

Congress of the United States
House of Representatives
Washington, D.C. 20515

July 14, 2015

President Barack Obama
The White House
Washington, D.C., 20500

Dear Mr. President:

As members of Congress who care deeply about strengthening our relations with our Caribbean neighbors, we were delighted by your decision to travel to Jamaica in April and meet with Prime Minister Simpson-Miller and other heads of government of the Caribbean Community. We were pleased to hear in your remarks to your Caribbean counterparts the emphasis you placed on deepening our "cooperation in economic growth."

Indeed, anemic economic growth has plagued the region for decades and has led to declining living standards and rising unemployment. The Caribbean nation perhaps most affected by sustained economic stagnation is Jamaica itself.

A major factor contributing to this stagnation has been Jamaica's enormous debt burden (with a current debt-to-GDP ratio of nearly 140%), and the extreme fiscal measures that have been adopted to cover the country's substantial interest payments to international financial creditors.

In your remarks shortly after your bilateral meeting with Prime Minister Simpson-Miller you stated that it is important to find ways to "spur growth and not just put the squeeze on folks" and noted that international financial institutions need to show greater flexibility and "accommodate the interests of countries who have a strong plan for growth."

We very much agree. In fact, when we first learned of Jamaica's dire economic straights a few years ago, we began to work closely with IMF Managing Director Christine Lagarde; Dr. Peter Phillips, Jamaica's Minister of Finance and Planning; and Governor Brian Wynter of the Bank of Jamaica to try to find a way forward for the embattled country.

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We helped to communicate to the IMF what Jamaica was willing to do to get a loan package in order to help save the economy. We very much appreciate that the IMF, the World Bank, and the Inter-American Development Bank were able to work so hard at the time to come to an agreement. Unfortunately, more now needs to be done.

This is why we now write to ask that you to continue to show your support for the country of Jamaica by urging these institutions – the country's primary external public creditors – to provide the government the fiscal space it desperately needs to boost growth and address continued high unemployment and poverty.

According to the IMF Executive Board's most recent review, the Jamaican government's performance under the IMF program is "on track and has remained strong." But the policies implemented under the program have dampened rather than spurred growth. Jamaica now has the world's most austere national budget – with a 7.5% primary surplus last year and for at least the next three years as part of the current IMF program. Its interest burden is among the world's highest (8% of GDP) and interest payments to multilateral financial institutions surpassed multilateral loan disbursements in 2012 and 2013. Last year, Jamaica paid \$136 million more to the IMF than it received from it.

We entirely agree with you, as you stated in Kingston, that the best way for a country to reduce its debt is through growth. But the country's enormous debt burden remains a major obstacle to growth, and the extreme fiscal austerity imposed on the country has proven counterproductive.

Jamaica's crushing debt burden has contributed to it being the only country in the Western Hemisphere to have had negative growth in per capita income for the past two decades. The country's recovery continues to stall. In the last quarter of 2014, Jamaica's growth rate fell 1.4%. The unemployment rate stands at 14.2% – higher than during the global recession – and the nation's poverty rate has doubled since 2007. To make matters worse, austerity measures have led to deep cuts in critical health and education programs.

The time has come to revisit the terms of Jamaica's IMF program. We believe that the IMF should lower Jamaica's budgetary surplus threshold, among other

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measures, and that the IMF and the multilateral development banks should urgently consider extending the maturities of the government's current loans.

We respectfully ask you to heed the call of Caribbean civil society leaders and help bring relief to Jamaica before the country's social and economic ills become too deeply entrenched.

Sincerely,



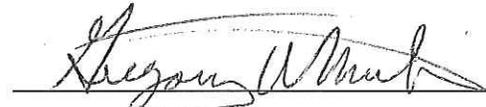
Maxine Waters
Member of Congress



Yvette D. Clarke
Member of Congress



Sheila Jackson Lee
Member of Congress



Gregory W. Meeks
Member of Congress



Charles B. Rangel
Member of Congress

cc: Secretary of the Treasury Jacob J. Lew