.62
Total Income	787.49	809.03	824.96	21.54	15.93	0.27	1.97
Expenses:							
Compensation of Employees*	425.72	400.40	473.75	25.32	-73.35	0.59	-18.32
Travelling and Other	131.64	142.40	163.27	-10.76	-20.87	-0.82	-14.66
Purchase of goods/other services	27.20	30.39	35.00	-3.19	-4.61	-1.17	-15.17
Rent	80.19	80.68	103.51	-0.49	-22.83	-0.06	-28.30
Electricity	24.18	25.96	26.85	-1.78	-0.89	-0.74	-3.43
Depreciation	15.90	17.44	18.61	-1.54	-1.17	-0.97	-6.71
Other Expenses	28.11	24.16	29.93	3.95	-5.77	1.40	-23.86
Total Expenses	732.94	721.43	850.92	11.61	-129.49	0.16	-17.95
Net Surplus	54.55	87.60	-25.96	-33.05	113.56	129.64	129.64

* excludes compensation for projects and contract staff

** travelling, subsistence, pension and insurance benefits

4.1 STATIN's net deficit of \$25.96 million from operations at March 31, 2019 was a deterioration from the surpluses of \$87.60 million and \$54.55 million recorded at March 31, 2018 and March 31, 2017 respectively. This was attributed primarily to the \$129.49 million or 17% increase in administrative expenses over the \$11.51 million realised in 2017/18.

4.2 For the 2016/17 financial year STATIN's administrative expenses totalled \$732.95 million which was \$45.37 million above the \$687.57 recorded for the 2015/16 financial year. The increase in administrative expenses resulted chiefly from the 3% increase in wages as well as redundancy costs paid to the staff who worked in the printery which was closed at the end of the 2016/17 financial year. In 2017/18 administrative expenses were \$11.51 million below the \$732.95 million recorded in the prior year due primarily to the aforementioned closure of the printery. For 2018/19 administrative expenses increased by \$129.49 million or 17.95% attributed mainly to staff costs (\$94.22 million), rent (\$22.83 million) and other administrative expenses (\$12.44 million). The increase in staff cost resulted from retroactive duty allowance (\$69 million), travel and subsistence (\$18.14 million) and other staff costs (\$7.08 million). The increase in the rental cost was due to the payment of General Consumption Tax which was previously paid by the portfolio Ministry.

5.0 Balance Sheet and Cash Flow Highlights

5.1 For the past three (3) financial years (2016/17 to 2018/19), STATIN held \$149.26 million, \$215.95 million and \$218.78 million in cash and cash equivalents respectively. The Institute held sufficient cash flows to meet its short term obligations.

5.2 For the past three (3) years (2016/17 to 2018/19), STATIN held assets totalling \$417.08 million, \$610.05 million and \$544.42 million respectively. The fluctuations in the assets base over the three years resulted mainly from cash and cash equivalent, employee benefits asset, property plant and equipment and trade and other receivables.

6.0 CONCLUSION

6.1 STATIN remained committed to providing, in a timely, cost effective and accurate manner, statistical information and technical services, consistent with international standards.



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Minister of Finance and the Public Service
April 15, 2021