



CONFIDENTIAL ECONOMIC BULLETIN



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OVERVIEW

In February 2007 the Consumer Price Index (CPI) increased by 0.18%. This marginal change contributed to the resulting low 6.10% inflation rate reported for the first 11 months of the fiscal year 2006/07 (see Inflation Chart in Appendix). Inflation for the first two (2) months of 2007 was 0.47% and compared less than favourably to the 0.05% reported for the corresponding period in 2006. There was no noticeable change to the FX-rate for the one month period ending February 2007. For the first two months of 2007 the Jamaican dollar lost 40 cents to its US counterpart.

The marginal increase of the CPI for February 2007 was attributed to the suppressing nature of price reduc-

tions of Starchy Foods and Vegetables & Fruits under the Food and Drink segment. All other categories under the segment had higher prices for the month of February. The major changes were experienced in, 'Dairy Products' (condensed milk), 'Meat Poultry & Fish' (goat flesh and mutton, pork legs and others)

Health Care and Personal Expenses' was the second largest contributor by segment to inflation during the month. This resulted from higher doctor fees of approximately 11% within the KMA region; and price increases for a range of items classified under personal expenses, across the island.

'Fuel and Other household Items' was the third (3rd) largest contributor to inflation during February 2007. This reflected a higher price for charcoal in rural areas along with price increases for a range of household items in other regions.

The Net International Reserve (NIR) declined by US\$102.8M in February to close at US\$2,185.6M. Total NIR was sufficient to accommodate 22.8 weeks of goods importation.

Stopovers for the month of February declined by 4.0% when compared to the corresponding month of 2006. Stopover arrivals, however, exceeded that of February 2005 by 8.1%. Cruise arrivals for February 2007 increased by 4.3% when compared to arrivals in Feb-06. Cruise arrivals exceeded that for the corresponding month of 2005 by 9.7%.

Alumina exports for February 2007 declined by 10.9% while production increased by 4.2%. Crude Bauxite exports for the month increased by 10.2% along with a 6.8% increase in its production.

The Jan-Nov 2006 trade deficit expanded by US\$476.1M or 16.2% relative to the corresponding period in 2005.

For the period April to February of the fiscal year 2006/07 the government fiscal deficit was J\$8.06B more than budget. This resulted from Expenditure being \$3.65B more than budget and revenue being \$4.41B lower than planned. All items under Recurrent expenditure exceeded budget. Tax revenue grew by 17.1% over the corresponding period of 05/06 falling short of the average 20% growth estimated for the FY 06/07.

Since the fall of 30-bps on all BOJ (OMO) instruments on December 22, 2006, there has been no other adjustments. The current rates on 30-Day and 180-day OMO instruments are 11.65% and 12.00% respectively. The six month Treasury Bill rate fell by 5bps to close February at 11.94%. The Average Lending and Borrowing rates remained at their Dec-06 levels of 21.90% and 5.20% respectively.

Net International Reserves (NIR)

For the month of February 2007, Net International Reserves declined by US\$102.8M. At the end of the month the reserve balance stood at US\$2,185.6M down from the previous month's value of US\$2,288.4M. The gross reserves amounted to 22.8 weeks of Goods imports against the 28.5 weeks recorded in the corresponding month of 2006. Within the last 12 months, the NIR grew by US\$161.3M (see Table 1).

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** No changes since last report



Foreign Currency

For the month of January 2007 total foreign currency deposits amounted to US\$2,183.07 million, approximately US\$2.30 million less than the previous month's figure (see Table 2). This was due to lower balances at Commercial Banks which held approximately US\$5.08M less than the month before. Building societies and Merchant Banks, however, held US \$1.72M and US\$1.07M more respectively.

For the 12 months to December 2006 total foreign currency deposits grew by US\$154.48M, a 7.6% increase (see Table 2).

Foreign Exchange Rate

The value of the local currency did not change against its US counterpart during February. The Jamaican dollar continued to trade at \$67.55 per US\$1 (see table 3). For the first 21 days of March 2007, the local currency depreciated by another 18 cents Jamaican against the US dollar.

The Jamaican dollar lost 53 cents (JA) against the pound over February and 65 cent (JA) against the Canadian Dollar (see Table 3).

Interest Rates

The BOJ made no changes to the rates on Open Market Operation (OMO) instruments since the 30 basis point cut of all rates on December 22, 2006.

The BOJ indicated that the favourable movement in interest rates that are being observed, reflects the continued robust economic performance as inflation rates remain low and significantly below the programmed level 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.

Table 1: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Feb-07	2,185.6	-102.8	161.3	-132.0	22.8
Feb-06	2,024.2	-69.2	193.2	-63.2	28.5

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Jan '06	Change (US\$000)		% 12 mth
		mthly	12 mth	
Commercial Banks	1,592,945	(5,084)	83,782	5.55%
Building Societies	415,519	1,715	60,059	16.90%
Merchant Banks	174,606	1,068	10,640	6.49%
Total Deposits	2,183,070	(2,301)	154,481	7.62%

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends (February-2007)

	Year to Date Currency Rate Change*					
	J\$/US\$	%	J\$/UK£	%	J\$/Can\$	%
2007	0.40	0.6	0.73	0.6	0.66	1.1
2006	0.78	1.2	3.66	3.3	2.38	4.3
2005	0.28	0.5	0.19	0.2	-0.62	-1.2

	Monthly					
	J\$/US\$	%	J\$/UK£	%	J\$/Can\$	%
Feb-07	0.00	0.0	0.53	0.4	0.65	1.1

*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

	Feb-07	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	11.65%	0.00%	-0.95%	0.00%
180-Day Repo	12.00%	0.00%	-1.00%	0.00%
Avg Savings Deposit	5.20%	0.00%	-0.10%	0.00%
Avg Loan Rate	21.90%	0.00%	0.06%	0.00%
6 Month T-Bill	11.94%	-0.05%	-1.30%	-0.37%
12 Month T-Bill	n/a	n/a	n/a	n/a

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

The six-month T-bill cleared the market at an average yield of 11.94% on February 28, 2007. This captures a 5-bps reduction over the first two (2) months of 2007. Within the 12 months leading up to February 2007, the 6-mth T-Bill rate declined by 130-bps.

The Average Lending and Average Saving rates remained at their previous month's level of 21.9% and 5.2% respectively. Over a 12-month period, the Average lending rate increased by 6-BP's while the Average Savings rate declined by 10-BP's (see Table 5 & Figure 2).

Base Money & Money Supply

The monetary base increased by 1.91% in February 2007 relative to the previous month's value. For the month of December 2006, when compared to the month before, all monetary aggregates grew. M1 grew by 14.47%, Quasi Money by 1.69% and M2 by 5.69%. (see table 6).

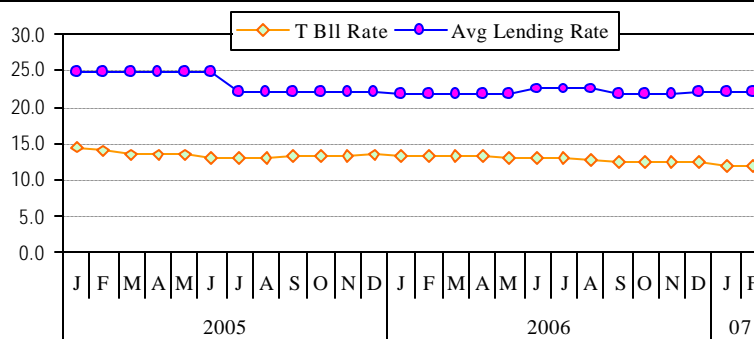
Inflation

The inflation rate was 0.18% for the month of February 2006 (see Table 7). This marginal change has contributed to sustaining a low inflation rate of 6.1% for the first 11 months of the fiscal year 2006/07 (see also Inflation Chart in Appendix). For the comparable fiscal period before, consumer prices increased by 12.4%.

All categories under Food and Drink except for Starchy foods and Vegetables & Fruits had price declines. Despite significant fall-off in the price of these items, the overall segment turned out to be the largest contributor to inflation for the month.

Large declines in the price of yellow and lucca yams were evident in "Other towns" while the KMA reported major changes in the "Meat & Poultry & Fish" and "Dairy Products Oils & Fats" segments. These included items such as Pork legs, mutton (goat flesh) and con-

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	86,885.53	14.47	19.45
Quasi Money	169,527.33	1.69	8.96
M2	256,412.86	5.69	12.30
<hr/>			
	Feb-07	Mthly	12 Mth
Base Money	51,967.28	1.91	18.96

Source: BOJ Economic Statistics

Table 7: Inflation Trends

	Feb	% Percent Changes		
		12Mth	YTD	Fiscal
2007	0.18	6.2	0.47	6.10
2006	-0.03	12.4	0.05	11.33

Source: STATIN & BOJ Statistical Digest

densed milk. Other items had marginal price increments and this was seen also in rural areas.

'Health Care and Personal Expenses' was the second (2nd) largest contributor to inflation during February 2007. Doctors fees went up by 11% in the KMA along with other personal expenses. These include 3%-10% higher rate on various hair treatments. Within Other towns and Rural areas, there were marginal price increases for a range of sanitary supplies and personal care items along with a 1.7% increase in optician fees.

Fuels and Household Supplies took third place. It reflected a higher price for charcoal in Rural areas and for various household items within the other regions. (see Table 7 and INFLATION chart in Appendix)

Bauxite & Alumina Production

In February production of Alumina increased by 4.2% accompanied by a 10.9% decrease in exports when compared to the same period of 2006 (see table 8).

Both Crude Bauxite production and exports increased in February 2007 over 2006. Production grew by 6.8% while associated exports grew by 10.2% (see Table 8).

Tourism

Stopovers: Stopovers for February 2007 declined by 4.0% when compared to the same period of 2006 (see Table 9 & Figure 4B). This was due to declines in both visits by Foreign nationals and Non-

Resident Nationals of 3.9% and 5.4% respectively. Stopover arrivals for February 2007 remained greater than arrivals in February 2005 by 8.1%.

Cruise Passengers: Cruise arrivals for the second month of 2007 grew by 4.3% over that of 2006 (see Table 9 & Figure 4C). Cruise arrivals in February 2007 also exceeded that in 2005 by 9.7%.

Total Visitors: Total visitor arrivals for the first two months of 2007 grew by 1.6% when compared to the same period of 2006. This resulted from a 6,418 reduction in Stopovers that was outweighed by a the 14,528 more cruise visitor arrivals since the start of the year.

External Trade

The trade deficit widened by approximately 16.2% for the period Jan–Nov of 2006 when compared to the corresponding period of 2005. This change represents a US \$476.1M deterioration to bring the deficit on the Trade A/C to a balance of US\$3,409.74M. The import bill grew by US\$890.15M (20%) while export revenues increased by US\$414.08M (27.3) above the corresponding period of 2005.

Exports amounted to US \$1,931.59M, up from US \$1,517.51M for the corresponding 11 month period of 2005. There was a US\$164.50M or 15.5% improvement in Traditional exports resulting largely from Mining and Quarrying. Over the period the Mining and Quarrying sector grew by US\$122.04M or 13.2% when compared to the same period a year before. Both Agriculture and Manufacturing had significant growth of 81.5% and 20.4% respectively.

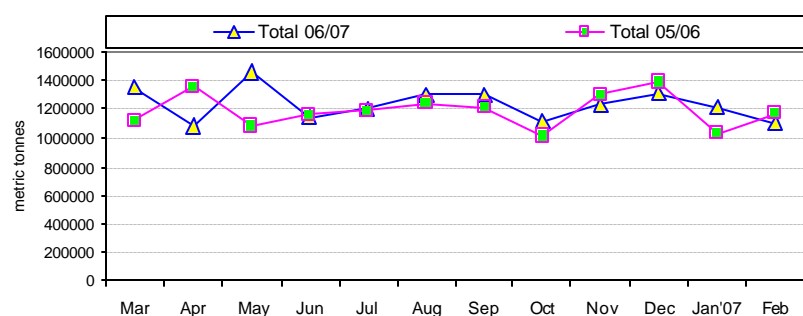
The increase in Mining and Quarrying reflects the sector's increased growth in export of Alumina and Bauxite (Table 10: Exports by Industry). Changes in Mining and Quarrying are directly correlated to changes in Alumina, a component that represents ap-

Table 8: Mining Production

	000 tonnes			YTD	
	Feb-06	Feb-07	%	Feb-07	06/07 %
Production					
Alumina	310.0	322.9	4.2	673	2.11
C. Bauxite	358.6	382.8	6.8	764	7.99
Export					
Alumina	335.4	298.8	-10.9	627	2.87
C. Bauxite	319.5	352.1	10.2	746	11.50

Source: Jamaica Bauxite Institute (JBI)

Figure 3: Bauxite Exports for (12 mths 2006 - 2007)



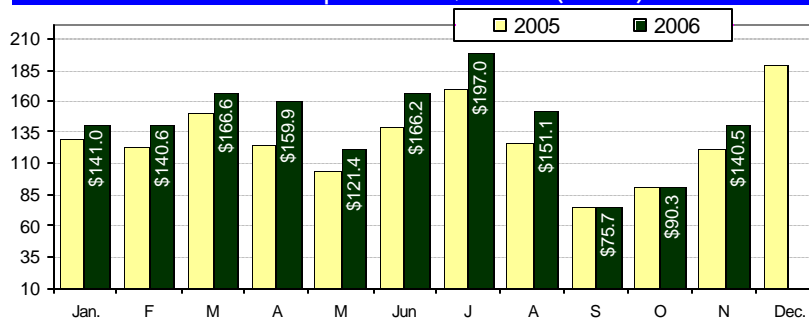
Source: Jamaica Bauxite Institute (JBI)

Table 9: Tourist Arrivals

	2006	2007	% Change	
	YTD (Feb)	YTD (Feb)	YTD - YOY	Feb 06/07
Stopover	269,123	262,705	-2.4%	-4.0%
Foreign Nats	257,509	251,740	-2.2%	-3.9%
Non-Resident Nats	11,614	10,965	-5.6%	-5.4%
Cruise	252,330	266,858	5.8%	4.3%
Total Arrivals	521,453	529,563	1.6%	-0.2%

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

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

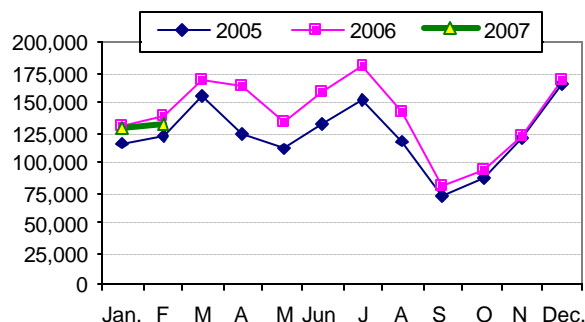


Source: Jamaica Tourist Board (preliminary data) & BOJ Statistical Update (Revised values)

proximately 90% of the category's export for the first eleven (11) months of 2006.

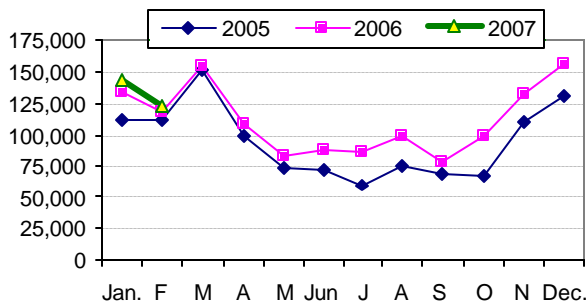
Trends in Agriculture were dominated by Coffee exports representing just over 65% of the segments'

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-Nov '2005	Jan-Nov '2006	Change	% Change
TOTAL EXPORTS (fob)	1,517.51	1,931.59	414.08	27.3%
Major Traditional Exports	1,061.36	1,225.86	164.50	15.5%
by Sector:-				
Agriculture	24.26	44.04	19.78	81.5%
Mining & Quarrying	925.71	1,047.76	122.04	13.2%
Manufacturing	111.39	134.06	22.67	20.4%
by Industry:-				
Bauxite	88.16	103.73	15.57	17.7%
Alumina	835.77	942.73	106.96	12.8%
Sugar	76.81	89.69	12.89	16.8%
Rum	32.60	39.32	6.72	20.6%
Bananas	3.75	12.40	8.65	
Coffee	17.10	31.06	13.96	81.7%
Other	7.18	6.94	-0.24	-3.4%
Non-Traditional Exports	305.59	550.61	245.02	80.2%
Re-exports	27.60	32.06	4.46	16.2%
Free Zone & Ports **	122.96	123.06	0.10	0.1%
TOTAL IMPORTS	4,451.18	5,341.33	890.15	20.0%
Food	545.61	570.95	25.33	4.6%
Beverages & Tobacco	50.20	63.46	13.26	26.4%
Crude Materials (excl. Fuels)	71.09	76.33	5.25	7.4%
Mineral Fuels, etcetera	1,265.93	1,629.57	363.64	28.7%
Animal & Vegetable Oils & Fats	25.39	22.71	-2.67	-10.5%
Chemicals	499.69	639.60	139.92	28.0%
Manufactured Goods	593.82	642.19	48.37	8.1%
Machinery and Transport Equip.	790.44	1,041.85	251.41	31.8%
Misc. Manufactured Articles	429.93	460.76	30.83	7.2%
Other	179.09	193.91	14.82	8.3%
TRADE BALANCE	(2,933.67)	(3,409.74)	-476.07	16.2%

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

export value. Coffee exports grew by approximately 82% over the corresponding period of 2005. Bananas also reflected significant changes and accounts for approximately 28% of the sectors' export value in the eleven (11) months since January 2006.

Exports from the Manufacturing

sector grew by US\$22.67M representing a 20.4% increase for the first 11 months of 2006 over 2005 (see exports by industry in Table 10).

In the Non-traditional sector, exports increased by a significant 80.2% or US\$245.0M. 'Other Non-Traditional' exports represent ap-

proximately 65.8% of the total (non-traditional) change over the corresponding eleven months of 2005 while Crude Materials accounted for 30.2%. Food and 'Beverages & Tobacco' accounted for approximately 2.2% and 1.8% of the change respectively.

Imports grew by US\$890.15M or 20.0% for the review period (Jan-Nov). This reflected increases in all categories except for Animal & Vegetable Oils & Fat, a US\$2.67M or 10.5% reduction. The value of the import reduction in Animal & Vegetable Oils and Fat was minimal when compared to all other positive changes (see Table 10).

Mineral Fuel imports increased by US\$363.6M or 28.7% for the first eleven (11) 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. Machinery and Transport Equipment imports grew by US\$251.4M or 31.8% when compared to the corre-

sponding period before. Chemicals grew by approximately US\$139.9M or 28.0% while Manufactured goods captured a US\$48.4M or 8.1% growth.

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

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

	Jan-Nov 2005	Jan-Nov 2006	Change	% Change
Current Account	-1055.8	-1115.1	-59.3	-6%
Goods Balance	-2368.4	-2741.8	-373.4	-16%
Exports	1517.5	1931.7	414.2	27%
Imports	3885.9	4673.5	787.6	20%
Services Balance	499.3	679.2	179.9	36%
Transportation	-256.4	-307.4	-51	-20%
Travel	1132.8	1426.5	293.7	26%
Other Services	-377.1	-439.9	-62.8	-17%
Income	-601.8	-603	-1.2	0%
Compensation of employees	82.5	91.8	9.3	11%
Investment Income	-684.3	-694.8	-10.5	-2%
Current Transfers	1415.1	1550.5	135.4	10%
Official	125.4	117.4	-8	6%
Private	1289.7	1433.1	143.4	11%
Capital & Financial Account	1055.8	1115.1	59.3	6%
Capital Account	-2.6	1	3.6	-138%
Capital Transfers	-2.6	1	3.6	-138%
Official	0.3	3.8	3.5	1167%
Private	-2.9	-2.8	0.1	-3%
Acq/disp. of non-produced non-fin. assets	0	0	0	0%
Financial Account	1058.4	1114.1	55.7	5%
Other Official Invnt. (incl. Gov. Rsrv)	409.8	544.5	134.7	33%
Other Private Investment (includes. err & omis)	883.9	835.4	-48.5	5%
Reserves	-235.3	-265.8		

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 first eleven months of 2006, the nation posted a current account deficit of US\$1,115.1M. This shortfall was US\$59.3M (6%) 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\$373.4M as a US\$414.2M increase in export revenue was offset by a US\$787.6M growth in the import bill.

Traditional exports increased by US\$164.50M reflecting higher income largely from Mining & Quarrying (74.2% of total increase). Manufacturing accounted for 13.8% of the increase while Agriculture accounted for the remaining 12.0%. Non-traditional exports increased by an approximate US\$245.0M or 80.2%

Imports grew by US\$890.2M or 20.0% 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\$10.5M more than that for the corresponding period before. The US\$9.3M earnings on Compensation to employees was not sufficient to cancel this amount, resulting in an Income account deficit of US

\$1.2M .

The surplus on the **Services account** was US\$179.9M or 36% more than the amount for the corresponding period in 2005. The higher outflows from Transportation (US\$51.0M) and Other Services (US\$62.8M) was outweighed by the US\$293.7M increased inflows from the Travel account.

Current Transfers posted a US\$135.4M (10%) growth in net inflows. This was due to a US \$143.4M increase in Net Private Transfers or remittances that was partially offset by a US\$8.0M reduction in Official inflows. Remittances continue to contribute a significant portion to foreign exchange earnings representing approximately 26.4% for the first eleven (11) months of 2006. Net private remittances grew by 11.0%

over the corresponding period of 2005.

Under the Financial account, net inflows from Other Official Investments grew from a surplus of US\$409.8M for the period in 2005 to a surplus of US \$544.5M in the corresponding period of 2006. This represents a growth of US\$134.7M or 33%. There was a US\$48.5M or 5% reduction in the surplus on the Other Private Investments sub-account. Overall, inflows to the Financial a/c were more than sufficient to finance the Current a/c deficits. This resulted in a US\$265.8M build up of Net International Reserves (NIR) for the review period (Jan-Nov/06).

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

Fiscal Accounts

For the first eleven (11) months of FY 2006/07 the Government budget deficit was \$8.06 billion more than planned. Expenditure was \$3.65 billion above budget while Revenue collection was \$4.41 billion below budget.

Revenues: Revenues and Grants totalled approximately \$184.6 billion, some \$4.4B or 2.3% below that projected. This reflected a \$3.5B shortage in Tax revenue collections. Other collections that came in below budget were Capital revenue (\$1,311.4M) and Grants (\$1,879.2M) for the period Apr-Feb 2006/07. Non-Tax Revenue and Bauxite Levy remained the only two revenue items to register an increase over budget for the review period. Non-Tax revenue in-

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

	April - February (Fiscal -2006/07)				Fiscal yo-y 05/06-06/07	
	J\$ million		Deviation		J\$m	(%)
	Provisional	Budget	J\$m	(%)		
Revenue & Grants	184,637.8	189,050.4	-4,412.6	-2.33	26,311.9	16.6
Tax Revenue	165,187.1	168,719.4	-3,532.2	-2.09	24,134.1	17.1
Non-Tax Revenue	12,756.3	10,589.5	2,166.8	20.46	2,949.6	30.1
Bauxite Levy	3,654.6	3,511.0	143.5	4.09	877.8	31.6
Capital Revenue	1,486.2	2,797.6	-1,311.4	-46.88	-2,526.8	-63.0
Grants	1,553.6	3,432.9	-1,879.2	-54.74	877.3	129.7
Expenditure	228,915.3	225,266.9	3,648.4	1.62	37,970.8	19.9
Recurrent Expenditure	208,896.6	198,452.1	10,444.5	5.26	31,369.7	17.7
Programmes	44,695.4	43,044.2	1,651.2	3.84	7,093.7	18.9
Wages & Salaries	71,789.9	66,803.8	4,986.1	7.46	13,982.0	24.2
Interest	92,411.3	88,604.1	3,807.2	4.30	10,294.2	12.5
Domestic	66,633.7	63,259.3	3,374.4	5.33	6,535.7	10.9
External	25,777.6	25,344.8	432.8	1.71	3,758.5	17.1
Capital Expenditure	20,018.6	26,814.8	-6,796.1	-25.34	6,601.3	49.2
Capital Programmes	20,018.6	26,814.8	-6,796.1	-25.34	6,601.3	49.2
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	
Fiscal Balance (Surplus [+]ve)	-44,277.5	-36,216.5	-8,061.0	22.26	-11,658.9	35.7
Loan Receipts	137,368.5	117,789.3	19,579.3	16.62	-37,577.0	-21.5
Domestic	128,673.8	110,380.6	18,293.2	16.57	7,078.9	5.8
External	8,694.7	7,408.7	1,286.1	17.36	-44,655.9	-83.7
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	
Amortization	111,374.2	107,136.1	4,238.1	3.96	-12,417.6	-10.0
Domestic	96,584.1	92,788.5	3,795.5	4.09	3,740.0	4.0
External	14,790.2	14,347.6	442.6	3.08	-16,157.6	-52.2
Overall Balance (Surplus [+]ve)	-18,283.2	-25,563.4	7,280.2	-28.48	-36,818.5	-198.6
Primary Balance (Surplus [+]ve)	48,133.9	52,387.6	-4,253.8	-8.12	-1,364.9	-2.8

Source: Ministry of Finance and Planning

creased by \$2.17B or 20.5% over budget while Bauxite Levy increased by \$143.5M or 4.1% (see Table 12A).

Tax Revenue collections for the first eleven (11) months of FY 2006/07 exceeded that of the corresponding period before by 17.1%. This is 2.9 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 (\$37,339M), Local GCT (\$30,615M), GCT on Imports (\$22,209M), Custom Duty (\$15,231M) and Tax on Interest (\$14,309M).

The largest positive variances from budget were Tax on Interest (\$2,597.0M), GCT on Imports (\$649.2M) and SCT on imports (\$383.5M) (see Table 12C). The largest revenue shortfalls resulted from Local GCT (\$2,546.2M), Other Companies tax (\$1,291.4M) and PAYE collections (\$1,237.2M)

Expenditures: Total Expenditures amounted to approximately \$228.9 billion, some \$3.6B or (1.6%) above target. All items under recurrent expenditure exceeded the budget for the period. Capital Expenditure, however, fell short of budget by approximately \$6.8B or 25.3% for the first eleven (11) months of FY 2006/07 (see Table 12A & 12C).

Wages and Salaries exceeded budget by \$4.99B (7.5%). Domestic and External Interest payments exceeded budget by \$3.37B (5.3%) and \$432.8M (1.7%) respectively. Programmes Expenditure also exceeded budget by \$1.65B (3.8%).

Loan receipts were \$19.58B or 16.6% above budget. The GOJ borrowed \$18.29B (16.6%) more than planned from the domestic market and \$1.29B (17.4%) from external lenders (see Table 12A).

Total public debt at the end of January 2007 stood at \$917.11 billion, some \$8.73 billion less than the previous month's level of \$925.84 billion.

Table 12B: Budgeted Changes for Fiscal 2006/07

J\$-Billions	Actual	Budgeted	Expected Change	
	2005/06	2006/07	\$	%
Revenue & Grants	186.68	219.23	32.55	17%
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%
Expenditure	207.72	240.61	32.89	16%
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%
Fiscal Balance (Surplus [+]/ve)	-21.04	-21.38	-0.34	-2%

Source: Ministry Of Finance and Planning (Jamaica)

Table 12C: Major Changes in Fiscal Revenue and Expenditure

J\$-Millions	Apr - Feb 06/07 (YOY)
Revenue (Revenue Surpluses)	
Tax on Interest	2,597.00
GCT (Imports)	649.20
SCT (Imports)	383.50
Revenue (Revenue Shortfalls)	
GCT (Local)	-2,546.20
Other Companies	-1,291.40
PAYE	-1,237.20
Expenditure (Changes)	
Wages & Salaries (Overrun)	4,986.10
Interest (Overrun)	3,807.20
Programmes (Overrun)	1,651.2

Source: Ministry Of Finance and Planning (Jamaica)

Domestic Debt stock fell by \$8.68 billion to end the month at \$528.00 billion. External Debt fell by approximately US\$35.45 million to close January at US\$5,760.2 million.

Table 12-B shows the budgeted changes in Revenue and Expenditure that were presented at the start of the fiscal period 2006/07. The Estimates of Expenditure report presented in the house of the representatives on March 29th, 2007 indicated that the GOJ expects to exceed the planned budget of recurrent expenditure by \$12.85 billion or 6.1%. For the first 11 months of fiscal 2006/07, however, Recurrent Expenditure has exceeded budget by \$10.4 billion or 5.3%.

(see Table 12 A&B and Fiscal Account (Apr-Feb 06/07) in Appendix)

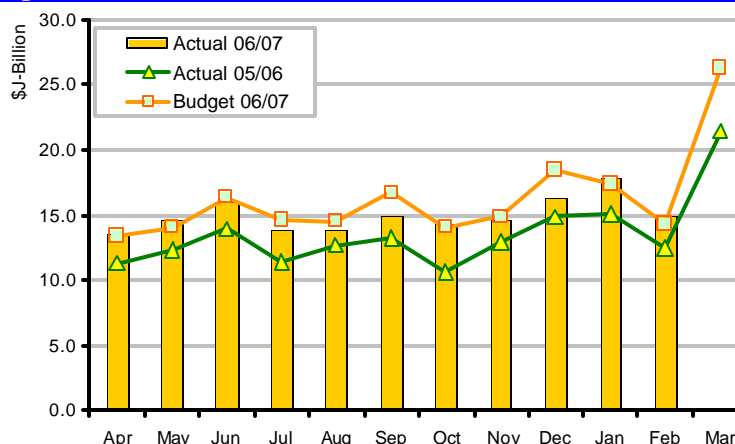
Stock Market

The main JSE Index declined by 8.6% or 8,769.36 pts over February 2007 to close the month at 92,949.43 pts. For the month of March, the index lost another 2,354.39 pts, a 2.53% decline since the end of February. On April the 5th that closed the first week of trading, the main JSE index gained a marginal 251.25 pts (0.28%) to stand at 90,846.29 pts on that day.

Market capitalization declined by \$71.39 billion or 8.56% during February. During March also, it fell by an additional \$19.2 billion or 2.53% to close the month at approximately \$741.25 billion. For the first 5 days of April, market capitalization increased by \$1.63 billion or 0.22%.

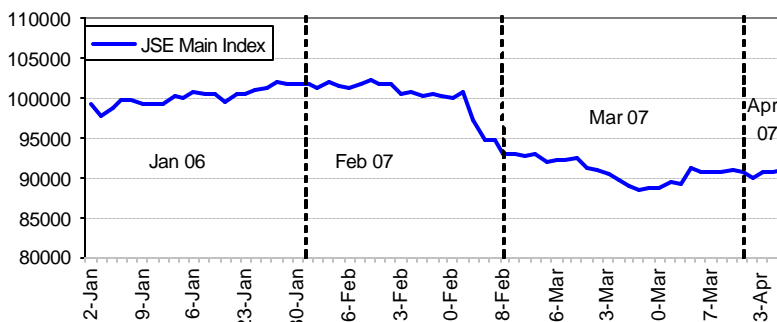
The top performing stock for the first three months of 2007 was Salada Foods that advanced by \$15.00 or 37.5% to end March at \$55.00 per share (see Table 13). Supreme Ventures and Mobay Ice were next inline with price increases of 16.7% and 6.7% respectively.

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



Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Jan-07 - Mar-07 & part Apr-07



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 Five (unadjusted for dividends or transaction costs)

	31-Dec-06	28-Mar-07	\$ change	% change
Salada Foods	40.00	55.00	15.00	37.5%
Supreme Ventures	1.80	2.10	0.30	16.7%
Mobay Ice Company	6.56	7.00	0.44	6.7%
Courts (Jamaica)	4.00	4.25	0.25	6.3%
Seprod	16.00	16.51	0.51	3.2%

Bottom Five (unadjusted for dividends or transact. Costs)

Dyoll Group	0.90	0.26	(0.64)	-71.1%
Ciboney Group	0.07	0.04	(0.03)	-42.9%
Capital & Credit -MB	18.50	12.00	(6.50)	-35.1%
First Carib. Intl Bank Ja.	26.00	17.58	(8.42)	-32.4%
Mayberry Invest. Ltd.	4.00	2.77	(1.23)	-30.8%

Source: Compiled from the JSE

The worst performer in terms of capital gain was Dyoll Group which lost 64 cents or (71.1%) of its value to end the month at 26 cents. Second and third largest capital losses were taken by Ci-

boney Group (42.9%) and Capital and Credit (35.1%).

Developments & Outlook

Jamaica Downgrade from Outperform to Marketperform

The Bear Stearns' Central America & Caribbean Monthly Report issued on March 5 2007 indicated that, at date, Jamaican instruments were being traded at the lower end of the spread when compared to other similar (B) rated sovereigns. The report highlighted the fact that other B-rated sovereigns were doing a better job at improving their

credit worthiness. The Debt/GDP ratios of these countries have been declining at a faster rate than that of Jamaica. Two mentioned countries were Dominican Republic and Uruguay that were rated at the same level.

The rating agency has decided to lower its suggested rating for Jamaica alongside Barbados from a status of outperform to marketperform. Despite actual performances that reflect both countries being recent outperformers, the agency is concerned that they might be vulnerable to consolidation. Both countries, it

was noted, were still traded widely among peer groups and as such made a downgrade to underperform unwarranted.

The report highlights that while over expenditure leading to a missed budget could be attributed to infrastructure developments in preparation for the Cricket World Cup, it is of the belief that benefits will result from direct spending of visitors during the games and also indirect advertisements for the region in the international media. It was believed, however, that there would be some difficulty in putting to full use these newly built infrastructures.

RECURRENT & CAPITAL Expenditure Estimates for Fiscal term 2007/2008

Recurrent Expenditure:

Previous Fiscal Term: For the fiscal term ending March 31, 2007, the Government of Jamaica (GOJ) revised its estimates for Recurrent and Capital expenditures and made estimates for the new fiscal term 2007/08. Recurrent expenditures for the term 2006/07 was estimated at \$224.59B. This exceeded the initial estimates of \$211.73B by \$12.86B or 6.1%. Under recurrent expenditures, the major over-expenditures resulted from the Ministry of Education and Youth (\$5.4B or 15.2%); Ministry of National Security and Departments (\$5.15B or 27.5%); and the Ministry of Health and Departments (\$3.13B or 20.5%).

The Ministry of Finance and Planning and Departments spent approximately \$3.07B less than initially planned. Within this group, savings of \$8.71B came directly from the Ministry of Finance and Planning (MOF&P). However, overspending on the Public debt charge item of approximately \$4.63B along with over spending

within other sub-departments negated more than half of the \$8.71B savings from the MOF&P department.

New Fiscal Term: The budgeted figures for the new fiscal term 2007/08 reveals that expected Recurrent Expenditure will exceed the 2006/07 revised figure by \$14.71B or 6.6%. The result is a Recurrent expenditure for the fiscal term 2007/08 that is estimated at \$239.30B.

The largest change from the recently revised 2006/07 figures to the newly budgeted figures for fiscal year (FY) 2007/08 is captured within the Ministry of Finance and Planning and Departments. The \$4.63B over expenditure that was attributed to Public debt charges (interest) during the last period will largely be anticipated in the new fiscal term. As such estimates for Public debt charges accounts for a \$4.42B increase on the previous revised values. An additional \$1.3B is anticipated for Pensions while the Office of the MOF&P has budgeted an additional \$2.9B in excess of its estimated actual spending for last term.

A \$2.61B (11%) addition to what was spent in the last fiscal term will be allotted to the Ministry of National Security for the new fiscal term. Of this, \$2.01B will be directed to the Police Department to be spent largely on Auxiliaries, support services and police operations in the maintenance of law and order.

Of the Gross Total Recurrent expenditure budgeted for FY 2007/08, 51% is allotted to the MOF&P department; 17% to the Ministry of Education and Youth; 11% to the Ministry of National Security and; 8% to the Ministry of Health (see table 14).

Of the 51% of Recurrent Expenditure allocated to the MOF&P, roughly 82% is directed to interest rate Public Debt Charges authorized by law. Approximately 69% of these interest rate payments are made on internal debt while the remaining 31% goes to external debt servicing.

Capital Expenditure:

Previous Fiscal Term: The largest deviation from budgeted Capital Expenditure over the FY 2006/07 was observed within the MOF&P. The ministry recorded a \$5.31B



Table 14: Estimates of Recurrent and Capital Expenditure for Fiscal 2007/2008

Part I Recurrent			
Summary of Expenditure Estimates by Ministries and Departments (Showing Gross Estimates and Total Appropriations In Aid)			
	\$'000		Proportions
His Excellency the Governor-General & Staff	102,152.0	0%	
Houses of Parliament	505,233.0	0%	
Office of the Public Defender	48,498.0	0%	
Office of the Contractor-General	147,650.0	0%	
Auditor General	222,723.0	0%	
Office of the Services Commissions	119,554.0	0%	
Office of the Children's Advocate	32,557.0	0%	
Office of the Prime Minister	1,674,619.0	1%	
Office of the Cabinet	828,688.0	0%	
Ministry of Tourism, Entertainment and Culture	3,725,237.0	2%	
Ministry of Finance and Planning	124,509,982.0	51%	████████████████████████████████████████
Ministry of National Security	26,934,319.0	11%	████████████████
Ministry of Justice	2,604,619.0	1%	
Ministry of Foreign Affairs and Foreign Trade	2,355,137.0	1%	
Ministry of Labour and Social Security	1,514,439.0	1%	
Ministry of Education and Youth	42,205,183.0	17%	████████████████████
Ministry of Health	20,097,680.0	8%	██████████████
Ministry of Agriculture and Lands	3,540,450.0	1%	
Ministry of Industry, Technology, Energy and Commerce	2,873,293.0	1%	
Ministry of Housing, Transport, Water and Works	1,948,184.0	1%	
Ministry of Local Government and Environment	6,272,980.0	3%	
Gross Total Part I Recurrent	242,263,177.0	100%	
<i>Less Appropriations-In-Aid</i>	<i>-2,963,171.0</i>		
Net Total Part I Recurrent	239,300,006.0		
Part II Capital			
Summary of Expenditure Estimates by Ministries and Departments (Showing Gross Estimates and Total Appropriations In Aid)			
	\$'000		Proportions
Office of the Prime Minister	774,962.0	1%	
Office of the Cabinet	1,393,270.0	1%	
Ministry of Tourism, Entertainment and Culture	105,406.0	0%	
Ministry of Finance and Planning	109,247,830.0	77%	████████████████████████████████████████
Ministry of National Security	2,314,057.0	2%	
Ministry of Justice	353,732.0	0%	
Ministry of Foreign Affairs and Foreign Trade	58,740.0	0%	
Ministry of Labour and Social Security	1,468,431.0	1%	
Ministry of Education and Youth	5,699,403.0	4%	██████████
Ministry of Health	902,789.0	1%	
Ministry of Agriculture and Lands	2,122,200.0	2%	
Ministry of Industry, Technology, Energy and Commerce	510,449.0	0%	
Ministry of Housing, Transport, Water and Works	15,792,038.0	11%	██████████████
Ministry of Local Government and Environment	685,204.0	0%	
Gross Total Part II Capital	141,428,511.0	100%	
<i>Less Appropriations-In-Aid</i>	<i>-363,770.0</i>		
Net Total Part II Capital	141,064,741.0		

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

(4%) over-expenditure on Jamaican Funded projects. Of this amount, \$4.96B was allocated to loan repayments and sinking fund contributions. The ministry, however, did not implement planned

Capital expenditure for Multilateral / Bilateral Projects of the amount \$1.1B representing approximately 37% of what was budgeted for during the period. The MOF&P was responsible

for approximately 93% of the \$136.57B locally funded capital expenditure planned for the past fiscal term.

The Ministry of Education and



Youth did not implement \$1.92B worth of planned Jamaican Funded Capital expenditure for the previous fiscal term. This wholly represents 'Grants and contributions' that were not distributed during the fiscal term.

New Fiscal Term: The MOF&P will be responsible for approximately 77% (\$109.25B) of the planned \$141.43B Gross Total Capital Expenditure for the new fiscal term 2007/08 (see table 14). Of this portion, approximately 98% will be GOJ funded projects; the remainder will be Multilateral and Bilateral funded projects. Despite the significant allocation of resources to the MOF&P for Capital Expenditure, \$102.18B or 95% of the locally funded capital expenditure was authorized by law to be set aside for loan repayment and sinking fund contributions. The remaining \$5.29B should be distributed

among: Grants and Contributions (53%); an "Unclassified" amount (34%) set aside for loans, grants and contingent liabilities; along with other smaller allocations.

The Ministry of Housing, Transport, Water and Works will be responsible for approximately 11% (\$15.79B) of the scheduled Capital Expenditure for the new term. Of this amount, \$9.95B (63%) will be GOJ funded; and \$5.85B (37%), multilateral / bilateral funded projects. Of the \$9.95B locally funded expenditure, \$6.14B will be spent on Disaster Management; and \$2.83B on major roads. The allocation to roads largely captures the servicing of deferred financing facilities that was utilized in the construction of major roads - in particular, the North coast highway.

The \$5.85B multilateral / bilateral

portion of the Capital Expenditure funds allocated to the Ministry of Housing, Transport, Water and Works will be used largely to fund the Northern Jamaica Development Project (\$3.67B or 63%).

Approximately 4% or \$5.70B of Gross Total Capital Expenditure has been budgeted for spending by the Ministry of Education and Youth. These funds will be used largely for improvements in Executive Direction & Administration focusing largely on rehabilitation and rationalization of primary and secondary school facilities and also improvements in aesthetic appeal.

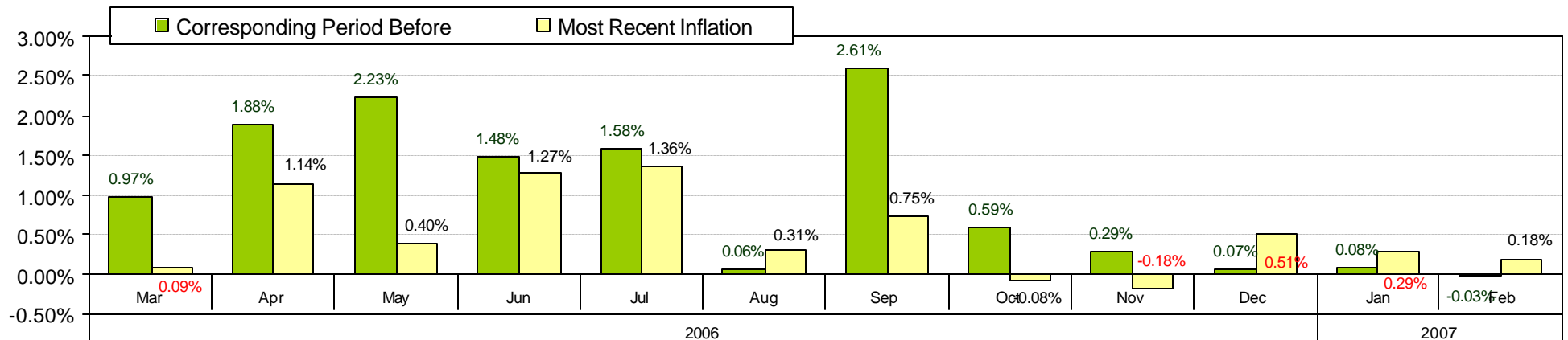
Other major allocations for Capital Expenditure by magnitude are the Ministry of Agriculture and Lands 2% of Total Gross Capital Expenditure; and the Ministry of National Security, also with an approximate 2% share (see table 14).



APPENDIX

INFLATION (February 2007 CPI)

CONSUMER PRICE INDEX	Percent %	Proportion of Index	MONTHLY INFLATION - FEBRUARY	Rnk	Percentage Change for Month (%)	INFLATION (End Jan-07 to End Feb-07)	YTD Percentage Change (%)
ALL GROUPS	100.0		ALL GROUPS		0.176 [0.1764 = (100 x 0.17)]	ALL GROUPS	0.5
FOOD AND DRINK	54.7		FOOD AND DRINK	+ 1	0.143 [0.0782 = (54.6 x 0.14)]	FOOD AND DRINK	0.5
Meals Away from Home	14.5		Meals Away from Home		0.649	Meals Away from Home	2.3
Meat Poultry and Fish	29.3		Meat Poultry and Fish		0.801	Meat Poultry and Fish	2.0
Dairy Products Oils & Fats	12.0		Dairy Products Oils & Fats		1.228	Dairy Products Oils & Fats	1.6
Baked Products Cereal & Breakfast Drink	15.3		Baked Products Cereal & Breakfast Drink		0.422	Baked Products Cereal & Breakfast Drink	0.7
Starchy Foods	8.5		Starchy Foods		-2.936	Starchy Foods	-4.6
Vegetables & Fruit	11.5		Vegetables & Fruit		-0.491	Vegetables & Fruit	-1.0
Other Food & Beverages	9.0		Other Food & Beverages		0.487	Other Food & Beverages	0.6
FUELS & OTHER HOUSEHOLD SUPPLIES	7.4		FUELS & OTHER HOUSEHOLD SUPPLIES	+ 3	0.403 [0.0298 = (7.39 x 0.40)]	FUELS & OTHER HOUSEHOLD SUPPLIES	0.8
Household Supplies	64.7		Household Supplies		0.305	Household Supplies	0.8
Fuels	35.3		Fuels		0.460	Fuels	0.8
HOUSING & OTHER HOUSING EXPENSES	8.4		HOUSING & OTHER HOUSING EXPENSES	- 1	-0.171 [-0.014 = (8.44 x -0.1)]	HOUSING & OTHER HOUSING EXPENSES	-0.6
Rental	24.3		Rental		0.417	Rental	0.6
Other Housing Expenses	75.7		Other Housing Expenses		-0.328	Other Housing Expenses	-0.9
HOUSEHOLD FURNISHINGS & FURNITURE	2.9		HOUSEHOLD FURNISHINGS & FURNITURE	+ 5	0.235 [0.0068 = (2.93 x 0.23)]	HOUSEHOLD FURNISHINGS & FURNITURE	0.5
Furniture	27.9		Furniture		0.274	Furniture	0.4
Furnishings	72.1		Furnishings		0.217	Furnishings	0.6
HEALTHCARE & PERSONAL EXPENSES	7.1		HEALTHCARE & PERSONAL EXPENSES	+ 2	0.972 [0.0688 = (7.08 x 0.97)]	HEALTHCARE & PERSONAL EXPENSES	1.5
PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	5.0		PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	+ 4	0.291 [0.0145 = (5.01 x 0.29)]	PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	0.4
Clothing Materials	11.0		Clothing Materials		0.207	Clothing Materials	0.4
Ready-made Clothing & Accessories	50.0		Ready-made Clothing & Accessories		0.355	Ready-made Clothing & Accessories	0.4
Footwear	31.3		Footwear		0.213	Footwear	0.3
Making & Repairs	7.6		Making & Repairs		0.321	Making & Repairs	0.5
TRANSPORTATION	6.5		TRANSPORTATION	+ 7	0.086 [0.0056 = (6.50 x 0.08)]	TRANSPORTATION	0.4
MISCELLANEOUS EXPENSES	8.0		MISCELLANEOUS EXPENSES	+ 6	0.075 [0.0059 = (7.97 x 0.07)]	MISCELLANEOUS EXPENSES	0.3



EXTERNAL TRADE (Jan - Nov 2006)

EXTERNAL TRADE - (JAN - NOV 06)	US\$M		EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2005 - 2006	EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
TOTAL EXPORTS (fbh)	1,931.59		TOTAL EXPORTS (fbh)	414.08		TOTAL EXPORTS (fbh)	27.3%	
Major Traditional Exports	1,225.86		Major Traditional Exports	164.50		Major Traditional Exports	15.5%	
by Sector:-			by Sector:-			by Sector:-		
Agriculture	44.04		Agriculture	19.78092906		Agriculture	81.5%	
Mining & Quarrying	1,047.76		Mining & Quarrying	122.04144		Mining & Quarrying	13.2%	
Manufacturing	134.06		Manufacturing	22.674211		Manufacturing	20.4%	
by Industry:-			by Industry:-			by Industry:-		
Bauxite	103.73		Bauxite	15.568		Bauxite	17.7%	
Alumina	942.73		Alumina	106.958		Alumina	12.8%	
Sugar	89.69		Sugar	12.887		Sugar	16.8%	
Rum	39.32		Rum	6.717		Rum	20.6%	
Bananas	12.40		Bananas	8.65		Bananas	0.0%	
Coffee	31.06		Coffee	13.961		Coffee	81.7%	
Other	6.94		Other	-0.24441995		Other	-3.4%	
Non-Traditional Exports	550.61		Non-Traditional Exports	245.016		Non-Traditional Exports	80.2%	
Re-exports	32.06		Re-exports	4.464		Re-exports	16.2%	
TOTAL IMPORTS	5,341.33		TOTAL IMPORTS	890.15		TOTAL IMPORTS	20.0%	
Food	570.95		Food	25.331		Food	4.6%	
Beverages & Tobacco	63.46		Beverages & Tobacco	13.256		Beverages & Tobacco	26.4%	
Crude Materials (excl. Fuels)	76.33		Crude Materials (excl. Fuels)	5.247		Crude Materials (excl. Fuels)	7.4%	
Mineral Fuels, etcetera	1,629.57		Mineral Fuels, etcetera	363.638		Mineral Fuels, etcetera	28.7%	
Animal & Vegetable Oils & Fats	22.71		Animal & Vegetable Oils & Fats	-2.672		Animal & Vegetable Oils & Fats	-10.5%	
Chemicals	639.60		Chemicals	139.917		Chemicals	28.0%	
Manufactured Goods	642.19		Manufactured Goods	48.369		Manufactured Goods	8.1%	
Machinery and Transport Equip.	1,041.85		Machinery and Transport Equip.	251.409		Machinery and Transport Equip.	31.8%	
Misc. Manufactured Articles	460.76		Misc. Manufactured Articles	30.832		Misc. Manufactured Articles	7.2%	
Other	193.91		Other	14.823		Other	8.3%	
TRADE BALANCE	-3,409.74		TRADE BALANCE	-476.07342		TRADE BALANCE	16.2%	

BALANCE OF PAYMENTS (Jan - Nov 2006)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan - Nov	2006	Change Jan - Nov (2006)	US\$M	Percentage change Jan - Nov (2006)	%
Current Account	-1115.1			Current Account	-59.3	6%	
Goods Balance	-2741.8			Goods Balance	-373.4	16%	
Exports	1931.7			Exports	414.2	27%	
Imports	4673.5			Imports	787.6	20%	
Services Balance	679.2			Services Balance	179.9	36%	
Transportation	-307.4			Transportation	-51	20%	
Travel	1426.5			Travel	293.7	26%	
Other Services	-439.9			Other Services	-62.8	17%	
Income	-603			Income	-1.2	0%	
Compensation of employees	91.8			Compensation of employees	9.3	11%	
Investment Income	-694.8			Investment Income	-10.5	2%	
Current Transfers	1550.5			Current Transfers	135.4	10%	
Official	117.4			Official	-8	-6%	
Private	1433.1			Private	143.4	11%	
Capital & Financial Account	1115.1			Capital & Financial Account	59.3	6%	
Capital Account	1			Capital Account	3.6	-138%	
Capital Transfers	1			Capital Transfers	3.6	-138%	
Official	3.8			Official	3.5	1167%	
Private	-2.8			Private	0.1	-3%	
Acq/disp. of non-produced non-fin. assets	0			Acq/disp. of non-prod non-fin. Asts	0	0%	
Financial Account	1114.1			Financial Account	55.7	5%	
Other Official Invmt. (incl. Gov. Rsv)	544.5			Other Official Invmt. (incl. Gov. Rsv)	134.7	33%	
Other Private Invmt. (incl. err & omis)	835.4			Other Private Invmt. (incl. err & omis)	-48.5	-5%	
Reserves	-265.8			Reserves	0		

FISCAL ACCOUNT (Apr-Feb' 2006/07)

PROVISIONAL DISTRIBUTION (FISCAL A/C)		J\$m	Provisional figures Apr-Feb '06/07		BUDGET / PROVISIONAL DEVIATION		J\$m	(Provisional - Budgeted) - Apr-Feb 06/07	YTD Y-O-Y FISCAL DEVIATION		J\$m	Apr-Feb - (06/07 minus 05/06)
Revenue & Grants		184,637.8			Revenue & Grants		-4,412.6		Revenue & Grants		26,311.90	
Tax Revenue		165,187.1			Tax Revenue		-3,532.2		Tax Revenue		24,134.10	
Non-Tax Revenue		12,756.3			Non-Tax Revenue		2,166.8		Non-Tax Revenue		2,949.60	
Bauxite Levy		3,654.6			Bauxite Levy		143.5		Bauxite Levy		877.80	
Capital Revenue		1,486.2			Capital Revenue		-1,311.4		Capital Revenue		-2,526.80	
Grants		1,553.6			Grants		-1,879.2		Grants		877.30	
Expenditure		228,915.3			Expenditure		3,648.4		Expenditure		37,970.80	
Recurrent Expenditure		208,896.6			Recurrent Expenditure		10,444.5		Recurrent Expenditure		31,369.70	
Programmes		44,695.4			Programmes		1,651.2		Programmes		7,093.70	
Wages & Salaries		71,789.9			Wages & Salaries		4,986.1		Wages & Salaries		13,982.00	
Interest		92,411.3			Interest		3,807.2		Interest		10,294.20	
Domestic		66,633.7			Domestic		3,374.4		Domestic		6,535.70	
External		25,777.6			External		432.8		External		3,758.50	
Capital Expenditure		20,018.6			Capital Expenditure		-6,796.1		Capital Expenditure		6,601.30	
Capital Programmes		20,018.6			Capital Programmes		-6,796.1		Capital Programmes		6,601.30	
IMF #1 Account		0.0			IMF #1 Account		0.0		IMF #1 Account		0.00	
Fiscal Balance (Surplus +/÷ve)		-44,277.5			Fiscal Balance (Surplus +/÷ve)		-8,061.0		Fiscal Balance (Surplus +/÷ve)		-11,658.90	
Loan Receipts		137,368.5			Loan Receipts		19,579.3		Loan Receipts		-37,577.00	
Domestic		128,673.8			Domestic		18,293.2		Domestic		7,078.90	
External		8,694.7			External		1,286.1		External		-44,655.90	
Divestment Proceeds		0.0			Divestment Proceeds		0.0		Divestment Proceeds		0.00	
Amortization		111,374.2			Amortization		4,238.1		Amortization		-12,417.60	
Domestic		96,584.1			Domestic		3,795.5		Domestic		3,740.00	
External		14,790.2			External		442.6		External		-16,157.60	
Overall Balance (Surplus +/÷ve)		-18,283.2			Overall Balance (Surplus +/÷ve)		7,280.2		Overall Balance (Surplus +/÷ve)		-36,818.50	
Primary Balance (Surplus +/÷ve)		48,133.9			Primary Balance (Surplus +/÷ve)		-4,253.8		Primary Balance (Surplus +/÷ve)		-1,364.90	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)		J\$m	Provisional figures Apr-Feb '06/07		BUDGET / PROVISIONAL DEVIATION		J\$m	(Provisional - Budgeted) - Apr-Feb 06/07	YTD Y-O-Y FISCAL DEVIATION		J\$m	Apr-Feb - (06/07 minus 05/06)
Revenue & Grants		184,637.8			Revenue & Grants		-4,412.6		Revenue & Grants		26,311.9	
Tax Revenue		165,187.1			Tax Revenue		-3,532.2		Tax Revenue		24,134.1	
Income and profits		64,184.7			Income and profits		-909.0		Income and profits		10,316.4	
Bauxite/alumina		596.0			Bauxite/alumina		-394.0		Bauxite/alumina		-108.5	
Other companies		10,363.0			Other companies		-1,291.4		Other companies		2,013	
PAYE		37,338.8			PAYE		-1,237.2		PAYE		6,143.1	
Tax on dividend		196.6			Tax on dividend		-112.2		Tax on dividend		-65.1	
Other individuals		1,381.6			Other individuals		-471.2		Other individuals		98.4	
Tax on interest		14,308.7			Tax on interest		2,597.0		Tax on interest		2,235.4	
Environmental Levy		0.0			Environmental Levy		0.0		Environmental Levy		0	
Production and consumption		53,033.4			Production and consumption		-3,230.9		Production and consumption		7,596.6	
SCT		3,501.2			SCT		-575.1		SCT		437.1	
Motor vehicle licenses		877.6			Motor vehicle licenses		-106.4		Motor vehicle licenses		13.3	
Other licenses		253.9			Other licenses		100.3		Other licenses		98.1	
Betting, gaming and lottery		993.3			Betting, gaming and lottery		-105.7		Betting, gaming and lottery		21.3	
Education Tax		8,355.6			Education Tax		-336.5		Education Tax		1,734.6	
Contractors levy		774.1			Contractors levy		258.5		Contractors levy		319	
GCT (Local)		30,615.1			GCT (Local)		-2,546.2		GCT (Local)		3,936.4	
Stamp Duty (Local)		7,662.5			Stamp Duty (Local)		80.3		Stamp Duty (Local)		1,037.3	
International Trade		47,969.0			International Trade		607.6		International Trade		6,220.9	
Custom Duty		15,231.2			Custom Duty		-214.6		Custom Duty		1,206.3	
Stamp Duty		1,035.2			Stamp Duty		-60.5		Stamp Duty		32.1	
Travel Tax		1,855.6			Travel Tax		-150.0		Travel Tax		-6.2	
GCT (Imports)		22,209.4			GCT (Imports)		649.2		GCT (Imports)		484.6	
SCT (Imports)		7,637.5			SCT (Imports)		383.5		SCT (Imports)		139	
Non-Tax Revenue		12,756.3			Non-Tax Revenue		2,166.8		Non-Tax Revenue		2,949.6	
Bauxite Levy		3,654.6			Bauxite Levy		143.5		Bauxite Levy		877.8	
Capital Revenue		1,486.2			Capital Revenue		-1,311.4		Capital Revenue		-2,526.8	
Grants		1,553.6			Grants		-1,879.2		Grants		877.3	

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 '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	530,109.25	5,622.95
Nov	2.67	16.30	2.44	9.55	2,352.99	2,241,846	-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	2,185,371	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	2,183,070	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	n/a	n/a	2,185.56	n/a	0.18	6.2	-0.2	67.55	11.94	21.90	5.20	n/a	n/a

Corrections for the changes in CPI for January are as follows; Month - [0.05% to 0.29%]; 12 Months - [5.0% to 6.0%]

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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