



CONFIDENTIAL ECONOMIC BULLETIN



PRIME ASSET MANAGEMENT LTD • *Focused pension professionals*

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Dear Subscriber: We are pleased to inform you that **Prime Asset Management Ltd.** has agreed to be a sponsor of the PSOJ Confidential Economic Bulletin. We welcome Prime Asset Management to membership in the PSOJ and look forward to their continued support and sponsorship.

OVERVIEW

In October 2006 the CPI fell by 0.08%. This marks the second time that the monthly inflation rate declined during the year. There were no instances in 2005 that the monthly consumer prices declined. (see Inflation Chart in Appendix). Inflation for the first ten months of 2006 was 5.41% compared to the 12.48% for the corresponding period last year. The FX rate worsened by 0.7% during October representing a depreciation of the Jamaican dollar by 44 cents against its US counterpart.

The lower Consumer Price Index (CPI) for October resulted largely from lower

Inside this issue:

Overview	1
Net International Reserve	1
Foreign Currency Deposits	2
Foreign Exchange Rates	2
Interest Rates	2
Base Money & Money Supply	3
Inflation	3
** Bauxite & Alumina Production	3
Tourism	3
External Trade	4
Balance of Payments	6
Fiscal Accounts	7
Stock Market	9
Developments & Outlook	11
Appendix	13
Statistical Index	15
Key of Acronyms	16

** No changes since last report

food prices such as yellow yams, breadfruits and plantains in the rural areas. All other items within the Food and Drink category, especially the 'Vegetable and Fruit' group that grew by 2.1%, culminated in a positive contribution to inflation. The Food and Drinks category, however, represented the second largest impulse to inflation during October

'Fuels and Other Household Supplies' provided the largest inflationary impulse for the period, reflecting higher prices for kerosene oil and cooking gas in the KMA and other Towns.

'Housing and Other Housing Expenses' was the largest price deflator by category during October. This was a consequence of the 3.9% reduction in electricity prices across the island.

The Net International Reserve (NIR) declined by US\$35.6M in October to close at US\$2,306.4M. Total NIR was sufficient to accommodate 25.8 weeks of goods importation.

Stopovers for the month of October 2006 grew by 7.9% when compared to the corresponding month of 2005. Stopover arrivals exceeded that of October 2004 by 11.3%.

Cruise arrivals for October 2006 increased by 44.8% when compared to arrivals in October 2005. Cruise arrivals for the month exceeded that of October 2004 by 60.6%.

Alumina exports for September increased by 1.7%, but was accompanied by a decline in its Production of 0.2%. Crude Bauxite exports grew by 18.5 along with a 8.9% increase in production.

The Jan-Jun 2006 trade deficit expanded by US\$243.4M or 16.0% relative to the corresponding period last year.

For the period April to September of the fiscal year 2006/07 the government fiscal deficit was J\$4.37B below budget. This resulted from Expenditure being \$7.04B below budget and was partially offset by the \$2.67B lower than planned revenue collections. Expenditure savings resulted largely from cut backs in Wages & Salaries and Programmes Expenditure. Tax revenue grew by 15.8% over the corresponding period of 2005 falling short of the 20% growth estimated for FY 06/07.

During the month of October the BOJ held rates on (OMO) instruments fixed at 11.95% (30-Day) and 12.30% (180-day). Six month Treasury Bill rates fell by 19-BP over October to end the month at 12.30%. There were no changes to the Average Lending and Savings rate which remained at 21.80% and 5.36% respectively.

Net International Reserves (NIR)

During October 2006, Net International Reserves declined by US \$35.6M. At the end of the month the reserve balance stood at US \$2,306.4M in contrast to the previous month's value of US \$2,342.01M. The gross reserves amounted to 25.8 weeks of Goods imports against the 28.3 weeks recorded in the corresponding month of last year. Since Jan-06 the NIR has increased by US\$219.0M (see Table 1).



Foreign Currency

For the month of August 2006 total foreign currency deposits amounted to US\$2,178.41 million, approximately US\$128.49 million higher than the previous month's figure (see Table 2). This resulted from higher balances at all three institutions. Commercial Banks which currently holds US \$1,622.5M or 74% of all deposits, contributed the largest (88%) to the month's increase in deposits.

For the 12 months to August 2006 total foreign currency deposits grew by US\$199.0M to represent a 10.1% increase over the period (see Table 2)

Foreign Exchange Rate

The local currency depreciated by 44 cents Jamaican against its US counterpart during October to end the period at \$66.50 (see table 3). As at November 21st the local currency depreciated by another 33 Jamaican cents against the US\$ since the end of October 2006.

The Jamaican dollar lost J\$2.45 against the Pound for the month and also 33 cents (JA) against the Canadian Dollar (see Table 3).

Interest Rates

There were no changes to the rates on BOJ Open Market Operation (OMO) instruments in October 2006. The 30-day (1-Month) instrument was kept at a rate of 11.95% while the 6-month instrument remained at 12.30%. The rates declined two times in September 2006 to reflect a better than expected performance of the Jamaican Economy since January. Inflation has remained low with positive prospects of achieving the single digit target that has promoted a stable outlook for the remainder of the year.

The six-month T-bill cleared the market at an average yield of 12.30% on October 31, 2006. This

Table 1: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Oct-06	2,306.4	-35.6	207.4	219.0	25.8
Oct-05	2,099.0	-20.0	272.3	240.5	28.3

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Aug '06	Change (US\$000)		% 12 mth
		mthly	12 mth	
Commercial Banks	1,622,477	114,015	136,205	9.16%
Building Societies.	391,430	10,930	45,825	13.26%
Merchant Banks	164,507	3,544	16,990	11.52%
Total Deposits	2,178,414	128,489	199,020	10.05%

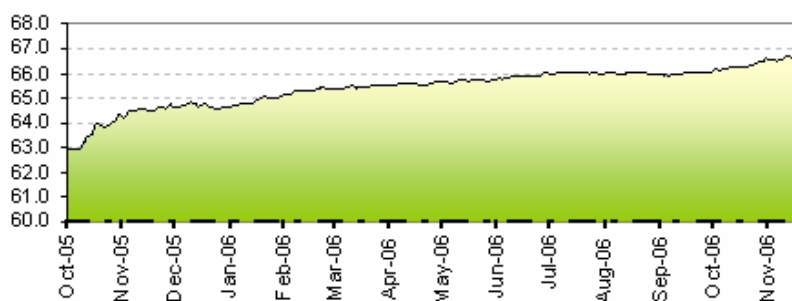
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends (October-2006)

	Year to Date Currency Rate Change*					
	J\$ / US\$	%	J\$ / UKE	%	J\$ / Can\$	%
2006	1.92	3.0	15.53	14.1	4.48	8.2
2005	2.42	3.9	-4.74	-4.0	3.40	6.7
2004	1.26	2.1	5.18	4.8	3.89	8.3
	Monthly					
Oct-06	0.44	0.7	2.45	2.0	0.33	0.6

*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

	October-06	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	11.95%	0.00%	-0.65%	-0.65%
180-Day Repo	12.30%	0.00%	-0.70%	-0.70%
Avg Savings Deposit (Aug-06)	5.36%	0.00%	-0.12%	-0.12%
Avg Loan Rate (Aug-06)	21.80%	0.00%	-0.20%	-0.20%
6 Month T-Bill	12.30%	-0.19%	-0.66%	-0.39%
12 Month T-Bill	n/a	n/a	n/a	n/a

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

was 19-BP below the 12.49% in September 2006. For the first ten (10) months, the 6-Month T-Bill rate declined by 39-BP's.

There were no changes to the average lending and saving rates in October. Average saving and lending rates declined by 12-BP and 20-BP respectively since the start of the year. (see Table 5 & Figure 2).

Base Money & Money Supply

The monetary base declined by 0.53% in October 2006 relative to the previous month's value. For the month of August 2006, M1 and M2 Money supply fell by 2.88% and 0.46% respectively from the previous months' value. Quasi Money, however, increased by 0.65% (see table 6).

Inflation

The inflation rate fell by 0.08% in October 2006 (see Table 7). February was the only other instance of deflation since the start of 2006 (see Appendix—Inflation Chart).

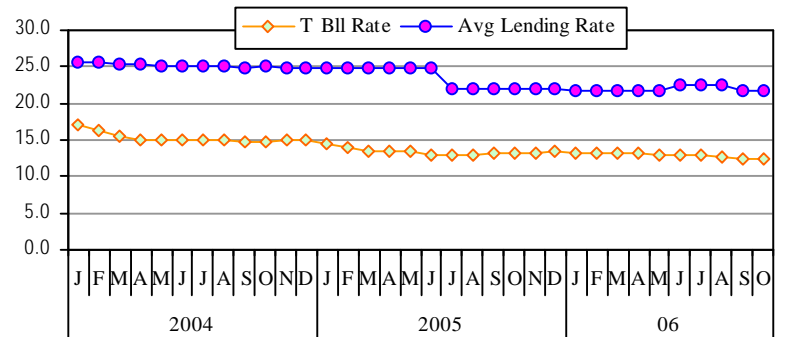
Fuels & Other Household Supplies was the largest positive contributor to inflation during the month. This resulted from higher prices for kerosene oil and cooking gas in the KMA and Other Towns.

The Food & Drink segment contributed a 0.15% increase to the CPI for which the 'Vegetable and Fruit' items captured the largest price increase for items such as ackee, oranges, carrots, bananas and es-callion.

On the contrary, Starchy Foods captured the only declining component that significantly reduced the inflationary impact of all other items under the Foods and Drink segment. This resulted largely from rural areas where prices of yellow yams, breadfruit and ripe plantains declined considerably.

Housing & Other housing Expenses represented the segment

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	71,792.22	-2.88	11.52
Quasi Money	162,107.26	0.65	6.95
M2	233,899.48	-0.46	8.31
<hr/>			
	Oct-06	Mthly	12 Mth
Base Money	47,070.44	-0.53	15.37

Source: BOJ Economic Statistics Nov05, BOJ NIR update Nov05

Table 7: Inflation Trends

	% Percent Changes			
	Oct	12Mth	YTD	Fiscal
2006	-0.08	5.8	5.41	5.26
2005	0.59	15.9	12.48	10.88

Source: STATIN & BOJ Statistical Digest

of the CPI that had the largest price decline for the month. This was due to a 3.9% reduction in the price of 200-kwh electricity across the island during the month.

The Transportation segment captured the second largest decline in prices for the month. This reflected an average of 7.8% decline in petroleum prices across all territories.

(see Table 7 and INFLATION (October CPI) in Appendix)

Bauxite & Alumina Production

Production of Alumina in September 2006 fell by 0.2% but exports increased by 1.7% when compared to September 2005 (see table 8). Both Crude Bauxite produc-

tion and Exports increased in September 2006 over 2005. Production increased by 8.9% while associated exports increased by 18.5% (see Table 8).

In the first (9) nine months of 2006 Alumina exports fell by 3.1% while Crude bauxite increased by 15.1%.

Tourism

Stopovers: Stopovers for the first ten months of 2006 increased by 16.5% over the same period last year (see Table 9 & Figure 4B). This was due to a 16.6% increase in visits by Foreign nationals and a 15.1% increase for Non-resident nationals. Stopover arrivals for October 2006 were greater than arrivals in October 2005 and 2004 by 7.9% and 11.3% respectively.

Cruise Passengers: Cruise arrivals for the period Jan-Oct 2006 grew by 17.3% when compared to the same period of 2005 (see Table 9 & Figure 4C). Cruise arrivals in October 2006 exceeded that in 2005 by 44.8% and also the level in October 2004 by 60.6%.

Total Visitors: Total arrivals for the first ten (10) months of 2006 increased by 16.9% over the comparable period last year. This resulted from an additional 196,897 stopovers and 154,692 more cruise arrivals to the country. Total arrivals in October 2006 exceeded the total amount for 2005 and 2004 by 24.1% and 32.0% respectively.

External Trade

The nation's trade deficit widened by approximately 16.0% in the first half of 2006 when compared to the corresponding period last year. This change represents a US \$243.4M deterioration to bring the deficit on the Trade A/C to a balance of US\$1,766.38M. The import bill grew by US\$476.98M while export revenues increased by US \$233.58M above the corresponding period of 2005.

Exports amounted to US \$1,053.89M, up from US\$820.31M for the six month period last year. There was a US\$73.43M improvement in Traditional exports resulting largely from Mining and Quarrying. Over the six months the Mining and Quarrying sector grew by US\$41.21M or 8.2% when compared to the same period last year. Both Agriculture and Manufacturing had significant growth of 80% and 22% respectively.

The increase in Mining and Quarrying reflects the sector's increased growth in export of Alumina and second to it was that of Bauxite. Changes in Mining and Quarrying is directly correlated to changes in Alumina, a component that represents approximately 87% of all the category's export since the start of the year.

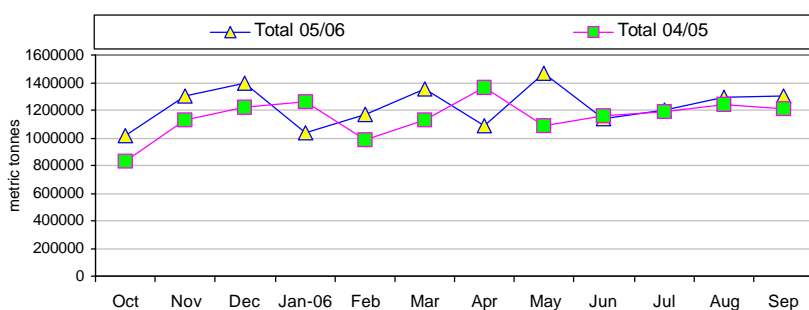
Trends in Agriculture was domi-

Table 8: Mining Production

	000 tonnes			YTD	
	Sept-05	Aug-06	%	Sep-06	06/05 %
Production					
Alumina	323.3	322.7	-0.2	3,073	-1.76
C. Bauxite	364.6	397.2	8.9	3,448	14.45
Export					
Alumina	346.6	352.5	1.7	3,016	-3.12
C. Bauxite	352.6	418.0	18.5	3,458	15.10

Source: Jamaica Bauxite Institute (JBI)

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



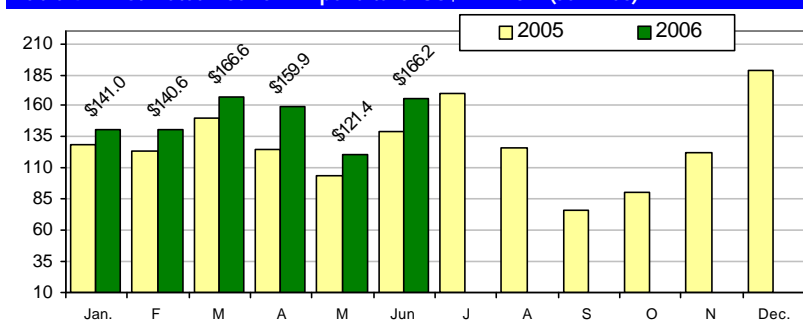
Source: Jamaica Bauxite Institute (JBI) [* The graph reflects information for Jan-05 - Jan-06: Lines cross year also]

Table 9: Tourist Arrivals

	2005	2006	% Change	
	YTD (Oct)	YTD - YOY	YTD - YOY	Oct 05/06
Stopover	1,191,658	1,388,555	16.5%	7.9%
Foreign Natls	1,123,595	1,310,218	16.6%	8.2%
Non-Resident Natls	68,063	78,337	15.1%	3.3%
Cruise	894,740	1,049,432	17.3%	44.8%
Total Arrivals	2,086,398	2,437,987	16.9%	24.1%

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

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

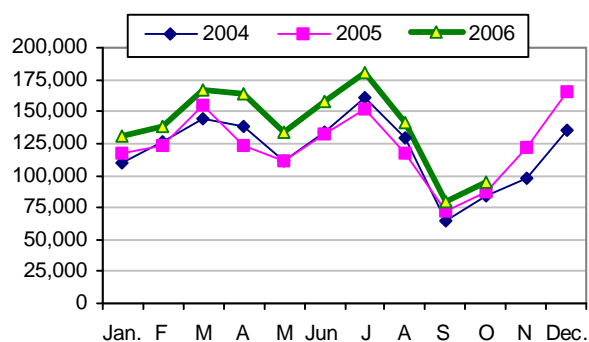


Source: Jamaica Tourist Board (preliminary data) & BOJ Statistical Update (Revised values)

nated by Coffee exports representing approximately 71% of the segments' value. Coffee exports grew

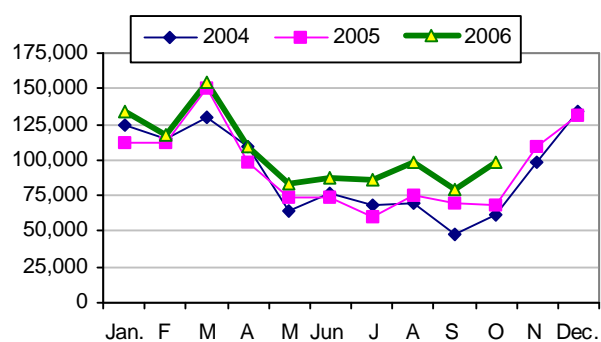
by approximately 88% over the corresponding period of last year. Bananas captured significant

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-Jun '2005	Jan-Jun '2006	Change	% Change
TOTAL EXPORTS (fob)	820.31	1,053.89	233.58	28.5%
Major Traditional Exports	611.56	684.99	73.43	12.0%
by Sector:-				
Agriculture	15.15	27.25	12.10	79.9%
Mining & Quarrying	505.33	546.55	41.21	8.2%
Manufacturing	91.09	111.19	20.11	22.1%
by Industry:-				
Bauxite	48.38	56.94	8.56	17.7%
Alumina	455.84	488.80	32.97	7.2%
Sugar	72.98	87.10	14.13	19.4%
Rum	17.03	20.38	3.35	19.7%
Bananas	2.11	6.20	4.09	
Coffee	11.01	20.64	9.63	87.5%
Other	4.23	4.93	0.70	16.6%
Non-Traditional Exports	123.19	282.64	159.45	129.4%
Re-exports	14.36	17.32	2.96	20.6%
Free Zone & Ports **	71.20	68.95	-2.25	-3.2%
TOTAL IMPORTS	2,343.30	2,820.28	476.98	20.4%
Food	289.50	301.55	12.05	4.2%
Beverages & Tobacco	27.47	31.55	4.08	14.9%
Crude Materials (excl. Fuels)	44.15	42.78	-1.38	-3.1%
Mineral Fuels, etcetera	644.70	932.69	287.99	44.7%
Animal & Vegetable Oils & Fats	15.60	12.90	-2.70	-17.3%
Chemicals	263.17	347.06	83.89	31.9%
Manufactured Goods	320.07	307.13	-12.94	-4.0%
Machinery and Transport Equip.	417.56	508.40	90.84	21.8%
Misc. Manufactured Articles	225.61	231.54	5.93	2.6%
Other	95.48	104.69	9.21	9.6%
TRADE BALANCE	(1,522.99)	(1,766.38)	-243.40	16.0%

** Prior to this issue (Nov 2006) the External trade table did not include information for "Freezone exports" and "Goods procured in ports". This has now been included.

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

changes and represented approximately 23% of the sectors' export value in the six months since January 2006.

Exports from the Manufacturing sector grew by US\$20.11M representing a 22% increase for the first 6 months of 2006 over 2005 (see

exports by industry in Table 10).

In the Non-traditional sector, exports increased by a significant 129.4% or US\$159.5M. Other Non-Traditional exports represent approximately 76.1% of the total (non-traditional) change over the corresponding six months of last

year while Crude Materials accounted for 17.2%. Food and Beverages & Tobacco represented a growth of approximately 3.0% and 3.7% respectively when compared to the corresponding period last year.

Imports grew by US\$476.98M or

20.4% for the review period (Jan-June). This reflected increases in all categories except Manufactured Goods(-4.0%), Animal & Vegetable Oils & Fat (-17.3%) and Crude Materials (excl fuels) (-3.1%). Together, the value of these declines offset only 6% of the largest increase reported for Mineral fuels generating a 44.7% increase (see

Table 10).

Mineral Fuel imports increased by US\$288.0M for the first six (6) months of 2006 over the corresponding period of 2005. This is reflective of the higher oil prices prevailing since the third quarter of 2005. Next in line was Machinery and Transport Equipment which

recorded a US\$90.8M or 21.8% increase for the half year period compared to the comparable period last year. Chemicals grew by approximately US\$83.9M or 31.9% for the period while Food imports grew by an estimated US\$12.1M or 4.2%.

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

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

	Jan-Jun 2005	Jan-Jun 2006	Change	% Change
Current Account	-462.9	-466.6	-3.7	-1%
Goods Balance	-1223.2	-1421.8	-198.6	-16%
Exports	820.3	1053.9	233.6	28%
Imports	2043.5	2475.7	432.2	21%
Services Balance	342	447.5	105.5	31%
Transportation	-118.6	-136.2	-17.6	-15%
Travel	669.4	822.8	153.4	23%
Other Services	-208.8	-239.1	-30.3	-15%
Income	-354.6	-322.6	32	-9%
Compensation of employees	20.3	24	3.7	18%
Investment Income	-374.9	-346.6	28.3	-8%
Current Transfers	772.9	830.3	57.4	7%
Official	75.1	67.7	-7.4	10%
Private	697.8	762.6	64.8	9%
Capital & Financial Account	462.9	466.6	3.7	1%
Capital Account	-1.6	-0.5	1.1	-69%
Capital Transfers	-1.6	-0.5	1.1	-69%
Official	0.3	2.1	1.8	600%
Private	-1.9	-2.6	-0.7	-37%
Acq/disp. of non-produced non-fin. assets	0	0	0	0%
Financial Account	464.5	467.1	2.6	1%
Other Official Invt. (incl. Gov. Rsrv)	5.9	204.5	198.6	3366%
Other Private Investment (includes. err & omis)	756.9	285.4	-471.5	62%
Reserves	-298.3	-22.8		

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 half of 2006, the country posted a current account deficit of US\$466.6M. This shortfall was US\$3.7M (1%) worse than the deficit for the corresponding period of last year (see Table 11). The Services and Current Transfers Account both registered a surplus for the six month period.

Investment Income under the In-

vestment Account paid out US \$28.3M less than that for the same period of last year. Compensation to employees also declined by US\$3.7M. Overall, there was a US\$32M or 9% decline in the Income account deficit for the period.

On the Goods Account, the deficit worsened by US\$198.6M as a US\$233.6M increase in export revenue was wholly offset by a US \$432.2M growth in the import bill. Traditional exports increased by

US\$73.43M reflecting higher income largely from Mining & Quarrying (56.1%). Manufacturing accounted for 27.4% of the increase while Agriculture accounted for the remaining 16.5%. Non-traditional exports increased by an approximate US\$159.5M or 129% in contrast to the corresponding six (6) months of last year. Imports grew by US\$477.0M or 20.4% for the review period. This largely reflected increases in Mineral Fuels, Machinery & Transport Equipment, and Chemicals (see Table 10).

The surplus on the Services account was US\$105.5M or 23% more than the amount for the corresponding period last year. The higher outflows from Transportation (US\$17.6M) and Other Services (US\$30.3M) was wholly outweighed by the US\$153.4M increased inflows from the Travel account.

Current Transfers posted a US\$57.4M growth in net inflows. This was due to a US\$64.8M increase in Net Private Transfers or remittances. This was partially offset by a US\$7.4M reduction in Official inflows. Remittances continue to contribute a significant portion of foreign exchange earnings representing approximately 26.0% for the first half of 2006.

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\$5.9M for the period in 2005 to a surplus of US\$204.5M in the corresponding period of 2006. This represents an increase of US\$198.6M.

There was a US\$471.5M or 62% reduction in the surplus on the Other Private Investments sub-account. Overall, inflows to the Financial account was more than sufficient to finance the Capital and Current account deficits. This represented a US \$22.8M build up of Net International Reserves (NIR) for the first six (6) months period 2006.

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

Fiscal Accounts

For the first six (6) months of FY 2006/07 the Government budget deficit was \$4.37 billion less than planned. This was due to a reduction in Expenditure by \$7.04 billion below budget. This was partially offset by a \$2.67 billion fall in Revenues below budget.

Revenues: Revenues and Grants totalled approximately \$97.31 billion, some \$2.7 billion below that projected. This reflected reduction in Tax revenue (\$2,652.6M), Capital revenue (\$793.9M) and Grants (\$783.1M) below the budgeted amounts for Apr-Sep 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 \$1.42B or

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

	April - September (Fiscal -2006/07)				Fiscal y-o-y 05/06-06/07	
	J\$ million		Deviation		J\$m	%
	Provisional	Budget	J\$m	(%)		
Revenue & Grants	97,306.4	99,981.1	-2,674.7	-2.68	13,759.7	16.5
Tax Revenue	87,005.0	89,657.6	-2,652.6	-2.96	11,886.7	15.8
Non-Tax Revenue	6,428.9	5,011.2	1,417.6	28.29	1,466.6	29.6
Bauxite Levy	2,072.2	1,934.8	137.4	7.10	508.2	32.5
Capital Revenue	1,089.5	1,883.4	-793.9	-42.15	-540.4	-33.2
Grants	710.8	1,493.9	-783.1	-52.42	438.3	160.8
Expenditure	113,940.8	120,985.4	-7,044.6	-5.82	11,823.5	11.6
Recurrent Expenditure	105,056.2	105,681.0	-624.8	-0.59	10,992.7	11.7
Programmes	23,016.9	23,469.0	-452.1	-1.93	2,540.7	12.4
Wages & Salaries	35,812.1	37,003.3	-1,191.1	-3.22	4,791.9	15.4
Interest	46,227.2	45,208.7	1,018.5	2.25	3,660.2	8.6
Domestic	34,147.3	32,753.3	1,394.1	4.26	1,897.6	5.9
External	12,079.8	12,455.3	-375.4	-3.01	1,762.6	17.1
Capital Expenditure	8,884.7	15,304.5	-6,419.8	-41.95	830.8	10.3
Capital Programmes	8,884.7	15,304.5	-6,419.8	-41.95	830.8	10.3
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	
Fiscal Balance (Surplus [+]/ve)	-16,634.5	-21,004.3	4,369.8	-20.80	1,935.8	-10.4
Loan Receipts	97,506.2	69,754.6	27,751.6	39.78	11,566.5	13.5
Domestic	93,535.1	64,517.9	29,017.2	44.98	27,315.7	41.3
External	3,971.1	5,236.7	-1,265.6	-24.17	-15,749.3	-79.9
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	
Amortization	72,759.2	65,501.7	7,257.5	11.08	3,730.5	5.4
Domestic	64,554.2	57,480.5	7,073.7	12.31	19,405.8	43.0
External	8,205.0	8,021.2	183.8	2.29	-15,675.3	-65.6
Overall Balance (Surplus [+]/ve)	8,112.5	-16,751.4	24,863.9	-148.43	9,771.8	-588.9
Primary Balance (Surplus [+]/ve)	29,592.7	24,204.3	5,388.4	22.26	5,596.1	23.3

Source: Ministry of Finance and Planning

28.3% over budget while Bauxite Levy increased by \$137.4M or 7.1% (see Table 12A).

Tax Revenue collections for the first six (6) months exceeded that of the corresponding period last year by 15.8% (Apr-Sep). This is 4.2 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 (\$18,475M), Local GCT (\$16,742M), GCT on Imports (\$11,045M), Custom Duty (\$7,858M) and Tax on Interest (\$7,477M). The largest positive variances from budget were Tax on Interest (\$1,328.5M), GCT (GCT) on Imports of (\$181.4M) and Stamp Duty on imports (\$144.9M) (see Table 12C). The largest revenue shortfalls resulted from PAYE (\$1,468.6M), Local SCT (\$823.4M) and Local GCT of the amount (\$370.1M).

Expenditures: Total Expenditures amounted to approximately \$113.9 billion, some \$7.0 billion or (5.8%) below budget. Domestic interest payments was the only segment under Recurrent Expenditure that exceeded the budget for the first six (6) months of the FY 2006/07 (see Table 12A).

Wages and Salaries was less than budget by \$1,191.1M (3.2%); Programmes Expenditure by \$452.1M (1.9%), and External Interest payments was approximately \$375.4M or (3.0%) less than budgeted for the period. Domestic interest payments exceeded budget by \$1,394.1 million or 4.3%.

Capital expenditure (programmes) was approximately \$6.42 billion or 42.0% below projection. Loan receipts were \$27.75 billion or 39.8% above budget. The GOJ borrowed \$29.02B (45.0%) more than planned from the domestic market while restraining external borrowings by \$1.27B (24.2%) below budget (see Table 12A).

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- Sep 06/07 (YOY)
Revenue (Revenue Surpluses)	
Tax on Interest	1,328.50
GCT (imports)	181.40
SCT (imports)	144.90
Revenue (Revenue Shortfalls)	
PAYE	-1,468.60
SCT	-948.50
GCT (local)	-566.90
Expenditure (Changes)	
Programmes (Savings)	-1,191.10
Wages & Salaries (Savings)	-452.10
Interest (Overrun - Domestic)	1,018.5

Source: Ministry Of Finance and Planning (Jamaica)

Total public debt at the end of August 2006 stood at \$884.42 billion, some \$3.24 billion more than the previous month's level of \$881.18 billion. Domestic Debt stock grew by \$3.32 billion to end the month at \$513.81 billion. External Debt fell by approximately US\$0.93 billion to close August at US\$5,618.4 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 last FY in Revenue and Grants. This change is expected to come largely from Tax Revenue that is expected to grow by approximately 20% over the previous FY. For the first six (6) months so far, Tax revenue collections are 15.8% above that of the corresponding period last year. The FY 2006/07 budget projects a 16% growth in overall expenditure and has for the first six (6) months reported an 11.6% increase.

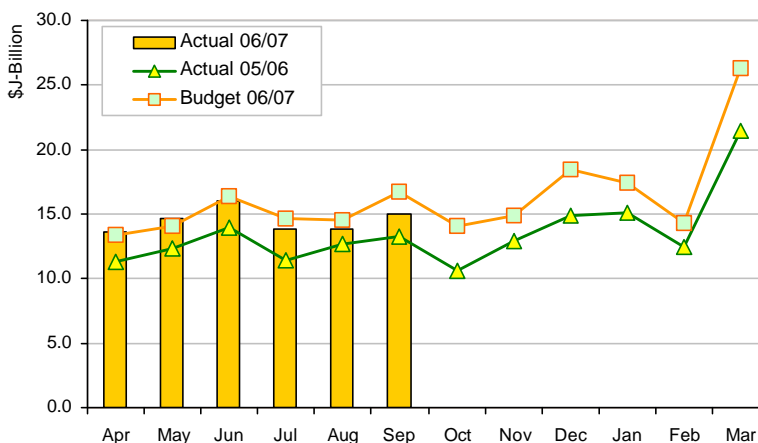
(see Table 12 A&B and Fiscal Account (Apr-Sep 2006) in Appendix)

Stock Market

The main JSE Index fell by 0.28% or 240.07 pts over October to close the month at 85,955.92 pts. Market capitalization decreased by \$1.45 billion or 0.21% to end the month at approximately \$702.03 billion. As at November 23rd, the Main JSE Index, however, gained another 2,037.36 pts, a 2.37% increase since the end of October to stand at 87993.28 points on that day.

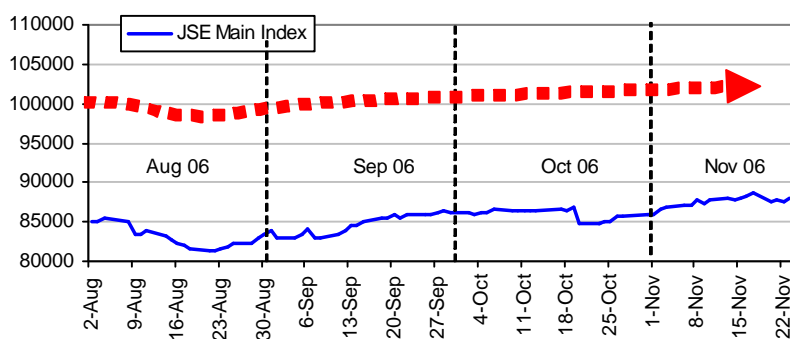
As at October 31st, the top performing stock for the year (2006) to date was Salada Foods that advanced by \$19.89 or approximately 198.7% to end the month at \$29.90 per share (see Table 13). The worst performer in terms of capital gain was Capital and Credit Merchant Bank which lost approximately \$11.59 or (51.5%) of its value to end the month at \$10.91.

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



Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Aug - Oct & part Nov'06



Source: Jamaica Stock Exchange (Online Database) and PSQJ

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-Oct-06	\$ change	% change
Salada Foods	10.01	29.90	19.89	198.7%
Pegasus Hotel	9.00	15.00	6.00	66.7%
Carreras Group	36.00	48.99	12.99	36.1%
Jamaica Producers Group	34.51	43.95	9.44	27.4%
First Carib Intl Bank Ja.	18.01	21.50	3.49	19.4%

Bottom Five (unadjusted for dividends or transact. Costs)

Capital & Credit M-Bnk	22.50	10.91	(11.59)	-51.5%
Cable & Wireless (Ja)	1.48	0.80	(0.68)	-45.9%
Guardian Holdings Ltd	360.00	200.00	(160.00)	-44.4%
Mobay Ice Company	11.50	6.55	(4.95)	-43.0%
Palace Amusement	52.70	31.45	(21.25)	-40.3%

Source: Compiled from the JSE

Developments & Outlook

BOJ Quarterly Macroeconomic Review

The BOJ published its third quarterly Monetary Policy report in November 2006. The report featured trends, analyses and the outlook for the Jamaican macro economy. There were positive trends in the main macroeconomic indicators that resulted in a favourable outlook for the December quarter.

Interest rates were reduced twice during the September quarter to reflect restraints on the rate of inflation. The strong build-up of Net International Reserves (NIR); a relatively stable foreign Exchange (FX) rate; and continued fiscal consolidation all contributed to the interest rate cuts (monetary policy easing). The BOJ perceives that financial market conditions will remain favourable in light of the FED's observed decision to terminate its tight monetary policy stance in August 2006.

Headline inflation receded during the quarter due to a more stable foreign exchange rate that lessened the inflation expectations. Less volatility in agricultural prices also helped to contain inflation. The conservative monetary policy stance of the BOJ successfully reduced core inflation to levels below that of the comparable quarter last year.

The Net International Reserve (NIR) exceeded the projected level by approximately 13% to close the period at US\$ 2.34 billion. This pool was sufficient to accommo-

date 6.8 weeks more than the benchmark 12 weeks of goods and services import. A strong performance in both tourism and remittances contributed to the build up in NIR.

The sizeable NIR continues to contribute to the stability of the foreign exchange rate which was highly reflective of increased investor confidence. This argument was supported by the increased Jamaican dollar deposits observed in contrast to foreign currency deposits during the period.

The BOJ indicated that favourable macroeconomic trends had positive effects on the performance of the equity market. Overall, the JSE index grew by 1.3% for the third (3rd) quarter in contrast to the 2.1% decline in the second (2nd) quarter.

PIOJ Quarterly Review of the Real Economy.

The Planning Institute of Jamaica (PIOJ) issued its 3rd quarter review of the Jamaican economy in November 2006. GDP for the quarter grew by 2.7% when compared to the corresponding period last year. Real GDP growth since the start of the year is also 2.7%.

The Goods and Services sectors grew by 0.4% and 3.7% respectively for the quarter. Since January the goods producing sector grew by 0.1% while services grew by 2.6%.

Agriculture, Forestry and Fishing (9.6%) was the major growth component in the Goods producing sector. This resulted from increased production of

domestic and export crop and livestock production.

Despite a reduction in alumina production resulting from equipment breakdowns, increased capacity utilization for crude bauxite production (16.1%) led to a 0.7% growth in the Mining & Quarrying sector.

The 4.2% decline in Food, Beverages & Tobacco production within the Manufacturing sector contributed significantly to the 2.6% decline in the sector's performance.

The much needed cement supplies for the Construction and Installation sector came late in the period resulting in a 0.2% decline in the level of performance.

Higher levels of activities at the island's air and sea ports resulted in a 6.5% increase in the real GDP contribution of the Transport, Storage & Communications sector.

There was a 4.5% increase in Electricity generation that outweighed the impact of the 2.0% decline in water production. The Electricity & Water sector grew by 3.2%.

The Financial and Insurance sector earned more from increased lending, while, increased tourism contributed substantially to the 12.4% increase in the Miscellaneous Services sector.

The PIOJ expects GDP in the December quarter to grow by 3.2%. Within this, the Goods producing sector is expected to grow by 3.9% while the services sector should grow by 2.7%.

(See Table 14 on next page "Quarterly GDP Growth figures")

In November 2006, the IMF published its [World Economic and Financial Survey Report](#) that details its regional economic outlook for the western hemisphere. Chapter II deals specifically with Latin America and the Caribbean. Below is an extract of the executive summary:

In the context of a still broadly favorable global environment, the economic outlook for the Western Hemisphere remains strong. Despite tighter monetary conditions, global growth is expected to be around 5 percent in 2006 and 2007, as a deceleration of growth in the United States to about 2½ percent in 2007 is offset by higher growth in the euro area and Japan, and continued high growth in emerging Asia. The Latin America and the Carib-



bean (LAC) region is expected to grow by 4¼ percent in 2006—making the ongoing expansion the most vigorous for some decades—and by about 4¼ percent in 2007. Domestic demand in the LAC region is buoyant, driven both by higher public spending, and private consumption and investment. Inflation has generally remained subdued and is expected to decline moderately further, to a regional average of about 5 percent in 2007.

However, there are clear downside risks to the outlook. They include: a possibly sharper slowdown in U.S. growth; unexpected tightening of global financial markets; commodity price volatility, particularly sharply lower non-oil commodity prices; and trade pressures following the erosion of preferential access in the Caribbean and lack of progress on agreements to liberalize trade further.

This expansion compares favorably to previous upswings in Latin America. External current accounts and primary fiscal balances are in surplus, exchange rates are more flexible, inflation is much lower, and the structure of public debt is safer, with lower shares of short-term and foreign currency debt in most large countries. However, some vulnerabilities remain. Public debt is still relatively high. Budgets are generally rigid in the sense that a large proportion of expenditures is mandatory and a large share of revenues is earmarked. Government spending has recently accelerated, even in countries in which surpluses are being driven by cyclical or temporary factors, and despite the vigorous momentum of aggregate demand. Public revenue remains low in some countries, particularly in light of social needs. And, while not yet a source of concern in most countries, high real credit growth requires close monitoring.

To entrench macroeconomic stability, raise growth, and help countries move toward investment grade ratings, country reform agendas will need to confront these vulnerabilities, and to address the longstanding causes of crises in the region, including high inequality.

Both greater equity and stability will improve the prospects for sustaining the current expansion. Making societies more equitable is inherently a slow and difficult process. Nonetheless, policy levers exist that could be used more, including fiscal reforms encompassing both the tax system and public expenditures; labor market policies; and other reforms that extend public services and economic opportunity to disenfranchised groups. Matching such reforms with greater efforts to make Latin American economies more open and competitive, with stronger institutions, will lead to more vibrant and successful economies. Achieving lasting improvements in these areas will require building constituencies that support reform, raising the level of human capital in the region, and enhancing the quality of policy making.

World Economic and Financial Survey (November 2006) - Regional Economic Outlook: Western Hemisphere
See IMF Full report for details: <http://www.imf.org/external/pubs/ft/reo/2006/eng/02/wreo.pdf>

Table 14: Quarterly GDP Growth figures (2005 & 2006)

	2005				2006				YTD-06	Proj-06
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 Proj	Jan - Sep	Jan - Dec
Total Growth	0.6	-0.1	2.7	4.1	1.4	2.8	2.7	3.2	2.7	2.6
Goods Producing Sectors:	-3.0	-0.7	7.4	1.1	1.1	1.1	0.4	3.9	0.4	
Agriculture, Forestry & Fishing	-26.1	-17.5	1.6	28.0	22.9	17.0	9.6	5.5	16.9	13.9
Mining	0.1	0.8	16.6	-3.3	-2.1	1.4	0.7	10.2	0.0	2.5
Manufacturing	-2.9	-0.1	3.8	-4.4	-0.7	-1.4	-2.6	1.5	-2.5	-1.6
Construction	11.4	8.5	10.2	-0.6	-5.5	-3.5	-0.2	2.5	-3.5	-2
Services Sectors:	1.9	0.2	0.9	2.7	2.4	3.4	3.7	2.7	3.3	
Electricity & Water	0.4	1.7	10.2	4.5	4.0	2.2	3.2	3.7	3.0	3.2
Transport, Storage & Communications	2.2	-0.6	0.4	2.7	2.6	3.5	6.5	4.0	4.6	4.5
Distribution	1.8	1.2	0.7	0.9	0.7	0.9	0.9	1.0	0.8	0.9
Finance & Insurance Services	-0.2	-0.7	0.2	2.5	2.0	1.5	2	2.0	2.0	2
Real Estate & Business Services	1.6	2.3	2.1	1.8	2.8	2.2	2.4	2.5	2.5	2.5
Producers of Government Services	0.6	-0.7	1.0	1.1	0.2	0.3	0.4	0.4	0.4	0.4
Miscellaneous Services	5.6	-0.7	-2.3	9.7	7.8	15.2	12.4	7.5	11.9	10.8
o/w: Hotels, Restaurant & Clubs	6.8	-1.7	-4.3	12.8	9.3	19.5	16.1	9.1	14.9	13.5

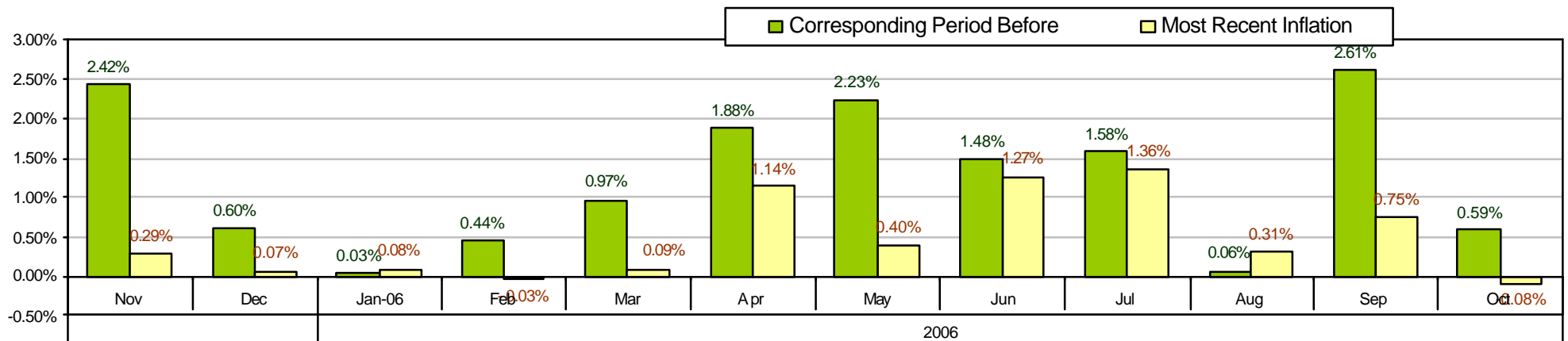
Source: Planning Institute of Jamaica (PIOJ) "Economic Update & Outlook" periodicals, <www.pioj.gov.jm>



APPENDIX

INFLATION (October CPI)

CONSUMER PRICE INDEX ALL GROUPS	Percent %	Proportion of Index	MONTHLY INFLATION - OCTOBER ALL GROUPS	Rnk	Percentage Change for Month (%)	INFLATION (End Dec-05 to End Oct-06) ALL GROUPS	YTD Percentage Change (%)
ALL GROUPS	100.0		ALL GROUPS		-0.080 [-0.080 = (100 x -0.0)]	ALL GROUPS	5.4
FOOD AND DRINK	54.7		FOOD AND DRINK	+2	0.028 [0.0153 = (54.6 x 0.02)]	FOOD AND DRINK	4.9
Meals Away from Home	14.5		Meals Away from Home		0.422	Meals Away from Home	4.7
Meat Poultry and Fish	29.3		Meat Poultry and Fish		0.555	Meat Poultry and Fish	10.3
Dairy Products Oils & Fats	12.0		Dairy Products Oils & Fats		0.689	Dairy Products Oils & Fats	6.5
Baked Products Cereal & Breakfast Drink	15.3		Baked Products Cereal & Breakfast Drink		0.171	Baked Products Cereal & Breakfast Drink	8.5
Starchy Foods	8.5		Starchy Foods		-3.487	Starchy Foods	4.6
Vegetables & Fruit	11.5		Vegetables & Fruit		2.054	Vegetables & Fruit	-13.6
Other Food & Beverages	9.0		Other Food & Beverages		0.319	Other Food & Beverages	9.4
FUELS & OTHER HOUSEHOLD SUPPLIES	7.4		FUELS & OTHER HOUSEHOLD SUPPLIES	+1	0.626 [0.0463 = (7.39 x 0.62)]	FUELS & OTHER HOUSEHOLD SUPPLIES	7.0
Household Supplies	64.7		Household Supplies		0.190	Household Supplies	5.8
Fuels	35.3		Fuels		0.882	Fuels	7.7
HOUSING & OTHER HOUSING EXPENSES	8.4		HOUSING & OTHER HOUSING EXPENSES	-1	-1.196 [-0.101 = (8.44 x -1.1)]	HOUSING & OTHER HOUSING EXPENSES	9.9
Rental	24.3		Rental		0.000	Rental	14.2
Other Housing Expenses	75.7		Other Housing Expenses		-1.505	Other Housing Expenses	8.8
HOUSEHOLD FURNISHINGS & FURNITURE	2.9		HOUSEHOLD FURNISHINGS & FURNITURE	-3	0.000 [-0.000 = (2.93 x 0.00)]	HOUSEHOLD FURNISHINGS & FURNITURE	7.8
Furniture	27.9		Furniture		-0.119	Furniture	10.2
Furnishings	72.1		Furnishings		0.018	Furnishings	6.2
HEALTHCARE & PERSONAL EXPENSES	7.1		HEALTHCARE & PERSONAL EXPENSES	+5	0.092 [0.0064 = (7.08 x 0.09)]	HEALTHCARE & PERSONAL EXPENSES	6.3
PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	5.0		PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	+3	0.253 [0.0126 = (5.01 x 0.25)]	PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	5.3
Clothing Materials	11.0		Clothing Materials		0.137	Clothing Materials	3.8
Readymade Clothing & Accessories	50.0		Readymade Clothing & Accessories		0.276	Readymade Clothing & Accessories	4.9
Footwear	31.3		Footwear		0.272	Footwear	4.6
Making & Repairs	7.6		Making & Repairs		0.171	Making & Repairs	9.7
TRANSPORTATION	6.5		TRANSPORTATION	-2	-0.831 [-0.054 = (6.50 x -0.8)]	TRANSPORTATION	1.0
MISCELLANEOUS EXPENSES	8.0		MISCELLANEOUS EXPENSES	+4	0.132 [0.0105 = (7.97 x 0.13)]	MISCELLANEOUS EXPENSES	5.4



EXTERNAL TRADE (Jan - Jun 2006)

EXTERNAL TRADE - (JAN - JUN 06)	US\$M	
TOTAL EXPORTS (bb)	1,053.89	
Major Traditional Exports	684.99	
by Sector-		
Agriculture	27.25	
Mining & Quarrying	546.55	
Manufacturing	111.19	
by Industry-		
Bauxite	56.94	
Alumina	488.80	
Sugar	87.10	
Rum	20.38	
Bananas	6.20	
Coffee	20.64	
Other	4.93	
Non-Traditional Exports	282.64	
Re-exports	17.32	
TOTAL IMPORTS	2,820.28	
Food	301.55	
Beverages & Tobacco	31.55	
Crude Materials (excl. Fuels)	42.78	
Mineral Fuels, etcetera	932.69	
Animal & Vegetable Oils & Fats	12.90	
Chemicals	347.06	
Manufactured Goods	307.13	
Machinery and Transport Equip.	508.40	
Misc. Manufactured Articles	231.54	
Other	104.69	
TRADE BALANCE	-1,766.38	

EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2005 - 2006
TOTAL EXPORTS (bb)	233.58	
Major Traditional Exports	73.43	
by Sector-		
Agriculture	12.104834	
Mining & Quarrying	41.212833	
Manufacturing	20.108487	
by Industry-		
Bauxite	8.564	
Alumina	32.967	
Sugar	14.125	
Rum	3.35	
Bananas	4.088	
Coffee	9.632	
Other	0.700154	
Non-Traditional Exports	159.45	
Re-exports	2.959	
TOTAL IMPORTS	476.979	
Food	12.047	
Beverages & Tobacco	4.083	
Crude Materials (excl. Fuels)	-1.377	
Mineral Fuels, etcetera	287.99	
Animal & Vegetable Oils & Fats	-2.702	
Chemicals	83.892	
Manufactured Goods	-12.941	
Machinery and Transport Equip.	90.843	
Misc. Manufactured Articles	5.932	
Other	9.212	
TRADE BALANCE	-243.397846	

EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
TOTAL EXPORTS (bb)	28.5%	
Major Traditional Exports	12.0%	
by Sector-		
Agriculture	79.9%	
Mining & Quarrying	8.2%	
Manufacturing	22.1%	
by Industry-		
Bauxite	17.7%	
Alumina	7.2%	
Sugar	19.4%	
Rum	19.7%	
Bananas	0.0%	
Coffee	87.5%	
Other	16.6%	
Non-Traditional Exports	129.4%	
Re-exports	20.6%	
TOTAL IMPORTS	20.4%	
Food	4.2%	
Beverages & Tobacco	14.9%	
Crude Materials (excl. Fuels)	-3.1%	
Mineral Fuels, etcetera	44.7%	
Animal & Vegetable Oils & Fats	-17.3%	
Chemicals	31.9%	
Manufactured Goods	-4.0%	
Machinery and Transport Equip.	21.8%	
Misc. Manufactured Articles	2.6%	
Other	9.6%	
TRADE BALANCE	16.0%	

BALANCE OF PAYMENTS (Jan - Jun 2006)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan - Jun 2006
Current Account	-466.6	
Goods Balance	-1421.8	
Exports	1053.9	
Imports	2475.7	
Services Balance	447.5	
Transportation	-136.2	
Travel	822.8	
Other Services	-239.1	
Income	-322.6	
Compensation of employees	24	
Investment Income	-346.6	
Current Transfers	830.3	
Official	67.7	
Private	762.6	
Capital & Financial Account	466.6	
Capital Account	-0.5	
Capital Transfers	-0.5	
Official	2.1	
Private	-2.6	
Acq/disp. of non-produced non-fin. assets	0	
Financial Account	467.1	
Other Official Invnt. (incl. Gov. Rsv)	204.5	
Other Private Invnt. (incl. err & omis)	265.4	
Reserves	-22.8	

Change Jan - Jun (2006)	US\$M
Current Account	-3.7
Goods Balance	-198.6
Exports	233.6
Imports	432.2
Services Balance	105.5
Transportation	-17.6
Travel	153.4
Other Services	-30.3
Income	32
Compensation of employees	3.7
Investment Income	26.3
Current Transfers	57.4
Official	-7.4
Private	64.8
Capital & Financial Account	3.7
Capital Account	1.1
Capital Transfers	1.1
Official	1.8
Private	-0.7
Acq/disp. of non-prod non-fin. Asts	0
Financial Account	2.6
Other Official Invnt. (incl. Gov. Rsv)	198.6
Other Private Invnt. (incl. err & omis)	-471.5
Reserves	0

Percentage change Jan - Jun (2006)	%
Current Account	1%
Goods Balance	16%
Exports	28%
Imports	21%
Services Balance	31%
Transportation	15%
Travel	23%
Other Services	15%
Income	-9%
Compensation of employees	18%
Investment Income	-8%
Current Transfers	7%
Official	-10%
Private	9%
Capital & Financial Account	1%
Capital Account	-69%
Capital Transfers	-69%
Official	600%
Private	37%
Acq/disp. of non-prod non-fin. Asts	0%
Financial Account	1%
Other Official Invnt. (incl. Gov. Rsv)	3366%
Other Private Invnt. (incl. err & omis)	-62%
Reserves	

FISCAL ACCOUNT (Apr-Sep '2006)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	J\$m	Provisional figures Apr-Sep '2006	BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-Sep 2006	YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-Sep - (06/07 minus 05/06)
Revenue & Grants	97,306.4		Revenue & Grants	-2,674.7		Revenue & Grants	13,759.70	
Tax Revenue	87,005.0		Tax Revenue	-2,652.6		Tax Revenue	11,886.70	
Non-Tax Revenue	6,428.9		Non-Tax Revenue	1,417.6		Non-Tax Revenue	1,466.60	
Bauxite Levy	2,072.2		Bauxite Levy	137.4		Bauxite Levy	508.20	
Capital Revenue	1,089.5		Capital Revenue	-793.9		Capital Revenue	-540.40	
Grants	710.8		Grants	-783.1		Grants	438.30	
Expenditure	113,940.8		Expenditure	-7,044.6		Expenditure	11,823.30	
Recurrent Expenditure	105,056.2		Recurrent Expenditure	-624.8		Recurrent Expenditure	10,992.70	
Programmes	23,016.9		Programmes	-452.1		Programmes	2,540.70	
Wages & Salaries	35,812.1		Wages & Salaries	-1,191.1		Wages & Salaries	4,791.90	
Interest	46,227.2		Interest	1,018.5		Interest	3,660.20	
Domestic	34,147.3		Domestic	1,394.1		Domestic	1,897.60	
External	12,079.8		External	-375.4		External	1,762.60	
Capital Expenditure	8,884.7		Capital Expenditure	-6,419.8		Capital Expenditure	830.80	
Capital Programmes	8,884.7		Capital Programmes	-6,419.8		Capital Programmes	830.80	
IMF #1 Account	0.0		IMF #1 Account	0.0		IMF #1 Account	0.00	
Fiscal Balance (Surplus +/ -ve)	-16,634.5		Fiscal Balance (Surplus +/ -ve)	4,369.8		Fiscal Balance (Surplus +/ -ve)	1,935.80	
Loan Receipts	97,506.2		Loan Receipts	27,751.6		Loan Receipts	11,566.50	
Domestic	93,535.1		Domestic	29,017.2		Domestic	27,315.70	
External	3,971.1		External	-1,265.6		External	-15,749.30	
Divestment Proceeds	0.0		Divestment Proceeds	0.0		Divestment Proceeds	0.00	
Amortization	72,759.2		Amortization	7,257.5		Amortization	3,730.50	
Domestic	64,554.2		Domestic	7,073.7		Domestic	19,405.80	
External	8,205.0		External	183.8		External	-15,675.30	
Overall Balance (Surplus +/ -ve)	8,112.5		Overall Balance (Surplus +/ -ve)	24,863.9		Overall Balance (Surplus +/ -ve)	9,771.80	
Primary Balance (Surplus +/ -ve)	29,592.7		Primary Balance (Surplus +/ -ve)	5,388.4		Primary Balance (Surplus +/ -ve)	5,596.10	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)	J\$m	Provisional figures Apr-Sep '2006	BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-Sep 2006	YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-Sep - (06/07 minus 05/06)
Revenue & Grants	97,306.4		Revenue & Grants	-2,674.7		Revenue & Grants	13,759.7	
Tax Revenue	87,005.0		Tax Revenue	-2,652.6		Tax Revenue	11,886.7	
Income and profits	34,313.2		Income and profits	-1,126.5		Income and profits	5148.5	
Bauxite/alumina	428.1		Bauxite/alumina	-107.4		Bauxite/alumina	156.3	
Other companies	7,033.3		Other companies	-576.8		Other companies	1476.7	
PAYE	18,475.0		PAYE	-1,468.6		PAYE	2133.1	
Tax on dividend	103.6		Tax on dividend	1.9		Tax on dividend	35.1	
Other individuals	795.6		Other individuals	-304.1		Other individuals	70.9	
Tax on interest	7,477.6		Tax on interest	1,328.5		Tax on interest	1276.8	
Environmental Levy	0.0		Environmental Levy	0.0		Environmental Levy	0	
Production and consumption	28,045.7		Production and consumption	-1,563.1		Production and consumption	4447.5	
SCT	1,247.7		SCT	-948.5		SCT	-525.8	
Motor vehicle licenses	481.1		Motor vehicle licenses	-52.3		Motor vehicle licenses	20.5	
Other licenses	166.1		Other licenses	62.9		Other licenses	64.9	
Betting, gaming and lottery	522.4		Betting, gaming and lottery	-32.6		Betting, gaming and lottery	22.8	
Education Tax	4,333.0		Education Tax	-104.2		Education Tax	925.2	
Contractors levy	336.4		Contractors levy	69.5		Contractors levy	107.1	
GCT (Local)	16,742.3		GCT (Local)	-566.9		GCT (Local)	3241.5	
Stamp Duty (Local)	4,216.7		Stamp Duty (Local)	8.9		Stamp Duty (Local)	591.9	
International Trade	24,646.2		International Trade	37.0		International Trade	2290.5	
Custom Duty	7,857.5		Custom Duty	-232.1		Custom Duty	491.1	
Stamp Duty	412.6		Stamp Duty	-58.9		Stamp Duty	-43.6	
Travel Tax	1,206.7		Travel Tax	1.6		Travel Tax	151.9	
GCT (Imports)	11,045.4		GCT (Imports)	181.4		GCT (Imports)	1953.1	
SCT (Imports)	4,123.9		SCT (Imports)	144.9		SCT (Imports)	-262.2	
Non-Tax Revenue	6,428.9		Non-Tax Revenue	1,417.6		Non-Tax Revenue	1466.6	
Bauxite Levy	2,072.2		Bauxite Levy	137.4		Bauxite Levy	508.2	
Capital Revenue	1,089.5		Capital Revenue	-793.9		Capital Revenue	-540.4	
Grants	710.8		Grants	-783.1		Grants	438.3	

Statistical Index

Major Macro-Economic Indicators

	BM		M2		NIR	Fx Dep	CPI		Tourism	J\$/US\$	T-bill	Loan	Sav	Dom Debt	Fx 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	n/a	n/a	2,342.00	n/a	0.75	6.5	11.7	66.06	12.49	21.80	5.36	n/a	n/a
Oct	-0.53	15.37	n/a	n/a	2,306.40	n/a	-0.08	5.8	24.1	66.50	12.30	21.80	5.36	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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