



# CONFIDENTIAL ECONOMIC BULLETIN



**PRIME ASSET MANAGEMENT LTD** • *Focused pension professionals*

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## OVERVIEW

In December of 2006 the CPI increased by 0.51%. This was the 4th instance that the monthly inflation rate exceeded the 0.5% mark during the year (see Inflation Chart in Appendix). Inflation for the entire year was reported at 5.76% compared to the 12.88% for the corresponding period before. The FX rate worsened by 0.3% during December representing a depreciation of the Jamaican dollar by 23 cents against its US counterpart. The local currency lost J \$2.57 of its value to the US dollar for the year 2006.

The higher Consumer Price Index (CPI) for December was attributed to the higher price of items under the food and drink category. There were

significant increases to the Vegetable & Fruits, and meat & poultry categories that resulted in an overall price increase for the Food and Drink segment. Prices of starchy foods also increased within the KMA but was not sufficient to offset the reported lower prices of such items in both Other towns and Rural areas. Major price declines were shown for starchy food items such as yellow and lucea yams, while, vegetable and fruit items such as tomatoes, avocado, citrus & lime among others brought about the higher prices for the Food and Drink segment.

'Health Care and Personal Expenses' was the second largest contributor to inflation in Dec-06. This captured a 2.6% increase in dentist fees within the KMA and just below 2% increase in Doctors and Optician fees in other towns and rural areas.

The Net International Reserve (NIR) declined by US\$35.4M in December to close at US\$2,317.6M. Total NIR was sufficient to accommodate 25.0 weeks of goods importation.

Stopovers for the month grew by 1.9% when compared to the corresponding month of 2005. Stopover arrivals also exceeded that of December 2004 by 24.0%.

Cruise arrivals for December 2006 increased by 18.9% when compared to arrivals in Dec-05. Cruise arrivals exceeded that of the corresponding month of 2004 by 16.5%.

Alumina exports for December 2006 declined by 3.4% concurrently with a 5.9% decline in its Production. Crude Bauxite exports for the month declined by 12.2% along with production which declined by 5.8%.

The Jan-Aug 2006 trade deficit expanded by US\$310.9M or 14.7% relative to the corresponding period before.

For the period April to November of the fiscal year 2006/07 the government fiscal deficit was J\$1.82B below budget. This resulted from Expenditure being \$3.53B below budget and revenue being \$1.71B lower than planned. Recurrent expenditure savings resulted wholly from cut backs in Wages & Salaries. Tax revenue grew by 17.5% over the corresponding period of 2005 falling short of the average 20% growth estimated for the FY 06/07.

On December 22nd 2006 the BOJ reduced rates on all (OMO) instruments by 30-BPs. The current rates on 30-Day and 180-day instruments are 11.65% and 12.00% respectively. The six month Treasury Bill rate in December remained stable at its previous months' rate of 12.31%. The Average Lending rate grew by 10-BPs to 21.90% and Average Savings rate fell by 16-BPs to 5.20% at December end

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\*\* No changes since last report

## Net International Reserves (NIR)

For the month of December 2006, Net International Reserves declined by US\$35.4M. At the end of the month the reserve balance stood at US\$2,317.6M down from the previous month's value of US \$2,353.0M. The gross reserves amounted to 25.0 weeks of Goods imports against the 27.0 weeks recorded in the corresponding month before. For the year 2006 the NIR grew by US\$230.1M (see Table 1).



## Foreign Currency

For the month of November 2006 total foreign currency deposits amounted to US\$2,241.85 million, approximately US\$137.77 million more than the previous month's figure (see Table 2). This was due to higher balances at Commercial Banks which held approximately US\$1,672.5M or 75% of all deposits.

For the 12 months to November 2006 total foreign currency deposits grew by US\$210.7M to represent a 10.4% increase over the period (see Table 2)

## Foreign Exchange Rate

The local currency depreciated by 23 cents Jamaican against its US counterpart during December to end the period at \$67.15 (see table 3). For the first 22 days of January 2007, the local currency depreciated by another 24 cents Jamaican against the US dollar.

The Jamaican dollar lost J\$1.43 against the pound over December but gained 1.50 cents (JA) against the Canadian Dollar (see Table 3).

## Interest Rates

All interest rates on BOJ Open Market Operation (OMO) instruments were reduced by 30 basis points on December 22, 2006. The 30-day (1-Month) instrument was reduced to 11.65% while the 6 month instrument to 12.00%.

BOJ indicated that the favourable movement in interest rates reflects a continued robust economic performance as inflation rates remain low and below the medium term parameters of 9% -10%. This is supported by relative stability within the foreign exchange market and high foreign currency reserves being buoyed by strong tourism sector performance.

The six-month T-bill cleared the market at an average yield of

**Table 1: Changes in the NIR**

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Dec-06	2,317.6	-35.4	230.1	230.1	25.0
Dec-05	2,087.4	-6.3	228.9	228.9	27.0

Source: Compiled from the BOJ (Preliminary)

**Table 2: Foreign Currency Deposits**

	US\$000 Nov '06	Change (US\$000)		% 12 mth
		mthly	12 mth	
Commercial Banks	1,672,507	138,373	141,313	9.23%
Building Societies	396,346	(1,357)	52,664	15.32%
Merchant Banks	172,993	754	16,724	10.70%
Total Deposits	2,241,846	137,770	210,701	10.37%

Source: Compiled from the BOJ (Preliminary)

**Table 3: Foreign Exchange Trends (December-2006)**

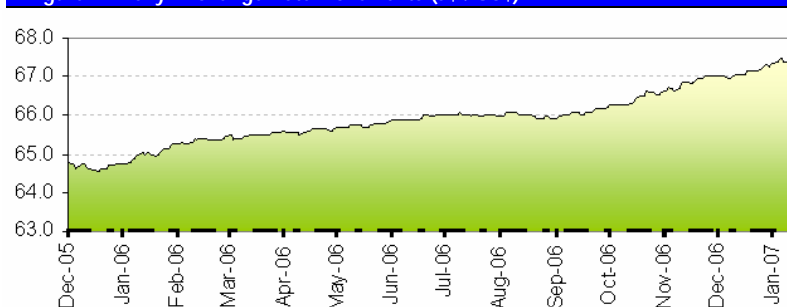
	Year to Date Currency Rate Change*					
	J\$/US\$	%	J\$/UK£	%	J\$/Can\$	%
2006	2.57	4.0	21.13	19.1	2.58	4.7
2005	2.96	4.8	-7.52	-6.4	4.29	8.5
2004	1.01	1.7	10.47	9.7	4.07	8.7

Monthly

Dec-06	0.23	0.3	1.43	1.1	-1.50	-2.5
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\*minus = appreciation; Source: BOJ database & PSOJ Economic Research

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



Source: Bank of Jamaica Database (BOJ)

**Table 5: Interest Rate Movements**

	Dec	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	11.65%	-0.30%	-0.95%	-0.95%
180-Day Repo	12.00%	-0.30%	-1.00%	-1.00%
Avg Savings Deposit	5.20%	-0.16%	-0.28%	-0.28%
Avg Loan Rate	21.90%	0.10%	-0.10%	-0.10%
6 Month T-Bill	12.31%	0.00%	-1.24%	-1.24%
12 Month T-Bill	n/a	n/a	n/a	n/a

Source: Bank of Jamaica (BOJ Preliminary) \*n/a = not applicable

12.31% on December 29, 2006. There were no changes to the rate during the month. For the year 2006, the 6-Month T-Bill rate declined by 124-BP's.

In December 2006, the average lending rate increased by 10 BP's while the average saving rates went down by 16 BP's. Average saving and lending rates declined by 28-BP and 10-BP respectively since the start of 2005. (see Table 5 & Figure 2).

## Base Money & Money Supply

The monetary base grew by 19.97% in December 2006 relative to the previous month's value. For the month of October 2006, when compared to the previous month, all monetary aggregates grew. M1 grew by 1.68%, Quasi Money by 0.87% and M2 by 1.12%. (see table 6).

## Inflation

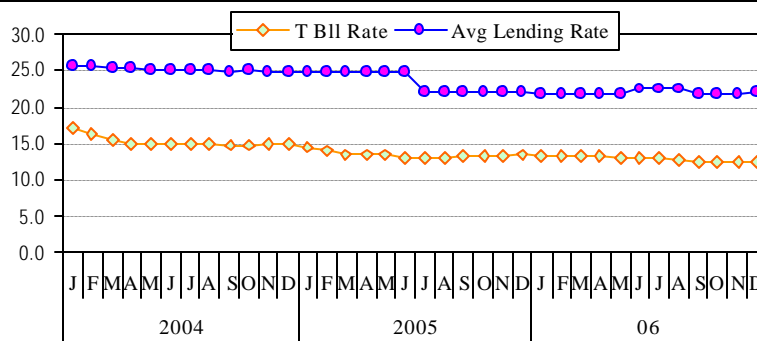
The inflation rate increased by 0.51% in December 2006 (see Table 7). This was the fourth instance that monthly inflation exceeded the 0.5% mark during 2006. (see Appendix—Inflation Chart). For the entire year, however, consumer prices increased by only 5.76% when compared to the 12.88% recorded for the calendar year 2005.

Despite a noticeable decline in the price of starchy foods under the Food & Drink segment, vegetables and fruit along with meat and poultry items contributed the majority of the price increase to make the segment the months' largest contributor to inflation.

The price of yams fell by 8%-15% across the island. However, items such as bread fruit and bananas led to a price increase within the KMA. Vegetables such as tomatoes, avocado, citrus and limes, escallion, ackee, pumpkins and onions all contributed to higher prices across the island.

'Health Care and Personal Expenses' was the second largest

Figure 2: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 6: Base Money and Money Supply

	J\$M	Percentage Change (%)	
		Mthly	12 Mth
M1	73,927.74	1.68	14.01
Quasi Money	162,491.96	0.87	2.70
M2	236,419.70	1.12	5.99
	Dec-06	Mthly	12 Mth
Base Money	57,975.48	19.97	17.32

Source: BOJ Economic Statistics Nov05, BOJ NIR update Nov05

Table 7: Inflation Trends

	% Percent Changes			
	Dec	12Mth	YTD	Fiscal
2006	0.51	5.8	5.76	5.61
2005	0.07	12.9	12.88	11.27

Source: STATIN & BOJ Statistical Digest

contributor to inflation during December 2006. Dentist fees in the KMA went up by 2.6%. Doctors and Optician fees also went up by just below 2% in both Other towns and Rural Areas. There were also marginal price increases for some toiletries categorized as personal expenses.

Fuels and Other Household Supplies represented the third (3rd) largest contributor to inflation during December 2006. The price of charcoal went up by 4.4% in other towns along with that of other household items during the month. (see Table 7 and INFLATION (December CPI) in Appendix)

## Bauxite & Alumina Production

Production of Alumina in December 2006 declined by 5.9% along

with a 3.4% decline in exports for the month when compared to December 2005 (see table 8). Both Crude Bauxite production and Exports declined during the month. Production declined by 5.8% while associated exports declined by 12.2% (see Table 8).

For the entire year 2006, Alumina exports fell by 3.1% while Crude bauxite exports increased by 11.9%.

## Tourism

**Stopovers:** Stopovers for the year 2006 increased by 13.5% over the year 2005 (see Table 9 & Figure 4B). This was due to a 13.8% increase in visits by Foreign nationals and a 9.9% increase for Non-resident nationals. Stopover arrivals for December 2006 were greater than arrivals in December

2005 and 2004 by 1.9% and 24.0% respectively.

**Cruise Passengers:** Cruise arrivals for the year 2006 grew by 17.7% over that of 2005 (see Table 9 & Figure 4C). Cruise arrivals in December 2006 exceeded that in 2005 by 18.9% and also the level in December 2004 by 16.5%.

**Total Visitors:** Total visitor arrivals for the year 2006 increased by 15.4% when compared to 2005. This resulted from an additional 200,242 stopovers and 201,347 more cruise arrivals to the country. Total arrivals in December 2006 exceeded the total amount for 2005 and 2004 by 9.4% and 20.3% respectively.

## External Trade

The trade deficit widened by approximately 14.7% for the period Jan–Aug of 2006 when compared to the corresponding period of 2005. This change represents a US \$310.9M deterioration to bring the deficit on the Trade A/C to a balance of US\$2,426.21M. The import bill grew by US\$637.36M while export revenues increased by US\$326.43M above the corresponding period of 2005.

Exports amounted to US \$1,429.76M, up from US \$1,103.33M for the corresponding 8 month period of 2005. There was a US\$115.08M improvement in Traditional exports resulting largely from Mining and Quarrying. Over the period the Mining and Quarrying sector grew by US \$82.36M or 12.1% when compared to the same period a year before. Both Agriculture and Manufacturing had significant growth of 70.5% and 18.1% respectively.

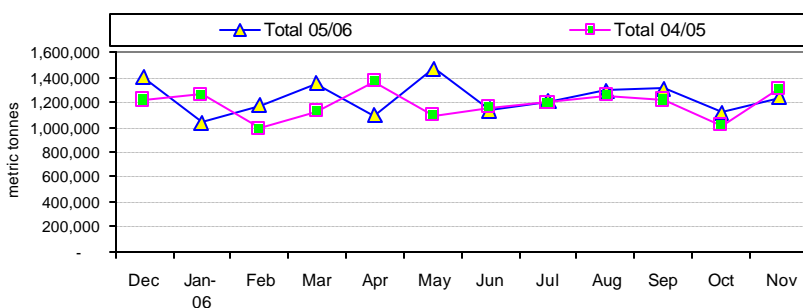
The increase in Mining and Quarrying reflects the sector's increased growth in export of Bauxite and Alumina (Table 10: Exports by Industry). Changes in Mining and Quarrying is directly correlated to changes in Alumina, a component that represents approximately 90% of the category's export since the start of the year.

**Table 8: Mining Production**

	000 tonnes			YTD	
	Dec—05	Dec—06	%	Dec—06	06/05 %
<b>Production</b>					
Alumina	360.0	338.6	-5.9	4,100	0.34
C. Bauxite	404.0	380.5	-5.8	4,548	12.33
<b>Export</b>					
Alumina	386.3	373.1	-3.4	4,041	-3.09
C. Bauxite	436.8	383.3	-12.2	4,543	11.93

Source: Jamaica Bauxite Institute (JBI)

**Figure 3: Bauxite Exports for (12 mths 2005 - 2006)**



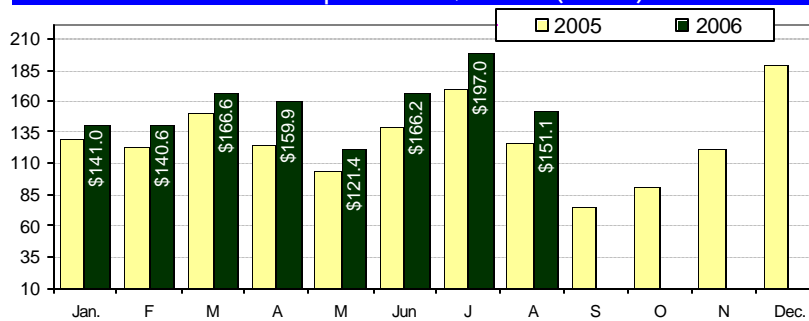
Source: Jamaica Bauxite Institute (JBI) [\* The graph reflects information for Jan-05 - Jan-06: Lines cross year also]

**Table 9: Tourist Arrivals**

	2005	2006	% Change	
	YTD (Dec)	YTD (Dec)	YTD - YOY	Dec 05/06
<b>Stopover</b>	1,478,663	1,678,905	13.5%	1.9%
Foreign Nats	1,386,996	1,578,207	13.8%	2.5%
Non-Resident Nats	91,667	100,698	9.9%	-3.5%
<b>Cruise</b>	1,135,843	1,337,190	17.7%	18.9%
<b>Total Arrivals</b>	2,614,506	3,016,095	15.4%	9.4%

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

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

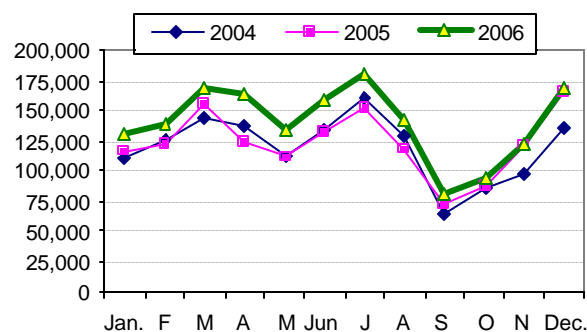


Source: Jamaica Tourist Board (preliminary data) & BOJ Statistical Update (Revised values)

Trends in Agriculture were dominated by Coffee exports representing close to 75% of the segments'

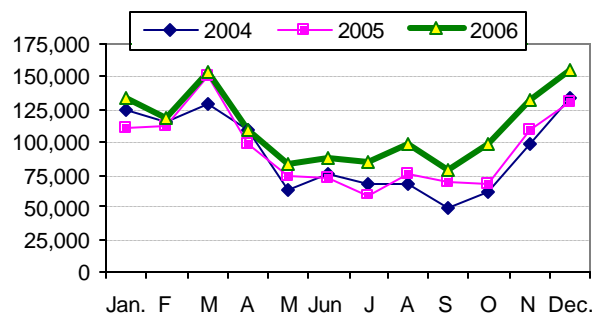
value. Coffee exports grew by approximately 76% over the corresponding period of 2005. Bananas

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-Aug '2005	Jan-Aug '2006	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>1,103.33</b>	<b>1,429.76</b>	<b>326.43</b>	<b>29.6%</b>
Major Traditional Exports	801.85	916.93	115.08	14.4%
by Sector:-				
Agriculture	20.03	34.15	14.12	70.5%
Mining & Quarrying	678.93	761.29	82.36	12.1%
Manufacturing	102.89	121.49	18.60	18.1%
by Industry:-				
Bauxite	64.55	75.77	11.22	17.4%
Alumina	612.84	684.50	71.66	11.7%
Sugar	76.81	89.69	12.89	16.8%
Rum	24.63	27.31	2.68	10.9%
Bananas	3.23	8.62	5.39	
Coffee	14.45	25.48	11.04	76.4%
Other	5.36	5.56	0.21	3.9%
Non-Traditional Exports	190.51	399.39	208.88	109.6%
Re-exports	18.53	22.32	3.79	20.5%
Free Zone & Ports **	92.44	91.12	-1.32	-1.4%
<b>TOTAL IMPORTS</b>	<b>3,218.62</b>	<b>3,855.98</b>	<b>637.36</b>	<b>19.8%</b>
Food	384.05	404.26	20.20	5.3%
Beverages & Tobacco	36.92	44.49	7.58	20.5%
Crude Materials (excl. Fuels)	56.35	54.22	-2.13	-3.8%
Mineral Fuels, etcetera	930.19	1,241.54	311.35	33.5%
Animal & Vegetable Oils & Fats	17.31	16.75	-0.57	-3.3%
Chemicals	355.49	458.83	103.33	29.1%
Manufactured Goods	438.53	437.69	-0.83	-0.2%
Machinery and Transport Equip.	566.48	729.10	162.62	28.7%
Misc. Manufactured Articles	305.17	329.86	24.70	8.1%
Other	128.14	139.24	11.10	8.7%
<b>TRADE BALANCE</b>	<b>(2,115.29)</b>	<b>(2,426.21)</b>	<b>-310.92</b>	<b>14.7%</b>

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

also reflected significant changes and accounts for approximately 25% of the sectors' export value in the eight months since January 2006.

Exports from the Manufacturing sector grew by US\$18.60M representing a 18.1% increase for the first 8 months of 2006 over 2005

(see exports by industry in Table 10).

In the Non-traditional sector, exports increased by a significant 109.6% or US\$208.9M. 'Other Non-Traditional' exports represent approximately 61.1% of the total (non-traditional) change over the corresponding eight months of

2005 while Crude Materials accounted for 14.0%. Food and 'Beverages & Tobacco' grew by approximately 9.6% and 19.7% respectively when compared to the corresponding period of the previous year.

Imports grew by US\$637.36M or 19.8% for the review period (Jan-

Aug). This reflected increases in all categories except for Crude Materials (excl fuels) (-2.1%), Manufactured Goods (-0.83%) and Animal & Vegetable Oils & Fat (-0.57%). Together, the value of these declines offset only 1.1% of the largest increase— Mineral fuels — for the period (see Table 10).

Mineral Fuel imports increased by US\$311.4M or 33.5% for the first eight (8) months of 2006 over the corresponding period of 2005. This is reflective of the higher oil prices that prevailed since the third quarter of 2005. Next in line by magnitude was Machinery and Transport Equipment which grew by US\$162.6M or 28.7% when

compared to the corresponding period before. Chemicals grew by approximately US\$103.3M or 29.1% while Misc. Manufacturing represented a US\$24.7M or 8.1% growth.

(See Table 10 & External Trade (Jan-Aug) in Appendix)

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

	Jan-Aug 2005	Jan-Aug 2006	Change	% Change
<b>Current Account</b>	<b>-685.6</b>	<b>-620.3</b>	<b>65.3</b>	<b>-10%</b>
<b>Goods Balance</b>	<b>-1708.2</b>	<b>-1951.3</b>	<b>-243.1</b>	<b>-14%</b>
Exports	1103.3	1429.8	326.5	30%
Imports	2811.5	3381.1	569.6	20%
<b>Services Balance</b>	<b>455.1</b>	<b>588.4</b>	<b>133.3</b>	<b>29%</b>
Transportation	-170.9	-198.4	-27.5	-16%
Travel	913.7	1115.1	201.4	22%
Other Services	-287.7	-328.3	-40.6	-14%
<b>Income</b>	<b>-471.4</b>	<b>-386.5</b>	<b>84.9</b>	<b>-18%</b>
Compensation of employees	42	41.4	-0.6	1%
Investment Income	-513.4	-427.9	85.5	-17%
<b>Current Transfers</b>	<b>1038.9</b>	<b>1129.1</b>	<b>90.2</b>	<b>9%</b>
Official	96.5	88.9	-7.6	8%
Private	942.4	1040.2	97.8	10%
<b>Capital &amp; Financial Account</b>	<b>685.6</b>	<b>620.3</b>	<b>-65.3</b>	<b>10%</b>
<b>Capital Account</b>	<b>-2.4</b>	<b>1.1</b>	<b>3.5</b>	<b>-146%</b>
Capital Transfers	-2.4	1.1	3.5	-146%
Official	0.3	3.6	3.3	1100%
Private	-2.7	-2.5	0.2	-7%
Acq/disp. of non-produced non-fin. assets	0	0	0	0%
<b>Financial Account</b>	<b>688</b>	<b>619.2</b>	<b>-68.8</b>	<b>10%</b>
Other Official Invnt. (incl. Gov. Rsv)	173	218.1	45.1	26%
Other Private Investment (includes. err & omis)	774	529.5	-244.5	32%
Reserves	-259	-128.4		

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.

## Balance of Payments

For the eight first months of 2006, the country posted a current account deficit of US\$620.3M. This shortfall was US\$65.3M (10%) worse than the deficit for the corresponding period of 2005 (see Table 11). The Services and Current Transfers Account both registered a surplus for the review period.

On the **Goods Account**, the deficit worsened by US\$243.1M as a

US\$326.5M increase in export revenue was offset by a US \$569.6M growth in the import bill.

Traditional exports increased by US\$115.08M reflecting higher income largely from Mining & Quarrying (71.6% of total). Manufacturing accounted for 16.1% of the increase while Agriculture accounted for the remaining 12.3%. Non-traditional exports increased by an approximate US\$208.9M or 110%

Imports grew by US\$637.4M or 19.8% for the review period. This largely reflected increases in Mineral Fuels (etcetera), Machinery & Transport Equipment, and Chemicals (see Table 10).

Investment Income under the **Investment Account** paid out US \$84.9M less than that for the corresponding period before. Compensation to employees, fell by a marginal US\$0.6M as opposed to the US\$85.5M or 17% lower deficit on investment income in the account.

The surplus on the **Services account** was US\$133.3M or 29% more than the amount for the corresponding period in 2005. The higher outflows from Transportation (US\$27.5M) and Other Services (US\$40.6M) was outweighed by the US\$201.4M increased inflows from the Travel account.

**Current Transfers** posted a US\$90.2M growth in net inflows. This was due to a US\$97.8M increase in Net Private Transfers or remittances that was partially offset by a US\$7.6M reduction in Official inflows. Remittances continue to contribute a significant portion to foreign exchange earnings representing approximately 25.8% for the first eight (8) months of 2006. Net private remittances grew by 10.4% over the corresponding period of 2005.

The Capital and Financial account

reflected changes mainly in the Financial account, where, net inflows from Other Official investments grew from a surplus of US\$173.0M for the period in 2005 to a surplus of US\$218.1M in the corresponding period of 2006. This represents an increase of US\$45.1M or 26%.

There was a US\$244.5M or 32% reduction in the surplus on the Other Private Investments sub-account. Overall, inflows to the Financial a/c was more than sufficient to finance the Capital and Current a/c deficits. This resulted in a US\$128.4M build up of Net International Reserves (NIR) for the first eight (8) months of 2006.

(see Table 11 and Balance Of Payments (Jan-Aug) in Appendix)

## Fiscal Accounts

For the first eight (8) months of FY 2006/07 the Government budget deficit was \$1.82 billion less than planned. Expenditure was \$3.53 billion below budget. In contrast, Revenue collection was \$1.71 billion below budget.

**Revenues:** Revenues and Grants totalled approximately \$130.4 billion, some \$1.7 billion below that projected. This reflected reduction in Tax revenue (\$2,661.7M), Capital revenue (\$871.8M) and Grants (\$244.9M) below the budgeted amounts for Apr-Nov 2006. Non-Tax Revenue and Bauxite Levy were the only two revenue items to register an increase over budget for the review period. Non-Tax revenue increased by \$1.91B or 26.7% over budget while Bauxite

Table 12A: Fiscal Accounts (J\$ Million)

	April - November (Fiscal -2006/07)				Fiscal yo-y 05/06-06/07	
	J\$ million		Deviation		J\$m	%
	Provisional	Budget	J\$m	(%)		
<b>Revenue &amp; Grants</b>	<b>130,359.1</b>	<b>132,070.2</b>	<b>-1,711.1</b>	<b>-1.30</b>	<b>19,457.3</b>	<b>17.5</b>
Tax Revenue	115,963.7	118,625.4	-2,661.7	-2.24	17,307.1	17.5
Non-Tax Revenue	9,079.3	7,168.9	1,910.4	26.65	2,235.9	32.7
Bauxite Levy	2,695.3	2,538.4	156.9	6.18	628.8	30.4
Capital Revenue	1,236.2	2,108.1	-871.8	-41.35	-1,776.5	-59.0
Grants	1,384.6	1,629.5	-244.9	-15.03	1,062.1	329.3
<b>Expenditure</b>	<b>158,394.3</b>	<b>161,924.9</b>	<b>-3,530.6</b>	<b>-2.18</b>	<b>22,633.4</b>	<b>16.7</b>
Recurrent Expenditure	141,562.2	141,532.7	29.6	0.02	15,275.8	12.1
Programmes	31,622.4	31,418.7	203.7	0.65	4,780.5	17.7
Wages & Salaries	47,756.4	48,923.5	-1,167.1	-2.39	5,841.4	14.0
Interest	62,183.4	61,190.5	993.0	1.62	4,654.1	8.1
Domestic	44,948.7	44,003.4	945.3	2.15	1,708.4	4.0
External	17,234.7	17,187.1	47.6	0.28	2,945.7	20.6
Capital Expenditure	16,832.0	20,392.2	-3,560.2	-17.46	7,357.7	77.7
Capital Programmes	16,832.0	20,392.2	-3,560.2	-17.46	7,357.7	77.7
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-28,035.1</b>	<b>-29,854.7</b>	<b>1,819.5</b>	<b>-6.09</b>	<b>-3,176.4</b>	<b>12.8</b>
Loan Receipts	129,517.1	92,354.7	37,162.4	40.24	5,266.5	4.2
Domestic	125,517.6	86,252.1	39,265.5	45.52	37,202.5	42.1
External	3,999.5	6,102.6	-2,103.1	-34.46	-31,935.9	-88.9
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	
Amortization	87,186.2	85,235.9	1,950.3	2.29	-8,909.0	-9.3
Domestic	76,057.7	74,686.8	1,371.0	1.84	6,214.7	8.9
External	11,128.5	10,549.1	579.3	5.49	-15,123.6	-57.6
<b>Overall Balance (Surplus [+]/ve)</b>	<b>14,295.7</b>	<b>-22,735.8</b>	<b>37,031.6</b>	<b>-162.88</b>	<b>10,754.7</b>	<b>326.2</b>
<b>Primary Balance (Surplus [+]/ve)</b>	<b>34,148.3</b>	<b>31,335.8</b>	<b>2,812.5</b>	<b>8.98</b>	<b>1,499.7</b>	<b>4.6</b>

Source: Ministry of Finance and Planning

Levy increased by \$156.9M or 6.2% (see Table 12A).

Tax Revenue collections for the first eight (8) months exceeded that of the corresponding period before by 17.5% (Apr-Nov). This is 2.5 percentage points below the aggressive 20% average Tax Revenue growth projected for the fiscal year 2006/07 over 2005/06 (see Table 12B and Figure 6).

Within the Tax revenue category the largest tax income generating components were PAYE (\$25,112M), Local GCT (\$21,916M), GCT on Imports (\$15,845M), Custom Duty (\$11,015M) and Tax on Interest (\$9,092M). The largest positive variances from budget were Tax on Interest (\$1,133.0M), SCT on Imports (\$641.0M) and GCT on imports (\$528.5M) (see Table 12C). The largest revenue shortfalls resulted from PAYE (\$1,579.7M), Local GCT (\$939.2M) and Local SCT (\$856.8M)

**Expenditures:** Total Expenditures amounted to approximately \$158.4 billion, some \$3.5 billion or (2.2%) below target. Wages and Salaries was the only segment under Recurrent Expenditure that did not exceed the budget for the first eight (8) months of the FY 2006/07 (see Table 12A & 12C).

Wages and Salaries was less than budget by \$1.17B (2.4%). Programmes Expenditure exceeded budget by \$203.7M (0.65%). Domestic and External Interest payments also exceeded budget by \$945.3M (2.2%) and \$47.6M (0.28%) respectively.

Capital expenditure (programmes) was approximately \$3.56 billion or 17.5% below projection. Loan receipts were \$37.16 billion or 40.2% above budget. The GOJ borrowed \$39.27B (45.5%) more than planned from the domestic market while restraining external borrowings by \$2.10B (34.5%) below budget (see Table 12A).

Total public debt at the end of September 2006 stood at \$891.58 billion, some \$7.16 billion more than the previous month's level of \$884.42 billion.

**Table 12B: Budgeted Changes for Fiscal 2006/07 \*\***

J\$-Billions	Actual	Budgeted	Expected Change	
	2005/06	2006/07	\$	%
<b>Revenue &amp; Grants</b>	<b>186.68</b>	<b>219.23</b>	<b>32.55</b>	<b>17%</b>
Tax Revenue	162.58	195.03	32.46	20%
Income and profits	66.49	80.68	14.19	21%
Bauxite/alumina	0.89	1.11	0.22	24%
Other companies	15.02	20.09	5.07	34%
PAYE	34.55	43.41	8.86	26%
Tax on dividend	0.28	0.31	0.04	14%
Other individuals	2.01	2.79	0.78	39%
Tax on interest	13.75	12.97	-0.78	-6%
Production and consumption	50.10	62.08	11.98	24%
SCT	3.24	4.34	1.10	34%
Motor vehicle licenses	0.95	1.09	0.13	14%
Other licenses	0.18	0.20	0.02	14%
Betting, gaming and lottery	1.05	1.19	0.14	14%
Education Tax	7.36	9.74	2.38	32%
Contractors levy	0.51	0.58	0.07	14%
GCT (Local)	29.44	36.54	7.10	24%
Stamp Duty (Local)	7.38	8.40	1.02	14%
International Trade	45.98	52.28	6.30	14%
Custom Duty	15.39	16.90	1.51	10%
Stamp Duty	1.09	1.20	0.11	10%
Travel Tax	2.02	2.29	0.27	13%
GCT (Imports)	19.12	23.71	4.59	24%
SCT (Imports)	8.36	8.18	-0.18	-2%
Non-Tax Revenue	11.80	12.81	1.01	9%
Bauxite Levy	3.12	3.90	0.78	25%
Capital Revenue	8.46	3.80	-4.67	-55%
Grants	0.72	3.69	2.98	415%
<b>Expenditure</b>	<b>207.72</b>	<b>240.61</b>	<b>32.89</b>	<b>16%</b>
Recurrent Expenditure	192.25	211.73	19.48	10%
Programmes	40.85	46.54	5.70	14%
Wages & Salaries	63.11	72.76	9.66	15%
Interest	88.30	92.42	4.12	5%
Domestic	65.39	66.34	0.94	1%
External	22.90	26.08	3.18	14%
Capital Expenditure	15.47	28.89	13.41	87%
Capital Programmes	15.47	28.89	13.41	87%
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-21.04</b>	<b>-21.38</b>	<b>-0.34</b>	<b>-2%</b>

Source: Ministry Of Finance and Planning (Jamaica)

**Table 12C: Major Changes in Fiscal Revenue and Expenditure**

J\$-Millions	Apr - Nov 06/07 (YOY)
<b>Revenue (Revenue Surpluses)</b>	
Tax on Interest	1,133.00
SCT (Imports)	641.00
GCT (Imports)	528.50
<b>Revenue (Revenue Shortfalls)</b>	
PAYE	-1,579.70
GCT (local)	-939.20
SCT (local)	-856.80
<b>Expenditure (Changes)</b>	
Wages & Salaries (Savings)	-1,167.10
Programmes (Overrun)	203.70
Interest (Overrun)	993.00

Source: Ministry Of Finance and Planning (Jamaica)

Domestic Debt stock grew by \$6.59 billion to end the month at \$520.39 billion. External Debt grew by approximately US\$0.94 million to close September at US\$5,619.3 million.

Table 12-B shows the expected changes in Revenue and expenditure for the fiscal year 2006/07. The GOJ expects to collect approximately \$33 billion more than the \$187 billion collected in Revenue and Grants for the previous period. This change is expected to come largely from Tax Revenue that is projected to grow by approximately 20% over the previous FY. For the first eight (8) months so far, Tax revenue collections are 17.5% above that of the corresponding period of 2005/06. The FY 2006/07 budget projects a 16% growth in overall expenditure and has for the first eight (8) months reported an 16.7% increase.

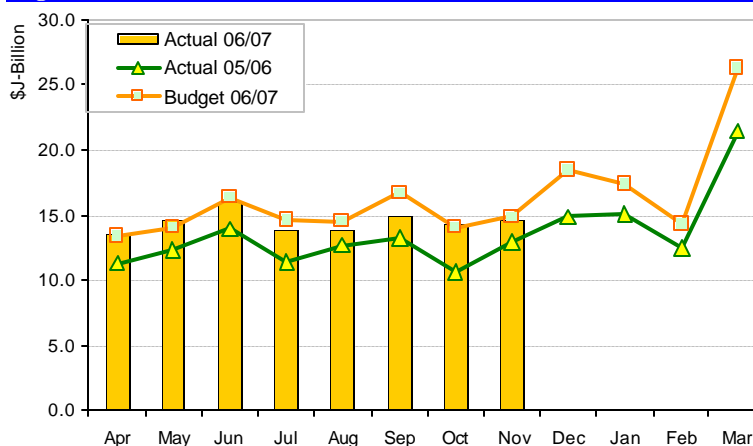
(see Table 12 A&B and Fiscal Account (Apr-Nov 2006) in Appendix)

## Stock Market

The main JSE Index grew by 6.4% or 6,060.05 pts over December in 2006 to close the month at 100,677.96 pts. Market capitalization increased by \$49.45 billion or 6.39% to end the month at approximately \$822.86 billion. As at January 23rd, however, the Main JSE Index lost 314.84 pts, a 0.31% decline since the end of December to stand at 100,363.12 points on that day.

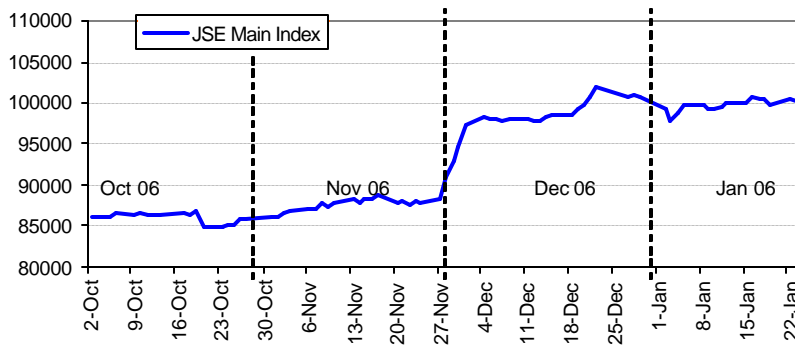
The top performing stock for the year (2006) was Salada Foods that advanced by \$29.99 or approximately 299.6% to end the month at \$40.0 per share (see Table 13). The worst performer in terms of capital gain was Dyoll Group which lost approximately 0.95 cents Jamaican or (51.4%) of its value to end the year at 0.90 cents Jamaican.

**Figure 6: Tax Revenue Collections (Billions - \$J)**



Source: Ministry Of Finance and Planning (Jamaica)

**Figure 7: Main JSE Index, Sep - Nov & part Dec'06**



Source: Jamaica Stock Exchange (Online Database) and PSOJ

**Table 13: Returns for Listed Companies on the JSE**

*Year-to-Date Performers on the Jamaica Stock Exchange*

**Top Four & Five (unadjusted for dividends or transaction costs)**

	31-Dec-05	31-Dec-06	\$ change	% change
Salada Foods	10.01	40.00	29.99	299.6%
Pegasus Hotel	9.00	13.90	4.90	54.4%
Carreras Group	36.00	54.00	18.00	50.0%
First Carib Intl Bank Ja.	18.01	26.00	7.99	44.4%
Kingston Wharves	6.00	7.94	1.94	32.3%

**Bottom Five (unadjusted for dividends or transact. Costs)**

Dyoll Group	1.85	0.90	(0.95)	-51.4%
Mobay Ice Company	11.50	6.56	(4.94)	-43.0%
Palace Amusement	52.70	31.45	(21.25)	-40.3%
Guardian Holdings Ltd.	360.00	240.00	(120.00)	-33.3%
Cable & Wireless (Ja)	1.48	1.01	(0.47)	-31.8%

Source: Compiled from the JSE

## Developments & Outlook

*Below is an extract from the Electronic Transactions Act, approved on December 8th 2006 in the Senate.*

### OVERVIEW OF THE ELECTRONIC TRANSACTIONS BILL, 2006

#### Object and Reason for the Bill

The advent of electronic commerce and the rapid development of information and communication technologies over the past decade have revolutionized business practice.

The legal framework for commercial, banking, trade and other financial relationships are derived from the pre-computer era and are ill-suited to the notion of electronic [commerce].

Many of the laws under which the

Government and private sector conduct their operations are still heavily dependent on paper-work evidenced by original versions of executed paper documents.

Without modifications to Jamaica's legal framework, directed at accommodating and promoting the emerging electronic commerce economy, the full development and implementation of online processes in Jamaica will be impeded.

For these reason the decision was taken to enact legislation to facilitate the use of electronic transactions by eliminating the barriers to electronic commerce resulting from uncertainties over writing and signature requirements within the legal framework.

#### General Overview of the Bill

- It is technology-neutral, that is, it does not favour any particular form of technology therefore the Act will not require amendment as

technology advances.

- Security concerns are addressed by ensuring that; **(a)** there is a reliable method of authenticating a person's identity.

**(b)** communication is complete and accurate without it having been altered in any way during transmission or storage. **(c)** there is no possibility of the sender of the communication denying that it was sent or sent in the form in which it was received by the recipient.

- The rules of formation of contracts electronically are clearly stated.
- There is legal recognition of electronic communication and signatures.
- The rules define the rights and duties of the parties to the electronic transactions and ensure that electronic and paper communications are treated in the same way legally. Both are admissible in court.

Electronic Transactions Act:

<http://www.mct.gov.jm/OVERVIEW%20OF%20THE%20E-TRANSACTIONS%20BILL.pdf>

Electronic Transactions Policy Report:

<http://www.mct.gov.jm/Electronic%20Transactions%20Policy%20fd%20April%201%2003PS1submitted.pdf>

*Below is an extract from the 2007 Index of Economic Freedom report (see link below)*

### INDEX of ECONOMIC FREEDOM Jamaica Rank — 46th

Jamaica's economy is 66.1 percent free, according to our 2007 assessment, which makes it the world's 46th freest economy. Its overall score is 1.6 percentage points lower than last year, partially reflecting new methodological detail. Jamaica is ranked 9th out of 29 countries in the Americas, and its overall score is higher than the

regional average.

Jamaica enjoys high fiscal freedom, investment freedom, labor freedom, and business freedom. Starting and closing a business are simple, although an inefficient bureaucracy hinders business activity. The labor market is highly flexible and open. The top corporate tax rate is relatively low (though personal income rates are higher), and tax revenue is not particularly large as a percentage of GDP. Jamaica welcomes foreign investment in almost all areas of its

economy, including the purchase of privatized state enterprises.

Jamaica has weak property rights, freedom from corruption, trade freedom, and freedom from government. Despite a positive economic environment, average tariff rates are high. The court system is rooted in English common law traditions but suffers from a significant case backlog and some corruption. An understaffed police force is also a problem. Government expenditure is high as a percentage of GDP and up to the level of some EU social welfare states.

Index of Economic Freedom: (refer to website below for full report)

<http://www.heritage.org/index/country.cfm?id=Jamaica>



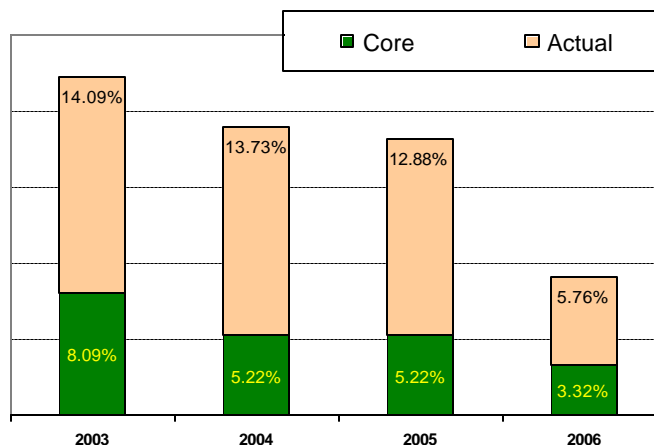
**HEADLINE & CORE INFLATION;  
Down Substantially in 2006**

Reviewing annual inflation rates since 1990 to date, 2006 can be celebrated as the first year that the rate fell below the 6% mark. The lower inflation rate was attributed to developments in both monetary policy and favorable economic conditions. Headline inflation fell from 14.09% in December 2003 to 5.76% in 2006. Of this, core inflation which was 8.09% in December 2003 fell to 3.32% at the end of 2006.

The BOJ commits to continued monetary policy geared towards achieving its goal of single digit inflation consistent with Jamaica's Medium Term Macroeconomic framework.

Improved circumstances within the agricultural sector (no major supply disruptions); relative stability in the

**Figure 8: Annual Trends in Headline and Core Inflation (2003 - 2006)**



Source: Bank of Jamaica (BOJ) and PSOJ Compilations.

exchange market that helped to contain imported inflation; and the suppression of adverse monetary impulses by central bank intervention helped to e-

year.

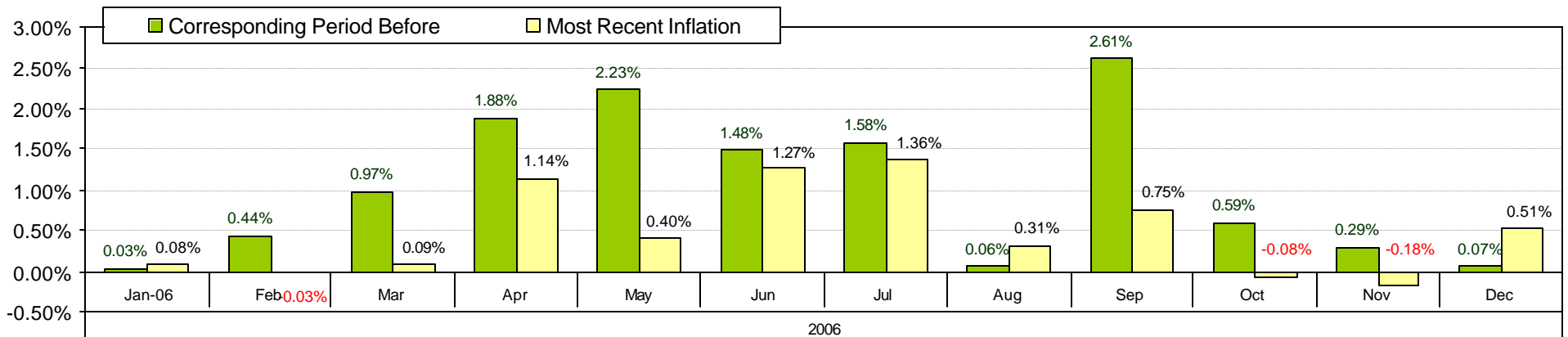
(See Figure 8 for Annual trends in headline and core inflation for period 2003-2006)



# APPENDIX

## INFLATION (December CPI)

CONSUMER PRICE INDEX	Percent %	Proportion of Index	MONTHLY INFLATION - DECEMBER	Rnk	Percentage Change for Month (%)		INFLATION (End Dec-05 to End Dec-06)	YTD Percentage Change (%)
<b>ALL GROUPS</b>	<b>100.0</b>		<b>ALL GROUPS</b>		0.511	[ 0.5114 = (100 x 0.51) ]	<b>ALL GROUPS</b>	5.8
<b>FOOD AND DRINK</b>	<b>54.7</b>		<b>FOOD AND DRINK</b>	+1	0.635	[ 0.3468 = (54.6 x 0.63) ]	<b>FOOD AND DRINK</b>	5.3
Meals Away from Home	14.5		Meals Away from Home		0.340		Meals Away from Home	5.7
Meat Poultry and Fish	29.3		Meat Poultry and Fish		1.159		Meat Poultry and Fish	12.4
Dairy Products Oils & Fats	12.0		Dairy Products Oils & Fats		0.475		Dairy Products Oils & Fats	8.0
Baked Products Cereal & Breakfast Drink	15.3		Baked Products Cereal & Breakfast Drink		0.521		Baked Products Cereal & Breakfast Drink	9.6
Starchy Foods	8.5		Starchy Foods		-2.986		Starchy Foods	-3.7
Vegetables & Fruit	11.5		Vegetables & Fruit		5.445		Vegetables & Fruit	-9.3
Other Food & Beverages	9.0		Other Food & Beverages		0.152		Other Food & Beverages	10.3
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>7.4</b>		<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	+3	0.483	[ 0.0357 = (7.39 x 0.48) ]	<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	8.1
Household Supplies	64.7		Household Supplies		0.572		Household Supplies	7.0
Fuels	35.3		Fuels		0.431		Fuels	8.8
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>8.4</b>		<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	+5	0.310	[ 0.0261 = (8.44 x 0.30) ]	<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	9.0
Rental	24.3		Rental		0.000		Rental	14.2
Other Housing Expenses	75.7		Other Housing Expenses		0.392		Other Housing Expenses	7.7
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>2.9</b>		<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	+4	0.921	[ 0.0270 = (2.93 x 0.92) ]	<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	9.0
Furniture	27.9		Furniture		2.074		Furniture	12.9
Furnishings	72.1		Furnishings		0.337		Furnishings	6.8
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>7.1</b>		<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	+2	0.528	[ 0.0373 = (7.08 x 0.52) ]	<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	7.4
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>5.0</b>		<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	+8	0.197	[ 0.0098 = (5.01 x 0.19) ]	<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	5.8
Clothing Materials	11.0		Clothing Materials		0.004		Clothing Materials	3.8
Readymade Clothing & Accessories	50.0		Readymade Clothing & Accessories		0.266		Readymade Clothing & Accessories	5.5
Footwear	31.3		Footwear		0.164		Footwear	5.3
Making & Repairs	7.6		Making & Repairs		0.131		Making & Repairs	9.8
<b>TRANSPORTATION</b>	<b>6.5</b>		<b>TRANSPORTATION</b>	+6	0.360	[ 0.0234 = (6.50 x 0.35) ]	<b>TRANSPORTATION</b>	0.5
<b>MISCELLANEOUS EXPENSES</b>	<b>8.0</b>		<b>MISCELLANEOUS EXPENSES</b>	+7	0.250	[ 0.0199 = (7.97 x 0.25) ]	<b>MISCELLANEOUS EXPENSES</b>	5.8



## EXTERNAL TRADE (Jan - Aug 2006)

EXTERNAL TRADE - (JAN - AUG 06)	US\$M	
<b>TOTAL EXPORTS (fob)</b>	<b>1,429.76</b>	
Major Traditional Exports	916.93	
by Sector:-		
Agriculture	34.15	
Mining & Quarrying	761.29	
Manufacturing	121.49	
by Industry:-		
Bauxite	75.77	
Alumina	684.50	
Sugar	89.69	
Rum	27.31	
Bananas	8.62	
Coffee	25.48	
Other	5.56	
Non-Traditional Exports	399.39	
Re-exports	22.32	
<b>TOTAL IMPORTS</b>	<b>3,855.98</b>	
Food	404.26	
Beverages & Tobacco	44.49	
Crude Materials (excl. Fuels)	54.22	
Mineral Fuels, etcetera	1,241.54	
Animal & Vegetable Oils & Fats	16.75	
Chemicals	458.83	
Manufactured Goods	437.69	
Machinery and Transport Equip.	729.10	
Misc. Manufactured Articles	329.86	
Other	139.24	
<b>TRADE BALANCE</b>	<b>-2,426.21</b>	

EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2005 - 2006
<b>TOTAL EXPORTS (fob)</b>	<b>326.43</b>	
Major Traditional Exports	115.08	
by Sector:-		
Agriculture	14.117412	
Mining & Quarrying	82.36123626	
Manufacturing	18.604373	
by Industry:-		
Bauxite	11.224	
Alumina	71.658	
Sugar	12.887	
Rum	2.68	
Bananas	5.391	
Coffee	11.035	
Other	0.20802126	
Non-Traditional Exports	208.877	
Re-exports	3.793	
<b>TOTAL IMPORTS</b>	<b>637.355</b>	
Food	20.202	
Beverages & Tobacco	7.579	
Crude Materials (excl. Fuels)	-2.13	
Mineral Fuels, etcetera	311.354	
Animal & Vegetable Oils & Fats	-0.565	
Chemicals	103.334	
Manufactured Goods	-0.833	
Machinery and Transport Equip.	162.622	
Misc. Manufactured Articles	24.696	
Other	11.096	
<b>TRADE BALANCE</b>	<b>-310.9219787</b>	

EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
<b>TOTAL EXPORTS (fob)</b>	<b>29.6%</b>	
Major Traditional Exports	14.4%	
by Sector:-		
Agriculture	70.5%	
Mining & Quarrying	12.1%	
Manufacturing	18.1%	
by Industry:-		
Bauxite	17.4%	
Alumina	11.7%	
Sugar	16.8%	
Rum	10.9%	
Bananas	0.0%	
Coffee	76.4%	
Other	3.9%	
Non-Traditional Exports	109.6%	
Re-exports	20.5%	
<b>TOTAL IMPORTS</b>	<b>19.8%</b>	
Food	5.3%	
Beverages & Tobacco	20.5%	
Crude Materials (excl. Fuels)	-3.8%	
Mineral Fuels, etcetera	33.5%	
Animal & Vegetable Oils & Fats	-3.3%	
Chemicals	29.1%	
Manufactured Goods	-0.2%	
Machinery and Transport Equip.	28.7%	
Misc. Manufactured Articles	8.1%	
Other	8.7%	
<b>TRADE BALANCE</b>	<b>14.7%</b>	

## BALANCE OF PAYMENTS (Jan - Aug 2006)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan - Aug 2006
<b>Current Account</b>	<b>-620.3</b>	
Goods Balance	-1951.3	
Exports	1429.8	
Imports	3381.1	
Services Balance	588.4	
Transportation	-198.4	
Travel	1115.1	
Other Services	-328.3	
Income	-386.5	
Compensation of employees	41.4	
Investment Income	-427.9	
Current Transfers	1129.1	
Official	88.9	
Private	1040.2	
<b>Capital &amp; Financial Account</b>	<b>620.3</b>	
Capital Account	1.1	
Capital Transfers	1.1	
Official	3.6	
Private	-2.5	
Acq/disp. of non-produced non-fin. assets	0	
Financial Account	619.2	
Other Official Invnt. (incl. Gov. Rsv)	218.1	
Other Private Invnt. (incl. err & omis)	529.5	
Reserves	-128.4	

Change Jan - Aug (2006)	US\$M	
<b>Current Account</b>	<b>65.3</b>	
Goods Balance	-243.1	
Exports	326.5	
Imports	569.6	
Services Balance	133.3	
Transportation	-27.5	
Travel	201.4	
Other Services	-40.6	
Income	84.9	
Compensation of employees	-0.6	
Investment Income	85.5	
Current Transfers	90.2	
Official	-7.6	
Private	97.8	
<b>Capital &amp; Financial Account</b>	<b>-65.3</b>	
Capital Account	3.5	
Capital Transfers	3.5	
Official	3.3	
Private	0.2	
Acq/disp. of non-prod non-fin. Asts	0	
Financial Account	-68.8	
Other Official Invnt. (incl. Gov. Rsv)	45.1	
Other Private Invnt. (incl. err & omis)	-244.5	
Reserves	0	

Percentage change Jan - Aug (2006)	%	
<b>Current Account</b>	<b>-10%</b>	
Goods Balance	14%	
Exports	30%	
Imports	20%	
Services Balance	29%	
Transportation	16%	
Travel	22%	
Other Services	14%	
Income	-18%	
Compensation of employees	-1%	
Investment Income	-17%	
Current Transfers	9%	
Official	-8%	
Private	10%	
<b>Capital &amp; Financial Account</b>	<b>-10%</b>	
Capital Account	-146%	
Capital Transfers	-146%	
Official	1100%	
Private	-7%	
Acq/disp. of non-prod non-fin. Asts	0%	
Financial Account	-10%	
Other Official Invnt. (incl. Gov. Rsv)	26%	
Other Private Invnt. (incl. err & omis)	-32%	
Reserves		

## FISCAL ACCOUNT (Apr-Nov' 2006)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	J\$m	Provisional figures Apr-Nov2006	BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-Nov 2006	YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-Nov - (06/07 minus 05/06)
<b>Revenue &amp; Grants</b>	130,359.1		<b>Revenue &amp; Grants</b>	-1,711.1		<b>Revenue &amp; Grants</b>	19,457.30	
Tax Revenue	115,963.7		Tax Revenue	-2,661.7		Tax Revenue	17,307.10	
Non-Tax Revenue	9,079.3		Non-Tax Revenue	1,910.4		Non-Tax Revenue	2,235.90	
Bauxite Levy	2,695.3		Bauxite Levy	156.9		Bauxite Levy	628.80	
Capital Revenue	1,236.2		Capital Revenue	-871.8		Capital Revenue	-1,776.50	
Grants	1,384.6		Grants	-244.9		Grants	1,062.10	
<b>Expenditure</b>	158,394.3		<b>Expenditure</b>	-3,530.6		<b>Expenditure</b>	22,633.40	
Recurrent Expenditure	141,562.2		Recurrent Expenditure	29.6		Recurrent Expenditure	15,275.80	
Programmes	31,622.4		Programmes	203.7		Programmes	4,780.50	
Wages & Salaries	47,756.4		Wages & Salaries	-1,167.1		Wages & Salaries	5,841.40	
Interest	62,183.4		Interest	993.0		Interest	4,654.10	
Domestic	44,948.7		Domestic	945.3		Domestic	1,708.40	
External	17,234.7		External	47.6		External	2,945.70	
Capital Expenditure	16,832.0		Capital Expenditure	-3,560.2		Capital Expenditure	7,357.70	
Capital Programmes	16,832.0		Capital Programmes	-3,560.2		Capital Programmes	7,357.70	
IMF #1 Account	0.0		IMF #1 Account	0.0		IMF #1 Account	0.00	
<b>Fiscal Balance (Surplus [+]/ve)</b>	-28,035.1		<b>Fiscal Balance (Surplus [+]/ve)</b>	1,819.5		<b>Fiscal Balance (Surplus [+]/ve)</b>	-3,176.40	
Loan Receipts	129,517.1		Loan Receipts	37,162.4		Loan Receipts	5,266.50	
Domestic	125,517.6		Domestic	39,265.5		Domestic	37,202.50	
External	3,999.5		External	-2,103.1		External	-31,935.90	
Divestment Proceeds	0.0		Divestment Proceeds	0.0		Divestment Proceeds	0.00	
Amortization	87,186.2		Amortization	1,930.3		Amortization	-8,909.00	
Domestic	76,057.7		Domestic	1,371.0		Domestic	6,214.70	
External	11,128.5		External	579.3		External	-15,123.60	
<b>Overall Balance (Surplus [+]/ve)</b>	14,295.7		<b>Overall Balance (Surplus [+]/ve)</b>	37,031.6		<b>Overall Balance (Surplus [+]/ve)</b>	10,754.70	
<b>Primary Balance (Surplus [+]/ve)</b>	34,148.3		<b>Primary Balance (Surplus [+]/ve)</b>	2,812.5		<b>Primary Balance (Surplus [+]/ve)</b>	1,499.70	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)	J\$m	Provisional figures Apr-Nov2006	BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-Nov 2006	YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-Nov - (06/07 minus 05/06)
<b>Revenue &amp; Grants</b>	130,359.1		<b>Revenue &amp; Grants</b>	-1,711.1		<b>Revenue &amp; Grants</b>	19,457.3	
Tax Revenue	115,963.7		Tax Revenue	-2,661.7		Tax Revenue	17,307.1	
Income and profits	43,611.7		Income and profits	-1,809.1		Income and profits	6,557.1	
Bauxite/alumina	509.4		Bauxite/alumina	-308.7		Bauxite/alumina	90.8	
Other companies	7,773.3		Other companies	-662.7		Other companies	1,707.4	
PAYE	25,112.0		PAYE	-1,579.7		PAYE	3,505.6	
Tax on dividend	148.8		Tax on dividend	6.6		Tax on dividend	40.1	
Other individuals	976.4		Other individuals	-397.7		Other individuals	38.7	
Tax on interest	9,091.6		Tax on interest	1,133.0		Tax on interest	1,174.5	
Environmental Levy	0.0		Environmental Levy	0.0		Environmental Levy	0	
Production and consumption	37,610.2		Production and consumption	-1,746.6		Production and consumption	6,287.8	
SCT	2,041.0		SCT	-856.8		SCT	-162.5	
Motor vehicle licenses	631.2		Motor vehicle licenses	-73.2		Motor vehicle licenses	15.6	
Other licenses	200.7		Other licenses	85.1		Other licenses	89.1	
Betting, gaming and lottery	710.4		Betting, gaming and lottery	-52.3		Betting, gaming and lottery	40.7	
Education Tax	5,785.5		Education Tax	-250.4		Education Tax	1,231.1	
Contractors levy	492.0		Contractors levy	132.0		Contractors levy	174.4	
GCT (Local)	21,915.9		GCT (Local)	-939.2		GCT (Local)	3,872.8	
Stamp Duty (Local)	5,833.4		Stamp Duty (Local)	208.3		Stamp Duty (Local)	1,027.2	
International Trade	34,741.9		International Trade	894.0		International Trade	4,462.1	
Custom Duty	11,014.8		Custom Duty	-179.0		Custom Duty	667.3	
Stamp Duty	675.0		Stamp Duty	-42.8		Stamp Duty	15.7	
Travel Tax	1,405.4		Travel Tax	-53.8		Travel Tax	85.3	
GCT (Imports)	15,844.9		GCT (Imports)	528.5		GCT (Imports)	3,316.7	
SCT (Imports)	5,801.8		SCT (Imports)	641.0		SCT (Imports)	377	
Non-Tax Revenue	9,079.3		Non-Tax Revenue	1,910.4		Non-Tax Revenue	2,235.9	
Bauxite Levy	2,695.3		Bauxite Levy	156.9		Bauxite Levy	628.8	
Capital Revenue	1,236.2		Capital Revenue	-871.8		Capital Revenue	-1,776.5	
Grants	1,384.6		Grants	-244.9		Grants	1,062.1	

### Statistical Index Major Macro-Economic Indicators

	BM		M2		NIR	Fgn CurDep	CPI		Tourism	J\$/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 '03	-10.9	3.72	-3.04	11.03	1,510.25	1,428.27	-0.3	7	21.29	52.98	18.5	23.9	8.9	357,519.32	4,389.10
Feb	2.01	0.04	-3.08	6.32	1,252.94	1,421.05	-0.6	5.7	28.90	53.74	18.5	24.7	8.6	363,846.41	4,152.56
Mar	-0.14	7.54	2.35	7.47	1,339.67	1,499.96	0.5	6.2	23.12	56.24	33.5	24.7	8.2	366,158.13	4,180.00
April	-0.48	9.61	5.90	11.68	1,362.10	1,501.76	1.6	7.3	24.90	57.31	30.3	24.7	8.2	376,664.71	4,178.82
May	1.22	9.2	-0.02	12.55	1,233.33	1,530.56	1.9	9	8.20	59.42	29.3	25.2	8.2	384,739.26	4,198.03
June	-1.02	7.36	-0.78	10.77	1,127.39	1,514.18	2.5	11	11.36	59.01	28.5	25.2	8.2	388,125.86	4,165.3
July	1.2	5.31	0.05	10.46	1,124.92	1,468.85	1.5	11	12.86	59.16	26.3	25.2	8.2	393,970.29	4,133.00
August	0.84	7.63	2.60	12.87	1,080.10	1,586.08	1.4	12	8.32	59.39	25.7	25.6	8.2	396,498.28	4,096.65
Sept	-1.32	4.09	0.93	7.58	1,182.63	1,627.60	1.6	13	12.95	59.71	23.4	25.6	8.4	402,317.57	4,129.12
Oct	2.89	7.46	1.21	14.73	1,131.13	1,655.11	1.6	14	31.44	60.44	none	25.6	8.4	404,949.94	4,164.23
Nov	3.17	8.21	2.62	13.91	1,103.25	1,637.24	0.9	14	11.40	60.65	23.5	25.6	8.4	410,984.43	4,185.10
Dec	17.03	13.3	2.26	11.19	1,164.98	1,670.59	0.8	14	6.87	60.62	22.1	25.6	7.2	417,834.25	4,192.06
Jan '04	-11.3	12.9	0.09	14.79	1,251.01	1,691.67	0.6	15	6.30	60.73	17.2	25.6	7.2	427,363.66	4,169.33
Feb	-0.45	10.2	1.37	20.07	1,473.96	1,727.51	0.6	17	3.32	60.95	16.3	25.6	6.8	419,763.43	4,459.14
Mar	1.1	11.3	2.47	20.20	1,568.66	1,770.19	0.5	17	2.95	61.01	15.6	25.4	6.8	417,571.30	4,529.00
Apr	-0.36	11.5	2.10	15.89	1,741.62	1,769.12	0.4	15	9.48	60.65	15.1	25.2	6.7	417,358.68	4,665.57
May	1.66	12	0.15	16.08	1,715.66	1,799.65	0.6	14	5.90	60.93	15	25	6.6	420,503.45	4,745.42
June	-0.11	13	-0.91	15.92	1,604.10	1,757.84	0.8	12	12.27	61.22	15	25	6.6	429,251.39	4,773.46
July	2.83	14.8	1.18	17.23	1,594.69	1,721.50	1	12	0.11	61.8	15	25	6.6	440,539.38	5,029.49
Aug	1	15	0.84	15.21	1,643.46	1,922.93	1.3	12	3.88	61.9	15	25.1	6.6	440,433.32	4,838.02
Sep	0.97	17.7	1.25	15.58	1,616.52	1,867.23	0.6	11	-21.73	61.89	14.8	25	6.6	438,123.75	4,856.86
Oct	0.84	15.3	0.03	14.23	1,826.66	1,833.56	3.3	12	-19.73	61.88	14.8	25	6.5	439,614.97	5,075.17
Nov	1.79	13.8	1.76	13.28	1,816.06	1,855.79	2.4	14	-1.44	61.98	14.9	24.9	6.5	444,214.54	5,118.92
Dec	14.33	11.2	3.93	15.12	1,858.52	1,925.98	0.6	14	4.31	61.63	14.9	24.9	6.5	446,961.92	5,120.44
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	2,033,370	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	2,044,983	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	2,056,721	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	2,049,925	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	2,178,414	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	2,119,487	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	2,104,076	-0.08	5.8	24.1	66.50	12.30	21.80	5.36	n/a	n/a
Nov	2.67	16.30	n/a	n/a	2,352.99	2,241,846	-0.18	5.3	9.5	66.92	12.31	21.80	5.36	n/a	n/a
Dec	19.97	17.32	n/a	n/a	2,317.55	n/a	0.51	5.8	9.4	67.15	12.31	21.90	5.20	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.

<u>Key:</u>	
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	

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