



Foreign Direct Investment Compilation

Methodology and challenges for Jamaica

FDI Definition.

- A direct investment relationship arises when an investor resident in one economy makes an investment that gives control or a significant degree of influence on the management of an enterprise that is resident in another economy. (BPM 6 Manual, Chapter 6 paragraph 6.9)
- In Jamaica substantial FDI exists in the Tourism, Bauxite and Business Process Outsourcing sectors.

Recommended methodology for FDI compilation

- Ideally, one should combine a number of sources in order to ensure that data coverage is as wide as possible. The main sources for data on FDI should include:
 1. Coordinated Direct Investment Survey (CDIS);
 2. Balance of Payments Survey;
 3. Administrative data;
 4. Media Survey and
 5. Other data sources.

Current practice

- Currently FDI data is compiled via a media survey as well as through the procurement of information collected from other government agencies, as well as the Balance of Payments Survey.
 - The Jamaica Promotions Corporation (JAMPRO) is a state run entity a part of whose mandate is to promote and encourage foreign investment in Jamaica, information is often gained from them;
 - The media survey provides us with leads which aid in the uncovering of additional data;
 - The Balance of Payments Survey is performed annually and
 - Nevertheless there are significant challenges.

Challenges

- JAMPRO does not cover all projects, leaving significant gaps;
- Corporations are hesitant to release information on the details of their holdings, particularly non financial corporations.
- Balance of Payments Survey has a significant lag, which is not suitable given that quarterly data releases are required.
- In addition, the Balance of Payments Survey may not always receive the desired response rate.

Actions intended to Improve Coverage

- A CDIS will be initiated this year;
- The Central Bank is currently having a discussion with the tax authorities to draft a Memorandum of Understanding, which will allow the bank to access data held within tax returns of foreign subsidiaries;
- The Balance of Payments survey has been modified into an online portal.