



# PSOJ MONTHLY ECONOMIC BULLETIN



The Private Sector Organisation of Jamaica • 39 Hope Road, Kingston 6 • Tel: 927-6238/6957 •  
Fax: 927-5137 • Email: psojinfo@psoj.org • Website: http://www.psoj.org

## Economic Highlights

### Going for Growth

The Government of Jamaica is rightly emphasizing growth as the way to underpin the success of its fiscal consolidation efforts, and more importantly, to reduce poverty and promote development. Central Government and the Public Bodies are to spend J\$112 billion (about 8% of GDP) on infrastructure and civil works in 2013/14 which could add from 1 to 3% to GDP if implemented according to plan. In addition, the GOJ has announced several other initiatives which it is helpful to evaluate to gauge their potential growth impact.

### The Logistics Hub

In "The Development of Panama as a Logistics Hub and the Impact on Latin America" Daniel Munoz and Miriam Rivera define a 'logistics hub' as a "regional cross-docking point where products from multiple supply sources arrive

and are sorted in accordance with the needs of the destinations or markets." In addition to the transport, storage and distribution services that generally form the core of Logistics hubs, countries often develop clusters of supportive industries such as ship and airline maintenance on the supply-side or light manufacturing and assembling and information technology on the delivery side. In 2012, logistics was estimated to account for 10-15% of gross world product or up to US\$10.8 trillion.

There are three well-known logistics hubs in the world - Dubai, Rotterdam and Singapore. With the expanded Panama Canal expected to begin operation in 2015, a number of counties are positioning themselves to be the logistics hub for the Americas. These include Panama itself, Colombia, Costa Rica and Jamaica.

Of the six factors (tradition and organization, accessibility, state assistance, costs and productivity, carrier's preference, and location) cited by Munoz and Rivera, that gives one port an advantage over another, Jamaica is said to mainly have a comparative location advantage and several natural harbours.

But in the words of the Minister of Industry, Trade and Investment Jamaica is "late out of the blocks" in the race to be the premier regional hub, with Panama, Costa Rica and other countries being much further ahead in establishing the infrastructure and attracting the anchor companies needed to gain momentum and credibility as the regional hub. In addition, Jamaica's time and costs for loading and shipping containers are almost twice the regional average; and international transactions are not as frictionless as Panama which uses the US dollar. Indeed, Jamaica currently ranks 123rd out of 155 countries in global logistics.

Despite these shortcomings, Jamaica could still become a significant regional hub, but it will require strong and sustained investment promotion and immense improvement in our ease of do-

### The International Financial Center

Developing and developed countries alike have been making money from offshore financial services for over 40 years (longer in the case of the latter). However, as with the Logistics Hub, Jamaica is quite late (2007) in indicating interest in that business, when the window for making money in facilitating tax minimization or tax avoidance is closing. Still there are a number of services from which Jamaica can still make money, and legislation is reportedly now being drafted to allow the country to offer services such as 'captive insurance services; international holding companies; shipping and aviation services; and international trust and partnership services.

Revenues currently generated from global offshore financial services are estimated at US\$5-7 trillion, and Jamaica hopes to carve out about US\$0 -US\$300 million per year when our legislation become operational. This compares with US\$1.5 billion per year in Grand Cayman. Jamaica's expectations are therefore modest in scope, and while the IFSC will add to the diversity of the economy and could create hundreds of high-paying jobs, because we are getting started so late in the game, it is difficult to see financial services having a big impact on Jamaica's economic fortunes in the medium-term.

### Tourism Mega-Projects.

Finance Minister Peter Phillips announced that some J\$7.6 billion was to be spent on upgrading three existing hotels. In addition, the GOJ will be inviting bids from June 1st, 2013 for the construction and development of three (3) Integrated Resorts which will each include at least 2,000 hotel rooms, shops, and gaming casinos. This model which was successfully developed in Singapore is expected to require 5 jobs per room or a total of 30,000 when all three hotels are fully operational. Thousands more jobs during the construction phase and to generate large amounts of revenues for the GOJ. Given the lead time for these mega projects, it is clear that only the refurbishing of the three hotels will have some growth impact during the medium term.

### Small Business Development

Considering their quick start-up times, support for small business could have the most immediate impact on growth in the short to medium term. (Contd. on Page 10)

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## Net International Reserves (NIR)

During March 2013, Net International Reserves declined by an additional -US\$55.23 million to US\$884.25 million compared to US\$939.5 million at the end of February 2012. March's erosion continues the decline in NIR, which has declined in 19 of the past 21 months from a high of US\$2,602.4 million in April 2011. Year over year (Mar 2012 to Mar 2013), the NIR is down by -US\$892.9 million; while for the first two months of 2013, the NIR has declined by -US\$241.3 million - almost double the rate of decline for the first three months of 2012.

At the end of March 2013, gross reserves were adequate to finance 11.49 weeks of "goods and services" imports, a little below the 12 weeks international benchmark of reserves adequacy. This was still above the 9.6 weeks of reserves that obtained in February 2009.

## Foreign Currency Deposits

At the end of December 2012, foreign currency deposits (FCD's) in the local financial system increased by US\$100.62 million or 4.05% to US\$2.486 billion compared to US\$2.385 billion at the end of December 2012. During 2012, FCD's were fairly steady and even increased by US\$180 million or 7.5% despite the bleeding of NIR. The moderate build-up in FCD's likely reflects the tendency to hold hard currency in times of uncertainty. But that outflows were not greater, probably reflects the fact, that in this technological age, transfers can be effected at the click of a mouse.

## Foreign Exchange Rate

**US DOLLAR:** During March 2013, the Jamaican dollar depreciated by an additional J\$1.78 to J\$98.89 compared to J\$97.11 at the end of February 2013. Indeed, during April 2013, the J\$ continued its decline to J\$99.73 but appears to be encountering strong resistance just below the J\$100 to US\$1.00 level. During FY 2012/13, the J\$ depreciated by J\$11.61 or 13.3% against the USD and is down J\$5.91 or 6.63% against the USD for the first three

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Mar-13	884.25	-55.28	-892.88	-241.33	15.37
Mar-12	1,777.13	-97.52	-776.03	-189.88	23.53

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Dec '12	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,902,625	130,839	186,475	6.88	10.87
Building Societies.	537,895	-29,130	-8,570	-5.42	-1.57
Merchant Banks	46,316	-1,085	2,392	-2.34	5.45
Total Deposits	2,486,836	100,624	180,297	4.05	7.82

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

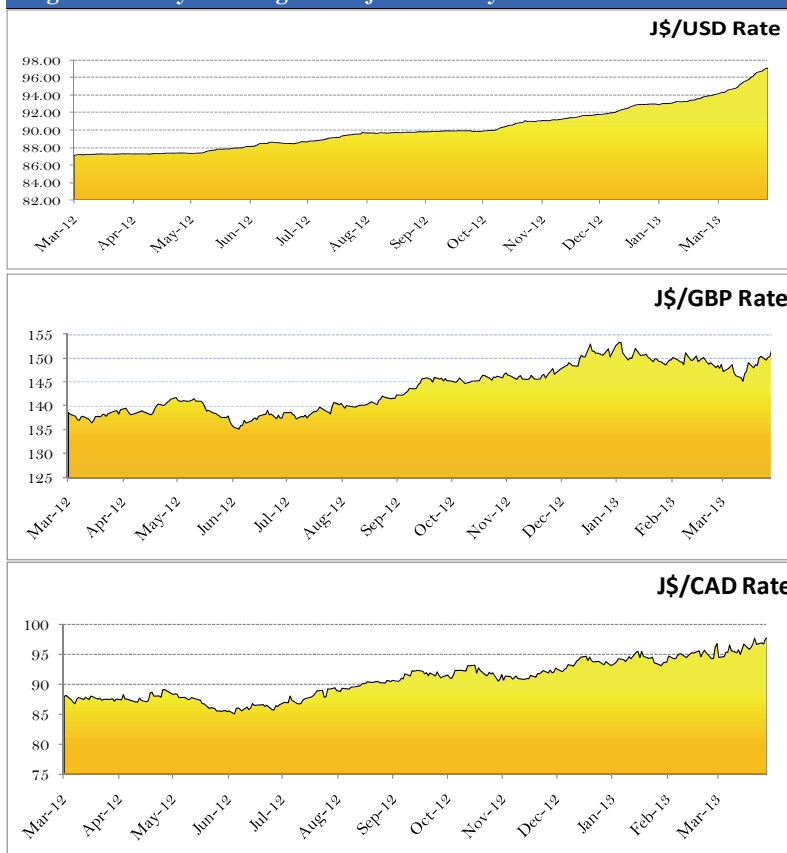
	YTD Currency Rate Change (Dec 31, 2012—3/28/13 *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2013	-5.91	-6.36	0.74	0.48	-4.69	-5.03
2012	-0.70	-0.81	-4.84	-3.60	-3.45	-4.10
2011	0.11	0.13	-3.54	-2.65	-2.80	-3.29

	MOM Mar - 2012					
	Actual Rate					
Actual Rate	98.89	1.83	151.90	2.09	97.99	1.03
Mth Change	1.78	1.83	3.12	2.09	1.00	1.03

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

months of 2013. This depreciation was largely driven by uncertainty about when a new GOJ/IMF agreement would be signed.

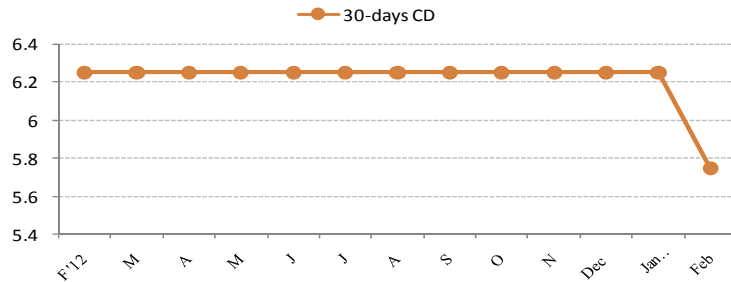
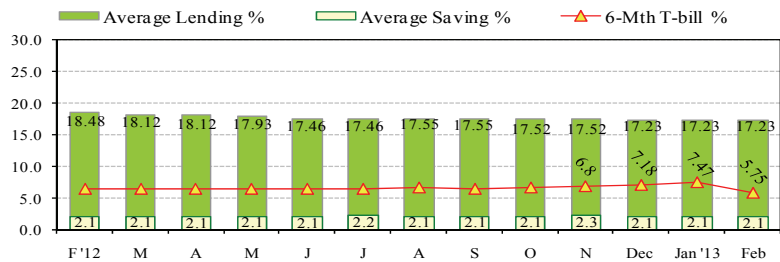
**POUND & CANADIAN DOLLAR:** During March 2013, the J\$ depreciated by J\$3.12 or 2.09% against the GBP to J\$151.90 from J\$148.79 in February 2013. Against the CAD, the J\$ depreciated in March 2013 by about J\$1.00 or 1.03% to sell for J\$97.99 compared to J\$97.00 in February 2013. Usually, the J\$ trades in a proxy relation with the USD in regards to GBP and CAD demonstrating sharp up and down movements aligned to similar movements of USD on international markets. In March 2013, GBP and CAD appreciated against the USD on positive risk sentiments. Correspondingly, both currencies appreciated against the Jamaican dollar.

## Interest Rates

Though the average saving rate and the average lending rate held steady in February 2013 (and over the past three months) at 2.07% and 17.23% respectively, there were notable movements and initiatives concerning interest rates.

To recall, in January 2013, Finance Minister Peter Phillips announced the outlines of a tentative agreement with the IMF which included a new 'National Debt Exchange' (NDX) that involved exchanging approximately J\$860 billion in existing GOJ bonds for instruments with lower interest and longer maturities. As with the earlier JDX, one consequence of the NDX was a recalibration of rates to lower levels on a number of GOJ instruments. Prior to the NDX, interest rate on the 6-month Treasury Bill had jumped by 66 bps in the two previous months to 7.47% in January 2013. But at the February T-Bill auction, after the NDX was announced, interest rate on the 6-month T-Bill fell to 5.75%. Taking their cue from what was happening to treasuries, the BOJ announced a 50 bps cut in its 30-days CD to 5.75%. It is noteworthy however, that at the March 2013 treasury bill auction, interest rate on the 6-month T-

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Feb-13	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	5.75%	-0.50%	-0.50%	-0.50%
60-days CD*	11.00%	0.00%	0.00%	0.00%
90-days CD*	13.50%	0.00%	0.00%	0.00%
120-days CD*	13.70%	0.00%	0.00%	0.00%
180-days CD*	15.00%	0.00%	0.00%	0.00%
Avg Savings Rate	2.07%	0.00%	-0.03%	0.00%
Avg Loan Rate	17.23%	0.00%	-1.25%	0.00%
6-Month T-Bill	5.75%	-1.72%	-0.82%	-1.43%

Source: Bank of Jamaica (BOJ Preliminary) \* Not issued since Dec.2009

Bill had again risen to 6.22%, and by a further 16 bps in April's auction to 6.39%, showing that administrative actions by the GOJ cannot hold rates below the risk premium demanded by the market.

In other initiatives, the BOJ has been quite active making two open market interventions during April 2013. On April 8th 2013 it sought to support the NIR by issuing a 365-day US dollar indexed note at a fixed coupon of 4.75% and at an exchange rate of US\$1 = J\$98.00. Later on April 15th, 2013 it sought to mop-up Jamaican dollar liquidity with three instruments ranging

from 6 months to 18 months. These rate movements and initiatives illustrate that Jamaica's money markets were under stress largely because of uncertainty about when a new agreement would be signed with the IMF.

## Base Money & Money Supply

During January 2013, M1 expanded by 3.8% to J\$138,064.8 million due to a J\$10.98 million expansion in checking deposits to J\$89.47 million. This exceeded a J\$6.14 million contraction in currency with the public.



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Quasi money also expanded in January 2013 reflecting increases of J\$3.36 million in 'Time Deposits' to J\$64.58 million and a J\$1.25 million increase in 'Savings Deposits' to J\$181.24 million. Given the expansion in M1 and Quasi money, M2—the broadest measure of money supply - increased by 2.5% to J\$383.89 million.

In March 2013, the monetary base expanded by 3.3% to J\$91,294.5 million likely reflecting money expansion to accommodate the Easter holidays.

## Inflation

The rate of inflation increased by 1.4% during March 2013. This was the highest monthly increase since the start of 2013 and the second highest in fifteen months. The depreciation of the Jamaican dollar during March 2013 was the likely cause of the higher prices given Jamaica's high import dependence.

The divisions recording the highest increase in the consumer price index was "Housing, Water, Electricity, Gas and Other Fuels" which rose by 5.0%. A 10.7% rise in electricity rates and rising water rates fed into and resulted in increases in all four groups within that division.

The second highest increase was recorded in the group "Alcoholic Beverages and Tobacco" which rose by 2%; for the second consecutive month. Higher prices for 'Wines' and 'Spirits' and 'Tobacco' continued to be the key drivers of price increases within the division.

Two divisions "Miscellaneous Goods and Services" and "Clothing and Footwear" both recorded increases of 1.0%. The two groups within the latter division - 'Footwear' and 'Clothing' rose by 1.4% and 0.9% respectively; while higher prices for personal care items and funeral services accounted for the rise in Miscellaneous Goods and Services.

Prices rose by 0.9% in the most heavily-

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Jan -13	Mthly	12 Mth
M1	138,064.93	3.60	14.32
Quasi Money	245,813.14	1.91	5.42
M2	383,878.07	2.51	8.46
	Mar -'13	Mthly	12 Mth
Base Money	91,294.45	3.30	9.08

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Mar	12-Mth	YTD	Fiscal
2013	1.38	9.11	1.38	9.11
2012	0.50	7.28	0.50	7.85

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

Table 7: Mining Production

	000 tonnes			YTD	
	Mar-13	Mar-12	%	Mar-13	13/12 %
<b>Production</b>					
Alumina	138.0	166.7	-17.2	426.8	-10.4
C. Bauxite	461.2	379.5	21.5	1,236.1	7.05
<b>Export</b>					
Alumina	172.7	187.4	-7.84	464.0	4.67
C. Bauxite	452.5	406.9	11.2	1,209.9	5.67

Source: Jamaica Bauxite Institute (JBI)

weighted "Food and Non-Alcoholic Beverages" division. The two classes within the division 'Food' and 'Non-Alcoholic Beverages' rose by 0.9% and 1.0% respectively. In the class 'Food', notable increases were recorded for 'Fruit' - up 2.3%; and 'Vegetables and Starchy Foods' - up 1.6%, as drought conditions throughout the island slowed the recovery from Hurricane Sandy.

"Furnishings, Household Equipment and Routine Household Maintenance" increased by 0.7% largely reflecting first and second-round impacts of the upward pressure on prices from the depreciation of the Jamaican dollar on household appli-

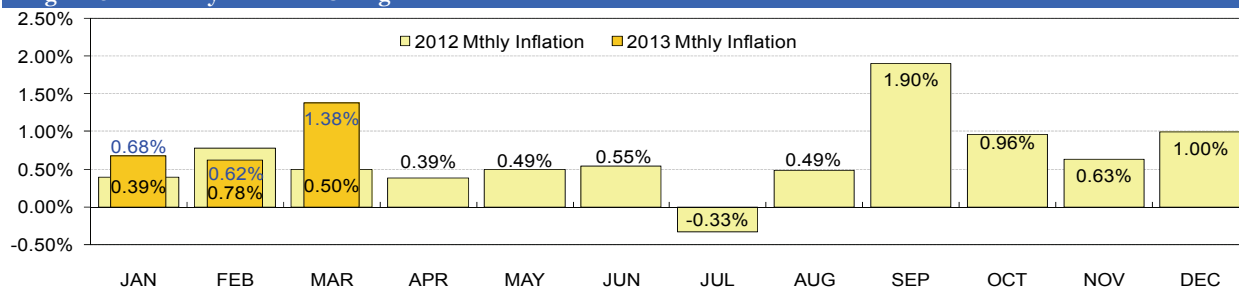
ances, utensils and household textiles.

"Recreation and Culture" and "Restaurants and Accommodation Services" each rose by 0.5%; while "Health" and "Transport" both rose by 0.4% "Communication" and "Education" were basically flat on the month. For the calendar year to date, the rate of inflation was 2.7%. The point-to-point rate (Mar '12 to Mar '13) and the rate for the fiscal year was 9.1%.

## Bauxite & Alumina

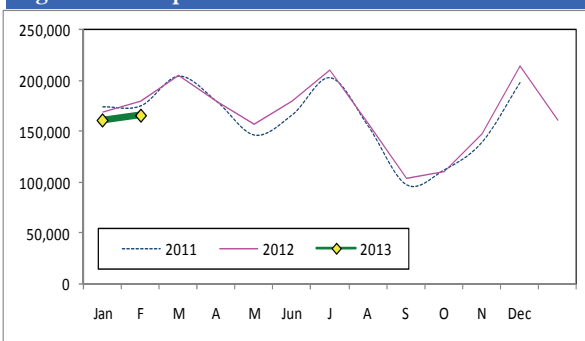
Production of alumina in March 2013 declined by -17.23% to 137,989 tons

Figure 3: Monthly Inflation Changes



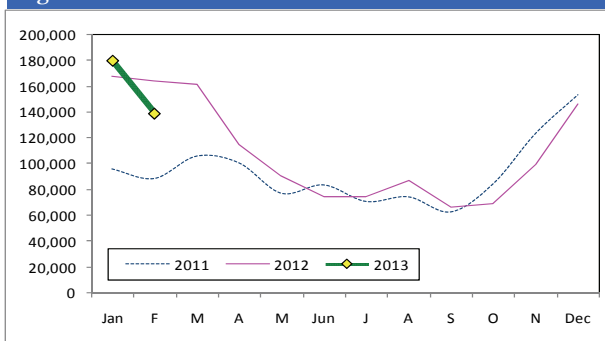
Source: STATIN and PSOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

compared to 166,708 tons in March 2012. For its part, production of crude bauxite in March 2013 increased by 21.5% to 461,185 tons relative to 379,548 tons in March 2012.

The soft conditions in the global economy during 2012 resulted in Jamaica's production of alumina falling by -10.86% to 1,753,505 tons compared to 1,959,238 tons during 2011. Production of crude bauxite was also down -7.46% to 4,759,647 million tons relative to 5,143,463 million tons during 2011.

For the first three months of 2013, alumina production is down -10.43% to 426,804 tons compared to 426,804 tons in 2012; while production of crude bauxite at 1,236,130 tons is running 7.05% ahead of output during the first three months of 2012 when output was 1,154,733 tons.

## Tourism

Stopover arrivals in February 2013 were 166,010 - a decrease of -8.1% below the 180,592 stopovers recorded in February 2012. The number of cruise passengers also declined by -15.5% in February 2013 to 138,879 visitors, compared to 164,415 in February 2012.

Regionally, stopovers from the US declined by -5.3% in February 2013 to 86,301 compared to 85,571 in February 2012. Year to date, stopovers from the US are down -2.4% to 177,664 from 182,021 during the first two months of calendar year 2012. From the Canadian market, stopovers decreased by -16.3% during February 2013 (the third consecutive monthly decrease in 19 months) with 47,932 arrivals compared to 57,262 in February 2012. Year to date, the number of visitors from Canada is down 15.4% to 95,697 seemingly reversing the strong growth recorded in 2012.

Visitors from Europe, including the UK,

## Tourist Arrivals

	2012	2013	%Change	
	YTD (FEB)		YOY	MOM
<b>Stopover</b>	<b>349,947</b>	<b>327,465</b>	<b>-6.4%</b>	<b>2.8%</b>
Foreign	330,320	309,019	-6.4%	-3.3%
Non-Resident	19,627	18,446	-6.0%	-5.4%
<b>Cruise</b>	<b>332,160</b>	<b>318,789</b>	<b>-4.0%</b>	<b>-22.8%</b>
<b>Total Arrivals</b>	<b>682,107</b>	<b>646,254</b>	<b>-5.3%</b>	<b>-10.7%</b>

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

declined by -2.4% in February 2013 to 19,795 visitors compared to 19,316 arrivals in February 2012. Year to date, visitors from Europe are down -3.5% to 39,161 extending the two year decline for visitors from Europe which has seen a -24.2% drop in arrivals since 2010.

Stopover arrivals from the Caribbean recorded a small -1.9% decline during calendar year 2012 to 64,984 visitors compared to 66,216 visitors in 2011. For the first two months of 2013, stopovers from the Caribbean are down 5.6% to 8,038 visitors compared to 8,515 visitors for the first two months of 2012. On the other hand, stopovers from Latin America are up by 15.5% in Jan-Feb 2013 to 4,931 extending their strong 50.9% increase (to 25,037) recorded in 2012.

During calendar year 2012, cruise visitors to the Island increased by 17.3% to 1,320,083 visitors on top of a strong 23.4% increase in 2011 reflecting the impact of the opening of the Falmouth Port. For the first two months of 2013 however, cruise arrivals are down 4.0% to 318,789 visitors compared to 332,160 in Jan-Feb 2012. Total Visitors to Jamaica during Jan-Feb 2013 were 646,254 - a 5.3% decrease compared to 682,107 visitors during Jan-Feb 2012.

## External Trade

During calendar year 2012, Jamaica's exports increased by US\$87.5 million or 5.4% to US\$1.71 billion compared to US\$1.62 billion during 2011. Imports for the period increased by US\$155.5 million or 2.4%, to US\$6.95 billion, which more than cancelled-out the export gain. Thus the traditional negative imbalance in Jamaica's merchandise trade worsened in 2012 by -US\$68.0 million or 1.4% to (US\$4.89 billion) compared to (US\$4.82 billion) in calendar year 2011.

**Traditional Exports:** During 2012, traditional domestic exports earned US\$813.76 million, a decrease of -US\$46.7 million or -5.4% relative to the US\$860.5 million earned during 2011. The share of traditional exports in total domestic exports also decreased to 47.6% in 2012 from 53.0% during in 2011.

The decreased earnings from traditional exports were mainly due to a US\$83.9 million or -11.6% contraction in Mining and Quarrying to US\$638.8 million compared to US\$722.8 million in 2011. The decreased earnings from Mining and Quarrying, largely resulted from a decline of US\$72.4 million (or 12.5%)

in alumina earnings to US\$508.3 million and a smaller drop of US\$11.8 million in bauxite earnings to US\$124.09 million. Adding to the decline in earnings from 'Mining & Quarrying' was a US\$3.5 million decline in earnings from 'Agriculture' to US\$20.0 million due mainly to a US\$4.54 million or -24.8% drop in Coffee exports to US\$13.8 million.

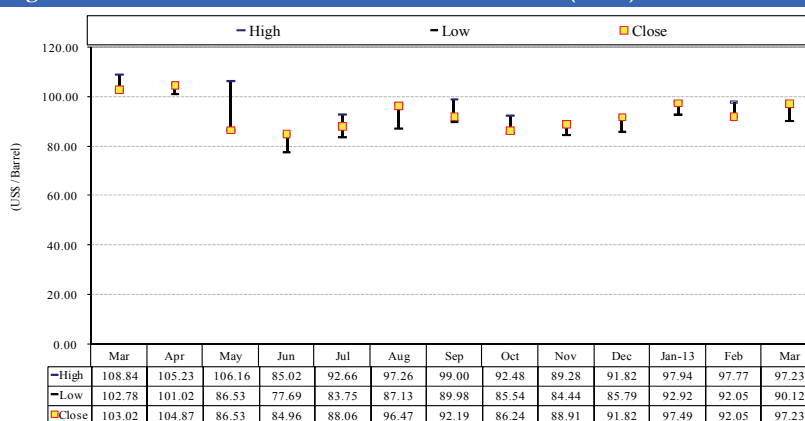
Partly off-setting these declines, was a significant US\$40.7 million or 35.6% increase in 'Manufacturing' exports to US\$154.9 million from US\$114.2 million one year earlier. This largely reflected a US\$32.0 million or 68% increase in 'Sugar' exports to US\$94.14 million from US\$62.16 million during 2011; and an increase of US\$6.9 million in 'Rum' exports to US\$55.7 million.

**Non-traditional exports** continued to grow during 2012, expanding by 22.8% to US\$828.4 million, compared to US\$674.7 million in 2011. Two of four categories of non-traditional exports recorded growth during the period and two declined.

In the category "**Food**", there was a 6.1% increase in earnings to US\$144.8 million relative to US\$135.6 million in 2011. Ten of seventeen groups recorded increases and seven declined. Among the groups recording increased earnings were: 'Papaya' - up 80% to US\$4.5 million from US\$2.5 million; 'Other Fruits and Fruit Preparations' - up 36.1% to US\$7.2 million from US\$5.27 million; and 'Juices excl. Citrus' - up 27.4% from US\$6.9 million to US\$8.9 million. Notable increases were also recorded for 'Animal Feed' - up 25.4% to US\$9.5 million; and 'Ackee' - up 12.0% to US\$13.9 million from US\$12.4 million; and 'Sauces' - up 16.3% to US\$14.6 million.

There were however, notable decreases in earnings from some 'Food' groups in 2012 compared to 2011. Earnings from 'Other Vegetables & Preparations' thereof were down -15.2% to US\$2.43 million from US\$2.86 million in 2011. 'Baked Products' were down -10.8% to US\$11.6 million from US\$13.03 million; and 'Dairy Products and Bird Eggs' declined by -6.7% to US\$6.9 million compared to US\$7.4 million in 2011. 'Other Food Exports' declined by 4.2% to US\$24.3 million compared to US\$23.3 million in 2011 while 'Yams' exports were down by 1.7% to US\$19.6 million from US\$19.9 million. "**Other**" non-traditional exports, gen-

Figure 5: West Texas Intermediate Crude Oil Prices (WTI) US\$ / Barrel



Source: PSOJ Compilation from Union Pacific (<http://www.uprr.com/customers/surcharge/wti.shtml>)

Table 9: External Trade (US\$M)

	Jan-Dec '11	Jan-Dec '12	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>1,622.38</b>	<b>1,709.84</b>	<b>87.46</b>	<b>5.4%</b>
Major Traditional Exports	860.48	813.76	-46.72	-5.4%
<i>by Sector:-</i>				
Agriculture	23.51	20.03	-3.49	-14.8%
Mining & Quarrying	722.75	638.83	-83.92	-11.6%
Manufacturing	114.21	154.90	40.69	35.6%
<i>by Industry:-</i>				
Bauxite	141.91	130.14	-11.78	-8.3%
Alumina	580.73	508.33	-72.40	-12.5%
Sugar	62.16	94.14	31.97	68.0%
Rum	48.71	55.65	6.95	14.3%
Bananas	0.06	0.12	0.06	0.0%
Coffee	18.33	13.79	-4.54	-24.8%
Other	8.57	11.59	3.02	35.3%
Non-Traditional Exports	674.73	828.35	153.62	22.8%
Re-exports	87.17	67.73	-19.44	-22.3%
<b>TOTAL IMPORTS</b>	<b>6,439.43</b>	<b>6,594.94</b>	<b>155.52</b>	<b>2.4%</b>
Food	938.66	959.22	20.56	2.2%
Beverages & Tobacco	77.45	81.07	3.62	4.7%
Crude Materials (excl. Fuels)	62.83	47.50	-15.33	-24.4%
Mineral Fuels, etcetera	2,310.90	2,390.26	79.36	3.4%
Animal & Vegetable Oils & Fats	58.57	51.63	-6.93	-11.8%
Chemicals	873.40	923.97	50.57	5.8%
Manufactured Goods	645.67	623.71	-21.96	-3.4%
Machinery and Transport Equip.	932.11	919.42	-12.69	-1.4%
Misc. Manufactured Articles	471.45	479.99	8.53	1.8%
Other	68.40	118.18	49.79	72.8%
<b>TRADE BALANCE</b>	<b>(4,817.05)</b>	<b>(4,885.10)</b>	<b>-68.05</b>	<b>1.4%</b>

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

erally, the largest category of non-traditional exports, increased by 41.6% to US\$608.85 million in 2012 compared to US\$429.8 million in 2011. This mainly resulted from a 49.5% increase in 'Chemicals (incl. Ethanol)' to US\$205.1 million relative to US\$41.4 million in 2011. There was also a smaller rise of 4.3% in 'Mineral Fuels etc' to US\$387.7 million compared to

US\$371.76 million in 2011. However, six of the eight groups in 'Other' non-traditional exports recorded declines ranging from -2.8% to -48.0%.

"**Beverages & Tobacco (excl. Rum)**" was one of two Non-Traditional export category that declined in 2012. This category declined by -25.1% to US\$48.25 million from US\$64.45 million reflecting a 26.6%

drop in exports of 'Alcoholic Beverages (excl. Rum)' to US\$38.8 million from US\$52.9 million in 2011 and a 18.8% decline in 'Non-alcoholic Beverages to US\$9.3 million from US\$11.5 million.

**"Crude Materials"**, which has been the fastest growing group of non-traditional exports in recent years, also declined in 2012. This decline was largely due to a 44.6% drop in exports of 'Waste and Scrap Metals' from US\$39.7 million to US\$22.0 million compounded by declines of 29.2% and 1.8% in exports of 'Limestone' and 'Other' crude materials respectively.

**Imports.** Reflecting more buoyant conditions in the local and global economy, during 2011, imports surged by 24.2% to US\$6.6 billion. This growth slowed during 2012 to only 2.4% reflecting the tightening grip of recession in the local economy as imports expanded by US\$155.5 million to US\$6.59 billion compared to US\$6.44 billion in 2011.

Greatly responsible for the growth of imports in 2012 was a 4.4% rise in imports of **Consumer Goods** to US\$1.76 billion compared to US\$1.68 billion in 2011. This mainly reflected increases of 13.0% in imports of 'Non-durable Goods' to US\$522.7 million from US\$462.5 million, as well as a 2.4% rise in 'Food' imports to US\$732.0 million compared to US\$714.9 million during 2011. Imports of 'Semi-Durable Goods' and 'Other Durable Goods (excl. Motor Cars)' were basically flat during 2012.

However, contributing to the rise in imports was a 56.4% rise in imports of 'Passenger Motor Cars' from US\$144.13 million to US\$225.36 million.

During 2012, **'Raw Materials/ Intermediate Goods'** - generally the largest category of imports were basically flat, increasing slightly by 0.4% to US\$4.14 billion from US\$4.12 billion. This likely reflected the slow conditions in the local economy. The sub-category, 'Parts and Accessories of Capital Goods', declined by -21.6% from US\$344.9 million to US\$270.4 million. This was reinforced by a -4.2% decline in imports of intermediate 'Food' which declined from US\$310.4 million to US\$296.5 million. The three other groups within the category recorded modest increases. 'Crude Oil' imports were up 4.2% to US\$947.6 million from US\$909.1 million and 'Other Fuels and Lubricants' by 1.5% to US\$1.4 billion

Table 10: Balance Of Payments (US\$M)

	Jan-Dec 2011	Jan-Dec 2012	\$ Change	% Change
<b>Current Account</b>	<b>(2,116.5)</b>	<b>(1,575.2)</b>	<b>541.3</b>	<b>25.6%</b>
<b>Goods Balance</b>	<b>(4,257.6)</b>	<b>(4,158.0)</b>	<b>99.6</b>	<b>2.3%</b>
Exports	1,664.8	1,746.7	81.9	4.9%
Imports	5,922.4	5,904.7	(17.7)	-0.3%
<b>Services Balance</b>	<b>669.8</b>	<b>751.5</b>	<b>81.7</b>	<b>12.2%</b>
Transportation	(576.1)	(605.8)	(29.7)	-5.2%
Travel	1,853.6	1,881.2	27.6	1.5%
Other Services	(607.7)	(523.9)	83.8	13.8%
<b>Income</b>	<b>(518.4)</b>	<b>(277.4)</b>	<b>241.0</b>	<b>46.5%</b>
Compensation of empl	36.5	58.1	21.6	59.2%
Investment Income	(554.9)	(335.6)	219.3	39.5%
<b>Current Transfers</b>	<b>1,989.8</b>	<b>2,108.7</b>	<b>118.9</b>	<b>6.0%</b>
Official	141.3	236.1	94.8	67.1%
Private	1,848.4	1,872.7	24.3	1.3%
<b>Capital &amp; Financial Account</b>	<b>1,326.4</b>	<b>1,957.7</b>	<b>631.3</b>	<b>47.6%</b>
<b>Capital Account</b>	<b>(9.1)</b>	<b>(174.0)</b>	<b>(164.9)</b>	<b>-1812.1%</b>
Capital Transfers	(9.1)	(174.0)	(164.9)	-1812.1%
Official	29.0	5.9	(23.1)	-79.7%
Private	(38.2)	(179.8)	(141.6)	-370.7%
Acq/disposal	-	-	-	0.0%
<b>Financial Account</b>	<b>1,335.5</b>	<b>2,131.6</b>	<b>796.1</b>	<b>59.6%</b>
Other Official Invst	497.9	238.6	(259.3)	-52.1%
Other Private Invst	632.4	1,052.5	420.1	66.4%
Reserves	205.2	840.5	-	0.0%

due largely to higher prices for petroleum. 'Industrial Supplies' also grew by 2.5% to US\$1.18 billion from US\$1.15 billion.

The other main category of imports - **'Capital Goods (excl. Motor Cars)'** - declined by -4.2% to US\$473.4 million during 2012 from US\$494.3 million in 2011. Again reflecting the slowdown in the local economy, imports of 'Construction Materials' declined by -15.7% to US\$113.2 million compared to US\$134.4 million one year earlier. 'Other Industrial Transport Equipment' fell by -3.9% to US\$89.3 million compared to US\$92.97 million in 2011. 'Imports of 'Machinery and Equipment' were basically flat increasing by 0.4% to US\$262.1 million relative to US\$261.1 million during 2011; while imports of 'Other Capital Goods' rose by 47.3% US\$8.73 million compared to US\$5.9 million in 2011.

**Oil:** At the end of March 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$97.23 per 42 gallon barrel - an increase in price of US\$5.18 relative to the closing price of US\$92.05 the previous month. During March 2012 the price

ranged between a high of US\$97.23 and a low of US\$90.12.

## Balance of Payments

During 2012, there was a current account deficit of US\$1,575.2 million, which represented an improvement of US\$541.3 million relative to the corresponding period in 2011. This deficit represents a continuation of the decline experienced in the last two corresponding periods. The improvement in the Current Account emanated from all sub-accounts.

During the period, the **Goods balance** recorded a deficit of US\$4,158.0 million, an improvement of US\$99.6 million when compared to 2011. This resulted primarily from an increase of US\$81.9 million in exports, which was reinforced by a decrease of US\$ 17.6 million in imports. The increase in exports stemmed mainly from an increase of US\$ 32.0 million in sugar exports. The increase in imports was significantly influenced by a decrease of US\$51.6 million in mineral fuel, as well as a decline of US\$23.4 million and US\$20.3 million in Manufactured

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Mar (Fiscal—2012/13)				Apr-Mar (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
<b>Revenue &amp; Grants</b>	<b>344,668.5</b>	<b>361,282.5</b>	<b>-16,614.0</b>	<b>-4.60</b>	<b>16,148.8</b>	<b>5.7</b>
Tax Revenue	319,764.9	335,625.1	-15,860.2	-4.73	23,802.0	9.3
Non-Tax Revenue	18,783.6	18,555.2	228.4	1.23	-585.3	-3.8
Bauxite Levy	1,163.7	1,681.3	-517.6	-30.79	-340.5	-24.1
Capital Revenue	1,015.8	1,008.9	6.9	0.69	-7,372.0	-89.7
Grants	3,940.5	4,412.0	-471.5	-10.69	791.5	26.3
<b>Expenditure</b>	<b>399,278.9</b>	<b>414,258.0</b>	<b>-14,979.1</b>	<b>-3.62</b>	<b>-1,625.8</b>	<b>-0.4</b>
Recurrent Expenditure	361,521.0	374,765.0	-13,244.0	-3.53	13,959.5	4.3
Programmes	87,201.5	92,160.7	-4,959.2	-5.38	1,287.2	1.7
Wages & Salaries	147,381.8	146,070.4	1,311.4	0.90	7,055.6	5.5
Interest	126,937.7	136,533.8	-9,596.1	-7.03	5,616.6	4.8
Domestic	87,729.1	90,080.9	-2,351.8	-2.61	5,878.6	7.3
External	39,208.6	46,453.0	-7,244.4	-15.60	-262.2	-0.7
Capital Expenditure	37,757.9	39,493.0	-1,735.1	-4.39	-15,585.2	-38.3
Capital Programmes	37,757.9	39,493.0	-1,735.1	-4.39	-15,585.2	-38.3
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
<b>Fiscal Balance (Surplus [+ve])</b>	<b>-54,610.8</b>	<b>-52,975.5</b>	<b>-1,635.3</b>	<b>-3.09</b>	<b>17,774.5</b>	<b>22.1</b>
Loan Receipts	147,093.0	251,145.8	-104,052.8	-41.43	-21,631.4	-13.4
Domestic	134,070.2	141,806.9	-7,736.7	-5.46	-11,851.3	-8.4
External	13,022.8	109,338.9	-96,316.1	-88.09	-9,780.1	-50.0
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	88,329.8	198,170.2	-109,840.4	-55.43	-37,203.0	-30.2
Domestic	37,094.8	124,612.9	-87,518.1	-70.23	-29,055.1	-44.7
External	51,235.0	73,557.4	-22,322.4	-30.35	-8,147.8	-14.0
<b>Overall Balance (Surplus [+ve])</b>	<b>4,152.4</b>	<b>0.0</b>	<b>4,152.4</b>	<b>0.0</b>	<b>47,848.0</b>	<b>134.5</b>
<b>Primary Balance (Surplus [+ve])</b>	<b>72,326.9</b>	<b>83,558.3</b>	<b>-11,231.4</b>	<b>-13.44</b>	<b>23,391.2</b>	<b>62.1</b>

Source: Ministry of Finance and Planning

Goods and Machinery & Transport Goods, respectively.

In relation to the **Services sub-account**, there was an increase of US\$81.7 million in its surplus position. This resulted primarily from an increase of US\$46.9 million in Other Business Services inflows and a reduction of US\$72.6 million in Construction Services outflows.

The **Income sub-account** improved by US\$241.0 million for the review year. This increase emanated primarily from a decrease of US\$139.4 million in profits remitted by foreign direct investment companies.

During 2012 **Current Transfers** increased by US\$119.0 million to US\$2108.7 million, relative to 2011. This improvement resulted primarily from an increase of US\$94.7 million in net official grant flows.

Flows from official and private sources were insufficient to finance the current account deficit. Consequently, the NIR

declined by US\$ 840.5 million during the period.

## Fiscal Accounts

During fiscal year (Apr-Mar) 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$54.6 billion. This fiscal deficit was J\$1.64 billion or 3.09% worse than the -J\$52.98 billion budgeted but J\$17.77 billion or 22.1% better than the -J\$86.07 billion deficit recorded during FY2011/12. This slightly worse than expected out-turn on the fiscal deficit resulted from a severe shortfall of J\$16.61 billion in Revenues and Grants which was largely, but not completely offset by a sharp cutback of J\$14.98 billion in Expenditure.

**REVENUE:** Total Revenues & Grants to the GOJ during FY 2012/13 was J\$344.67 billion. This was -J\$16.61 billion or 4.60% short of the budgetary target of J\$361.28

billion though it was J\$16.15 billion or 5.7% greater than Revenues and Grants collected during Apr-Mar 2011/12.

Of 25 revenue heads, only 7 came in (moderately) above target during FY2012/13. This largely reflects the recession in the Jamaican economy. The main outperformers were: 'SCT' - up J\$2.47 billion; 'Stamp Duty (Local)' - up J\$1.16 billion; and 'Tax on Interest' - up J\$808.9 million. Tax on Dividend' - up J\$499.9 million; and 'Non-Tax Revenue' - up J\$228.4 million, also came in above budget.

Among the main underperformers on the revenue account were: 'PAYE' - down -J\$5.01 billion below budget; 'SCT (Imports)' down - J\$2.89 billion; and 'Other Companies Taxes' - down -J\$2.69 billion. 'GCT (Imports)' - down -J\$2.44 billion and 'GCT (Local)' - down -



J\$2.15 billion also underperformed budget.

**EXPENDITURE:** During FY2012/13 total expenditure was J\$399.28 billion. This was -J\$14.98 billion or -3.62% less than the J\$414.26 billion budgeted, and J\$1.63 billion or -0.4% less than expenditures for FY2011/12. To move towards the IMF Primary Surplus requirement of 7.5% of GDP and to compensate for the below target performance of Revenues, the GOJ was forced to carefully control expenditures. Substantial savings totalling J\$9.6 billion were achieved on interest payments with GOJ paying out J\$126.94 billion relative to the J\$136.3 billion budgeted. There were savings of J\$7.24 billion on 'External Interest' with J\$39.2 billion paid out relative to the J\$46.45 billion budgeted; while savings of J\$2.35 billion on 'Domestic Interest' (J\$87.73 billion paid relative to J\$90.49 billion budgeted) were also realized. Other significant areas of expenditure compression were: 'Recurrent Programmes' - down J\$4.6 billion to J\$87.2 billion compared to J\$92.16 billion budgeted; and 'Capital Programmes' on which J\$37.76 billion was spent relative to J\$37.76 billion budgeted with a resultant savings of J\$1.74 billion. Expenditures on 'Wages and Salaries' however, were modestly above budget to the tune of J\$1.3 billion with J\$147.38 billion spent compared to J\$146.07 billion budgeted.

### FISCAL OUTTURN

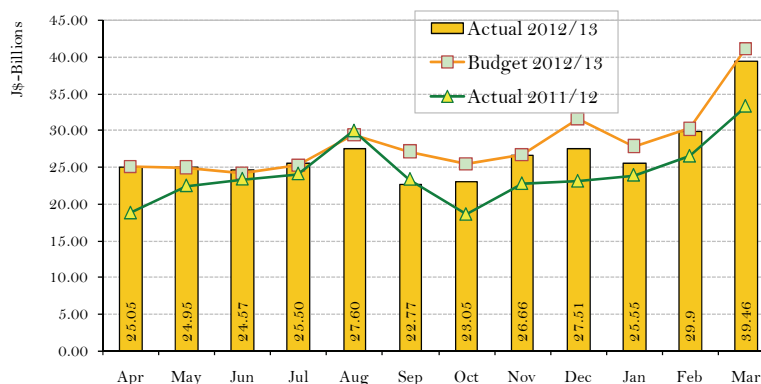
The fiscal deficit for FY2011/12 (Apr-Mar 2011) was -J\$80.74 billion. For FY2012/13, the GOJ originally projecting a fiscal deficit of -J\$48.0 billion or 4% of GDP, but this upwardly revised to -J\$52.97 billion during the year. The final outturn was -J\$54.6 billion, about J\$1.64 billion off-target, but J\$17.77 billion better than outturn for 2011/12.

**The Primary Surplus** - a measure of the country's ability to service its debt from revenues, was J\$39.97 billion in 2011/12. Under pressure from the IMF, to raise the primary surplus target to 7.5% of GDP, the GOJ upwardly revised the primary surplus target for FY2012/13 from J\$60 billion to J\$83.56 billion. The final outturn was J\$72.34, which fell J\$11.23 billion from the revised target, but was an improvement of J\$30.0 billion on the primary surplus for FY2011/12.

### PUBLIC DEBT

At the end of January 2013 the total public debt stood at J\$1.768 trillion - an

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



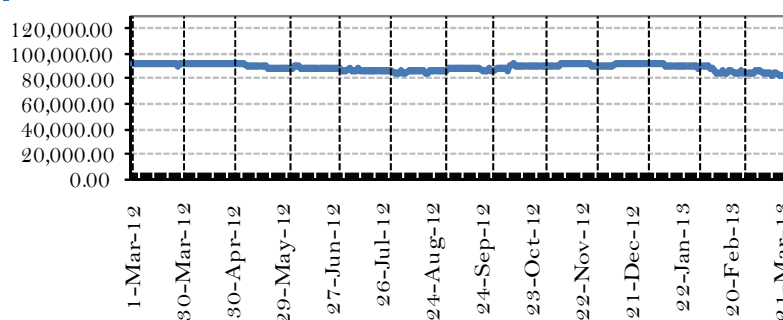
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Mar 2012/13
<b>Revenue Surpluses</b>	
SCT	2,465.3
Stamp Duty (Local)	1,159.2
Tax on Interest	808.9
Tax on Dividend	499.9
Non-Tax Revenue	228.4
<b>Revenue Shortfalls</b>	
PAYE	-5,011.2
SCT (Imports)	-2,771.6
Other Companies	-2,687.6
GCT (Imports)	-2,439.4
GCT (Local)	-2,145.0
<b>Expenditure Changes</b>	
Recurrent Programmes	-4,959.2
External Interest	-7,244.4
Domestic Interest	-2,351.8
Capital Programmes	-1,735.1
Wages and Salaries	1,311.4

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index Mar '12 - Mar '13



Source: Jamaica Stock Exchange (Online Database) and PSOJ

increase of J\$106.0 billion over the J\$1,662.3 trillion recorded at the start of FY 2012/13. For the first ten months of FY2012/13, the domestic debt has increased by J\$81.4 billion to J\$994.05

billion or 56.2% of the total, while the external debt has declined by US\$365.4 million to US\$8.22 billion. Due to depreciation of the J\$, the external debt denominated in J\$ has

actually increased by J\$23 billion since the beginning of FY 2012/13 to J\$773.96 at the end of January 2013.

## Stock Market

During March 2013, market capitalization decreased by J\$9.47 billion or 1.7% to close at J\$543.53 billion. Five of six indices on the Jamaican Stock Exchange declined and one advanced. The main **JSE Market Index** declined by 2,062.6 points or 2.45% to close at 81,986.3 points. The **JSE Combined Index** declined by 1,846.8 points or 2.16% to close at 83,492 points. The **JSE All Jamaican Composite Index** declined by 1,160 points or (1.48%) to close at 77,254 points and the **JSE Select Index** declined by 54.96 points or (2.55%) to close at 2,097.2 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, also declined - by 30.5 points or 3.55% to close at 826.9 points. The **Junior Market Index** - was the only index advancing in March 2013, increasing by 30 points or 5.06% to close at 622.4 points and .

were: Pulse Investments; Palace Amusements Co. Ltd; Hardware & Lumber; LIME and Barita Investments Ltd. The leading decliners were: Sagicor Investments Jamaica Ltd; Radio Jamaica; Berger Paints; Sagicor Life Jamaica and Scotia Investments Jamaica.

## Economic Highlights

contd. from page 1.)

In his budget presentation, Finance Minister Phillips announced a doubling of financial resources to small businesses from J\$850 million in 2012/13 to J\$2.0 billion in 2013/14. There are also initiatives to enhance the technological and management capabilities of small businesses and improve their access to markets.

### ICT

Minister Phillips also announced that an additional US\$20 million is to be loaned by the Development Bank of Jamaica to establish additional call centers in FY/2013/14. Some 15,000 Jamaicans now find permanent employment in 'Call Centers' which have become one of the fastest growing sectors in the Jamaican economy over the past 15 years. Hundreds of jobs are expected during the construction phase and an additional 7,000 to 8,000 jobs when the centers are fully operational. These call centers cre-

Table 13: Top & Bottom Five (5) performers on JSE (price per share)

	2013 Jan 2	2013 Mar 28	\$ change	% change
<b>Top Five (unadjusted for dividends or transact. Costs)</b>				
Pulse Investments	1.00	1.60	0.60	60.00%
Palace Amusement	95.00	60.00	35.00	58.33%
Hardware & Lumber	3.40	4.35	0.95	27.94%
LIME	0.16	0.20	0.04	25.00%
Barita Investments Ltd.	2.76	3.35	0.59	21.38%
<b>Bottom Five (unadjusted for dividends or transact. Costs)</b>				
Sagicor Investments Ja	22.14	14.68	(7.46)	-33.69%
Radio Jamaica	1.99	1.32	(0.67)	-33.67%
Berger Paints (Jamaica)	2.56	1.80	(0.76)	-29.69%
Sagicor Life Jamaica	10.11	7.11	(3.00)	-29.67%
Scotia Investments Ja.	30.50	22.03	(8.47)	-22.03%

Source: Compiled from the JSE

Market volume was low in March 2013 with 98.58 million units valued at J\$1.061 billion changing hands compared to 224.84 million units valued at J\$1.974 billion in February 2013.

Overall market activity resulted from trading in 48 stocks of which 25 advanced, 17 declined and 6 traded firm.

Proven Investments Ltd. was the volume leader with 19.32 million units or 19.60% of market volume; followed by Access Financial Services with 14.02 million units or 14.2% of market volume; while Mayberry Investments Ltd. was third with 12.93 million units or 13.12% of market volume. The leading advancers in March 2013

ate income for workers and revenue for the government and clearly contribute to aggregate demand and general economic activity.

### Agro-Parks

Agro-Parks are large farms being implemented as public-private partnerships on which larger acreages of certain crops are to be grown to reduce the country's food import bill and to provide inputs for agro-processing. Two such farms are currently in operation and the GOJ hopes to establish two others in FY2013/14. These four farms are expected to create 1,500 direct jobs and 2,500 indirectly and contribute J\$1.5 billion to farmer's income in 2013/14.

The Logistics Hub and the International Financial Center are potentially important new pillars which could help to strengthen Jamaica's economy in the medium to long-term. The GOJ capital expenditure, ICT, Agro-Parks, and support to small business will have more immediate impact. But growth is expected to be modest over the next two to three years, given the contractionary conditions currently prevailing in the domestic economy and the uncertainty in the global economy.

### The Global Picture

Though global data has been mixed, sentiment, especially among investors and producers appeared to have become more pessimistic towards the end of the first quarter. In the US, the impact of the sequester and payroll tax increases are felt to have restrained Q1 GDP to 2.5% relative to expectations for a 3.0% rise, and caused a drop in 'Retail Spending' in March 2013 to -0.2%, as well as, the -5.7% drop in 'Durable Goods Order'.

In the Euro-zone, contractionary conditions appeared to be spreading from the periphery to the core. Germany's March 2013 'Purchasing Manager's Index (PMI) Manufacturing' fell further into the contraction zone (below 50) to 47.9 compared to 49 the previous month; while the 'PMI' (Services) fell to 49.2 from 51 the previous month. Germany's IFO Business Climate and ZEW Economic Sentiment also came in below expectations.

Data from China also pointed to a softening in output though not sentiment. China's Q1 GDP came in at 7.7% below expectations of a 8.0% rise; and 'Industrial Production' (9.5%) and 'Fixed Assets Investment' (20.9%) also came in below expectations. Investors are now hoping that the better than expected 'US Non-farm Payrolls' for April 2013 will lead to more positive sentiments in markets.

## INFLATION (MAR - 2013) - CPI

## APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
<b>All Groups</b>	<b>1.38%</b>	<b>1.385</b>		
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>0.91%</b>	<b>0.342</b>	<b>2</b>	
<b>Food</b>	0.90%			
Bread and Cereals	0.55%			
Meat	0.47%			
Fish and Seafood	0.24%			
Milk, Cheese and eggs	1.39%			
Oils and Fats	1.52%			
Fruit	2.26%			
<b>Vegetables and Starchy Foods</b>	<b>1.60%</b>			
Vegetables	1.91%			
Starchy Foods	0.87%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.65%			
Food Products n.e.c.	0.85%			
<b>Non-Alcoholic Beverages</b>	<b>1.01%</b>			
Coffee, tea and Cocoa	1.17%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.93%			
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>2.02%</b>	<b>0.028</b>	<b>8</b>	
<b>CLOTHING AND FOOTWEAR</b>	<b>1.01%</b>	<b>0.034</b>	<b>6</b>	
Clothing	1.11%			
Footwear	0.89%			
<b>HOUSING, WATER, ELECT., GAS AND OTHER FUELS</b>	<b>5.01%</b>	<b>0.640</b>	<b>1</b>	
Rentals for Housing	0.53%			
Maint and Repair of Dwelling	1.68%			
Water Supply and Misc. Serv Related to the Dwelling	1.93%			
Electricity, Gas and Other Fuels and Routine	8.14%			
<b>FURNISH, HSHOLD EQUIP &amp; HSHOLD MAINT.</b>	<b>0.74%</b>	<b>0.036</b>	<b>5</b>	
Furniture and Furnishings (including Floor Coverings)	0.43%			
Household Textiles	0.83%			
Household Appliances	0.73%			
Glassware, Tableware and Household Utensils	1.98%			
Tools and Equipment for House and Garden	0.71%			
Goods and Serv. for Routine Household Maint	0.75%			
<b>HEALTH</b>	<b>0.39%</b>	<b>0.013</b>	<b>10</b>	
Medical Products, Appliances and Equipment	0.66%			
Health Services	0.24%			
<b>TRANSPORT</b>	<b>0.42%</b>	<b>0.054</b>	<b>4</b>	
<b>COMMUNICATION</b>	<b>0.14%</b>	<b>0.006</b>	<b>11</b>	
<b>RECREATION AND CULTURE</b>	<b>0.56%</b>	<b>0.019</b>	<b>9</b>	
<b>EDUCATION</b>	<b>0.00%</b>	<b>0.000</b>	<b>12</b>	
<b>RESTAURANTS AND ACCOMMODATION SERVICES</b>	<b>0.48%</b>	<b>0.030</b>	<b>7</b>	
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>1.05%</b>	<b>0.088</b>	<b>3</b>	

**INFLATION YTD ( JAN –MAR 2013) CPI**

	%Change	Weighted Δ	Rnk	Infl. Contribution
<b>All Groups</b>	<b>2.70%</b>	<b>2.701</b>		
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>2.15%</b>	<b>0.807</b>	<b>1</b>	
Food	1.96%			
Bread and Cereals	1.85%			
Meat	1.58%			
Fish and Seafood	1.14%			
Milk, Cheese and eggs	3.79%			
Oils and Fats	3.90%			
Fruit	4.72%			
<b>Vegetables and Starchy Foods</b>	<b>1.10%</b>			
Vegetables	0.07%			
Starchy Foods	3.98%			
Sugar, Jam, Honey, Chocolate and Confectionery	3.05%			
Food Products n.e.c.	2.36%			
<b>Non-Alcoholic Beverages</b>	<b>5.08%</b>			
Coffee, tea and Cocoa	5.87%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	4.68%			
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>4.75%</b>	<b>0.065</b>	<b>8</b>	
<b>CLOTHING AND FOOTWEAR</b>	<b>3.31%</b>	<b>0.110</b>	<b>7</b>	
Clothing	3.64%			
Footwear	2.87%			
<b>HOUSING, WATER, ELECT., GAS AND OTHER FUELS</b>	<b>5.52%</b>	<b>0.704</b>	<b>2</b>	
Rentals for Housing	0.53%			
Maint and Repair of Dwelling	8.21%			
Water Supply and Misc. Serv Related to the Dwelling	1.78%			
Electricity, Gas and Other Fuels and Routine	8.39%			
<b>FURNISH, HSHOLD EQUIP &amp; HSHOLD MAINT.</b>	<b>2.47%</b>	<b>0.122</b>	<b>6</b>	
Furniture and Furnishings (including Floor Coverings)	2.16%			
Household Textiles	3.30%			
Household Appliances	2.65%			
Glassware, Tableware and Household Utensils	3.54%			
Tools and Equipment for House and Garden	2.54%			
Goods and Serv. for Routine Household Maint	2.44%			
<b>HEALTH</b>	<b>1.72%</b>	<b>0.057</b>	<b>9</b>	
Medical Products, Appliances and Equipment	2.10%			
Health Services	1.53%			
<b>TRANSPORT</b>	<b>1.45%</b>	<b>0.186</b>	<b>5</b>	
<b>COMMUNICATION</b>	<b>0.14%</b>	<b>0.006</b>	<b>11</b>	
<b>RECREATION AND CULTURE</b>	<b>1.50%</b>	<b>0.051</b>	<b>10</b>	
<b>EDUCATION</b>	<b>0.00%</b>	<b>0.000</b>	<b>12</b>	
<b>RESTAURANTS AND ACCOMMODATION SERVICES</b>	<b>4.13%</b>	<b>0.255</b>	<b>4</b>	
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>3.38%</b>	<b>0.283</b>	<b>3</b>	

## FISCAL ACCOUNTS (APR-MAR 2012/13)

REV. & EXPEN. (APR-MAR '12/13)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
<b>Revenue &amp; Grants</b>	344,668.5		-16,614.0		16,148.80	
Tax Revenue	319,764.9		-15,860.2		23,802.00	
Non-Tax Revenue	18,783.6		228.4		-585.30	
Bauxite Levy	1,163.7		-517.6		-340.50	
Capital Revenue	1,015.8		6.9		-7,372.00	
Grants	3,940.5		-471.5		791.50	
<b>Expenditure</b>	399,278.9		-14,979.1		-1,625.80	
Recurrent Expenditure	361,521.0		-13,244.0		13,959.50	
Programmes	87,201.5		-4,959.2		1,287.20	
Wages & Salaries	147,381.8		1,311.4		7,055.60	
Interest	126,937.7		-9,596.1		5,616.60	
Domestic	87,729.1		-2,351.8		5,878.60	
External	39,208.6		-7,244.4		-262.20	
Capital Expenditure	37,757.9		-1,735.1		-15,585.20	
Capital Programmes	37,757.9		-1,735.1		-15,585.20	
IMF #1 Account	0.0		0.0		0.00	
<b>Fiscal Balance (Surplus [+ve])</b>	-54,610.8		-1,635.3		17,774.50	
Loan Receipts	147,093.0		-104,052.8		-21,631.40	
Domestic	134,070.2		-7,736.7		-11,851.30	
External	13,022.8		-96,316.1		-9,780.10	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	88,329.8		-109,840.4		-37,203.00	
Domestic	37,094.8		-87,518.1		-29,055.10	
External	51,235.0		-22,322.4		-8,147.80	
<b>Overall Balance (Surplus [+ve])</b>	4,152.4		4,152.4		47,848.00	
<b>Primary Balance (Surplus [+ve])</b>	72,326.9		-11,231.4		23,391.20	

REV. & EXPEN. (APR-MAR '12/13)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
<b>Revenue &amp; Grants</b>	344,668.5		-16,614.0		16,348.10	
Tax Revenue	319,764.9		-15,860.2		23,517.50	
Income and profits	115,877.0		-7,372.3		9,814.70	
Bauxite/alumina	0.0		-79.9		-0.10	
Other companies	35,798.1		-2,687.6		8,358.20	
PAYE	60,876.2		-5,011.2		498.70	
Tax on dividend	1,664.2		499.9		324.10	
Other individuals	4,022.4		-902.3		39.60	
Tax on interest	13,516.2		808.9		1,438.50	
Environmental Levy	2,122.1		-265.6		-223.20	
Production and consumption	96,459.9		-94.8		6,823.10	
SCT	12,457.4		2,465.3		957.30	
Motor vehicle licenses	2,184.2		-159.4		566.80	
Other Licenses	342.9		-62.3		-37.30	
Betting, gaming and lottery	1,915.1		-219.8		275.90	
Education Tax	15,038.7		-217.7		16.20	
Contractors levy	1,293.4		-503.9		87.80	
GCT (Local)	50,897.1		-427.6		938.00	
Stamp Duty (Local)	7,898.6		16.5		107.50	
International Trade	105,305.8		-2,145.0		7,102.80	
Custom Duty	24,413.7		1,159.2		2,806.90	
Stamp Duty	1,672.2		-8,127.6		171.20	
Travel Tax	5,396.6		-2,072.5		117.00	
GCT (Imports)	45,501.2		-80.6		3,381.10	
SCT (Imports)	28,322.1		-763.4		626.90	
Non-Tax Revenue	18,783.6		-2,439.4		-395.00	
Bauxite Levy	1,163.7		-2,771.6		-339.30	
Capital Revenue	1,015.7		228.4		-7,419.20	
Grants	3,940.5		-517.6		984.20	

### Statistical Index

#### Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur- Dep	Inflation		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 '12	83,564.3	-8.8	353,939.	-2.01	1,882.63	2,357,286	0.40	6.6	-2.8	86.83	6.53	18.48	2.10	888,486.9	8,626.4
Feb	84,950.7	1.66	348,180.6	-1.6	1,874.65	2,379,213	0.8	7.9	3.1	87.06	6.57	18.48	2.10	875,211.40	8,605.4
Mar	83,696.6	-1.48	356,099	2.2	1,777.13	2,409,355	0.50	7.3	0.3	87.30	6.47	18.12	2.10	912,642.4	8,586.8
Apr	84,966.6	1.52	348,580	2.2	1,771.8	2,414,159	0.4	7.2	0.6	87.35	6.44	18.12	2.10	930,025.4	8,578.8
May	83,738.1	-1.45	352,407	1.10	1,718.8	2,441,863	0.5	6.9	1.5	88.12	6.39	17.93	2.10	935,140.9	8,506.5
Jun	84,337.4	0.72	351,410.	-0.28	1,540.4	2,553,943	0.6	6.7	8.0	88.70	6.51	17.46	2.10	940,368.6	8,526.2
Jul	87,157.8	3.34	359,205.	0.69	1,483.82	n/a	-33	5.5	3.6	89.69	6.52	17.46	2.24	973,858.5	8,226.2
Aug	86,275.1	-1.01	359,293.9	0.02	1,428.60	2,438,745	0.5	5.4	1.8	89.82	6.63	17.55	2.07	976,159.2	8,200.5
Sep	85,193.8	-1.25	351,014.6	-2.30	1,257.8	2,384,316	1.85	6.7	6.2	89.93	6.57	17.55	2.07	976,126.3	8,186.8
Oct	86,488.1	n/a	356,314.3	1.51	1,132.8	2,395,680	0.9	7.2	-1.1	91.09	6.69	17.52	2.07	981,077.7	8,154.5
Nov	87,775.2	1.49	361,573.3	1.48	1,078.2	2,386,212	0.63	7.4	-1.1	91.89	6.80	17.52	2.24	991,336.1	8,233.3
Dec	97,648.5	11.25	374,467.3	3.57	1,125.6	2,486,625	1.0	8.0	-2.8	92.98	7.18	17.28	2.1	995,239.9	8,255.5
Jan '13	88,567.80	-9.2	383,878.1	2.51	1,009.05	2,520,022	0.7	8.4	-4.7	94.14	7.47	17.23	2.1	994,053.4	8,221.6
Feb	88,381.3	-0.2	397,292.1	3.5	939.53	2,556,640	0.62	8.1	-8.1	97.11	5.75	17.23	2.1	n/a	n/a
Mar	91,294.5	3.30	n/a	n/a	884.25	n/a	1.38	9.1	n/a	98.89	n/a	n/a	n/a	n/a	n/a

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

<u>Key:</u>	
ACP— Africa Caribbean Pacific States	Loan – Average Loan Rate
BM – Base Money	M – Monthly Percentage Change
BP — Basis Points	M2 – Money Supply
CaPRI— Caribbean Policy and Research Institute	MT – Million tonnes
CARICOM— Caribbean Community & Common Market	N/A – Not Available
CARIFORUM— CARICOM and Dominican Republic	NIR – Net International Reserves
CPI – Consumer Price Index	OMO – Open Market Operation
CSME— Caribbean Single Market & Economy	P – Point-to-Point Percentage Change
EC— European Commission	R – Revised
EPA—Economic Partnership Agreement	S – Stopover
EU—European Union	Save – Average Savings Deposit Rate
FX Dep – Foreign Exchange Deposit	Tbill – 6-month Treasury Bill Yield
JCB – Jamaica Conference Board	Tourism – Total Tourist Arrivals
JCC – Jamaica Chamber of Commerce	WATBY- weighted average Treasury bill yield
KMA — Kingston and Metropolitan Area	WTO—World Trade Organization
KSA—Kingston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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