



CONFIDENTIAL ECONOMIC BULLETIN



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OVERVIEW

In August of 2007, the BOJ published its 2nd Quarterly review of the Nations' Monetary Policy. Macroeconomic conditions were characterised as being positive considering an expansion in economic activity alongside with fairly moderate inflationary pressures.

A feature of monetary policy for the quarter was the resulting 1.14% depreciation of the Jamaican dollar. This emanated from unfavourable external commodity price trends that reflected higher prices for oil and raw materials for food items such as corn, rice, wheat and edible oils. As such the cost of imports increased over the period.

Compounding the problem was the persistently high and rising interest rates prevailing within advanced economies

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** No changes since last March

for the period. This resulted in a reduction in net private capital inflows to the domestic economy that had to compete with the higher returns (interest rates) offered on funds abroad.

The greater outflow and reduced inflows of foreign currency, generated foreign exchange market pressures requiring the central bank of Jamaica (BOJ) to inject a substantial portion of foreign currency into the Jamaican economy to satisfy the liquidity requirement emanating from local demand for foreign currency. Without BOJ's intervention, the situation would have been worse as local users of currency would have to bid more Jamaican dollars to receive the currency they require to conduct necessary foreign transactions. Currency changes were marginally above that of the previous quarter but noticeable below the 2.2% for the corresponding period in 2006.

In this report:

The month of August experienced a local currency depreciation of 94 cents Jamaican against the US dollar. In the first eight months of the year, the Jamaican dollar lost J\$2.68 to the US currency. At the end of the period (Aug 31) the US dollar was being sold for approximately J\$69.83.

In July 2007 the Consumer Price Index (CPI) increased by 1.12%. This compares favourably to the 1.36% experience in July last year (see Table 7 & Inflation Chart in Appendix). Inflation for the first seven months of 2007 was 4.02% and also compares favourably to the 4.39% reported for the corresponding period last year.

In April, total tourist arrivals declined by 3.0% when compared to the corresponding period in 2006. This reflected a 4.1% increase in cruise arrivals that was outweighed by a 7.8% decline in stopover visitors. Total arrivals fell by 1.1% in the first four (4) months of the year.

Alumina exports in July 2007 grew by 19.1% alongside an 8.4% increase in its production. Crude Bauxite exports also grew by 13.3% and was accompanied by a 14.1% increase in its' level of production.

The trade deficit for the first four months of 2007 worsened by US \$90.8M or 7.7% relative to the corresponding period in 2006. This was attributed an increase in imports despite an in exports.

For the first four (4) months of the Fiscal Year 2007/08 the fiscal deficit accumulated to J\$16.6B and was (16%) less than budgeted. This was largely contributed to by the J\$2.6B increase in Revenue & Grants collections. There was also a \$652M reduction in provisional Expenditures.

Since December end 2006, rates on 30-Day and 180-day OMO instruments remained at 11.65% and 12.00% respectively. The six month T-Bill rate grew by 5-bps during August to close the month at 22.21%. In July the Average Lending and Saving rates retained their June values of 22.49% and 5.17% respectively.

Net International Reserves (NIR)

During the month of July 2007, Net International Reserves decreased by US\$92.7M. At the end of the month the reserve balance stood at US \$2,146.2M down from the previous month's value of US\$2,238.9M. The gross reserves amounted to 22.7 weeks of Goods imports against the 23.1 weeks recorded in the corresponding month of 2006. Since the beginning of the year the NIR declined by US\$171.4M but grew by US\$58.3M in the last 12 months (see Table 1— page 2).



Foreign Currency

For the month of June 2007 total foreign currency deposits amounted to US\$2,244.91 million, approximately US\$29.52 million more than the previous month's figure (see Table 2). This was largely attributed to higher balances at both Merchant and Commercial Banks holding \$13.29M and \$10.37M more foreign deposits respectively than in the previous month. Building generated US \$5.85M more over the month.

For the 12 months to June 2007 total foreign currency deposits grew by US \$188.19M, a 9.2% increase. (see Table 2).

Foreign Exchange Rate

The local currency depreciated by 94 cents Jamaican against its US counterpart during the month of August. On the last day of that month the Jamaican dollar was being sold for \$69.83 per US\$1 (see table 3). For the first eight (8) months of 2007 the local currency depreciated by J\$2.68 against the US-dollar. This compares less than favourably to the J\$1.38 depreciation over the comparable period of last year.

During August the Jamaican dollar lost 44 cents Jamaican to the pound sterling. It also lost 52 cents Jamaican to the Canadian Dollar (see Table 3).

Interest Rates

The BOJ made no changes to the rates on Open Market Operation (OMO) instruments since Dec-2006.

At the end of August 2007 the six-month T-bill cleared the market at an average yield of 12.21%. This reflects a 5-bps increase since the end of July 2007. For the first seven months of 2007, the 6-month T-Bill rate declined by 10-bps and 58-bps in the 12-months prior to the end of August.

The Average Lending and Saving rates over July 2007 remained at their previous months' level of

Table 1: Changes in the NIR

	USSM NIR	Change USSM			Imports (Weeks)
		Mthly	12 Mth	YTD	
Jul-07	2,146.2	-92.7	58.3	-171.4	22.7
Jul-06	2,087.9	-22.2	-61.4	0.4	23.1

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	USS000 June '07	Change (USS000)		%
		mthly	12 mth	
Commercial Banks	1,613,747	10,369	89,813	5.89%
Building Societies.	438,089	5,852	62,769	16.72%
Merchant Banks	193,071	13,294	35,604	22.61%
Total Deposits	2,244,907	29,515	188,186	9.15%

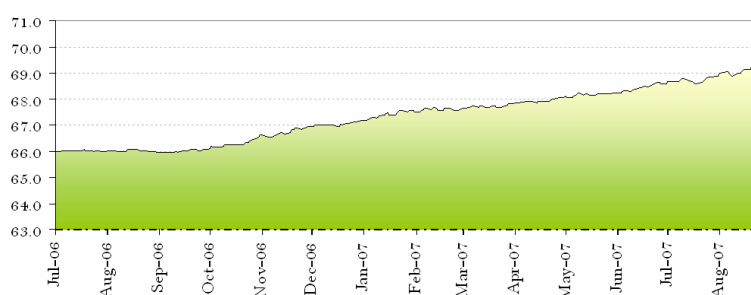
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends (August-2007)

	Year to Date Currency Rate Change*					
	JS / US\$	%	JS / UK£	%	JS / Can\$	%
2007	2.68	4.0	8.10	6.2	8.62	15.0
2006	1.38	2.1	14.80	13.4	4.48	8.2
2005	0.61	1.0	-6.61	-5.6	1.54	3.0
Aug 2007						
Actual Rate	69.83	1.37	139.63	0.31	66.15	0.79
Mth Change	0.94	1.37	0.44	0.31	0.52	0.79

*minus = appreciation; Source: BOJ database & PSOJ Economic Research

Figure 1: Daily Exchange Rate Movements (JS / US\$)



Source: Bank of Jamaica Database (BOJ)

Table 5: Interest Rate Movements

	Jul-07	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	11.65%	0.00%	-0.80%	0.00%
180-Day Repo	12.00%	0.00%	-0.80%	0.00%
Avg Savings Deposit	5.17%	0.00%	-0.22%	-0.03%
Avg Loan Rate	22.49%	0.00%	-0.01%	0.59%
6 Month T-Bill (Aug-07)	12.21%	0.05%	-0.58%	-0.10%
12 Month T-Bill	n/a	n/a	n/a	n/a

Source: Bank of Jamaica (BOJ Preliminary)

22.49% and 5.17% respectively. (see Table 5 & Figure 2).

Base Money & Money Supply

The monetary base increase by 2.58% during the month of July 2007 relative to the month before. For the month of May 2007, when compared to the previous month all monetary aggregates grew. M2 grew by 2.04%, Quasi Money by 2.47%, and M1 money supply by 1.09% (see table 6).

Inflation

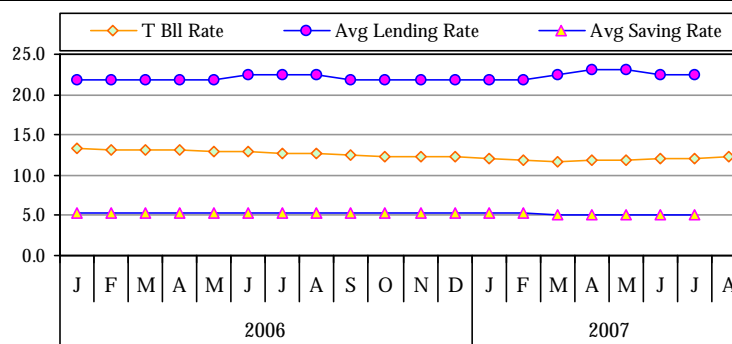
The inflation rate was 1.12% for the month of July 2007. This compares favourably to the 1.36% in July of last year (see Table 7). Inflation for the first seven (7) months of 2007 is 4.02%, and likewise, compares favourably to the 4.39% for the corresponding period in 2006 (see also Inflation Chart in Appendix—page 11).

Food and Drink was again the largest contributor to inflation during the month. Within this segment, price increments came from all subcategories except for 'Vegetables & Fruits'. The largest price increases were seen in the sub-category 'Starchy Foods' and was due to higher prices for items such as yellow and Lucia yams, Sweet and Irish potatoes, and bread fruit, across the island. Higher prices of condensed and powdered milk contributed to the higher prices seen in the dairy products sub-category. Meat, Poultry and Fish reflected higher prices in beef, chicken and fish (Jack and herring sprat) among other items. The major price changes were reflected largely within the KMA. Although trending in the same direction, prices for food items within Other towns and Rural areas were relatively less volatile.

The 'Housing and Other Housing Expenses' segment was the second largest contributor to inflation during July 2007. This was attributed to an additional 6.57% increase in the rate offered on 200-kwh electricity consumption across the island and the higher price for steel in both Other Towns and Rural areas.

'Healthcare and Personal Expenses'

Figure 2: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 6: Base Money and Money Supply

	JSM May-07	Percentage Change (%)	
		Mthly	12 Mth
M1	82,223.03	1.09	18.02
Quasi Money	180,374.09	2.47	11.77
M2	262,597.12	2.04	13.65
	Jul-07	Mthly	12 Mth
Base Money	54,353.24	2.58	17.12

Source: BOJ Economic Statistics

Table 7: Inflation Trends

	July	% Percent Changes		
		12 Mth	YTD	Fiscal
2007	1.12	5.4	4.02	3.02
2006	1.36	8.2	4.39	4.24

Source: STATIN & BOJ Statistical Digest - Fiscal : represents fiscal year to date

was the third largest contributor to inflation during the month under review. This was attributed to a general upward trend in the price of various types of hairdos and a combination of items categorised as personal expenditure. Optician fees increased by 5.4% in the KMA while Dentist fees grew by 2.6% in the KMA and 1.0% in the other regions.

Transportation was the only segment to register an overall decline in prices. This was due to a decline in the price of Petroleum by 3.2% and 2.6% in the Rural and Other Towns respectively. (see Table 7 and INFLATION chart in Appendix—page 11)

Bauxite & Alumina Production

In July the production of Alumina increased by 8.4% and was accompanied by a 19.1% increase in the tonnes exported when compared to the same

month of 2006 (see table 8).

Production and exports of Crude Bauxite during July increased by 14.1% and 13.3% respectively. During the first seven months of 2007 compared to 2006, exports grew by 4.1%.

Tourism

Stopovers: Stopovers for April 2007 declined by 7.8% when compared to the same period of 2006 (see Table 9 & Figure 4B). This was due largely to declines in Foreign nationals which represent over 95% of all visits since the start of 2007. Visits from Non-Resident Nationals declined by 7.5% when compared to the corresponding month in 2006.

Cruise Passengers: Cruise arrivals for April 2007 increased by 4.1% when compared to the same month of 2006 (see Table 9 & Figure 4C). Cruise arrivals in the month also fell below

the level attained in Apr-05 by 15.1%. **Total Visitors:** Total visitor arrivals for the first four months of 2007 declined by 1.1% when compared to the corresponding period of 2006. This resulted from a 22,021 reduction in stopovers that was partially improved on by 9,770 more cruise arrivals.

External Trade

The trade deficit worsened by approximately 7.7% during the first four months of 2007 when matched against the corresponding period of 2006. This change captures a US \$90.77M increase of the trade deficit to end at a balance of US\$1,265.49M. The import bill grew by US\$149.31M (8.0%) while export revenues exceeded its corresponding value in 2006 by US\$58.54M (8.5%).

Exports value for Jan-Apr 2007 amounted to US\$745.33M, up from the US\$686.78M for the same period of 2006. There was a US\$13.46M or 3.0% increase in Traditional exports resulting from an increased export performance within the Mining & Quarrying sector. The Manufacturing sector performance remained relatively unchanged while Agriculture Exports declined by a significant 37.2% or US\$6.77M.

The increased performance seen in the Mining and Quarrying sector was indicative of the expanded level of Alumina exports. The positive change in exported bauxite was marginal when gauged by its magnitude. The sector grew by US\$19.31M or 5.4% when compared to the corresponding period before. Manufacturing grew by only US\$0.92M (1.3%). (see Table 10: Exports by Industry).

Agriculture exports were dominated by coffee and banana shipments that accounted for approximately 93.0% of the segments' export value. Both values, however, reported a decline when compared to the same period in 2006. The largest decline, however, was attributed to the 60.3% cutback in coffee exports.

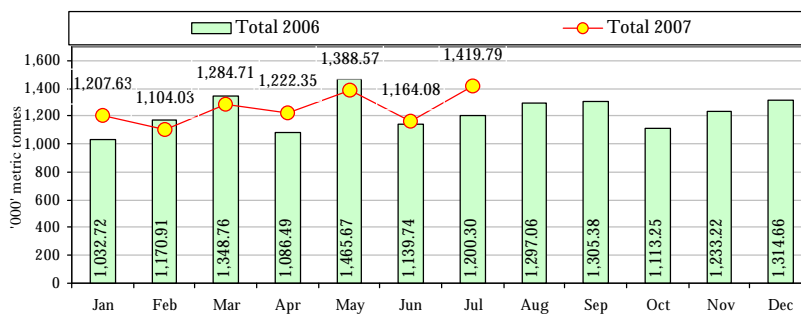
The US\$0.92M increase in exports from the Manufacturing sector was attributed to a quadrupling of inflows from the export of Coffee products. Sugar, Rum and Cocoa products reported noticeable declines for the period but overall, were significantly

Table 8: Mining Production

Production	000 tonnes			YTD 2007	
	July-06	July-07	%	Jan-Jul	06/07 %
Production					
Alumina	347.0	376.0	8.4	2,442	1.06
C. Bauxite	335.4	382.7	14.1	2,644	1.81
Export					
Alumina	349.4	416.2	19.1	2,407	3.62
C. Bauxite	314.9	356.7	13.3	2,679	3.03

Source: Jamaica Bauxite Institute (JBI)

Figure 3: Bauxite Exports for (12 mths - July 2007)



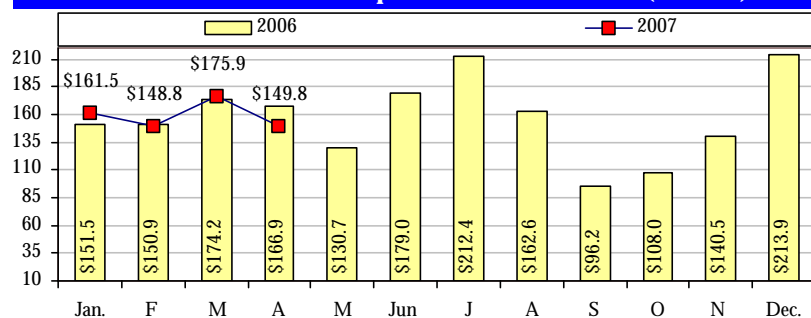
Source: Jamaica Bauxite Institute (JBI)

Table 9: Tourist Arrivals

	2006	2007	% Change	
	YTD (Apr)	YTD (Apr)	YTD-YOY	Apr 06/07
Stopover	599,834	577,813	-3.7%	-7.8%
Foreign Natls	571,910	551,453	-3.6%	-7.5%
Non-Resident Natls	27,924	26,360	-5.6%	-11.9%
Cruise	515,376	525,146	1.9%	4.1%
Total Arrivals	1,115,210	1,102,959	-1.1%	-3.0%

Source: Jamaica Tourist Board (preliminary) & BOJ BOP Statistical Update

Table 4A: Estimated Tourism Expenditure US\$ - Million (Jan-Dec)

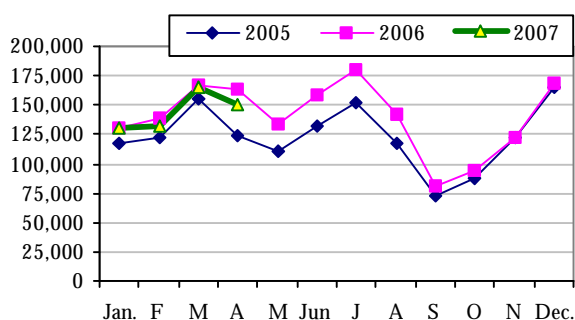


Source: Jamaica Tourist Board (preliminary data) & BOJ Statistical Update (Revised values)

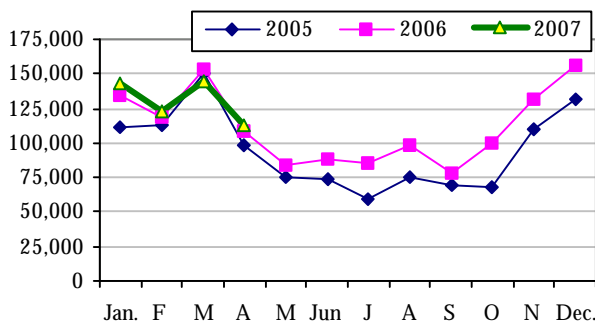
lower than the positive flow generated from the coffee products segment. Citrus products generated substantial revenue improvements when compared to its level in the comparable period before, but was still a small

contribution to the overall sector.

In the Non-traditional sector, exports increased by a significant 22.7% or US\$41.29M. 'Crude Materials' export contributed approximately 57% of the

Table 4B: Stopover Arrivals to Jamaica

Source: Jamaica Tourist Board (preliminary data)

Table 4C: Cruise Arrivals to Jamaica

Source: Jamaica Tourist Board (preliminary data)

Table 10: External Trade (US\$M)

	Jan-Apr 2006	Jan-Apr 2007	Change	% Change
TOTAL EXPORTS (fob)	686.78	745.33	58.54	8.5%
Major Traditional Exports	447.49	460.96	13.46	3.0%
by Sector:-				
Agriculture	18.20	11.43	-6.77	-37.2%
Mining & Quarrying	356.23	375.54	19.31	5.4%
Manufacturing	73.06	73.98	0.92	1.3%
by Industry:-				
Bauxite	37.39	39.21	1.82	4.9%
Alumina	318.22	335.90	17.68	5.6%
Sugar	58.75	58.20	-0.55	-0.9%
Rum	13.30	12.59	-0.71	-5.4%
Bananas	4.30	4.20	-0.11	
Coffee	13.16	7.90	-5.27	-40.0%
Other	2.36	2.97	0.61	25.7%
Non-Traditional Exports	181.45	223.15	41.70	23.0%
Re-exports	13.65	16.61	2.96	21.7%
Free Zone & Ports **	44.20	44.62	0.42	0.9%
TOTAL IMPORTS	1,861.50	2,010.81	149.31	8.0%
Food	205.04	232.32	27.29	13.3%
Beverages & Tobacco	21.06	27.80	6.74	32.0%
Crude Materials (excl. Fuels)	34.18	21.23	-12.95	-37.9%
Mineral Fuels, etcetera	629.95	546.94	-83.01	-13.2%
Animal & Vegetable Oils & Fats	9.17	12.00	2.83	30.9%
Chemicals	219.61	250.03	30.42	13.9%
Manufactured Goods	191.26	240.83	49.57	25.9%
Machinery and Transport Equip.	337.04	414.48	77.44	23.0%
Misc. Manufactured Articles	144.85	193.16	48.31	33.4%
Other	69.35	72.02	2.67	3.8%
TRADE BALANCE	(1,174.72)	(1,265.49)	-90.77	7.7%

Source: STATIN Jamaica and Bank of Jamaica (BOJ Monthly Statistical Update)

total change in 'Non-Traditional' exports during Jan-Apr 2007. This was wholly attributed to the increase in export of 'Waste and Scrap Metals'. Other exports under this segment such as limestone and other crude materials experienced a decline.

The next segment that captured the remaining change in Non-Traditional export was 'Other' non-traditional. It accounted for 44% of the change in

non-traditional exports and reflected growth in areas such as 'Mineral Fuels, etcetera', Manufactured Goods, and Chemicals.

Imports grew by US\$149.31M or 8.0% for the quarter. This reflected increases in all categories except for 'Crude Minerals' (-37.9%) and 'Mineral Fuels, etcetera' (-13.2%). (see Table 10).

The largest growth categories by import-value during the period Jan-Apr 2007 when compared to the corresponding period last year were: Machinery and Transport Equipment (up US\$77.4 or 23%), Manufactured Goods (up US\$49.6M or 26%) and Misc. Manufactured Articles (up US \$48.3M or 33%).

(See Table 10 & External Trade (Jan-Apr 2007) in Appendix - page 12)

Balance of Payments

For the first four of 2007, the nation posted a current account deficit of US \$391.3M. This shortfall was US \$108.0M (38%) worse than the deficit of the corresponding period of 2006 (see Table 11). Under the Current Account, the Current Transfers Account was the only surplus item with

flows exceeding that of the previous period. This continues to be reflective of the high levels of private remittances that are being transferred. The segment reflected a surplus of US\$595.3M exceeding that of the comparable quarter in 2006 by US \$53.5M or 10%. For the four months, inflows from private remittances contributed to approximately 26.4% of total inflows to the Current Account.

In light of activities affecting the Goods Account, Traditional exports increased by US\$13.46M reflecting mostly an increase in Mining & Quarrying that grew by US\$19.3M (5.4%). Manufacturing exports remained relatively stable. Agriculture exports declined by US\$6.8M or 37.2% and was attributed almost wholly to setbacks in Coffee exports.

Table 11: Balance Of Payments (US\$M)

	Jan-Apr 2006	Jan-Apr 2007	Change	% Change
Current Account	-283.3	-391.3	-108	-38%
Goods Balance	-948.9	-1006.7	-57.8	-6%
Exports	686.8	745.3	58.5	9%
Imports	1635.7	1752	116.3	7%
Services Balance	332.5	269.6	-62.8	19%
Transportation	-80	-113	-33	-41%
Travel	575.6	543.8	-31.8	6%
Other Services	-163.1	-161.2	1.9	-1%
Income	-208.6	-249.5	-40.9	-20%
Compensation of employees	10.4	4.1	-6.3	61%
Investment Income	-219	-253.6	-34.6	-16%
Current Transfers	541.8	595.3	53.5	10%
Official	46.8	45.1	-1.7	4%
Private	495	550.2	55.2	11%
Capital & Financial Account	283.3	391.3	108	38%
Capital Account	-2.1	-1.7	0.3	-14%
Capital Transfers	-2.1	-1.7	0.3	-14%
Official	0.5	0.2	-0.3	
Private	-2.6	-1.9	0.7	-27%
Acq/disp. of non-produced non-fin. assets	0	0	0	0%
Financial Account	285.3	393	107.7	38%
Other Official Invt. (incl. Gov. Rsrv)	14.5	205.1	190.6	1314%
Other Private Investment (incl. err & omis)	335.2	162.7	-172.5	51%
Reserves	-64.4	25.2		

Source: BOJ Statistical Update:

Note to the Balance of Payments: The external trade data in the Balance of Payments may not necessarily correspond with that of STATIN. This is due to the fact that STATIN reports the f.o.b. cost of imports while the Bank Of Jamaica reports imports at c.i.f.

Imports grew by US\$149.31M or 8.0% over the corresponding period of 2006. This largely reflected increases in 'Machinery & Transport Equipment', 'Manufactured Goods', 'Miscellaneous Manufactured Articles', Chemicals, and Food (see Table 10).

The deficit on the **Goods Account** worsened by US\$57.8M due to the US\$116.3M increase in import that was only partly offset by the US \$58.5M increase in export revenue.

There **Services account** reported a surplus for the quarter but was US \$62.8M or 19% below the surplus

reported for the corresponding period last year. This performance was attributed largely to the higher levels of outflow from the transportation sub-account; combined with the lower level of inflow from the travel sub-account.

The deficit on the **Income Account**, worsened by US\$40.9M. Of this amount, US\$34.6M or 85% resulted from a higher level of outflow from the 'Investment Income' sub account.

The **Capital & Financial account** during the four months once more reflected its major activities within the Financial account. And observa-

tion of the changes reflect that 'Other Official Investments' increased by US \$190.6M to the current surplus of US \$205.1. There was a surplus of US \$162.7M on the 'Other Private Investments' sub account at the end of April. This was, however, US \$172.5M lower than the balance for the comparable period last year.

The currency flows to the Financial a/c was insufficient to offset the deficits that were accumulated on both the both the current and capital accounts. This resulted in a US\$25.2 draw-down of the NIR balance. (see Table 11 and Balance Of Payments (Jan-Apr) in Appendix - pg 12)

Fiscal Accounts

For the first four (4) of FY 2007/08 the Government fiscal deficit amounted to \$16.62 billion which was \$3.24B below the periods' budgeted deficit. This resulted largely \$2.59B increase in Revenue collections and along with a \$0.65B cut back in Expenditure items. The Expenditure reduction was largely reflected in lower levels of Capital Expenditure and Domestic interest payments.

Revenues: Revenues and Grants totalled approximately \$76.5 billion, a \$2.6B or 3.5% surplus over budget for the period. This reflected an expansion in all revenue categories except for Grants which had the smallest absolute change. Positive changes were seen in Tax revenue up by \$1.1B (1.6%), Capital Revenue \$614M (39%), Bauxite Levy \$548M (38%) and, Non-Tax Revenue \$354.9M

(9.5%). Grant as a segment fell short of projection by \$11.3M representing just below 1% deviation from budget. (see Table 12A).

Within the Tax revenue category the largest tax income generating components for the four months were PAYE (\$14,881M), Local GCT (\$11,898M), GCT on Imports (\$9,176M), Tax on Interest (\$6,956M), Custom Duty (\$5,877M), and 'Other Companies' (\$4,598M).

The largest Tax Revenue surpluses over budget for the period being reviewed are PAYE (\$1,143.0M), Other Companies (\$753.3M) and 'GCT on Imports' (\$480.7M) (see Table 12B).

The largest Tax Revenue shortfalls resulted from 'SCT on imports' (\$655.1M), 'SCT' (\$638.7M) and 'Bauxite/alumina' (\$462.8M).

Expenditures: Total Expenditures amounted to approximately \$93.1 billion which was \$652M or (0.7%) below budget. Programmes Expenditure and External Interest were the only two Expenditure items that exceeded budget. These were however outweighed by the cumulative reduction in expenditure resulting from the other categories.

'Domestic Interest payments' and Wages & Salaries' were less than budget by \$638M (2.6%) and \$260M (0.9%) respectively. The other component was 'Capital Expenditure' that fell short of budget by \$912M (6.9%) (see Table 12B).

Programmes expenditure exceeded budget by \$546M and External Interest payments also by \$613M (see Table 12A & B and Fiscal Account in Appendix).

Loan receipts were \$49.7B or 1.3%

Table 12A: Fiscal Accounts (JS Million)

	April-July (Fiscal—2007/08)				Apr-July (YOY)	
	JS million		Deviation		06/07 - 07/08	
	Provisional	Budget	J\$m	(%)	J\$m	(%)
Revenue & Grants	76,487.8	73,896.4	2,591.4	3.51	12,282.9	19.1
Tax Revenue	67,073.9	65,988.6	1,085.3	1.64	8,844.6	15.2
Non-Tax Revenue	4,095.6	3,740.7	354.9	9.49	378.2	10.2
Bauxite Levy	1,974.3	1,426.2	548.1	38.43	586.4	42.3
Capital Revenue	2,190.0	1,575.5	614.5	39.00	1,613.8	280.1
Grants	1,154.0	1,165.3	-11.3	-0.97	860.0	292.5
Expenditure	93,107.7	93,760.3	-652.6	-0.70	15,922.0	20.6
Recurrent Expenditure	80,802.3	80,542.6	259.7	0.32	9,521.0	13.4
Programmes	18,253.1	17,707.6	545.5	3.08	4,658.1	34.3
Wages & Salaries	27,678.5	27,938.8	-260.3	-0.93	3,480.5	14.4
Interest	34,870.7	34,896.2	-25.5	-0.07	1,382.4	4.1
Domestic	23,742.5	24,380.8	-638.3	-2.62	-401.9	-1.7
External	11,128.2	10,515.4	612.8	5.83	1,784.3	19.1
Capital Expenditure	12,305.4	13,217.6	-912.2	-6.90	6,400.9	108.4
Capital Programmes	12,305.4	13,217.6	-912.2	-6.90	6,400.9	108.4
IMF #1 Account	0.0	0.0	0.0		0.0	
Fiscal Balance (Surplus [+]ve)	-16,620.0	-19,863.9	3,243.9	16.33	-3,639.0	-28.0
Loan Receipts	49,745.7	50,398.9	-653.2	-1.30	-22,136.5	-30.8
Domestic	47,944.1	37,700.0	10,244.1	27.17	-19,830.2	-29.3
External	1,801.6	12,698.9	-10,897.3	-85.81	-2,306.4	-56.1
Divestment Proceeds	26,001.0	28,079.6	-2,078.6		0.0	
Amortization	26,001.0	28,079.6	-2,078.6	-7.40	-27,677.8	-51.6
Domestic	20,666.0	22,523.1	-1,857.1	-8.25	-27,517.3	-57.1
External	5,335.0	5,556.5	-221.5	-3.99	-160.5	-2.9
Overall Balance (Surplus [+]ve)	7,124.8	2,455.4	4,669.4	190.17	1,902.2	36.4
Primary Balance (Surplus [+]ve)	18,250.7	15,032.3	3,218.4	21.41	-9,845.6	-48.0

Source: Ministry of Finance and Planning

less than planned for the period. The additional loans that were expected from the external market was instead taken up from the domestic market resulting in just a marginal deviation from budgeted of the accumulated loans portfolio.

Total public debt at the end of July 2007 stood at \$969.44 billion, some \$44.89 billion more than the previous month's level of \$920.55 billion. Domestic Debt stock increased by \$44.74 billion to end the month at \$544.84 billion. External Debt increased by approximately US \$32.65 million to close July at US \$6,163.5 M.

(see Table 12 A&B and Fiscal Account (Apr-Jun 07/08) in Appendix—page 13)

Stock Market

The main JSE Index increased by 2,523.13 points or 2.74% during August 2007 to close at 94,544.99 points on its last trading day. Since the beginning of 2007, the Index declined by 6.1% or 6,132.97 pts.

Market capitalization increase by \$20.6 billion or 2.74% over the month of August. Since the beginning of the year, Market Capitalization declined by \$50.2 billion or 6.1% to close the month at approximately \$772.63 billion.

Supreme Ventures continues to be the No.1 (YTD) performer in terms of stock price appreciation. The security made capital gains of \$1.14 or 63.3% over the first eight months of the year and closed the month of August with a share price of \$2.94 (see Table 13). Supreme Ventures Ltd (SVL) remains the third (3rd) most traded stock since the beginning of the year and outperformed the JSE main Index by 69.4% points for the same period. During August however, the security fell below market 2.74% performance level by 7.9% points. The month, however, accounted for just below 1% of its' total volume traded over the eight (8) month period.

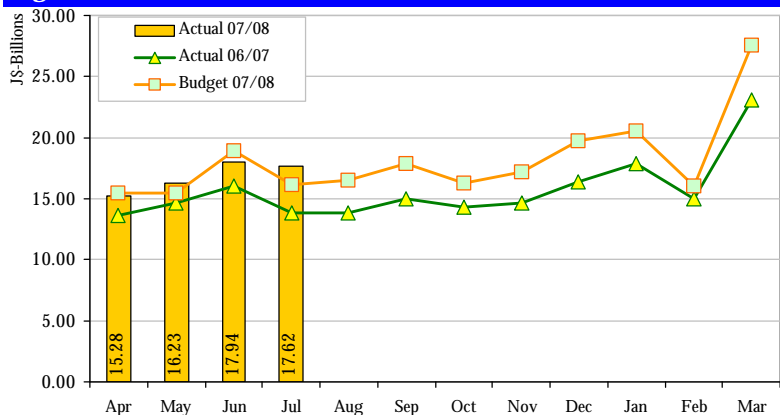
The Main volume leader for the first eight (8) months of 2007 was Mayberry Investment Limited (MIL). For the period, however, this was accompanied by a price decline that was 15.2% points lower than the markets' negative 6.09% performance for the (8) months. On the bright side, however, the stock outperformed the markets' average positive 2.74% performance in August by 13.9%

Table 12B: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Jul 07/08
Revenue (Revenue Surpluses)		
PAYE		1,143.00
Other Companies		753.30
GCT (Imports)		480.70
Revenue (Revenue Shortfalls)		
SCT (imports)		-655.10
SCT		-638.70
Bauxite/alumina		-462.80
Expenditure (Changes)		
External - Interest	(Over-run)	612.80
Programmes	(Over-run)	545.50
Wages & Salaries	(Savings)	-260.30
Domestic - Interest	(Savings)	-638.3
Capital Programmes	(Savings)	-912.20

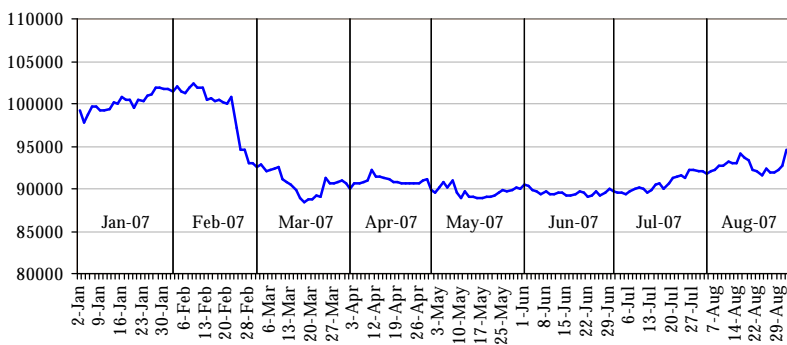
Source: Ministry Of Finance and Planning (Jamaica)

Figure 6: Tax Revenue Collections (JS-Billions)



Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Jan-07 - Jul-07



Source: Jamaica Stock Exchange (Online Database) and PSOJ

points. Approximately 3.6% of all MIL stocks traded since 2007 was conducted during the month of August.

The stock with the second largest

volumes traded during the eight (8) month period continues to be Cable and Wireless Jamaica Ltd (CWJA). This stock, however, sustained a capital loss (price decline) that was 6.8% worse than the market 6.09% average

decline. In August as well, the stock fell by 11.1% below the market average 2.74% gain and accounted for approximately 9.4% of all stocks traded since the beginning of the year.

In August alone, the best performer in terms of capital gain was Salada Foods Ja. The stock captures just below 0.1% market share but has demonstrated a solid performance since the beginning of the year. In August, the stock exceeded the positive market performance (2.74%) by 37.8%. Since the beginning of the year, the stock exceeded the negative 6.09% market performance by 18.6% points.

Another strong performer was Mobay Ice that exceeded the market (+2.74) performance in August by 29.5% points. For the first eight (8) months of 2007, the stock exceeded the markets' (-6.09) performance by a tremendous 64.7% points.

Carreras Ltd was the next solid performer exceeding the market performance for both Augusts' and the eight (8) months to August by 20.9% and 32.0% respectively.

(see Stock Market Analysis Sheet (August/07) in Appendix—page 14)

Developments & Outlook

Jamaica Labour Party (JLP) Manifesto - "A BETTER WAY .. For a better Jamaica"

The PSOJ is committed to lobbying the Government Of Jamaica (GOJ) for policies that will benefit not only private sector participants, but, the nation as a whole. The organization has reviewed the strategies for Economic Growth and Development as proposed by the Jamaica Labour Party (JLP) - detailed within their most recent manifesto - and have found them to be broadly consistent with our own recommendations for economic advancement.

The underlying arguments are based on a strategy that promotes growth and development by facilitating private sector expansion and participation. In fulfilling this goal, the PSOJ looks forward to working with the newly

Table 13: Returns for Listed Companies on the JSE
Year-to-Date Performers on the Jamaica Stock Exchange

Top Five (unadjusted for dividends or transaction costs)				
	31- Dec-06	31- Aug-07	\$ change	% change
Supreme Ventures	1.80	2.94	1.14	63.33%
Mobay Ice Company	6.56	10.58	4.02	61.28%
Carreras Group	54.00	67.99	13.99	25.91%
Salada Foods	40.00	45.00	5.00	12.50%
Trinidad Cement Ltd.	84.50	90.00	5.50	6.51%
Bottom Five (unadjusted for dividends or transact. Costs)				
Dyoll Group	0.90	0.26	-0.64	-71.11%
Capital & Credit MB	18.50	10.50	-8.00	-43.24%
Ciboney Group	0.07	0.04	-0.03	-42.86%
JMMB Limited	14.10	9.20	-4.90	-34.75%
Berger Paints (Ja)	4.20	3.00	-1.20	-28.57%

Source: Compiled from the JSE

elected government in a coordinated effort for the fulfilling the goals of the manifesto.

Chapter on — Financial Management, Economic Development & Growth

Building a platform for strong economic growth (sub-section):

The focus is on creating an investment climate that will attract long-term productive investment activities. The main items of consideration were:

1. Maintaining low inflation, stable exchange rate and competitive interest rates
2. Simplify the tax system
3. Modernizing the labour market for increased productivity
4. Simplifying bureaucracy to be more business-friendly
5. Implement measures to effectively prevent corruption
6. Lower levels of Crime
7. Provide infrastructure that will be supportive by nature

The party then looked at each consideration and made pledges regarding each.

In (No.1) above the focus is on providing a sound and predictable macroeconomic framework. The JLP party pledged to establish:

- a. An independent central bank that will be insulated from political direction, and mandated to maintain domestic price stability.

- b. Debt management by enacting legislation that will limit by constitution the level of public debt, (except for specified emergencies); Pursue debt reduction strategy to lower new borrowings and meet the targeted constitutional limit. By policy measure, all funds from divestments of government assets will be used for debt reduction.
- c. Fiscal deficits to be eliminated through prudent fiscal management and the elimination of waste and corruption. Also impose a constitutional limit on fiscal deficit to be 3% of GDP except for specified emergencies and a 2/3rd majority vote in both houses.
- d. Tax Reform that will be comprehensive by nature and aimed at simplicity, equitability, removal of disincentives to investment and job creation; Increase tax free threshold; Consolidate existing wage-related statutory deductions and contributions and appoint the centralized appropriation of funds.
- e. Modernization of customs to improve efficiency, transparency and eliminate corruption.
- f. Business friendly bureaucracy by
 - Comprehensive review of government ministries and statutory agencies with measures to be implemented for improving efficiency and accountability.
 - Set up a special department in the Ministry of Finance to monitor new performance tar-



gets established for each department or agency and providing special staff incentives for meeting targets.

- Carry out Audit of all regulations, reporting requirements, approvals, licences and permits that affect the activities of businesses and citizens. The aim is to eliminate or simplify those that pose impediments to businesses or inconvenience to the public. In this activity, the recommendations from the

Legislation Regulations and Process Improvement Project (Legs & Regs) will be incorporated.

- g Seek to create a social partnership between the Government, Opposition, Private Sector and Trade Unions in order to establish the parameters for a new, coordinated thrust toward investment, economic growth and job creation and the binding commitments on the part of each partner.

Attached to this email is a copy of the JLP Manifesto for your perusal.



























Please refer to this document for a better understanding of the JLPs' proposed strategy for Economic Development and Growth and their associated pledges. The Jamaica Chamber of Commerce (JCC) in association with the USAID is currently administering over the "Legs and Regs Project". See JCC website for further information:

www.jamaicachamber.org.jm



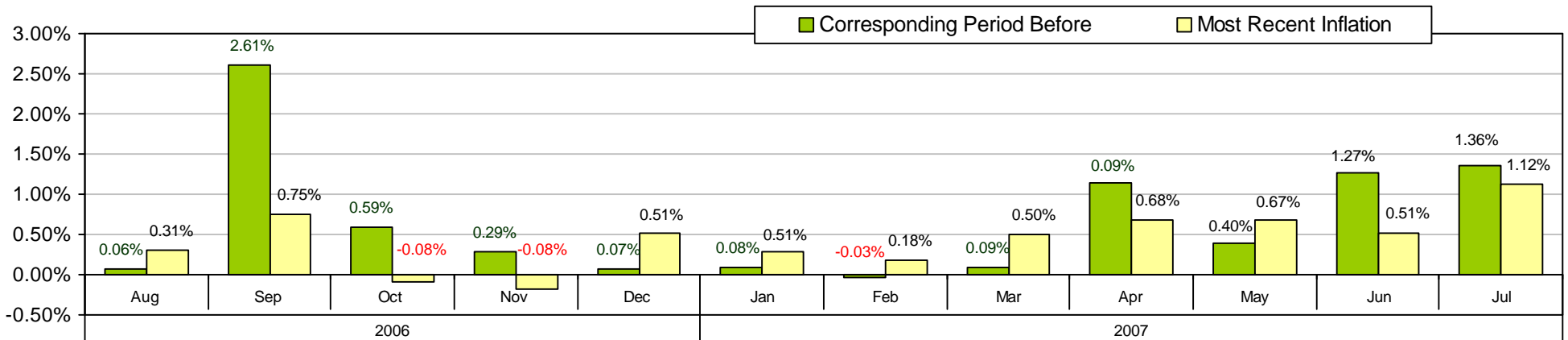
APPENDIX

INFLATION (July 2007 CPI)

CONSUMER PRICE INDEX	Percent %	Proportion of Index
ALL GROUPS	100.0	
FOOD AND DRINK	54.7	
Meals Away from Home	14.5	
Meat Poultry and Fish	29.3	
Dairy Products Oils & Fats	12.0	
Baked Products Cereal & Breakfast Drink	15.3	
Starchy Foods	8.5	
Vegetables & Fruit	11.5	
Other Food & Beverages	9.0	
FUELS & OTHER HOUSEHOLD SUPPLIES	7.4	
Household Supplies	64.7	
Fuels	35.3	
HOUSING & OTHER HOUSING EXPENSES	8.4	
Rental	24.3	
Other Housing Expenses	75.7	
HOUSEHOLD FURNISHINGS & FURNITURE	2.9	
Furniture	27.9	
Furnishings	72.1	
HEALTHCARE & PERSONAL EXPENSES	7.1	
PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	5.0	
Clothing Materials	11.0	
Readymade Clothing & Accessories	50.0	
Footwear	31.3	
Making & Repairs	7.6	
TRANSPORTATION	6.5	
MISCELLANEOUS EXPENSES	8.0	

MONTHLY INFLATION - July	Rnk	Percentage Change for Month (%)
ALL GROUPS	1.122	[1.1219 = (100 x 1.12)]
FOOD AND DRINK	+ 1	1.372 [0.7498 = (54.6 x 1.37)]
Meals Away from Home	0.388	
Meat Poultry and Fish	2.069	
Dairy Products Oils & Fats	2.117	
Baked Products Cereal & Breakfast Drink	1.086	
Starchy Foods	2.630	
Vegetables & Fruit	-0.564	
Other Food & Beverages	0.814	
FUELS & OTHER HOUSEHOLD SUPPLIES	+ 5	0.454 [0.0335 = (7.39 x 0.45)]
Household Supplies	0.572	
Fuels	0.384	
HOUSING & OTHER HOUSING EXPENSES	+ 2	2.522 [0.2130 = (8.44 x 2.52)]
Rental	0.460	
Other Housing Expenses	3.051	
HOUSEHOLD FURNISHINGS & FURNITURE	+ 4	1.174 [0.0344 = (2.93 x 1.17)]
Furniture	2.852	
Furnishings	0.356	
HEALTHCARE & PERSONAL EXPENSES	+ 3	1.028 [0.0727 = (7.08 x 1.02)]
PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	+ 6	0.549 [0.0275 = (5.01 x 0.54)]
Clothing Materials	0.301	
Readymade Clothing & Accessories	0.410	
Footwear	0.896	
Making & Repairs	0.218	
TRANSPORTATION	- 1	-0.044 [-0.002 = (6.50 x -0.0)]
MISCELLANEOUS EXPENSES	+ 7	0.262 [0.0208 = (7.97 x 0.26)]

INFLATION (Jan-Jul 2007)	YTD Percentage Change (%)
ALL GROUPS	4.0
FOOD AND DRINK	3.5
Meals Away from Home	4.8
Meat Poultry and Fish	8.4
Dairy Products Oils & Fats	7.7
Baked Products Cereal & Breakfast Drink	6.7
Starchy Foods	-8.7
Vegetables & Fruit	-4.3
Other Food & Beverages	2.9
FUELS & OTHER HOUSEHOLD SUPPLIES	2.9
Household Supplies	3.8
Fuels	2.4
HOUSING & OTHER HOUSING EXPENSES	6.6
Rental	1.8
Other Housing Expenses	7.9
HOUSEHOLD FURNISHINGS & FURNITURE	3.2
Furniture	1.3
Furnishings	4.3
HEALTHCARE & PERSONAL EXPENSES	6.1
PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	2.4
Clothing Materials	1.2
Readymade Clothing & Accessories	1.9
Footwear	2.5
Making & Repairs	4.8
TRANSPORTATION	2.0
MISCELLANEOUS EXPENSES	5.5



EXTERNAL TRADE (Jan - Apr 2007)

EXTERNAL TRADE - (JAN - APR 2007)	US\$M		EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2006 - 2007	EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
TOTAL EXPORTS (fob)	745.33		TOTAL EXPORTS (fob)	58.54		TOTAL EXPORTS (fob)	8.5%	
Major Traditional Exports	460.96		Major Traditional Exports	13.46		Major Traditional Exports	3.0%	
by Sector:-			by Sector:-			by Sector:-		
Agriculture	11.43		Agriculture	-6.769114		Agriculture	-37.2%	
Mining & Quarrying	375.54		Mining & Quarrying	19.31002604		Mining & Quarrying	5.4%	
Manufacturing	73.98		Manufacturing	0.923687		Manufacturing	1.3%	
by Industry:-			by Industry:-			by Industry:-		
Bauxite	39.21		Bauxite	1.817		Bauxite	4.9%	
Alumina	335.90		Alumina	17.675		Alumina	5.6%	
Sugar	58.20		Sugar	-0.549		Sugar	-0.9%	
Rum	12.59		Rum	-0.714		Rum	-5.4%	
Bananas	4.20		Bananas	-0.106		Bananas	0.0%	
Coffee	7.90		Coffee	-5.266		Coffee	-40.0%	
Other	2.97		Other	0.60759904		Other	25.7%	
Non-Traditional Exports	223.15		Non-Traditional Exports	41.695		Non-Traditional Exports	23.0%	
Re-exports	16.61		Re-exports	2.962		Re-exports	21.7%	
TOTAL IMPORTS	2,010.81		TOTAL IMPORTS	149.311		TOTAL IMPORTS	8.0%	
Food	232.32		Food	27.286		Food	13.3%	
Beverages & Tobacco	27.80		Beverages & Tobacco	6.744		Beverages & Tobacco	32.0%	
Crude Materials (excl. Fuels)	21.23		Crude Materials (excl. Fuels)	-12.953		Crude Materials (excl. Fuels)	-37.9%	
Mineral Fuels, etcetera	546.94		Mineral Fuels, etcetera	-83.008		Mineral Fuels, etcetera	-13.2%	
Animal & Vegetable Oils & Fats	12.00		Animal & Vegetable Oils & Fats	2.832		Animal & Vegetable Oils & Fats	30.9%	
Chemicals	250.03		Chemicals	30.422		Chemicals	13.9%	
Manufactured Goods	240.83		Manufactured Goods	49.565		Manufactured Goods	25.9%	
Machinery and Transport Equip.	414.48		Machinery and Transport Equip.	77.444		Machinery and Transport Equip.	23.0%	
Misc. Manufactured Articles	193.16		Misc. Manufactured Articles	48.31		Misc. Manufactured Articles	33.4%	
Other	72.02		Other	2.669		Other	3.8%	
TRADE BALANCE	-1,265.49		TRADE BALANCE	-90.77040096		TRADE BALANCE	7.7%	

BALANCE OF PAYMENTS (Jan - Apr 2007)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan - Apr (2007)	YOY - Change Jan-Apr (2007)	US\$M	YOY - Percentage change Jan-Apr (2007)	%
Current Account	-391.3		Current Account	-109.0		38%
Goods Balance	-1006.7		Goods Balance	-57.8		6%
Exports	745.3		Exports	58.5		9%
Imports	1752		Imports	116.3		7%
Services Balance	269.6		Services Balance	-62.8		-19%
Transportation	-113		Transportation	-33		41%
Travel	543.8		Travel	-31.8		-6%
Other Services	-161.2		Other Services	1.9		-1%
Income	-249.5		Income	-40.9		20%
Compensation of employees	4.1		Compensation of employees	-6.3		-61%
Investment Income	-253.6		Investment Income	-34.6		16%
Current Transfers	595.3		Current Transfers	53.5		10%
Official	45.1		Official	-1.7		-4%
Private	550.2		Private	55.2		11%
Capital & Financial Account	391.3		Capital & Financial Account	108		38%
Capital Account	-1.7		Capital Account	0.3		-14%
Capital Transfers	-1.7		Capital Transfers	0.3		-14%
Official	0.2		Official	-0.3		
Private	-1.9		Private	0.7		-27%
Acq/disp. of non-produced non-fin. assets	0		Acq/disp. of non-prod non-fin. Asts	0		0%
Financial Account	393		Financial Account	107.7		38%
Other Official Invnt. (incl. Gov. Rsv)	205.1		Other Official Invnt. (incl. Gov. Rsv)	190.6		
Other Private Invnt. (incl. err & omis)	162.7		Other Private Invnt. (incl. err & omis)	-172.5		-51%
Reserves	25.2		Reserves	0		

FISCAL ACCOUNT (Apr-Jul — 2007/08)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	¥\$m	Provisional figures Apr-Jul '07/08	BUDGET / PROVISIONAL DEVIATION	¥\$m	(Provisional - Budgeted) - Apr-Jul 07/08	YTD Y-O-Y FISCAL DEVIATION	¥\$m	Apr-Jul - (07/08 minus 06/07)
Revenue & Grants	76,487.8		Revenue & Grants	2,591.4		Revenue & Grants	12,282.90	
Tax Revenue	67,073.9		Tax Revenue	1,085.3		Tax Revenue	8,844.60	
Non-Tax Revenue	4,095.6		Non-Tax Revenue	354.9		Non-Tax Revenue	378.20	
Bauxite Levy	1,974.3		Bauxite Levy	548.1		Bauxite Levy	586.40	
Capital Revenue	2,190.0		Capital Revenue	614.5		Capital Revenue	1,613.80	
Grants	1,154.0		Grants	-11.3		Grants	860.00	
Expenditure	93,107.7		Expenditure	-652.6		Expenditure	15,922.00	
Recurrent Expenditure	80,802.3		Recurrent Expenditure	259.7		Recurrent Expenditure	9,521.00	
Programmes	18,253.1		Programmes	545.5		Programmes	4,658.10	
Wages & Salaries	27,678.5		Wages & Salaries	-260.3		Wages & Salaries	3,480.50	
Interest	34,870.7		Interest	-25.5		Interest	1,382.40	
Domestic	23,742.5		Domestic	-638.3		Domestic	-401.90	
External	11,128.2		External	612.8		External	1,784.30	
Capital Expenditure	12,305.4		Capital Expenditure	-912.2		Capital Expenditure	6,400.90	
Capital Programmes	12,305.4		Capital Programmes	-912.2		Capital Programmes	6,400.90	
IMF #1 Account	0.0		IMF #1 Account	0.0		IMF #1 Account	0.00	
Fiscal Balance (Surplus [+]/ve)	-16,620.0		Fiscal Balance (Surplus [+]/ve)	3,243.9		Fiscal Balance (Surplus [+]/ve)	-3,639.00	
Loan Receipts	49,745.7		Loan Receipts	-633.2		Loan Receipts	-22,136.50	
Domestic	47,944.1		Domestic	10,244.1		Domestic	-19,830.20	
External	1,801.6		External	-10,897.3		External	-2,306.40	
Divestment Proceeds	0.0		Divestment Proceeds	0.0		Divestment Proceeds	0.00	
Amortization	26,001.0		Amortization	-2,078.6		Amortization	-27,677.80	
Domestic	20,666.0		Domestic	-1,857.1		Domestic	-27,517.30	
External	5,335.0		External	-221.5		External	-160.50	
Overall Balance (Surplus [+]/ve)	7,124.8		Overall Balance (Surplus [+]/ve)	4,669.4		Overall Balance (Surplus [+]/ve)	1,902.20	
Primary Balance (Surplus [+]/ve)	18,250.7		Primary Balance (Surplus [+]/ve)	3,218.4		Primary Balance (Surplus [+]/ve)	-9,845.60	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)	¥\$m	Provisional figures Apr-Jul '07/08	BUDGET / PROVISIONAL DEVIATION	¥\$m	(Provisional - Budgeted) - Apr-Jul 07/08	YTD Y-O-Y FISCAL DEVIATION	¥\$m	Apr-Jul - (07/08 minus 06/07)
Revenue & Grants	76,487.8		Revenue & Grants	2,591.4		Revenue & Grants	12,216.1	
Tax Revenue	67,073.9		Tax Revenue	1,085.3		Tax Revenue	8844.6	
Income and profits	27,201.3		Income and profits	1,599.7		Income and profits	3904.1	
Bauxite/alumina	0.0		Bauxite/alumina	-462.8		Bauxite/alumina	-277.6	
Other companies	4,598.4		Other companies	753.3		Other companies	548.7	
PAYE	14,881.0		PAYE	1,143.0		PAYE	3099.5	
Tax on dividend	28.8		Tax on dividend	-18.9		Tax on dividend	-9.5	
Other individuals	737.0		Other individuals	112.5		Other individuals	173.5	
Tax on interest	6,956.0		Tax on interest	72.6		Tax on interest	369.2	
Environmental Levy	270.4		Environmental Levy	53.0		Environmental Levy	270.5	
Production and consumption	20,510.3		Production and consumption	-326.0		Production and consumption	1720.1	
SCT	890.2		SCT	-638.7		SCT	69.3	
Motor vehicle licenses	338.2		Motor vehicle licenses	-23.2		Motor vehicle licenses	12.7	
Other licenses	169.1		Other licenses	23.7		Other licenses	27.5	
Betting, gaming and lottery	349.3		Betting, gaming and lottery	-24.2		Betting, gaming and lottery	-0.1	
Education Tax	3,259.5		Education Tax	200.1		Education Tax	459.2	
Contractors levy	302.8		Contractors levy	49.8		Contractors levy	90.9	
GCT (Local)	11,898.1		GCT (Local)	-118.0		GCT (Local)	588.1	
Stamp Duty (Local)	3,303.3		Stamp Duty (Local)	204.6		Stamp Duty (Local)	471.9	
International Trade	19,091.9		International Trade	-241.4		International Trade	2950.1	
Custom Duty	5,876.9		Custom Duty	-100.2		Custom Duty	871.9	
Stamp Duty	326.6		Stamp Duty	-11.3		Stamp Duty	9.1	
Travel Tax	794.2		Travel Tax	44.5		Travel Tax	30.8	
GCT (Imports)	9,176.3		GCT (Imports)	480.7		GCT (Imports)	2272.7	
SCT (Imports)	2,917.9		SCT (Imports)	-655.1		SCT (Imports)	-234.4	
Non-Tax Revenue	4,095.6		Non-Tax Revenue	354.9		Non-Tax Revenue	378.2	
Bauxite Levy	1,974.3		Bauxite Levy	548.1		Bauxite Levy	586.4	
Capital Revenue	2,190.0		Capital Revenue	614.5		Capital Revenue	1613.8	
Grants	1,154.0		Grants	-11.3		Grants	860	

STOCK MARKET ANALYSIS SHEET (Aug & Jan-Aug — 2007)

Mkt Performance: Aug *		2.74%									
Mkt Performance: Jan - Aug		-6.09%									
SECURITIES - AUGUST 2007		Market Cap		(AUG) - Stock Performance [to] Mkt				(JAN-AUG) - Stock Performance [to] Mkt			
		% Distribution - JUL		%ΔPrice - %ΔIndex		Volume Δ		%ΔPrice - %ΔIndex		Volume Δ	
BANK OF NOVA SCOTIA JAMAICA LTD	BNSJ	0.0%				0		-94%		33207075	
BERGER PAINTS LTD	BRG	0.1%		-2.7%		361009		-22.5%		5933496	
CARRERAS LTD	CAR	4.3%		20.9%		1313006		32.0%		7018843	
CIBONEY GROUP LTD	CBNY	0.0%		-2.7%		560430		-36.8%		10551860	
CARIB. CEMENT CO.	CCC	1.1%		2.3%		5997330		9.8%		16166309	
CAPITAL & CREDIT MERCHANT BANK	CCMB	0.9%		1.4%		692604		-37.2%		9025726	
C.M.P. INDUSTRIES	CMP	0.0%		-2.7%		26000		-17.7%		141700	
COURTS JAMAICA	CRTS	1.3%		-2.7%		0		12.3%		1867052	
CABLE & WIRELESS (JA.) LTD.	CWJA	1.0%		-11.1%		21835570		-6.8%		230443788	
D.B. & G. LTD.	DBG	1.3%		-0.7%		760332		-6.4%		10734182	
DESNOES & GEDDES	DG	2.9%		4.8%		3720411		-7.8%		22811365	
DYOLL GROUP	DYOL	0.0%		-2.7%		0		-65.0%		709179	
FIRST CARIBBEAN INTERNATIONAL BANK	FCIB	24.3%		-3.4%		248404		8.7%		1190219	
FIRST CARIBBEAN INTER. BANK JAMAICA	FCIBJ	0.8%		12.2%		9654		-3.5%		496104	
FIRST JAMAICA INVESTMENTS LTD.	FJI	1.3%		-2.7%		775789		-15.8%		5472190	
GUARDIAN HOLDINGS LTD.	GHL	5.4%		-8.7%		37000		-7.7%		732185	
GRACEKENNEDY LTD.	GK	2.7%		-2.7%		737752		6.1%		16558500	
GLEANER COMPANY	GLNR	0.3%		-0.3%		21316645		11.6%		102119113	
GOODYEAR JAMAICA	GYP	0.1%		-4.2%		30569		-12.7%		597629	
HARDWARE & LUMBER	HL	0.2%		0.0%		212245		-10.3%		1186930	
JA. BROILERS' GROUP	JBG	0.8%		10.3%		9863085		10.1%		65930531	
JAMAICA MONEY MARKET BROKERS LTD	JMMB	1.7%		-6.2%		971289		-28.7%		11733559	
JA. PRODUCERS' GROUP	JP	0.8%		17.7%		1399162		-14.2%		9151369	
KINGSTON WHARVES	KW	1.0%		-5.9%		2241105		1.2%		5781143	
LASCELLES	LAS	3.5%		9.0%		682390		9.7%		5394011	
LIFE OF JAMAICA	LOJ	4.0%		4.5%		6328146		-3.4%		52717894	
MONTEGO BAY ICE	MBICE	0.0%		29.5%		1000		67.4%		4302	
MONTEGO BAY FREEPORT	MFP	0.1%		-42.4%		1511300		-9.8%		4722991	
MAYBERRY INVESTMENTS LTD.	MIL	0.5%		13.9%		17186509		-15.2%		477154281	
NATIONAL COMMERCIAL BANK JAMAICA LTD.	NCBJ	7.0%		-3.8%		21133477		-0.8%		68979994	
PALACE AMUSEMENT	PAL	0.0%		-2.7%		0		6.1%		0	
PAN CARIBBEAN FINANCIAL SERVICES LTD	PCFS (XD)	1.5%		2.2%		6104248		-2.6%		8821373	
PEGASUS HOTELS	PEG	0.2%		7.3%		503793		-14.8%		1238605	
PAN-JAM. INVEST.	PJAM	1.1%		6.6%		1798368		-10.7%		8004023	
PULSE INVESTMENTS LIMITED	PULS	0.1%		-2.7%		0		-9.2%		4800	
RBTT FINANCIAL HOLDINGS LIMITED	RBTT	15.3%		-2.7%		0		-5.4%		52972	
RADIO JAMAICA	RJR	0.2%		9.4%		2891844		-15.2%		16325311	
SALADA FOODS JA.	SALF	0.1%		37.8%		3544		18.6%		150992	
SEPROD	SEP	1.0%		-6.9%		239305		-0.2%		5680910	
SCOTIA GROUP JAMAICA	SGJ	9.3%		6.7%		5234906				25111011	
SUPREME VENTURES LIMITED	SVL	1.0%		-7.9%		1776965		69.4%		194439036	
TRINIDAD CEMENT COMPANY	TCL	2.9%		13.4%		2550		12.6%		608489	
TOTALS	Total	100.0%									

* Mkt Performance is measured here as the percentage change in the Main JSE index over the indicated period

** BNSJ now trades under the name SGJ

Statistical Index Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur-Dep	CPI		Tourism	JS/US\$	T-bill	Loan	Sav	Dom Debt	Fgn Debt
	M	P	M	P	US\$M	US\$M	M	P	P		%	%	%	J\$M	US\$M
Jan '05	-11.8	10.5	-0.50	14.44	1,847.58	1,904.47	0	12	-2.27	61.87	14.4	24.9	6.5	449,259.38	5,068.79
Feb	-1.6	9.25	-0.29	12.56	1,831.07	1,918.71	0.4	13	-0.08	61.91	14	24.9	6.5	451,895.38	5,062.87
Mar	6.5	15.1	0.01	9.86	1,901.60	1,935.11	1	13	15.08	61.54	13.5	24.9	6.4	449,247.55	5,044.36
Apr	-3.52	11.4	1.40	9.10	2,010.42	1,944.10	1.9	15	-7.73	61.65	13.4	24.9	6.4	456,393.56	5,055.21
May	0.92	10.6	0.37	9.35	2,074.49	1,916.93	2.2	17	5.19	61.71	13.4	24.9	6.4	466,840.52	4,968.13
June	-1.16	9.47	-0.55	9.75	2,152.80	1,940.56	1.5	18	-1.84	61.84	12.9	24.9	5.5	467,233.58	4,952.24
July	2.5	9.12	0.89	9.44	2,149.25	1,983.67	1.6	18	-7.56	62.23	13	22	5.5	471,668.82	5,282.35
Aug	0.98	9.11	0.89	9.50	2,117.51	1,974.33	0.1	17	-2.67	62.24	13	22	5.5	472,452.67	5,327.40
Sep	-2.68	5.17	0.25	8.42	2,118.97	2,023.12	2.6	19	25.74	62.89	13.2	22	5.5	478,216.66	5,293.49
Oct.	1.06	5.39	3.04	11.68	2,078.99	2,061.63	0.6	16	6.42	64.04	13.2	22	5.5	478,118.96	5,452.00
Nov	1.84	5.44	-0.71	8.96	2,093.80	2,067.88	0.3	14	18.37	64.67	13.2	22	5.5	478,436.18	5,407.83
Dec	18.93	9.68	4.27	9.32	2,087.40	2,025.45	0.1	13	9.92	64.58	13.6	22	5.48	480,099.16	5,375.40
Jan '06	-10.28	11.57	-1.70	8.01	2,093.50	2,028.59	0.1	13	15.87	64.99	13.3	21.84	5.30	489,671.66	5,398.74
Feb	-12.84	11.71	0.71	9.10	2,024.24	2,045.44	-0.03	12.4	9.01	65.36	13.2	21.84	5.30	486,690.28	5,621.88
Mar	-0.18	4.71	-0.27	8.80	2,078.10	2,027.75	0.09	11.7	5.05	65.50	13.18	21.84	5.30	482,712.53	5,567.42
Apr	3.12	11.91	0.54	7.87	2,151.80	2,033.37	1.14	12.3	22.55	65.63	13.07	21.84	5.30	489,664.97	5,622.32
May	-0.44	10.41	0.34	7.84	2,162.80	2,044.98	0.40	8.6	17.2	65.73	12.84	21.84	5.30	490,098.32	5,639.65
Jun	0.40	12.15	0.96	9.46	2,110.10	2,056.72	1.27	8.4	19.7	66.03	12.82	22.50	5.39	502,404.45	5,611.53
Jul	3.24	12.96	1.18	9.78	2,087.90	2,049.93	1.36	8.2	25.9	65.99	12.81	22.50	5.39	510,481.97	5,617.45
Aug	2.20	12.33	-0.46	8.31	2,215.60	2,178.41	0.31	8.5	24.3	65.93	12.79	22.5	5.39	513,805.41	5,618.38
Sep	-0.23	17.20	-0.04	8.00	2,342.00	2,119.49	0.75	6.5	11.7	66.06	12.49	21.80	5.36	520,394.81	5,619.32
Oct	-0.53	15.37	1.12	5.99	2,306.40	2,104.08	-0.08	5.8	24.1	66.50	12.30	21.80	5.36	530,109.25	5,622.95
Nov	2.67	16.30	2.44	9.55	2,352.99	2,241.85	-0.18	5.3	9.5	66.92	12.31	21.80	5.36	539,864.26	5,827.13
Dec	19.97	17.32	5.69	12.30	2,317.55	2,185.37	0.51	5.8	9.4	67.15	12.31	21.90	5.20	536,673.14	5,795.64
Jan '07	-12.04	15.01	n/a	n/a	2,288.40	2,183.07	0.29	6.0	3.2	67.55	11.99	21.90	5.20	527,998.13	5,760.19
Feb	1.91	18.96	-0.78	10.18	2,185.56	2,146.56	0.18	6.2	-0.2	67.55	11.94	21.90	5.20	521,305.93	5,746.97
Mar	-0.28	18.84	0.45	10.98	2,329.40	2,120.34	0.50	6.6	-3.8	67.80	11.65	22.49	5.15	513,930.86	6,035.34
Apr	-0.17	15.05	1.69	11.77	2,292.36	2,205.28	0.68	6.1	-3.0	68.08	11.81	23.07	5.15	536,441.87	6,065.20
May	1.13	16.86	2.04	13.65	2,252.22	2,215.39	0.67	6.4	n/a	68.22	11.96	23.04	5.13	535,788.09	6,031.10
Jun	1.28	17.88	n/a	n/a	2,238.87	2,244.91	0.51	5.6	n/a	68.58	12.16	22.49	5.17	500,100.28	6,130.82
Jul	2.58	17.12	n/a	n/a	2,146.18	n/a	1.12	5.4	n/a	68.81	12.21	22.49	5.17	544,839.92	6,163.47
Aug	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	69.83	n/a	n/a	n/a	n/a	n/a

Sources: Bank of Jamaica, Statistical Institute of Jamaica, Ministry of Finance and Planning, Jamaica Tourist Board and the PIOJ.
Revised periodically when necessary.

Key:	
BM – Base Money	M2 – Money Supply
NIR – Net International Reserves	FX Dep – Foreign Exchange Deposit
CPI – Consumer Price Index	Tourism – Total Tourist Arrivals
Tbill – 6-month Treasury Bill Yield	Loan – Average Loan Rate
Save – Average Savings Deposit Rate	M – Monthly Percentage Change
P – Point-to-Point Percentage Change	R – Revised
N/a – Not Available	S – Stopover
WATBY- weighted average Treasury bill yield	OMO – Open Market Operation
JCB – Jamaica Conference Board	JCC – Jamaica Chamber of Commerce
MT – Million tonnes	BP — Basis Points
KMA — Kingston and Metropolitan Area	CaPRI— Caribbean Policy Research Institute

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