



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Employment Potential of Jamaica's Industrial Policy

Vision 2030 outlines the main areas of economic activity expected to underpin Jamaica's Industrial Policy and lead to developed country status. These are:

- Agriculture and Agro-processing
- Globally Competitive Manufacturing
- Integrated, diverse Tourism
- Construction
- Mining & Quarrying
- ICT as enabler and industry in itself
- Services - financial, business and distribution
- Sports and Creative industries
- Transport & Logistics

Many of these industries sound familiar, but Vision 2030 announces a "new paradigm" of "development of the country's higher forms of capital – our cultural human, knowledge and institutional capital stocks that will move us into higher stages of development".

But development strategies cannot just be aspirational, they must also be influenced by the skills and resource matrix of the society that intends to implement and be guided by them. Seventy percent of Jamaica's 1.26 million labour force are estimated to be unskilled or semi-skilled; less than 25% leave high school with 5 or more CXC's; and discounting petty selling, as much as 300,000 persons or 25% of the labour force might be unemployed or underemployed.

It may not be possible to educate large portions of these unskilled persons, to levels required for a knowledge-based, higher value-added economy in the medium-term, if at all. At the same time, transformation cannot proceed without absorbing this large pool of undereducated, under-skilled persons, many of whom are now drawn into crime to earn money. Development will have to meet them where they are and integrate them in productive ways in the economy even as it modernizes. The question is what are the industries best able to absorb this large pool of unskilled persons in the shortest possible time and what are the strategies that can be relied on to do so.

Labour-Surplus Industries

Traditionally, Agriculture, Forestry and Fishing has been a main absorber of labour in the economy, especially in rural areas. But while there is room for massive increases in output in all areas of agriculture, with the sector already employing close to 200,000 persons and facing low factor productivity and the tendency towards land fragmentation, Agriculture may be approaching its limits for efficient labour absorption. Indeed, historically, in most parts of the world, development has proceeded with lesser rather than greater numbers of persons employed in agriculture.

With regard to Mining and Quarrying, high capital intensity appears necessary for efficiency and profitability in that

sector and that seems unlikely to change. Though Vision 2030 speaks of a more energy efficient bauxite/alumina production and greater value-added use of Jamaica's most abundant mineral resource - limestone - it seems unlikely that the sector will add more than a few thousand jobs to the 9,000 persons currently employed in the medium to longer term.

Sports and the Creative industries depend on very individualized talents that only small sections of a population are generally endowed with. Thus, despite the growth in the numbers of trainers, videographers and designers playing developmental and supportive roles to the athletes and performers, Sports and Creative Industries cannot be looked at as activities to provide mass employment. Arguments can also be made that retail and distribution and internal transport are saturated currently and are hardly in a position to absorb more labour profitably. Though a gateway to employment for many young males, Construction, which averages about 80,000 workers and is the third largest employer of labour, tends to be temporary and very sensitive to economic conditions.

Potential Mass Employment Industries

Cumulatively, the above-mentioned sectors could create 100,000 jobs over the next several years, implying that ICT, Manufacturing and Logistics will bear the greatest responsibility for generating mass employment. ICT requires at least a high school education for the 'front-office' type activity that now employs 14,000 persons in Jamaica. 'Back-Office' activities, such as accounting and auditing will require tertiary qualification and can hardly be expected to impact the pool of under-skilled unemployed. In relation to Logistics, a number of specialized skills such as crane and computer operators, shipping and aeronautical repair persons will be required. (Contd on Page 10).

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Net International Reserves (NIR)

During May 2013, Net International Reserves increased by US\$122.68 million to US\$988.7 million compared to US\$866.18 million at the end of April 2013. The NIR was boosted in May 2013 by significant deposits from the first tranche disbursement of US\$240 million under the recently signed agreement between the Jamaican Government and the International Monetary Fund. Year over year (May 2012 to May 2013), the NIR is down by US\$729.9 million; while for the first five months of 2013, the NIR is down by US\$136.7 million.

At the end of May 2013, gross reserves were adequate to finance 13.2 weeks of “goods and services” imports, (17.5 weeks of ‘goods’ imports) slightly above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

At the end of February 2013, foreign currency deposits (FCD's) in the local financial system stood at US\$2.56 billion—an increase of US\$36.6 million or 1.43% over the previous month. Year over year, FCD's are up US\$177.43 million. 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 was likely due to the tendency to hold hard currency in times of uncertainty.

Foreign Exchange Rate

US DOLLAR: During May 2013, the Jamaican dollar depreciated by an additional J\$0.10 to J\$99.45 compared to J\$99.35 at the end of April 2013. Indeed, on June 7th, 2013, the J\$/USD exchange rate finally broke through strong resistance at the J\$100 to US\$1.00 level and dipped as low as J\$101.60 during June 2013. If before May 2013, the J\$/USD rate was being driven by uncertainty over delay in the GOJ concluding a new IMF Agreement, the current depreciation likely reflects the market vote on the severe longstanding structural imbalance of imports over exports in the Jamaican economy. For the first five months of

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
May-13	988.86	122.68	-729.89	-136.72	17.47
May-12	1,718.75	-53.03	-615.63	-248.26	22.22

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Feb '13	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,946,723	44,801	162,080	2.30	9.08
Building Societies.	561,579	-10,261	10,701	-1.83	1.94
Merchant Banks	48,338	2,078	4,646	4.30	10.63
Total Deposits	2,556,640	36,618	177,427	1.43	7.46

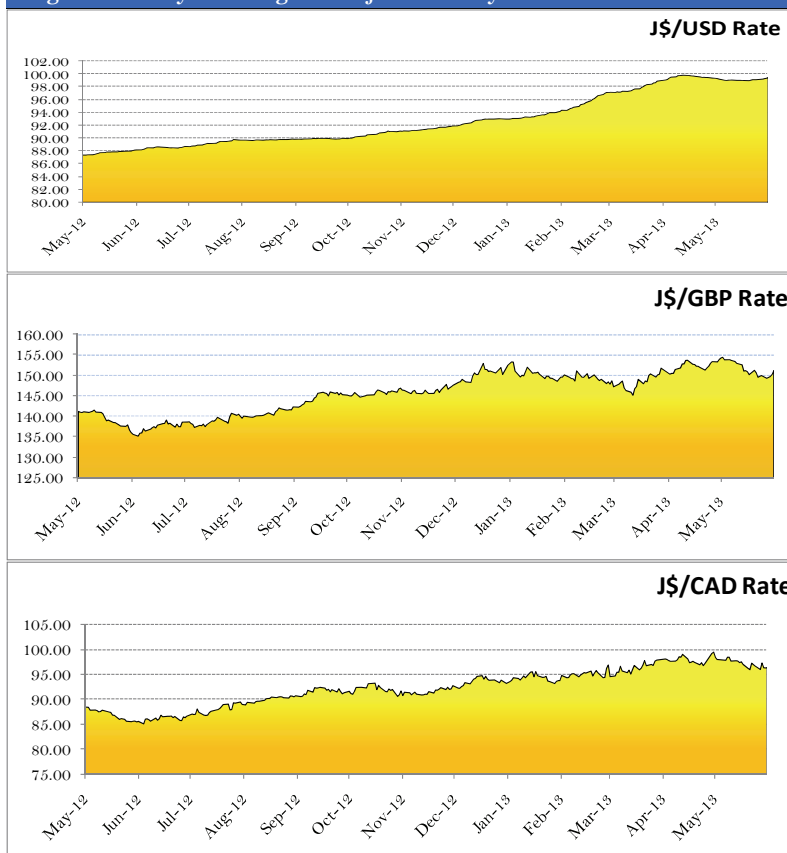
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2012—5/31/13 *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2013	-6.47	-6.96	1.35	0.88	-3.17	-3.40
2012	-1.52	-1.76	-1.65	-1.23	-1.35	-1.61
2011	0.08	0.10	-7.26	-5.43	-3.94	-4.62
	MOM May - 2012					
Actual Rate	99.45	0.10	151.29	-1.77	96.48	-3.14
Mth Change	0.10	0.10	-2.73	-1.77	-3.13	-3.14

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

2013, the J\$ is down J\$6.47 or 6.96% against the USD.

POUND & CANADIAN DOLLAR:

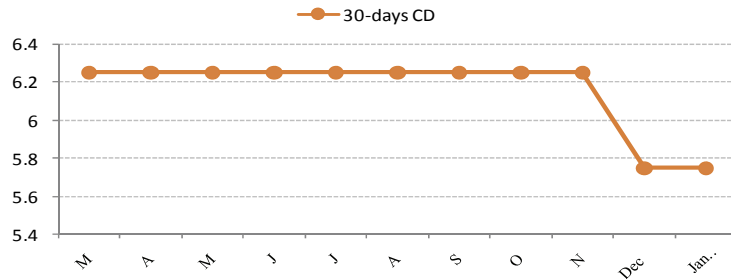
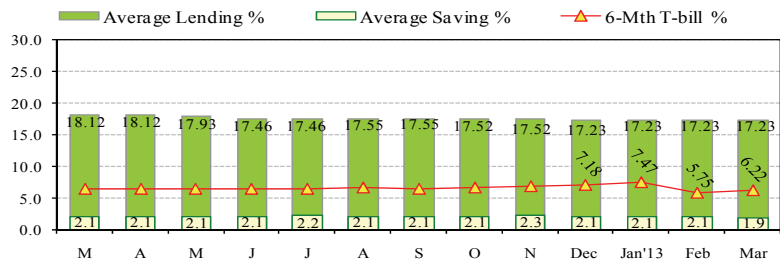
In the 'relief rally' in May 2013 following the new GOJ/IMF Agreement, the J\$ appreciated by -J\$2.73 or 1.77% against the GBP to J\$151.29 from J\$154.02 in April 2013. Against the CAD, the J\$ also appreciated by J\$3.13 or 3.14% in May 2013 to sell for J\$96.48 compared to J\$99.60 in April 2013. As Jamaica's external imbalance started to weigh on sentiment during June 2013, the J\$ gave up the gains of May 2013, dropping to historic lows of J\$159.85 against GBP and to J\$99.94 against the CAD. During the third week in June, the J\$ has recovered some ground against GBP and CAD closing at J\$156.04 and J\$97.39 respectively. It is clear however, that the J\$ remains under extreme pressure against GBP, CAD and USD and key questions are whether J\$100:US\$1.00 is now a new support base, and if so, where is the J\$/USD headed.

Interest Rates

The average saving rate dipped by 13 bps in March 2013 to 1.94% while the Average Lending Rate held steady at 17.23% for the fourth month in a row. Given the subdued nature of aggregate and investment demand in the economy, commercial rates have felt little pressure on either the deposit or lending side. Rates in the public sector however, have been more volatile in recent months, seemingly caught between the downward recalibration of rates resulting from the National Debt Exchange and upward pressure exerted by BOJ liquidity management efforts to reduce pressure on the J\$ exchange rate.

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% in Feb 2013. It is

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Mar-13	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	5.75%	0.00%	-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	1.94%	-0.13%	-0.16%	-0.13%
Avg Loan Rate	17.23%	0.00%	-0.89%	0.00%
6-Month T-Bill	6.22%	0.47%	-0.25%	-0.96%

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

noteworthy however, that at the March 2013 treasury bill auction, interest rate on the 6-month T-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.

The BOJ for its part, is being forced to offer higher premiums in its liquidity management activities. 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%. Later on April 15th, it moved to mop-up Jamaican dollar

liquidity with three CD's - a 180 days at 5.97%; a 275 days at 6.02% and an 18 months at 6.07%. On May 16th, 2013 however, the BOJ had upped the rates on the later two instruments to 6.88% and 6.93% respectively. These rate movements illustrate that the BOJ is now paying a higher premium to support the Jamaican dollar.

Base Money & Money Supply

During March 2013, M1 expanded by 0.54% to J\$139,823.85 million as the BOJ expanded the money supply



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to accommodate the Easter holidays. Thus currency with the public expanded by J\$2,267.8 million to J\$50,754.4 million, but this was counterbalanced by a reduction of checking deposits by J\$1,518.6 million to J\$89,069.5 million. Quasi money for its part contracted in March 2013 by -0.63% reflecting decreases of J\$3,850 million in 'Time Deposits' to J\$64,345.9 million while 'Saving Deposits' increased by J\$2,233.3 million to J\$192,254.1 million. Given that the increase in M1 was exceeded by the decline in Quasi money, M2—the broadest measure of money supply - decreased by -0.22% to J\$396,423.90 million during March 2013.

In May 2013, the monetary base expanded by 1.0% to J\$90,505.45 million possibly reflecting BOJ efforts to boost economic activity.

Inflation

The rate of inflation increased by 0.5% during May 2013. This was 0.15% higher than the previous month, but lower than the 0.72% monthly average since the start of 2013. Though it appears to be moderating, the impact of the depreciation of the Jamaican dollar in pushing up the prices of imports and the secondary upward price adjustments by Jamaican producers continued to be the main drivers of domestic inflation.

The highest increase (0.8%) in May 2013 was recorded in the most heavily-weighted **"Food and Non-Alcoholic Beverages"** division. The two groups that make up this division - 'Food' and 'Non-Alcoholic Beverages' recorded increases of 0.8% and 0.5% respectively. Within the 'Food' group significant increases were recorded for 'Vegetables and Starchy Foods' - up 1.3%; 'Cheese and Eggs' - up 1.0%; 'Bread and Cereals' - up 0.9%; while 'Oils and Fats' rose by 0.8%. The index for the group 'Non-Alcoholic Beverages' showed both classes - 'Coffee, Tea and Cocoa' and 'Mineral Waters, Soft Drinks, Fruit and Vegetable Juices' moving upwards by

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Mar -13	Mthly	12 Mth
M1	139,823.85	0.54	17.33
Quasi Money	256,600.06	-0.63	8.30
M2	396,423.90	-0.22	11.32
	May -'13	Mthly	12 Mth
Base Money	90,515.45	1.00	9.08

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	May	12-Mth	YTD	Fiscal
2013	0.55	9.19	2.99	0.96
2012	0.49	6.90	2.18	1.02

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

Table 7: Mining Production

	000 tonnes			YTD	
	May-13	May-12	%	May-13	13/12 %
Production					
Alumina	171.3	148.1	15.6	741.5	-4.32
C. Bauxite	359.4	436.7	-17.7	1,973.3	1.73
Export					
Alumina	177.7	108.0	64.6	748.2	-1.82
C. Bauxite	373.2	419.6	-11.1	1,949.1	2.56

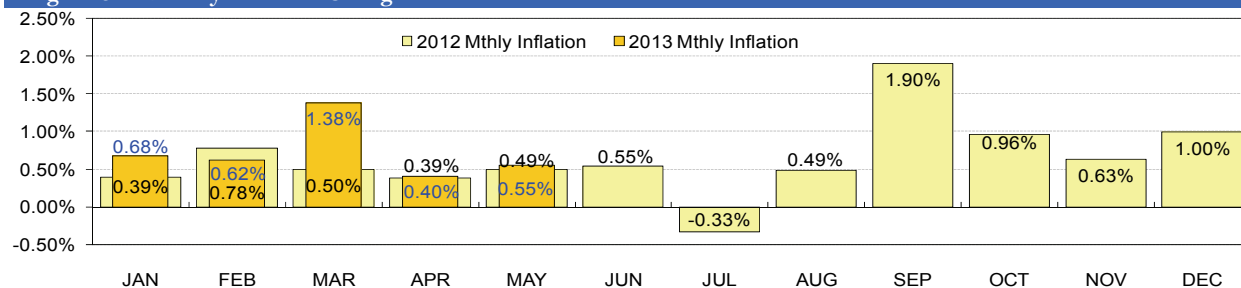
Source: Jamaica Bauxite Institute (JBI)

0.6% and 0.5% respectively. Three divisions - **"Alcoholic Beverages and Tobacco"**; **"Housing, Water, Electricity, Gas and Other Fuels"** and **"Recreation and Culture"** - each recorded increases of 0.7%; while **"Furnishings, Household Equipment and Routine Household Maintenance"** rose by 0.6%. Higher prices for 'Cigarettes, Wines and Spirits', drove the increase in the first-mentioned division, while higher electricity rates and higher costs for home maintenance and repairs were responsible for the increase in the second mentioned division. Increased prices for imported 'Audio-visual, Photographic and Information Processing Equipment' and

for 'Recreational and Cultural Services' underlies the increase in "Recreation and Culture", while higher prices for household appliances and furnishing explains the increase in "Furnishing, Household Equipment and Routine Household Maintenance".

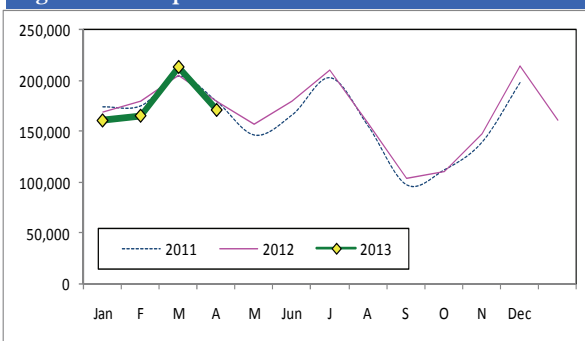
Another three divisions - **"Clothing and Footwear"**; **"Health"**; and **"Restaurants and Accommodation Services"** recorded increases of 0.3%. **"Communication"** was flat, while **"Transport"** was the only division recording a decrease (-0.2%) for the month, due to a reduction in the cost of petroleum and related products.

Figure 3: Monthly Inflation Changes



Source: STATIN and PSOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

For January to May 2013, the rate of inflation was 3.7%. The fiscal year to date and point to point rate were 1.0% and 9.2% respectively.

Bauxite & Alumina

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 4,759,647 million tons during 2011.

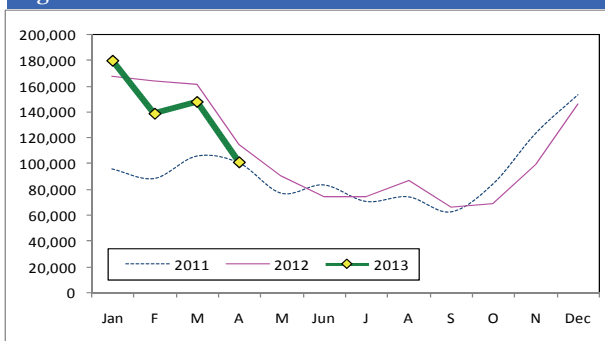
For the first five months of 2013, alumina production is up 15.6% to 741,528 tons compared to 774,986 tons in 2012; while production of crude bauxite at 1,973,258 tons is slightly .73 of output during the corresponding five months of 2012 when output was 1,939,719 tons.

Tourism

Stopover arrivals in April 2013 was 171,630 - a decrease of -4.9% compared to the 180,511 stopovers recorded in April 2012. However, the number of cruise passengers declined by -12.2% in April 2013 to 101,261 visitors, compared to 115,347 recorded in April 2012.

Regionally, stopovers from the US declined by -5.3% in April 2013 with a total of 107,585 arrivals compared to 113,608 in April 2012. For Jan-Apr 2013 (Q1 2013), stopovers from the US recorded a small -0.1% decline with 413,868 visitors compared to 414,463 during Jan-Apr 2012. From the Canadian market, stopovers decreased by -4.5% during April 2013 (the fourth consecutive monthly decrease after a blockbuster 2012) with 39,020 arrivals compared to 40,871 in April 2012. Year to date, the number of visitors from Canada is down -10.8% to 188,989 compared to

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Tourist Arrivals

	2012	2013	%Change	
	YTD (APR)	YTD (APR)	YOY	MOM
Stopover	735,182	712,204	-3.1%	-19.5%
Foreign	690,532	669,858	-3.0%	19.3%
Non-Resident	44,650	42,346	-5.2%	-22.1%
Cruise	609,301	568,072	-6.8%	-31.6%
Total Arrivals	1,344,483	1,280,276	-4.8%	18.4%

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

211,925 in Jan-Apr 2012.

Visitors from Europe, including the UK, increased by 2.2% in April 2013 to 17,830 visitors compared to 17,445 arrivals in April 2012. This is the second consecutive increase in over 12 months from Europe. For Jan-Apr 2013, visitors from Europe are down slightly by -0.4% to 78,493 which has witnessed 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 four months of 2013, stopovers from the Caribbean are down by -6.0% to 17,633 visitors compared to 18,768 visitors during Jan-Apr 2012. On the other hand, stopovers from Latin America are up strongly by 22.6% in Jan-Apr 2013 to 9,166 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 topping a strong 23.4% increase in 2011 reflecting the impact of the opening of the Falmouth Port. For the first four months of 2013 however, cruise arrivals are down -9.7% to 568,072 visitors compared to

609,301 in Jan-Apr 2012. Total Visitors to Jamaica during Jan-Apr 2013 were 1,280,276 - a -4.8% decrease compared to 1,344,483 visitors during Jan-Apr 2012.

External Trade

During Jan-Feb 2013, Jamaica's exports increased by US\$56.09 million or 21.2% to US\$321.01 million relative to US\$264.9 million during Jan-Feb 2012. Imports for the period increased by US\$127.4 million or 12.5% to US\$1.148 billion compared to US\$1.020 billion in Jan-Feb 2012. Thus the traditional negative imbalance in Jamaica's merchandise trade worsened in Jan-Feb 2013 by -US\$71.33 million or -9.4% to (US\$826.6 million) compared to (US\$755.3) in Jan-Feb 2012.

Traditional Exports: During Jan-Feb 2013, traditional domestic exports earned US\$139.14 million, a decrease of -US\$4.86 million or -3.5% relative to the US\$144.01 million earned during 2012. The share of traditional exports in total domestic exports also decreased to 43.3% in Jan 2013 from 54.4% during Jan-Feb 2012.

The decreased earnings from traditional exports were mainly due to a -

48.6% fall in 'Manufacturing' exports to US\$24.5 million compared to US\$47.7 million in Jan-Feb 2012. This largely reflected decreased earnings from sugar exports during Jan-Feb 2013 which declined by 68.0% to US\$16.73 million compared to US\$37.5 million in Jan-Feb 2012. A smaller decline of -US\$1.37 million in Rum exports to US\$7.20 million also contributed to the decline in manufacturing and traditional exports; as well as, a -US\$1.80 million decline in 'Other' exports to US\$1.33 million compared to US\$3.13 million in Jan-Feb 2012.

On the positive side, 'Mining and Quarrying' grew by US\$16.9 million or 17.9% to US\$111.30 million relative to US\$94.4 million in Jan-Feb 2012; while 'Agriculture' grew by US\$1.41 million or 73.2% to US\$3.34 million compared to US\$1.93 million in 2012. The former mainly reflected a US\$16.04 million increase in alumina exports to US\$90.27; while a 522% increase in Coffee exports to US\$2.59 million from US\$0.42 million largely accounted for the increase in Agriculture exports.

Non-traditional exports grew by 22.8% in 2012 to US\$828.4 million, relative to US\$674.7 million in 2011. During the first two month of 2013, non-traditional exports continued their strong expansion growing by 51.0% to US\$169.8 million compared to US\$112.4 million during Jan 2012. Two of four categories of non-traditional exports increased and two declined.

In the category "**Food**", there was a small 4.4% increase in earnings to US\$25.8 million compared to US\$24.69 million in Jan 2012. Twelve of seventeen groups recorded increases and five declined. Among the groups recording increased earnings were: 'Sauces' - up 44.5% to US\$2.66 million from US\$1.84 million; 'Baked Products' -up 20.7% to US\$2.58 million from US\$3.11 million; 'Yams' - up 16.5% to US\$3.01 million from US\$2.58 million; and 'Malt Extracts & Preparations Thereof' - up 91.6% to US\$987,000 from US\$515,000. Notable increases were also recorded for 'Ackee' - up 8.0% to US\$3.01 million from US\$2.7 million; and 'Fish, Crustaceans & Molluscs' - up 27.8% to US\$1.03 million from US\$808,000.

There were however, notable decreases in earnings from some 'Food' groups

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

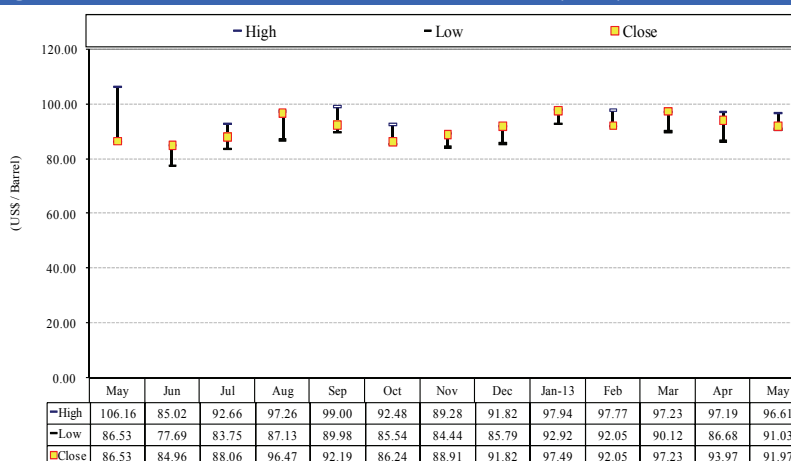


Table 9: External Trade (US\$M)

	Jan -Feb '12	Jan-Feb '13	Change	% Change
TOTAL EXPORTS (fob)	264.92	321.01	56.09	21.2%
Major Traditional Exports	144.01	139.14	-4.86	-3.4%
<i>by Sector:-</i>				
Agriculture	1.93	3.34	1.41	73.2%
Mining & Quarrying	94.38	111.30	16.92	17.9%
Manufacturing	47.70	24.50	-23.20	-48.6%
<i>by Industry:-</i>				
Bauxite	20.14	21.03	0.88	4.4%
Alumina	74.23	90.27	16.04	21.6%
Sugar	37.49	16.73	-20.76	-68.0%
Rum	8.57	7.20	-1.37	-16.0%
Bananas	0.03	0.00	-0.03	0.0%
Coffee	0.42	2.59	2.17	522.7%
Other	3.13	1.33	-1.80	-57.6%
Non-Traditional Exports	112.39	169.76	57.37	51.0%
Re-exports	8.53	12.11	3.59	42.1%
TOTAL IMPORTS	1,020.20	1,147.62	127.42	12.5%
Food	148.54	174.30	25.76	17.3%
Beverages & Tobacco	11.43	12.52	1.09	9.5%
Crude Materials (excl. Fuels)	4.07	9.00	4.93	121.0%
Mineral Fuels, etcetera	422.40	333.17	-89.23	-21.1%
Animal & Vegetable Oils & Fats	14.17	8.74	-5.43	-38.3%
Chemicals	98.06	276.40	178.34	181.9%
Manufactured Goods	98.87	95.38	-3.48	-3.5%
Machinery and Transport Equip.	147.26	153.01	5.75	3.9%
Misc. Manufactured Articles	65.70	68.49	2.78	4.2%
Other	9.71	16.62	6.91	71.2%
TRADE BALANCE	(755.28)	(826.61)	-71.33	9.4%

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

during Jan-Feb 2013 compared to Jan-Feb 2012. Earnings from 'Dairy Products & Bird's Eggs' fell -32.1% to US\$2.24 million from US\$3.31 million; 'Juices excluding Citrus' was down -19.4% to US\$1.12 million from US\$1.39 million; and 'Other Fruits and Fruit Preparations' - down -30.2% to US\$371,000 relative to US\$532,000 during Jan-Feb 2012. Declines in ex-

port earnings were also recorded for 'Papayas' - down -16.3% to US\$539,000 relative to US\$644,000 in Jan-Feb 2012 and 'Other Food Exports' were down -11.1% to US\$3.86 million from US\$4.37 million.

"Other" non-traditional exports, generally, the largest category of non

-traditional exports, increased by 92.0% to US\$135.83 million in Jan-Feb 2013 compared to US\$70.72 million to Jan-Feb 2012. This mainly resulted from a ten-fold (1020%) increase in 'Chemicals (incl. Ethanol)' to US\$67.74 million from US\$6.05 million in Jan-Feb 2012. This was supported by rises of 6.4% in exports of 'Mineral Fuels etc' to US\$66.03 million compared to US\$62.07 million; and a 261.3% increase in 'Machinery and Transport Equipment' to US\$524,000 relative to US\$145,000 in Jan-Feb 2012.

"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. During Jan-Feb 2013, the decline continued with a -59.8% drop in **'Beverages and Tobacco (excl. Rum)'** to US\$4.46 million compared to US\$11.09 million in Jan-Feb 2012. This mainly reflected a -65.2% reduction in exports of 'Alcoholic Beverages (excl. Rum)' to US\$3.34 million compared to US\$9.6 million in Jan-Feb 2012; as well as a -26.0% decline in Non-Alcoholic Beverages to US\$1.10 million compared to US\$1.49 million in Jan-Feb 2012.

"Crude Materials", which had been the fastest growing group of non-traditional exports in recent years, declined by -41.0% in 2012. This was largely due to GOJ's policy of curtailing exports of 'Waste and Scrap Metals' to counter illegal pilfering of metals and scrap. In Jan-Feb 2013, exports of Crude Materials continued to decline but at a slower rate of -37.1% to US\$3.7 million compared to US\$5.88 million in Jan-Feb 2012. Again, the main contributor to the decline, was the -39.2% fall in exports of 'Waste and Scrap' to US\$2.69 million compared to US\$4.43 million in Jan-Feb 2012.

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% due to the tightening grip of recession in the local economy with imports expanding by US\$155.5 million to US\$6.59.

During the first two months of 2013, imports grew by 12.5% to US\$1.147 billion compared to US\$1.020 billion in Jan-Feb 2012. Significant increases in all four categories of imports contributed to the increase. Imports of **Consumer Goods** rose by 14.0% due to

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

	Jan-Dec 2011	Jan-Dec 2012	\$ Change	% Change
Current Account	(2,116.5)	(1,575.2)	541.3	25.6%
Goods Balance	(4,257.6)	(4,158.0)	99.6	2.3%
Exports	1,664.8	1,746.7	81.9	4.9%
Imports	5,922.4	5,904.7	(17.7)	-0.3%
Services Balance	669.8	751.5	81.7	12.2%
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%
Income	(518.4)	(277.4)	241.0	46.5%
Compensation of empl	36.5	58.1	21.6	59.2%
Investment Income	(554.9)	(335.6)	219.3	39.5%
Current Transfers	1,989.8	2,108.7	118.9	6.0%
Official	141.3	236.1	94.8	67.1%
Private	1,848.4	1,872.7	24.3	1.3%
Capital & Financial Account	1,326.4	1,957.7	631.3	47.6%
Capital Account	(9.1)	(174.0)	(164.9)	-1812.1%
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/disp.	-	-	-	0.0%
Financial Account	1,335.5	2,131.6	796.1	59.6%
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%

increased imports of 'Food' - up 18.3% to US\$134.4 million; 'Non-Durable Goods' - up 13.3% to US\$79.3 million; 'Semi-Durable Goods' up 7.4% to US\$19.67 million and 'Durable Goods' - up 7.5% to US\$50.67 million. Imports of **Passenger Motors** rose 2.0% contributing US\$41.69 million to imports.

The largest category of imports - **'Raw Materials/Intermediate Goods'** - rose by 13.2% to US\$745.67 million, due mainly to the doubling (127.1% increase) of imports of 'Industrial Supplies' to US\$321.2 million relative to US\$141.46 million in Jan-Feb 2012. 'Parts and Accessories of Capital Goods' also contributed US\$46.78 million - a 3.5% increase over the US\$45.19 million recorded in Jan-Feb 2012. However, the other three groups of Raw Materials/Intermediate Goods recorded declines. 'Other Fuels and Lubricants' had the largest drop, falling by-32.5% to US\$155.54 million from US\$230.31 million; Intermediate 'Food' imports were down -15.0% to US\$44.96 million from US\$55.88 million; while 'Crude Oil' fell by 6.2% to US\$177.2 million from US\$188.89

million.

The other main category of imports - **'Capital Goods (excl. Motor Cars)'** - rose by 6.6% to US\$75.53 million during Jan-Feb 2013 from US\$70.84 million in Jan-Feb 2012. This largely resulted from a 44.5% increase in imports of 'Construction Materials' which rose to US\$19.23 million compared to US\$13.31 million in Jan-Feb 2012. A 174.5% rise in 'Other Capital Goods' to US\$1.4 million also contributed to the increase in Capital Goods import. But imports of 'Other Industrial Transport Equipment' fell by -10.2% to US\$11.87 million compared to US\$13.22 million in Jan-Feb 2012; while imports of 'Machinery and Equipment' were down by -1.8% to US\$43.03 million relative to US\$43.8 million during Jan-Feb 2012.

Oil: At the end of May 2013, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$91.97 per 42 gallon barrel - a decrease in price of US\$1.48 relative to the closing price of US\$93.46 the previous month. During May 2013 the price ranged between a high of US\$96.61 and a low of US\$91.97.

Table 11: Fiscal Accounts (J\$ Million)

	Apr- (Fiscal—2013/14)				Apr (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	27,433.5	27,350.3	83.2	0.30	2,383.6	9.5
Tax Revenue	25,993.8	25,712.3	281.5	1.09	2,516.9	10.7
Non-Tax Revenue	1,287.5	1,216.7	70.8	5.82	-81.8	-6.0
Bauxite Levy	110.7	128.9	-18.2	-14.12	-31.7	-22.3
Capital Revenue	5.1	44.6	-39.5	-88.57	-42.0	-89.2
Grants	36.4	247.8	-211.4	-85.31	22.3	158.2
Expenditure	28,861.9	30,808.6	-1,946.7	-6.32	3,993.9	16.1
Recurrent Expenditure	26,597.7	28,160.3	-1,562.6	-5.55	4,026.0	17.8
Programmes	7,525.0	7,866.7	-341.7	-4.34	-312.5	-4.0
Wages & Salaries	12,454.1	12,681.7	-227.6	-1.79	360.8	3.0
Interest	6,618.7	7,611.9	-993.2	-13.05	3,977.8	150.6
Domestic	4,431.4	5,290.7	-859.3	-16.24	3,749.9	550.2
External	2,187.3	2,321.2	-133.9	-5.77	227.9	11.6
Capital Expenditure	2,264.2	2,648.3	-384.1	-14.50	-32.1	-1.4
Capital Programmes	2,264.2	2,648.3	-384.1	-14.50	-32.1	-1.4
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-1,428.4	-3,458.3	2,029.9	58.70	-1,610.2	-885.7
Loan Receipts	1,779.3	2,038.2	-258.9	-12.70	-17,477.7	-90.8
Domestic	1,197.5	1,197.5	0.0	0.00	-17,576.0	-93.6
External	581.8	840.7	-258.9	-30.80	98.3	20.3
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	2,038.2	3,642.0	-1,603.8	-44.04	-1,224.3	-37.5
Domestic	1,197.5	1,347.7	-150.2	-11.14	-150.4	-11.2
External	840.7	2,294.3	-1,453.6	-63.36	-1,073.9	-56.1
Overall Balance (Surplus [+ve])	-3,093.9	-5,062.1	1,968.2	38.88	-19,270.2	-119.1
Primary Balance (Surplus [+ve])	5,190.3	4,153.6	1,036.7	24.96	2,367.5	83.9

Source: Ministry of Finance and Planning

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 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\$2 108.7 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 the first month (April) of fiscal year 2013/14, the Government of Jamaica ran a fiscal deficit of -J\$1.43 billion. This fiscal deficit was J\$2.03 billion or 58.7% better than the -J\$3.46 billion budgeted but J\$1.6 billion worse than the small surplus of J\$181.8 million recorded in April 2012. This better than expected out-turn on the fiscal deficit largely resulted from a 6.3% or J\$1.95 billion curtailment in expenditure supported by a small gain of J\$83.2 million in Tax and Non-tax Revenues.

REVENUE: Total Revenues & Grants to the GOJ during April

2013 was J\$27.43 billion. This was J\$83.2 million or 0.30% more than the J\$27.35 billion budgeted and it was J\$2.38 billion or 9.5% greater than Revenues and Grants collected during April 2012.

Of 25 revenue heads, only ten (10) came in above target during the first month of FY2013/14. This largely reflects the continuing recession in the Jamaican economy. The main outperformers were: 'Tax on Interest' - up J\$806.0 million; 'Travel Tax' - up J\$765.0 million; and 'SCT' - up J\$735.1 million. 'Motor Vehicle Licenses' - up J\$161.8 million; and 'Other Companies Taxes' - up J\$121.7 million, also came in above budget.

Among the main underperformers on the revenue account were: 'SCT (Imports)' - down -J\$897.7 million below budget; 'GCT (Local)' - down -J\$665.9 million; and 'Custom Duty' - down J\$283.6 million. 'Tax on Dividends' - down -J\$219.2 million; and 'Betthing, Gaming and Lottery' - down -J\$187.7 million also underperformed budget.

EXPENDITURE: During April 2013, total expenditure was J\$28.86 billion. This was -J\$1.95 billion or -6.32% less than the J\$30.81 billion budgeted, but was J\$3.99 billion or 16.1% more than expenditure during April 2012.

Continuing the strict expenditure controls of recent years, during the first month of fiscal year 2013/14, the GOJ achieved significant savings from already tight budgetary allocations. Not unexpectedly, the largest savings of J\$993.2 million or 13.5% were recorded on interest payments. Reflecting the impact of the National Debt Exchange, domestic interest payments were J\$4.43 billion relative to J\$5.29 billion budgeted amounting to savings of -J\$859.3 million or -16.24%. Also contributing to the reduction in debt service, there was a reduction of -J\$133.9 million or -5.77% in external interest payments to J\$2.19 billion relative to J\$2.32 billion budgeted.

Additional savings of -J\$384.1 million or -14.5% were achieved on Capital Programmes with expenditures of J\$2.26 billion compared to J\$2.65 billion budgeted; Recurrent Programmes were under-spent by -J\$341.7 million or -4.34%; while expenditure on Wages and Salaries were held at J\$12.45 billion relative to J\$12.68 billion budgeted for a saving of -J\$227.6 million or 1.79%.

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

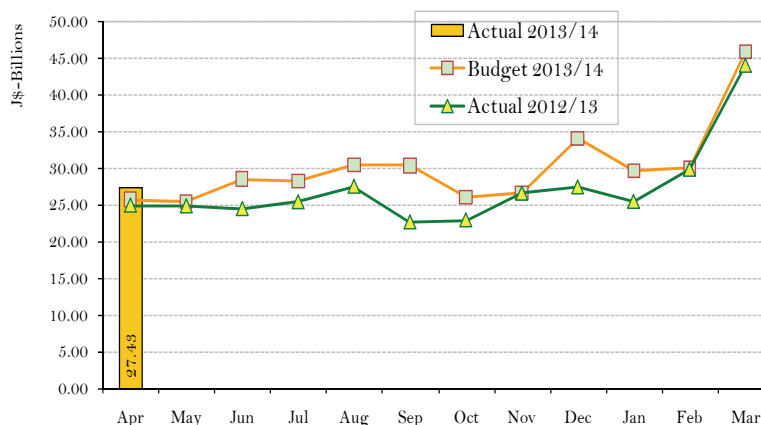
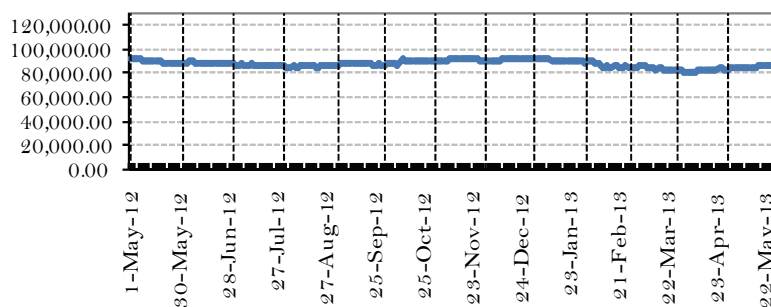


Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr 2013
Revenue Surpluses	
Tax on Interest	806.0
Travel Tax	765.0
SCT	735.1
Motor Vehicle Licenses	161.8
Other Companies	121.7
Revenue Shortfalls	
SCT (Imports)	-897.7
GCT (Local)	-665.9
Custom Duty	-283.6
Tax on Dividend	-219.2
Betting, Gaming and Lottery	-187.7
Expenditure Changes	
Domestic Interest	-859.3
External Interest	-133.9
Capital Programmes	-384.1
Recurrent Programmes	-341.7
Wages and Salaries	-227.6

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSOJ

FISCAL OUTTURN

The fiscal deficit for FY2012/13 (Apr 2012 to Mar 2013) was -J\$52.97 billion. For FY2013/14, the GOJ is projecting a fiscal deficit of -J\$8.045 billion or 0.5% of

GDP. Projections are that the deficit will average about -J\$2.5 billion monthly during the first half of 2013/14 reaching a low of -J\$11.77 billion in October 2013, before taper-

ing sharply to a surplus of J\$19.49 billion in March 2014.

The Primary Surplus - a measure of the country's ability to service its debt from revenues, was J\$72.34 billion in 2012/13 or about 6% of GDP. For FY2013/14, the GOJ is projecting a primary surplus of J\$111.52 billion or about 9.5% of GDP. For April 2013, the primary balance was J\$5.19 billion which was J\$1.04 billion greater than the J\$4.15 billion budgeted and J\$2.37 billion more than the J\$2.82 billion recorded during April 2012.

PUBLIC DEBT

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

Stock Market

points; and the **Junior Market Index** also jumped by 142.8 points or 23%, to close at 760 points.

Market volume was moderately high in May 2013 with 123.051 million units valued at J\$796.73 million changing hands compared to 41.63 million units valued at J\$401.7 million in April 2013.

Overall market activity resulted from trading in 47 stocks of which 33 advanced, 9 declined and 5 traded firm. Consolidated Bakeries with 33.69 million units or 27.4% of market volume was the volume leader; followed by Proven Investments Ltd. with 17.695 million units or 25.6% of market volume; while Scotia Group Jamaica Ltd. was third with 8.38 million units or 12.15% of market volume.

The leading advancers in April 2013 were: Pulse Investments; Palace Amusements Co. Ltd; Kingston Wharves; Carreras Ltd and GraceKennedy Ltd. The leading decliners were: Radio Jamaica Ltd; Caribbean Cement Co; Sagicor Investments Jamaica Ltd; National Commercial Bank Ltd and Sagicor Life Ja.

Economic Highlights

contd. from page 1.)

But there should be opportunities for semi-skilled persons in many areas from stevedoring, warehousing, security ser-

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

	2013 Jan 2	2013 May 30	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Pulse Investments	1.00	1.60	0.60	60.00%
Palace Amusement	60.00	95.00	35.00	58.33%
Kingston Wharves	5.00	7.76	2.76	55.20%
Carreras Ltd	50.01	60.91	10.90	21.80%
GraceKennedy Ltd	50.01	60.62	10.61	21.22%
Bottom Five (unadjusted for dividends or transact. Costs)				
Radio Jamaica	1.99	1.23	(0.76)	-38.19%
Caribbean Cement Co.	1.00	0.71	(0.29)	29.00%
Sagicor Investments Ja	22.14	15.50	(6.26)	-28.27%
National Comm. Bank	23.92	19.10	(4.82)	-20.15%
Sagicor Life Jamaica	10.11	8.31	(1.80)	-17.80%

Source: Compiled from the JSE

During May 2013, market capitalization increased by J\$29.88 billion or 5.7% to close at J\$550.80 billion. All six indices on the Jamaican Stock Exchange advanced. The main **JSE Market Index** advanced by 4,101 points or 4.91% to close at 87,577 points. The **JSE Combined Index** advanced by 4,807 points or 5.66% to close at 89,724

points. The **JSE All Jamaican Composite Index** advanced by 6,548 points or (8.0%) to close at 88,443 points and the **JSE Select Index** advanced by 184.6 points or (8.21%) to close at 2,434 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, advanced by 8.29 points or 1.03% to close at 810

VICES and as assistants to skilled tradesmen in repair and maintenance.

But Jamaica appears to be "a day late and a dollar short" in implementing plans for our logistic hub; and as many observers have noted, transshipment activities alone will not be enough to substantially reduce and keep down unemployment in Jamaica. Potentially, the largest source of employment for under-skilled workers is assembly-type manufacturing. Given Jamaica's aspirations to be a leading IT hub for the region, the GOJ should focus investment promotion efforts on attracting manufacturers in electronics and small appliance assembly to complement our front office IT activity. The assembly of electronic goods have higher transitional development benefits, than say garment manufacturing, as Jamaicans exposed to the parts and processes for manufacturing these goods, could, like the Chinese, Taiwanese and South Koreans, later develop and copyright our own brands.

There are signs that many Asian electronics manufacturers might have built out their capacity in Asia and are looking for lower costs theatres to supply North, South and Central America. What is equally clear, is that job opportunities for unskilled Jamai-

cans are fast disappearing and skills training for such persons will be essential for economic transformation.

The Global Picture

Though economic conditions in Europe continued to improve, during May 2013, market concerns centered on the ending of quantitative easing (QE) in the United States and growing signs of economic slowdown in China. Fears of the end of QE were so intense among market players in the US, that 'good (economic) news became bad news'. Thus better than expected housing and manufacturing data in the US spurred sell-offs in equity markets due to fears that the news would cause the Federal Reserve (FED) to reduce QE and begin to raise interest rates. At their last meeting, the FED indicated that if the US economy continued to improve they could begin tapering QE as earlier as October 2013. That resulted in the DOW losing 500 points in 2 days.

Also unnerving the market, Chinese Industrial Production and New Yuan Loans came in below expectations, adding to signs, such as the downwardly revised GDP that the Chinese economy is slowing down. Higher interest rates in the US would clearly impact Jamaica's fiscal consolidation efforts and needs to be addressed now.

INFLATION (MAY - 2013) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.55%	0.554		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.77%	0.288	1	
Food	0.76%			
Bread and Cereals	0.87%			
Meat	0.65%			
Fish and Seafood	0.28%			
Milk, Cheese and eggs	1.02%			
Oils and Fats	0.78%			
Fruit	0.44%			
Vegetables and Starchy Foods	1.23%			
Vegetables	1.86%			
Starchy Foods	-0.27%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.28%			
Food Products n.e.c.	0.31%			
Non-Alcoholic Beverages	0.49%			
Coffee, tea and Cocoa	0.59%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.46%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.74%	0.010	8	
CLOTHING AND FOOTWEAR	0.35%	0.012	7	
Clothing	0.47%			
Footwear	0.14%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.69%	0.088	2	
Rentals for Housing	0.10%			
Maint and Repair of Dwelling	0.69%			
Water Supply and Misc. Serv Related to the Dwelling	-0.17%			
Electricity, Gas and Other Fuels and Routine	1.18%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.57%	0.028	4	
Furniture and Furnishings (including Floor Coverings)	1.19%			
Household Textiles	0.16%			
Household Appliances	1.49%			
Glassware, Tableware and Household Utensils	0.25%			
Tools and Equipment for House and Garden	0.59%			
Goods and Serv. for Routine Household Maint	0.26%			
HEALTH	0.23%	0.008	9	
Medical Products, Appliances and Equipment	0.15%			
Health Services	0.32%			
TRANSPORT	-0.18%	-0.023	12	
COMMUNICATION	0.00%	0.000	10	
RECREATION AND CULTURE	0.74%	0.025	5	
EDUCATION	0.00%	0.000	10	
RESTAURANTS AND ACCOMMODATION SERVICES	0.30%	0.019	6	
MISCELLANEOUS GOODS AND SERVICES	0.38%	0.032	3	

INFLATION YTD (JAN –MAY 2013) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	3.69%	3.688		
FOOD AND NON-ALCOHOLIC BEVERAGES	3.91%	1.466	1	
Food	3.74%			
Bread and Cereals	4.08%			
Meat	3.88%			
Fish and Seafood	2.18%			
Milk, Cheese and eggs	6.02%			
Oils and Fats	5.95%			
Fruit	8.20%			
Vegetables and Starchy Foods	2.53%			
Vegetables	1.13%			
Starchy Foods	7.02%			
Sugar, Jam, Honey, Chocolate and Confectionery	3.42%			
Food Products n.e.c.	3.18%			
Non-Alcoholic Beverages	6.44%			
Coffee, tea and Cocoa	7.67%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	5.86%			
ALCOHOLIC BEVERAGES AND TOBACCO	6.34%	0.088	9	
CLOTHING AND FOOTWEAR	4.82%	0.160	7	
Clothing	5.38%			
Footwear	3.98%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	4.61%	0.588	2	
Rentals for Housing	0.63%			
Maint and Repair of Dwelling	9.62%			
Water Supply and Misc. Serv Related to the Dwelling	7.37%			
Electricity, Gas and Other Fuels and Routine	5.55%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	3.81%	0.188	6	
Furniture and Furnishings (including Floor Coverings)	3.97%			
Household Textiles	4.03%			
Household Appliances	4.88%			
Glassware, Tableware and Household Utensils	4.44%			
Tools and Equipment for House and Garden	3.76%			
Goods and Serv. for Routine Household Maint	3.53%			
HEALTH	2.19%	0.072	10	
Medical Products, Appliances and Equipment	2.62%			
Health Services	1.93%			
TRANSPORT	1.57%	0.201	5	
COMMUNICATION	0.14%	0.006	11	
RECREATION AND CULTURE	2.94%	0.099	8	
EDUCATION	0.00%	0.000	12	
RESTAURANTS AND ACCOMMODATION SERVICES	4.88%	0.302	4	
MISCELLANEOUS GOODS AND SERVICES	4.62%	0.387	3	

FISCAL ACCOUNTS (APR- 2013/14)

REV. & EXPEN. (APR-'13/14)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	27,433.5		83.2		2,383.60	
Tax Revenue	25,993.8		281.5		2,516.90	
Non-Tax Revenue	1,287.5		70.8		-81.80	
Bauxite Levy	110.7		-18.2		-31.70	
Capital Revenue	5.1		-39.5		-42.00	
Grants	36.4		-211.4		22.30	
Expenditure	28,861.9		-1,946.7		3,993.90	
Recurrent Expenditure	26,597.7		-1,562.6		4,026.00	
Programmes	7,525.0		-341.7		-312.50	
Wages & Salaries	12,454.1		-227.6		360.80	
Interest	6,618.7		-993.2		3,977.80	
Domestic	4,431.4		-859.3		3,749.90	
External	2,187.3		-133.9		227.90	
Capital Expenditure	2,264.2		-384.1		-32.10	
Capital Programmes	2,264.2		-384.1		-32.10	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-1,428.4		2,029.9		-1,610.20	
Loan Receipts	1,779.3		-258.9		-17,477.70	
Domestic	1,197.5		0.0		-17,576.00	
External	581.8		-258.9		98.30	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	2,038.2		-1,603.8		-1,224.30	
Domestic	1,197.5		-150.2		-150.40	
External	840.7		-1,453.6		-1,073.90	
Overall Balance (Surplus [+ve])	-3,093.9		1,968.2		-19,270.20	
Primary Balance (Surplus [+ve])	5,190.3		1,036.7		2,367.50	

REV. & EXPEN. (APR-'13/14)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	27,433.5		83.2		2,383.60	
Tax Revenue	25,993.8		281.5		2,516.90	
Income and profits	6,456.0		626.2		1,184.90	
Bauxite/alumina	0.0		0.0		0.00	
Other companies	589.4		121.7		77.20	
PAYE	4,936.4		-39.3		327.50	
Tax on dividend	49.5		-219.2		-165.90	
Other individuals	238.7		-43.0		40.50	
Tax on interest	642.1		806.0		905.60	
Environmental Levy	108.6		-53.6		-69.50	
Production and consumption	11,650.9		134.2		2,242.30	
SCT	1,751.2		735.1		50.40	
Motor vehicle licenses	336.9		161.8		202.30	
Other Licenses	39.7		-15.4		3.40	
Betting, gaming and lottery	168.2		-187.7		-24.40	
Education Tax	1,325.8		96.6		137.30	
Contractors levy	80.2		-143.6		121.5	
GCT (Local)	5,831.4		-44.6		-40.90	
Stamp Duty (Local)	1,320.9		-665.9		418.10	
International Trade	7,778.3		76.4		699.50	
Custom Duty	1,791.2		-425.3		-840.80	
Stamp Duty	150.4		-283.6		135.90	
Travel Tax	1,267.7		-4.5		-0.10	
GCT (Imports)	3,426.0		765.0		942.70	
SCT (Imports)	1,143.0		-4.5		117.10	
Non-Tax Revenue	1,287.5		-897.7		-2,036.50	
Bauxite Levy	110.7		70.8		-81.80	
Capital Revenue	5.1		-18.2		-31.70	
Grants	36.4		-39.5		-42.00	
Expenditure	28,861.9		-211.4		22.30	

<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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The Economic Bulletin is a monthly synopsis of the major developments impacting the Jamaican economy. It covers a wide range of areas including inflation, the financial markets, fiscal accounts, tourism, the productive sectors and external trade. In addition to tracking changes in the main indicators, it also goes behind the numbers to examine the underlying factors driving those changes. The Bulletin also provides insight into how current trends may shape developments going forward in order to help inform your business decisions.