



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Why An IMF Agreement? Excerpts from Presentation by PSOJ President Christopher Zacca to the Rotary Club of St. Andrew.

Good afternoon ladies and gentlemen. Today I wish to share with you the views of the Private Sector Organisation of Jamaica on what I believe in the short run is the most pressing economic issue facing our country, the pending IMF agreement.

Since independence, World Bank Figures suggest that Jamaica's per capita GDP has grown at an annual average of 0.6%. This is one third the average per capita global growth rate of 1.8% since 1962. Put simply: if Jamaica had grown at the average rate of the world over the last 50 years we would have been three times better off today. A recent document from the Planning Institute of Jamaica underscores this point. "In a historical sense, the Jamaican economy has exhibited a pattern of underperformance in terms of overall growth."

This chronic pattern of under-performance has left in its wake a high level of public debt, unemployment, deterioration in physical infrastructure and in the delivery of social services (such as health, education and the justice system). These inherited conditions underpin significant and persistent levels of poverty as well as the continued existence of marginalized, vulnerable, and volatile communities throughout the country."

An Agreement with the IMF has become the anchor of economic decision-making with regards to Jamaica. The local and international capital markets, investors, rating agencies, multilateral and bilateral institutions are currently predicating their decision-making on the settlement of an agreement with the IMF. The lack of an IMF deal has resulted in decline in business and consumer confidence and a general "wait and see" attitude among business.

As the head of the PSOJ I want to posit the view that an IMF deal is vital as it will facilitate the implementation of policies and strategies which are urgently required for the modernization of the country and for putting us on a path for long term sustainable economic growth and development.

For an IMF deal to be inked the government has to demonstrate its commitment to a stable macroeconomic environment, conditioned on continued fiscal consolidation over the medium term. Fiscal consolidation plays a critical role in stabilizing the macroeconomic environment through low inflation, stable exchange rate and low interest rate, while creating facilitatory conditions for private investment.

The Alternative..... No IMF Agreement

The most immediate impact would be (a) dramatic fall in business and consumer confidence; (b) significant deterioration in international and local financial sentiments, and (c) Continued delay in the disbursement of funds or worse, a significant loss of financing from other International Development

Partners (World Bank, IDB) given that additional disbursements are linked (implicitly or explicitly) to the finalization of an IMF agreement. Lack of these multilateral funds would compromise the reform agenda and infrastructure programme of the government.

And these would not be the only consequences. The deterioration in market sentiment would undoubtedly lead to reassessment by the credit rating agencies, that is, eventual downgrades. The fall in market confidence and in sovereign ratings, combined with the loss of multilateral financing would lead to a further reduction in the Net International Reserves and trigger a speculative attack against the Jamaican dollar leading to a rapid and significant depreciation of the Jamaican dollar accompanied by higher inflation. Domestic nominal interest rates would obviously rise in response to the higher inflation and currency depreciation and risk premiums on GOJ bonds would rise substantially. Higher real rates of interest would then depress domestic production, reducing the growth of investment and increasing the likelihood of job losses.

In my humble opinion the pain of no IMF agreement is vastly more than the pain of an IMF agreement.

'Team Jamaica'

I introduce here the concept of **Team Jamaica; Government, Opposition, Public Sector, Private Sector, Unions, Civil Society working together, sharing the short term pain of securing an IMF agreement to ensure the very stability and future growth of our Economy. It is not us and the IMF versus the Government, it is all Jamaica ensuring that the economic policy wrongs of the past are righted, once and for all.**

Role of IMF –Both sides have to display responsibility to act in a way that does not compromise the future stability of Jamaica. (Contd. Page 10)

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Net International Reserves (NIR)

During August 2012, Net International Reserves declined by an additional -US\$55.22 million to US\$1,428.6 million compared to US\$1,483.82 million at the end of July 2012. This is the fourteenth monthly decline of NIR in fifteen months. Since January 2012, the NIR has declined by -US\$538.4 million. This is largely due to continued net selling of the USD since May 2011 by the BOJ to support the J\$ and also the fact that earners of foreign exchange have been holding rather than selling into and replenishing the private market for foreign currency.

At the end of August 2012, gross reserves were adequate to finance 20.14 weeks of “goods” imports or 15.48 weeks of “goods and services” imports, still above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During June 2012, foreign currency deposits (FCD's) in the local financial system increased by US\$112.08 million or 4.39% to US\$2.55 billion compared to US\$2.44 billion at the end of May 2012. The increase in June 2012 is the sixth increase over the past six months and likely reflects the current bias to hold foreign currency due to uncertainty over the stalled GOJ/IMF Arrangement.

Foreign Exchange Rate

US DOLLAR: During August 2012, the Jamaican dollar depreciated by an additional J\$0.15 to J\$89.82 to US\$1.00, but it appears to be encountering resistance at the key J\$90.0 level. The J\$ has traded in the J\$89.00 range for the past six weeks and a breach of the J\$90 level could be the tripwire that accelerates depreciation towards J\$100. Year to date, the J\$ has depreciated by -J\$3.22 or -3.71% against the USD compared to -J\$0.46 for all of 2011.

POUND & CANADIAN DOLLAR: During August 2012, the J\$ depreciated by an additional J\$1.79 or 1.27% against the GBP to J\$142.39 from

Table 1b: Changes in the NIR

	US\$M	Change US\$M			Imports
	NIR	Mthly	12 Mth	YTD	(Weeks)
Aug-12	1,428.60	-55.22	-697.72	-538.41	20.14
Aug-11	2126.32	-30.05	169.39	-45.09	28.18

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000	Change (US\$000)		% Change	
	Jun '12	mtly	12 mth	mtly	12 mth
Commercial Banks	1,961,943	111,979	268,421	5.71	15.85
Building Societies.	550,918	3,858	17,608	0.70	3.29
Merchant Banks	41,082	-3,757	-22,344	-9.15	-47.70
Total Deposits	2,553,943	112,080	265,733	4.39	11.68

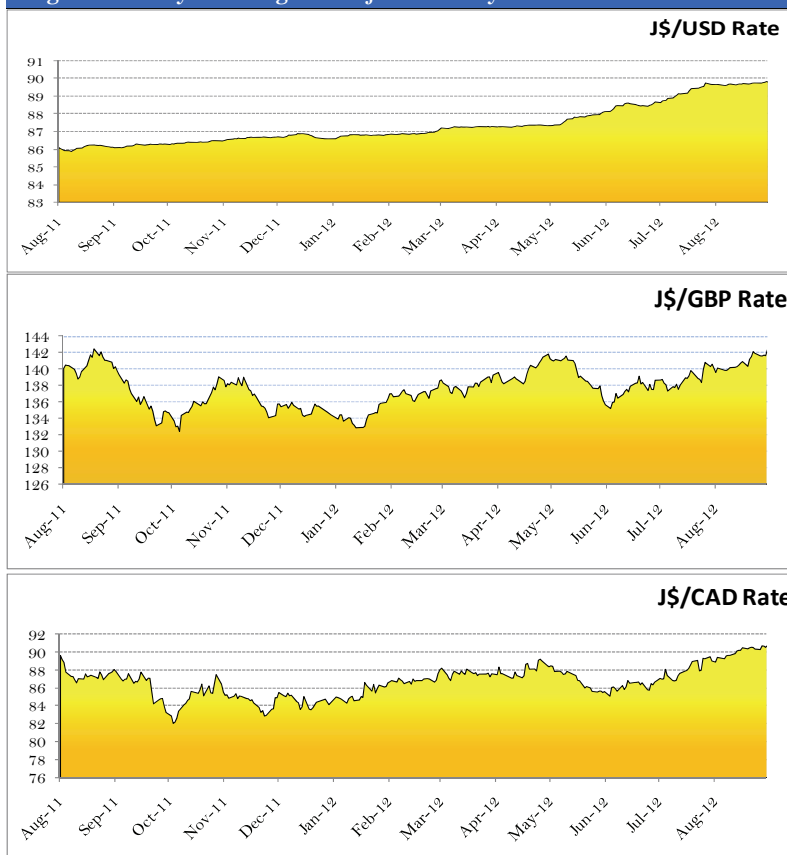
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2011—08/31/12) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2012	-3.22	-3.71	-7.95	-5.91	-6.62	-7.86
2011	-0.26	-0.31	-6.56	-4.91	-2.54	-2.98
2010	4.02	4.49	12.37	8.62	3.56	4.21
	MOM Aug - 2012					
Actual Rate	89.82	0.15	142.39	1.27	90.81	1.94
Mth Change	0.13	0.15	1.79	1.27	1.73	1.94

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

J\$140.60 in July 2012. Against the CAD, the J\$ also depreciated in August 2012 - by J\$1.73 or 1.94% to sell for J\$90.81 compared to J\$89.08 in July 2012. As in 2011, there have been sharp up and down movements of the J\$ against GBP and CAD during 2012, mirroring the rise and fall of these currencies against the USD on international currency exchanges in response to risk sentiment. Now the appreciation of CAD and GBP appears part of the broader retreat from the J\$ because of uncertainty arising from the hiatus in the Jamaica/IMF relationship. Year to date, the J\$ is down -J\$7.95 or -5.91% against GBP, and by -J\$6.62 or -7.86% against the CAD.

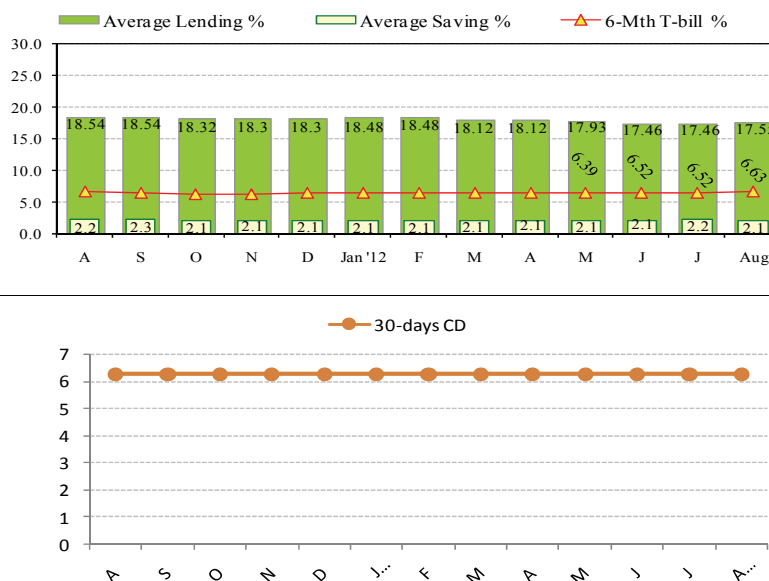
Interest Rates

Continuing the steadiness observed since the beginning of the year, during August 2012, there were only modest movements on three benchmark rates, but all with potentially far-reaching implications.

The bell-weather 6-month Treasury Bill increased by 11 bps to 6.63%. After dipping to a multi-decade low of 6.27% in November 2011 from levels as high as 24% in 2009, the 6 month T-Bill has been struggling higher since the beginning of 2012. Year to date, the 6-month T-Bill is up 17 bps. This could be significant. Because with inflation projected in the 10-12% range for FY2012/13 by the BOJ and given the uncertainty in the GOJ/IMF Arrangement, the rate at which the GOJ borrows money maybe turning up. Market watchers therefore need to pay closer attention to the rate on the 6-month T-Bill in coming months.

The average lending rate (ALR), which has been the slowest declining rate over the past three years, but the fastest in 2012, reversed direction in August increasing by 9 bps to 17.55% from multi-decade lows of 17.46% struck in June and July 2012. Year to date, the average lending rate is down 75 bps. But again, given the possibility of higher inflation and other push/pull factors noted above, August upturn may be an indication

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Aug -12	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.25%	0.00%	-0.50%	0.00%
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%	-0.17%	-0.17%	-0.06%
Avg Loan Rate	17.55%	0.09%	-0.43%	-0.75%
6-Month T-Bill	6.63%	0.11%	0.02%	0.17%

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

that the ALR is headed upwards.

The average saving rate (ASR) which held steady at historic lows of 2.10% since January 2012, and then ticked up to 2.24% in July 2012, fell to 2.07% in August 2012. The slight 3 bps dip in the ASR probably reflects a modest build-up of deposits in the commercial banks since the beginning of 2012. Given the uncertainty and apprehension in the economy, businesses might just be saving more and spending and investing less. These impulses might also be affecting the average lending rate and the rate on the 6-month T-Bill.

Base Money & Money Supply

During August 2012 the monetary base declined slightly by -J\$882.8 million or -1.01% to J\$86,275.07 billion. This resulted from a decrease of J\$383.4 million in net currency issue and likely reflects BOJ efforts to mop-up some of the heightened liquidity introduced to facilitate the celebration of Jamaica's 50th year of independence. Declines of -J\$237.4 million in Commercial Bank's Statutory Reserves and -J\$262 million in Commercial Banks Current Account



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also contributed to the decline in the monetary base.

Inflation

The rate of inflation increased by 0.5% during August 2012, reversing the decline of -0.3% the previous month.

The main contributors to this increase was a 3.8% rise in the “**Communication**” division as the ‘Special’ call tax announced by the GOJ at the time of the Budget took effect on July 15th, 2012. A 1.6% rise in the most heavily weighted “**Food and Non-Alcoholic Beverages**” was the second main contributor to the increase in inflation in August 2012.

The classes that contributed to the increase within the ‘Food’ group were: ‘Vegetable and Starchy Foods’ - up 3.7% due mainly to higher prices for ground provisions. ‘Fruit’ went up by 2.9% as a result of increased prices for citrus; ‘Fish and Seafood’ increased by 1.5% and ‘Meat’ by 1.4%. The increases from the group ‘Non-Alcoholic Beverages’ were: ‘Coffee, Tea and Cocoa’ up by 1.7% and ‘Mineral Waters, Soft Drinks; and Fruit and Vegetable Juices’ going up by 0.7%.

The third highest increase of 1.1% was recorded in the “**Clothing and Footwear**” division reflecting a 1.2% rise for ‘Clothing’ and a 1.1% increase for ‘Footwear’. The other nine divisions within the CPI recorded movements of less than 1.0%.

“**Miscellaneous Goods and Services**” rose by 0.8% due to higher prices for certain personal care items and services. “**Transport**” was up 0.7% due to increased prices for petrol and related products; and “**Recreation and Culture**” increased by 0.6% reflecting higher prices for school books.

Two divisions: “**Alcoholic Beverages and Tobacco**” and “**Restaurants and Accommodation Services**” both re-

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	May-12	Mthly	12 Mth
M1	115,022.65	0.69	5.34
Quasi Money	237,384.39	1.29	1.75
M2	352,407.04	1.10	2.89
	Aug -'12	Mthly	12 Mth
Base Money	86,275.07	-1.01	4.95

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Aug	12-Mth	YTD	Fiscal
2012	0.49	5.44	3.31	1.60
2011	0.58	7.78	3.87	3.37

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

Table 7: Mining Production

	000 tonnes			YTD	
	Aug-12	Aug-11	%	Aug-12	10/11 %
Production					
Alumina	135.0	1159.3	-15.3	1,191.2	-8.97
C. Bauxite	436.6	449.3	-2.83	3,171.5	-7.73
Export					
Alumina	180.8	170.3	6.2	1,186.5	-8.56
C. Bauxite	447.1	456.2	-1.99	3,156.1	-7.75

Source: Jamaica Bauxite Institute (JBI)

corded increases of 0.5%. The rise for the former reflected increased prices for wines and spirits; while the rise in the latter, was due to increased prices for ‘food consumed away from home’.

“**Education**” was flat on the month; while “**Housing, Water, Electricity, Gas and Other Fuels**” recorded a substantial decline of -4.0%. This was due mainly to a decrease in fuel and IPP charges by JPS.

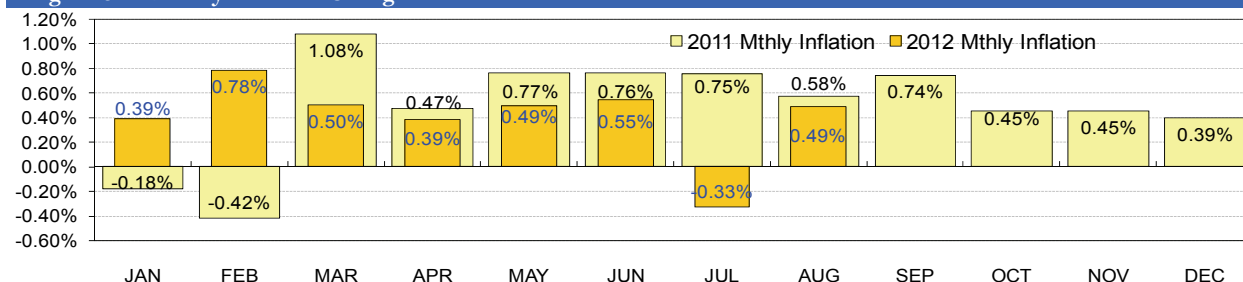
The calendar year to date inflation rate was 3.3%, compared to 3.8% during the first eight months of 2011. The fiscal year to date rate was 1.6% while the point to point rate was 5.4%.

Bauxite & Alumina

Production of alumina in August 2012 declined by -15.3% to 134,983 tons compared to 159,302 tons in August 2011. For its part, production of crude bauxite in August 2012 declined by -2.8% to 436,628 tons relative to 449,326 tons in August 2011.

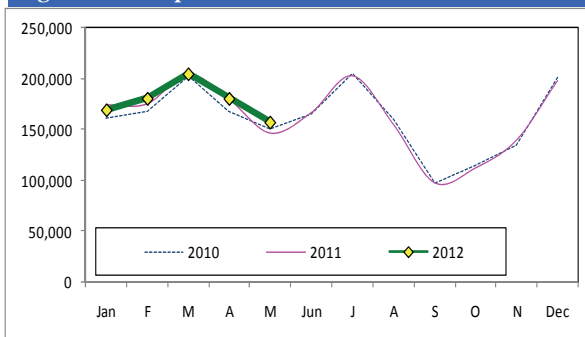
Reflecting the upturn in the global economy, during calendar year 2011 (especially in the first half), alumina production increased by 23.2% to 1.959 million tons; while production of crude bauxite was up 19.5% to 5.143 million tons relative to 2010.

Figure 3: Monthly Inflation Changes



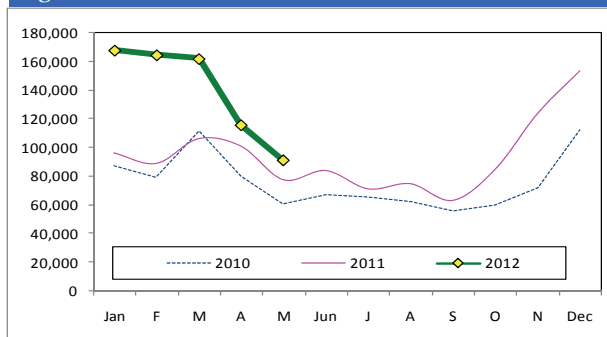
Source: STATIN and PSJOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

However, reflecting the softening conditions in the global economy over the past three quarters, production of alumina is down -8.97% to 1,191,153 tons in the first eight months of 2012 compared to 1,308,495 tons during the corresponding period of 2011. Production of crude bauxite is also down -7.73% to 3,171,528 million tons relative to 3,437,252 million tons for the corresponding period of 2011.

Tourism

Stopover arrivals in May 2012 were 157,233 - an increase of 7.3% over the 146,583 stopovers recorded in May 2011. The number of cruise passengers also increased in May 2012 by 16.9% to 90,704 visitors, compared to 77,579 in May 2011.

Regionally, stopovers from the US increased by 7.7% in May 2012 to 110,270 compared to 102,416 in May 2011. This is the second consecutive monthly year over year increase from the US in 10 months. Year to date, stopovers from the US are up by 0.3% with 524,734 arrivals compared to 523,266 in Jan-May 2011. From the Canadian market, stopovers increased by 25.3% in May 2012 with 22,217 arrivals compared to 17,733 in May 2011. Year to date, the number of visitors from Canada are up 7.6% to 234,142 visitors compared to 217,582 visitors in January to 2011.

Visitors from Europe, including the UK, declined by -9.4% in May 2012 to 17,319 visitors compared to 19,118 arrivals in May 2011. Year to date, visitors from Europe are down -6.9% to 96,137 compared to 103,225 in Jan-May 2011. This continues the decline recorded in calendar year 2011 in which stopovers from Europe declined by -6.7% to 253,049 compared to 271,315 in 2010.

Stopover arrivals from the Caribbean

Tourist Arrivals

	2011	2012	%Change	
	YTD (JAN-MAY)		YOY	MOM
Stopover	879,331	892,415	1.5%	-12.9%
Foreign	825,038	837,558	1.5%	-12.4%
Non-Resident	54,293	54,857	1.0%	-19.2%
Cruise	470,109	700,005	48.9%	-21.4%
Total Arrivals	1,349,440	1,592,420	18.0%	-16.2%

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

recorded a 13.6% increase in 2011 to 66,216 reversing a -10.8% decline in 2010. For the first five months of 2012 however, stopovers from the Caribbean are down -6.9% to 23,219 compared to 24,950 in Jan-May 2011. On the other hand, stopovers from Latin America are up by 63.9% to 9,415 in Jan-May 2012 compared to 5,744 visitors in Jan-May 2011 extending their 23.4% rise during 2011.

During calendar year 2011, cruise visitors to the Island increased by 23.7% to 1,125,481 visitors. During Jan-May 2012, cruise arrivals are up by 48.9% to 700,005 visitors reflecting the impact of the opening of the Falmouth Port. Total Visitors to Jamaica for Jan-May 2012 were 1,592,420 marking a 18.0% increase relative to 1,349,440 visitors during Jan-May 2011.

External Trade

During the first five months of calendar year 2012, Jamaica's exports decreased slightly by -US\$1.8 million or 0.3% to US\$715.3 million, compared to US\$717.1 million during January - May 2011. Imports for the period grew by US\$17.16 million or 0.7% to US\$2,605.3 million compared to US\$2,588.1 million during the corresponding period of 2011. Given the stronger growth of imports over ex-

ports, the negative imbalance in Jamaica's merchandise trade widened in Jan-May 2012 by US\$18.96 million or 1.0% to -US\$1,890.0 million compared to -US\$1,871.0 million in January - May 2011.

Traditional Exports: During the first five months of 2012, traditional domestic exports earned US\$373.15 million, a decrease of -US\$14.34 million or -3.7% relative to the US\$387.5 million in 2011. The share of traditional exports in total domestic exports also decreased to 52.2% in Jan-May 2012 from 54.1% during the corresponding period of 2011.

The decreased earnings from traditional exports was mainly due to a US\$27.5 million or -9.2% decline in Mining and Quarrying to US\$270 million relative to US\$297.5 million in Jan-May 2011. This resulted from a fall of -US\$22.95 million (or -9.6%) in alumina earnings and a -US\$4.5 million decline in bauxite earnings. Also contributing to the overall decline in traditional exports was a small -1.2% decline in Agriculture to US\$8.98 from US\$9.09 million during the corresponding period in 2011. This largely resulted from a US\$0.35 million decline in Coffee exports. Though there was a 16.4% increase in Manufacturing exports to US\$94.2

million from US\$80.9 million, largely due to a 34.4% increase in Sugar exports to US\$75.0 million from US\$55.76 million one year earlier, there was a notably decline of 28.8% in Rum exports to US\$16.8 million relative to US\$23.6 million during Jan-May 2011.

Non-traditional exports continued to grow during Jan-May 2012, growing by 6.6% to US\$319.6 million, compared to US\$299.8 million in Jan-May 2011. Three of four categories of non-traditional exports recorded growth over the period and one declined.

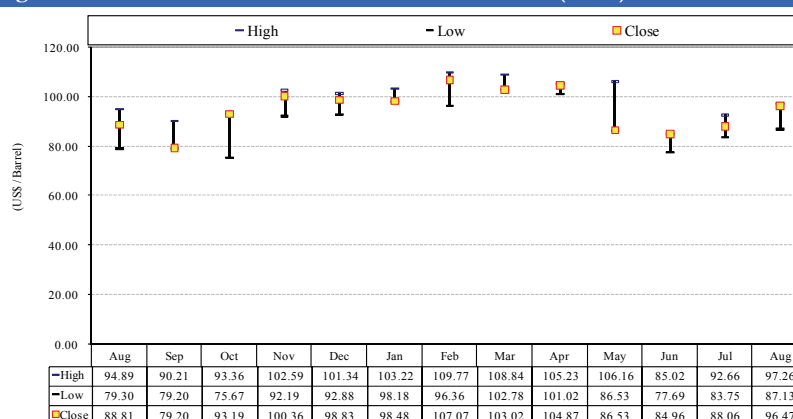
In the category “**Food**”, there was a 4.8% increase in earnings to US\$60.3 million compared to US\$57.6 million in Jan-May 2011. Ten of seventeen groups recorded increases and seven declined. Among the groups recording increased earnings were: ‘Papaya’ - up 193.4% to US\$2.356 million from US\$803,000; ‘Animal Feed’ - up 40.2% to US\$3.64 million from US\$2.58 million; and ‘Other Fruits and Fruit Preparations’ - up 74.5% to US\$3.32 million from US\$1.9 million. ‘Ackee’ - up 29.3% to US\$5.6 million from US\$4.35 million; ‘Meat & Meat Preparations’ - up 14.9% to US\$1.75 million; and ‘Juices excl. Citrus’ - up 38.7% to US\$3.59 million from US\$2.59 million also contributed to increased earnings from ‘Food’ exports.

There were however, notable decreases in earnings from some ‘Food’ groups in Jan-May 2012 relative to the corresponding period of 2011. Earnings from ‘Yams’ were down -16.7% to US\$7.17 million from US\$8.6 million; ‘Baked Products’ were down -16.5% to US\$5.7 million from US\$6.88 million; and exports of ‘Other Vegetables & Preparations thereof’ were down -40.8% to US\$954,000 million from US\$1.6 million in Jan-May 2011. Exports of ‘Dairy Products and Bird Eggs’ also declined by -11.6% to US\$4.4 million compared to US\$4.97 million in Jan-May 2011.

“**Beverages & Tobacco (excl. Rum)**” was another one of the three Non-Traditional export categories that recorded growth in Jan-May 2012. This category grew by 13.5% to US\$31.5 million, due largely to a 18.7% increase in ‘Alcoholic Beverages (excl. Rum)’ to US\$27.6 million from US\$23.24 million in Jan-May 2011.

In addition, “**Other**” non-traditional exports, generally, the largest category

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-May '11	Jan-May '12	Change	% Change
TOTAL EXPORTS (fob)	717.10	715.29	-1.80	-0.3%
Major Traditional Exports	387.49	373.15	-14.34	-3.7%
<i>by Sector:-</i>				
Agriculture	9.09	8.98	-0.11	-1.2%
Mining & Quarrying	297.48	269.98	-27.51	-9.2%
Manufacturing	80.92	94.20	13.28	16.4%
<i>by Industry:-</i>				
Bauxite	59.45	55.00	-4.46	-7.5%
Alumina	237.92	214.98	-22.95	-9.6%
Sugar	55.76	74.95	19.19	
Rum	23.60	16.81	-6.80	-28.8%
Bananas	-	0.06	0.06	0.0%
Coffee	6.65	6.31	-0.35	-5.2%
Other	4.10	5.05	0.95	23.3%
Non-Traditional Exports	299.75	319.58	19.83	6.6%
Re-exports	29.86	22.56	-7.30	-24.4%
TOTAL IMPORTS	2,588.12	2,605.28	17.16	0.7%
Food	382.54	393.42	10.88	2.8%
Beverages & Tobacco	32.20	33.80	1.60	5.0%
Crude Materials (excl. Fuels)	30.48	18.84	-11.64	-38.2%
Mineral Fuels, etcetera	1,045.81	1,016.84	-28.97	-2.8%
Animal & Vegetable Oils & Fats	16.44	25.09	8.65	52.6%
Chemicals	282.34	265.63	-16.71	-5.9%
Manufactured Goods	263.27	260.29	-2.99	-1.1%
Machinery and Transport Equip.	349.63	379.03	29.40	8.4%
Misc. Manufactured Articles	164.67	172.99	8.33	5.1%
Other	20.73	39.34	18.61	89.8%
TRADE BALANCE	(1,871.02)	(1,889.99)	-18.96	1.0%

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

of non-traditional exports, increased by 10.8% to US\$213.96 million relative to US\$193.1 million in Jan-May 2011. This mainly resulted from a 86.8% increase in ‘Chemicals (incl. Ethanol)’ to US\$27.12 million relative to US\$14.52 million in Jan-May 2011 and a 5.1% rise in ‘Mineral Fuels etc’ to US\$180.7 million from US\$172.0 million during the corresponding period

of 2011. However, five of the groups in ‘Other’ non-traditional exports recorded declines ranging from -10.2% to -62%.

“**Crude Materials**”, which has been the fastest growing group of non-traditional exports in recent years, was down 35.3% during Jan-May 2012. This decline was largely due to

a -37.3% drop in exports of 'Waste and Scrap Metals' from US\$17.9 million to US\$11.25 million during Jan-May 2012. This was reinforced by declines of -30.0% and -16.1% in exports of 'Limestone' and 'Other' crude materials respectively.

Imports. Reflecting more buoyant conditions in the local and global economy imports surged by 24.2% during 2011 to US\$6.6 billion. This growth continued in the first five months of 2012, but at a more moderate pace as Jamaica's economy has been impacted by the global slowdown. During Jan-May 2012, imports increased by 0.7% to US\$2.605 billion compared to US\$2.588 billion in Jan-May 2011.

Largely accounting for the slower growth of imports in Jan-May 2012 was a -4.3% drop in imports of **Raw Materials/Intermediate Goods** to US\$1.614 billion from US\$1.686 billion in Jan-May 2011. This was due to declines in all but one category of intermediate goods. 'Industrial Supplies' were down -8.3% to US\$369.8 million from US\$403.5 million; 'Other Fuels and Lubricants' - down -4.8% to US\$677.7 million from US\$712.1 million; 'Food (incl. Beverages)' - down 6.3% from US\$122.9 million to US\$115.2; and 'Parts and Accessories of Capital Goods' - down -2.2% to US\$112.4 million from US\$114.8 million.

Imports of **'Capital Goods (excl. Motor Cars)'** also fell during Jan-May 2012 from US\$213.2 million in Jan-May 2011 to US\$119.1 million. Apart from a 22.2% increase in imports of 'Machinery and Equipment' to US\$121.6 million relative to US\$99.5 million for the corresponding period of 2011, the three other groups of Capital Goods imports all recorded declines. 'Other Industrial Transport Equipment' fell by -48.1% to US\$30.7 million compared to US\$59.1 million in Jan-May 2011. 'Construction Materials' was down by -13.7% to US\$45.1 million relative to US\$52.2 million one year ago, while imports of 'Other Capital Goods' was down -26.5% to US\$1.73 million compared to US\$2.35 million in Jan-May 2011. This decline in Capital Goods imports likely reflected the moderating growth momentum in Jamaica and the world.

Imports of **Consumer Goods (excl. Motor Cars)** dipped slightly in 2011, by -0.2% to US\$1.698 billion relative to

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

	Jan-Mar 2011	Jan-Mar 2012	\$ Change	% Change
Current Account	(330.5)	(244.2)	86.3	26.1%
Goods Balance	(971.5)	(940.6)	30.9	3.2%
Exports	418.6	456.1	37.5	9.0%
Imports	1,390.1	1,396.7	6.6	0.5%
Services Balance	291.9	282.7	(9.2)	-3.2%
Transportation	(108.7)	(136.8)	(28.1)	-25.9%
Travel	561.7	586.4	24.7	4.4%
Other Services	(161.1)	(166.8)	(5.7)	-3.5%
Income	(146.8)	(89.0)	57.8	39.4%
Compensation of empl	3.0	12.1	9.1	303.3%
Investment Income	(149.7)	(101.0)	48.7	32.5%
Current Transfers	496.0	502.6	6.6	1.3%
Official	35.3	26.6	(8.7)	-24.6%
Private	460.7	476.1	15.4	3.3%
Capital & Financial Account	330.5	244.2	(86.3)	-26.1%
Capital Account	(2.6)	(5.7)	(3.1)	-119.2%
Capital Transfers	(2.6)	(5.7)	(3.1)	-119.2%
Official	4.6	1.5	(3.1)	-67.4%
Private	(7.2)	(7.2)	-	0.0%
Acq/disp.	-	-	-	0.0%
Financial Account	333.0	249.9	(83.1)	-25.0%
Other Official Invst	474.8	232.8	(242.0)	-51.0%
Other Private Invst	240.0	(171.9)	(411.9)	-171.6%
Reserves	(381.8)	189.0	570.8	149.5%

Source: BOJ & Statistical Update:

US\$1.70 billion in 2010. For the first five months of 2012 however, Consumer Goods imports are up 8.1% to US\$702.5 million compared to US\$650.1 million in 2011. The largest areas of increase are 'Food (incl. Beverages)' - up 8.7% to US\$314.0 million relative to US\$288.9 million one year ago; and 'Non-Durable Goods' - up 16.1% to US\$211.4 million relative to US\$182.2 million in Jan-May 2011. However, 'Other Durable Goods (excl. Motor Cars)' dipped slightly by -1.1% to US\$123.4 million and 'Semi-Durable Goods' by -1.2% to US\$53.7 million. During Jan-May 2012, imports of **'Passenger Motor Cars'** increased by 122.3% to US\$101.6 million compared to US\$45.7 million in Jan-May 2011.

Oil: At the end of August 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$96.47 per 42 gallon barrel - an increase in price of US\$8.41 relative to the closing price of US\$88.06 the previous month. During August 2012 the price ranged between a high of US\$97.26 and a low of US\$87.13.

Balance of Payments

During the first quarter of 2012, there was a current account deficit of US\$244.2 million, which represented an improvement of US\$86.3 million relative to the Jan-March 2011. The improvement in the current account resulted from the **Goods, Income and Current Transfers** sub-accounts.

During the period, the **Goods Balance** recorded a deficit of US\$940.6 million, an improvement of US\$30.9 million when compared to the corresponding period in 2011. This resulted from an increase in exports of US\$37.5 million, due to an increase in sugar exports of US\$29.3 million. The improvement in the Goods sub-account was partially offset by a US\$6.6 million increase in imports, which was significantly influenced by an increase in imports of machine & transportation equipment of US\$36.5 million.

In relation to the **Services Balance**, there was a decline of US\$9.1 million in its surplus position. This resulted primarily from a reduction in transportation inflows. The **Income sub-account** improved by US\$57.8 million during the review period. This increase emanated primarily from a decrease of US\$29.5 million in profits

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Jul (Fiscal—2012/13)				Apr-Jul (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	103,646.0	103,291.4	354.6	0.34	2,909.0	2.9
Tax Revenue	97,396.5	96,633.9	762.6	0.79	8,733.9	9.9
Non-Tax Revenue	5,264.2	5,207.4	56.8	1.09	-985.5	-15.8
Bauxite Levy	463.1	506.4	-43.3	-8.55	-70.1	-13.1
Capital Revenue	189.4	248.7	-59.3	-23.84	-3,854.1	-95.3
Grants	332.7	695.0	-362.3	-52.13	-915.4	-73.3
Expenditure	113,109.0	115,135.1	-2,026.1	-1.76	-4,392.5	-3.7
Recurrent Expenditure	106,703.1	108,500.9	-1,797.8	-1.66	7,943.1	8.0
Programmes	27,216.8	28,108.8	-892.0	-3.17	1,128.4	4.3
Wages & Salaries	52,401.5	52,445.7	-44.2	-0.08	6,214.7	13.5
Interest	27,084.7	27,946.4	-861.7	-3.08	599.8	2.3
Domestic	11,512.2	11,511.2	1.0	0.01	1,659.0	16.8
External	15,572.6	16,435.3	-862.7	-5.25	-1,059.3	-6.4
Capital Expenditure	6,405.9	6,634.2	-228.3	-3.44	-12,335.5	-65.8
Capital Programmes	6,405.9	6,634.2	-228.3	-3.44	-12,335.5	-65.8
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-9,463.0	-11,843.7	2,380.7	20.10	7,301.2	43.6
Loan Receipts	65,075.8	63,913.3	1,162.5	1.82	17,473.6	36.7
Domestic	61,893.2	61,796.7	96.5	0.16	17,550.7	39.6
External	3,182.6	2,116.6	1,066.0	50.36	-77.0	-2.4
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	35,862.0	38,247.0	-2,385.0	-6.24	-14,828.6	-29.3
Domestic	5,885.9	6,002.0	-116.1	-1.93	-2,832.2	-32.5
External	29,976.2	32,244.9	-2,268.7	-7.04	-11,996.4	-28.6
Overall Balance (Surplus [+ve])	19,750.7	13,822.6	5,928.1	42.89	39,603.5	199.5
Primary Balance (Surplus [+ve])	17,621.7	16,102.7	1,519.0	9.43	7,901.2	81.3

Source: Ministry of Finance and Planning

remitted by foreign direct investment companies.

During the review period, **Current Transfers** increased by US\$6.7 million to US\$502.6 million. This improvement resulted primarily from an increase in net private transfers of US\$15.4 million. Inflows from off official and private sources were insufficient to finance the current account deficit. Accordingly, net international reserves declined by US\$189.0 million.

Fiscal Accounts

During the first four months (Apr-Jul) of fiscal year 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$9.463 billion. This fiscal deficit was J\$2.38 billion better than -J\$11.84 billion budgeted and was J\$7.3 billion or 43.2% better than the -J\$16.76 billion deficit recorded during the corresponding four month period of FY2011/12. The better than expected out-turn on the fiscal deficit resulted

mainly from expenditure curtailments with a modest contribution from revenue gains.

REVENUE: Total Revenues & Grants to the GOJ during Apr-July 2012/13 was J\$103.65 billion. This was J\$354.6 million or 0.34% above the budgetary target of J\$103.3 billion and J\$2.91 billion or 2.9% higher than Revenues and Grants collected during Apr-Jul 2011/12.

The main outperformers on the revenue account during Apr-Jul 2012/13 were: 'SCT (Imports)' - up J\$692.7 million above budget; 'Stamp Duty (Local)' - up J\$255.4 million; and 'Tax on Interest' - up J\$173.4 million. Significant contributions to revenues were also made by 'Tax on Dividend' which exceeded budget targets by J\$172 million and 'Other Companies' (taxes) which exceeded budget targets by J\$121.9 million. Among the main underperformers on

the revenue account were: 'PAYE' - down -J\$353.1 million below budget; 'Other Individual' - down -J\$174.7 million; and 'Travel Tax' which came in -J\$128.6 million below budget. 'Environmental Levy' also underperformed budget to the tune of -J\$51.9 million. Very significantly, 'Grants' were down -J\$362.3 million, probably reflecting the difficulty the GOJ is experiencing in obtaining multilateral support without an IMF Agreement.

EXPENDITURE: The expenditure budget for 2012/13 is J\$612 billion. For the first four months of FY2012/13 total expenditure was J\$113.12 billion. This was -J\$2.03 billion or -1.76% less than the J\$115.14 billion budgeted, and -J\$4.4 billion or -3.7% less than expenditures for the corresponding four months of FY2011/12. Among the main areas of expenditure: 'Wages and Salaries' consumed J\$52.4 bil-

lion or 46.3% of expenditures and was roughly in line with 2012/13 budgetary targets, but J\$6 billion greater than the amounts spent for the corresponding period of 2011/12. Expenditure on 'Recurrent Programmes' amounted to J\$27.22 billion or 24.1% of expenditures, and was -J\$892.0 million below budget, but J\$1.13 billion above the amounts spent during the corresponding four month period of 2011/12. 'Interest Payments' consumed J\$27.1 billion or 24% of expenditure, and was a little (-J\$861.7 million) below budget, but about J\$600 million more than for the similar period of 2011/12. Expenditure on Capital Programmes of J\$6.4 billion was roughly in line (-J\$228.3 million) with budget. The GOJ is clearly making an effort to hew to its budgetary targets, to possibly impress the IMF that it can run a tight ship.

FISCAL OUTTURN

The fiscal deficit for FY2011/12 (Apr-Mar 2011) was -J\$80.74 billion. For FY2012/13, the GOJ is projecting a fiscal deficit of J\$48.0 million or 4.2% of GDP implying an average monthly deficit of about J\$4.00 billion. As noted, the fiscal deficit for the first four months of 2012/13 was -J\$9.5 billion or J\$2.38 billion per month which is well below the projected monthly average.

The Primary Surplus - a measure of the country's ability to service its debt from revenues, was J\$39.97 billion in 2011/12. For FY2012/13, the GOJ is targeting a primary surplus of J\$60 billion. For Apr-Jul 2012/13, the primary surplus was J\$17.6 billion which was J\$1.52 billion more than the J\$16.1 billion recorded for the corresponding period of FY2011/12.

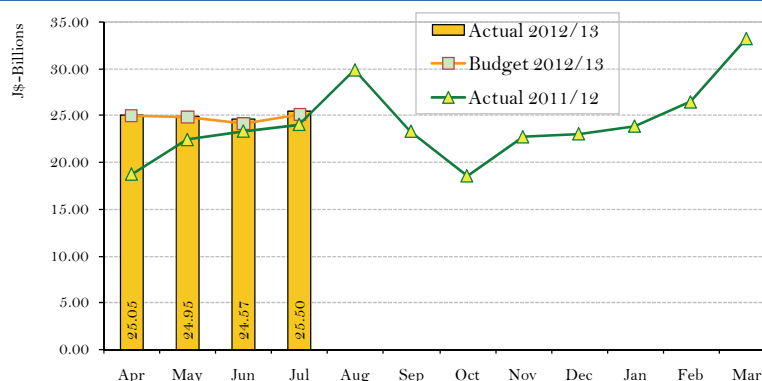
PUBLIC DEBT

At the end of May 2012 the total public debt stood at J\$1.684 trillion - an increase of J\$54 billion over the J\$1.630 trillion recorded at the start of January 2012. For the first five months of 2012, the domestic debt has increased by J\$46.65 billion to J\$935.14 billion or 55.5% of the total, while the external debt grew marginally by J\$286 million to J\$749.61 billion, but actually declined by US\$72 million, but for exchange rate movements.

Stock Market

During August 2012, market capitalization decreased by -J\$2.58 billion or 0.45% to close at J\$570.46 billion. Four of six indices on the Jamaican Stock Exchange advanced during the month,

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



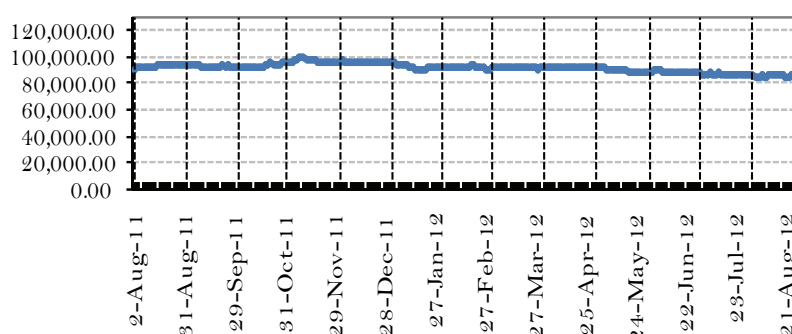
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Jul 2012/13
Revenue Surpluses	
SCT (Imports)	692.7
Stamp Duty (Local)	255.4
Tax on Interest	173.4
Tax on Dividend	172.4
Other Companies	121.9
Revenue Shortfalls	
Grants	-362.3
PAYE	-353.1
Other Individuals	-174.7
Travel Tax	-128.6
Environmental Levy	-51.9
Expenditure Changes	
Recurrent Programmes	-892.0
Wages and Salaries	-44.2
External Interest	-862.7
Domestic Interest	1.0
Capital Programmes	-282.3

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index Aug '11 - Aug '12



Source: Jamaica Stock Exchange (Online Database) and PSQJ

one was unchanged and another declined. The **JSE Combined Index** advanced by 244.3 points or 0.28% to close at 87,403.3 points. The main **JSE Market Index** advanced by 359.9 points or

0.42% to close at 85,871.5 points. The **JSE All Jamaican Composite** advanced by 603.6 points or 0.70% to close at 87,126 points. The **JSE Select Index** advanced by 25.9 points or

1.07% to close at 2,448.8 points while the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, was unchanged at 785.3 points. The **JSE Junior Market Index** was the only index declining during the month falling by 21.9 points or -3.27% to close at 648.9 points.

Market volume was very light in August 2012 with 39.7 million units valued at J\$730.3 million changing hands compared to 392 million units valued at J\$3.5 billion changing hands during July 2012.

Overall market activity resulted from trading in 34 stocks of which 12 advanced, 19 declined and 3 traded firm. Sagicor Life Jamaica Ltd. was the market leader with 7.9 million units or 19.9% of market volume; followed by Scotia Group Jamaica Ltd. with 5.8 million units; while Jamaica Money Market Brokers Ltd. was third with 12.98% of market volume or 5.16 million units changing hands.

The leading advancers year to date

impossible for Jamaica to comply, especially in the context of the Global Economic Recession and our weakened state of social and economic stability.

The consequences of such a scenario would be untenable and unimaginable, and as such the Private Sector of Jamaica would like to make it clear to the IMF that just as much as we, as part of Team Jamaica, will uphold our part of the bargain and do our best to ensure that the rest of our team does too, we expect the IMF to also act in an enlightened and responsible way and contextualise their final positions in the environment of Global stagnation, a very weak Jamaica, and a Jamaica whose entire society is finally united against the past evils of fiscal irresponsibility and low growth, and for the future of fiscal consolidation, fiscal responsibility, and economic structural adjustment.

The Global Picture

In August 2012, the ongoing global slowdown seem to become qualitatively worse. This deterioration arose from: (1) The continuing irresolution of several of the issues and initiatives involved in the European Crisis; (2) The looming "fiscal cliff" in the United States; and (3) the worsening growth outlook in China and the rest of Asia.

European Crisis

The Europeans are yet to completely agree on the details of the closer fiscal union they have mooted or the longer

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

	31- Dec '11	31- Aug- 12	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Scotia investments Ja	28.89	32.00	3.11	10.76%
Cable & Wireless (Ja)	0.20	0.22	0.02	10.0%
Sagicor Life Jamaica	10.00	10.15	0.15	1.50%
Salada Foods Jamaica.	8.87	8.99	0.12	1.35%
Kingston Properties Ltd.	4.52	4.53	0.01	0.22%
Bottom Five (unadjusted for dividends or transact. Costs)				
Caribbean Cement Co	3.00	1.43	(1.47)	-53.33%
Pulse Investments.	2.45	1.55	(0.90)	-36.73%
Ciboney Group	0.05	0.02	(0.03)	-60.00%
Mayberry Investments	3.26	2.03	(1.23)	-37.73%
Hardware & Lumber	5.90	3.67	2.23	37.80%

Source: Compiled from the JSE

are: Scotia Investments Jamaica Ltd; Cable & Wireless (Jamaica); Sagicor Life Jamaica; Salada Foods Jamaica; and Kingston Properties Ltd. The leading decliners are: Caribbean Cement Company; Pulse Investments; Ciboney Group, Mayberry Investments Ltd. and Hardware & Lumber.

Economic Highlights

(contd. from page 1.)

There is a point at which the requirements and in particular the timeframes for implementation could be so onerous, so severe, that it may very well be

term mechanisms to enforce fiscal rectitude and to provide support to sovereigns and private financial institutions experiencing problems.

In the latest stanza of the European crisis, in June 2012, European Leaders agreed that to break the link between vulnerable banks and indebted sovereigns, EU bailout funds could be used to recapitalize weak banks directly without adding the loan to a state's debt; and that the ECB would engage in unlimited intervention in the markets to buy up shaky government bonds. In August 2012 however, key triple-A rated creditors—Germany, Netherlands and Finland issued a joint statement saying that the undertaking to use bailout funds to recapitalize banks should only be done as a last resort, and that it was intended to apply in the longer-term, not to existing 'legacy' obligations. While these disagreements are being discussed, the borrowing costs of Spain and Italy have been rising even as open riots have broken out in the streets in Greece and Spain in response to austerity measures these countries have introduced to lower their fiscal deficits.

The US "Fiscal Cliff" refers among other things, to GW Bush era tax breaks that were extended by President Barack Obama for two years and which are set to expire on December 31st, 2012. Absent political agreement by the Democrats and Republicans as to

who should continue to benefit from the tax breaks, all Americans will face a substantial tax hike come January 1st, 2012 which would almost certainly push the US into another recession according to analysts. Another aspect of the US Fiscal Cliff is 'sequestration'. Under the August 2011 Budget Control Act to resolve the debt ceiling crisis, Democrats and Republicans had agreed to produce legislation that would cut US\$1.2 trillion from the deficit over the next ten years or there would be automatic across the board cuts to defence and domestic programs beginning in January 1st, 2013. The Committee failed to agree, precipitating the possibility of sequestration.

Though the Federal Reserve has sought to encourage growth and employment, with a pledge of unlimited quantitative easing, the existence of so much uncertainty has been unnerving to markets.

Deteriorating Outlook in Asia

Recent reports indicate that China's Q2 growth (7.6%) slowed for a sixth consecutive quarter—the slowest pace in three years. Japan's industrial production unexpectedly fell to -1.2% in July 2012 while her purchasing managers index contracted for a third straight month suggesting that the economy could contract in Q3 2012. South Korea factory output also fell by a larger than expected -1.6% in July. All of these difficulties point to a worsening global slowdown.

INFLATION (AUG - 2012) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.49%	0.491		
FOOD AND NON-ALCOHOLIC BEVERAGES	1.66%	0.620	1	
Food	1.69%			
Bread and Cereals	0.50%			
Meat	1.40%			
Fish and Seafood	1.53%			
Milk, Cheese and eggs	0.92%			
Oils and Fats	0.60%			
Fruit	2.97%			
Vegetables and Starchy Foods	3.71%			
Vegetables	3.34%			
Starchy Foods	4.75%			
Sugar, Jam, Honey, Chocolate and Confectionery	1.28%			
Food Products n.e.c.	1.32%			
Non-Alcoholic Beverages	0.98%			
Coffee, tea and Cocoa	1.71%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.72%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.53%	0.007	10	
CLOTHING AND FOOTWEAR	1.14%	0.038	5	
Clothing	1.20%			
Footwear	1.05%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	-4.05%	-0.517	12	
Rentals for Housing	0.10%			
Maint and Repair of Dwelling	0.27%			
Water Supply and Misc. Serv Related to the Dwelling	0.49%			
Electricity, Gas and Other Fuels and Routine	-7.54%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.39%	0.019	8	
Furniture and Furnishings (including Floor Coverings)	0.65%			
Household Textiles	0.83%			
Household Appliances	0.33%			
Glassware, Tableware and Household Utensils	0.49%			
Tools and Equipment for House and Garden	0.25%			
Goods and Serv. for Routine Household Maint	0.29%			
HEALTH	0.32%	0.010	9	
Medical Products, Appliances and Equipment	0.31%			
Health Services	0.32%			
TRANSPORT	0.67%	0.086	3	
COMMUNICATION	3.87%	0.154	2	
RECREATION AND CULTURE	0.58%	0.019	7	
EDUCATION	0.00%	0.000	11	
RESTAURANTS AND ACCOMMODATION SERVICES	0.51%	0.032	6	
MISCELLANEOUS GOODS AND SERVICES	0.86%	0.072	4	

INFLATION YTD (JAN - AUG 2012) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	3.31%	3.311		
FOOD AND NON-ALCOHOLIC BEVERAGES	7.99%	2.995	1	
Food	8.13%			
Bread and Cereals	3.58%			
Meat	8.24%			
Fish and Seafood	9.97%			
Milk, Cheese and eggs	12.81%			
Oils and Fats	5.92%			
Fruit	10.79%			
Vegetables and Starchy Foods	9.90%			
Vegetables	10.82%			
Starchy Foods	8.30%			
Sugar, Jam, Honey, Chocolate and Confectionery	5.91%			
Food Products n.e.c.	7.35%			
Non-Alcoholic Beverages	5.73%			
Coffee, tea and Cocoa	8.67%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	4.59%			
ALCOHOLIC BEVERAGES AND TOBACCO	4.03%	0.056	9	
CLOTHING AND FOOTWEAR	7.87%	0.262	4	
Clothing	7.85%			
Footwear	7.88%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	-4.24%	-0.542	11	
Rentals for Housing	1.57%			
Maint and Repair of Dwelling	7.42%			
Water Supply and Misc. Serv Related to the Dwelling	2.25%			
Electricity, Gas and Other Fuels and Routine	-9.55%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	4.37%	0.215	6	
Furniture and Furnishings (including Floor Coverings)	7.68%			
Household Textiles	5.71%			
Household Appliances	8.37%			
Glassware, Tableware and Household Utensils	7.18%			
Tools and Equipment for House and Garden	2.53%			
Goods and Serv. for Routine Household Maint	2.76%			
HEALTH	2.18%	0.072	8	
Medical Products, Appliances and Equipment	2.50%			
Health Services	1.98%			
TRANSPORT	2.47%	0.317	3	
COMMUNICATION	-39.41%	-1.572	12	
RECREATION AND CULTURE	4.94%	0.166	7	
EDUCATION	0.39%	0.008	10	
RESTAURANTS AND ACCOMMODATION SERVICES	3.69%	0.228	5	
MISCELLANEOUS GOODS AND SERVICES	4.72%	0.395	2	

FISCAL ACCOUNT (APR-JUL 2012/13)

REV. & EXPEN. (APR-JUL '12/13)	JSm	PROVISIONAL RESULTS	JSm	BUDGET DEVIATION	JSm	YOY - CHANGE
Revenue & Grants	103,646.0		354.6		2,909.00	
Tax Revenue	97,396.5		762.6		8,733.90	
Non-Tax Revenue	5,264.2		56.8		-985.50	
Bauxite Levy	463.1		-43.3		-70.10	
Capital Revenue	189.4		-59.3		-3,854.10	
Grants	332.7		-362.3		-915.40	
Expenditure	113,109.0		-2,026.1		-4,392.50	
Recurrent Expenditure	106,703.1		-1,797.8		7,943.10	
Programmes	27,216.8		-892.0		1,128.40	
Wages & Salaries	52,401.5		-44.2		6,214.70	
Interest	27,084.7		-861.7		599.80	
Domestic	11,512.2		1.0		1,659.00	
External	15,572.6		-862.7		-1,059.30	
Capital Expenditure	6,405.9		-228.3		-12,335.50	
Capital Programmes	6,405.9		-228.3		-12,335.50	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-9,463.0		2,380.7		7,301.20	
Loan Receipts	65,075.8		1,162.5		17,473.60	
Domestic	61,893.2		96.5		17,550.70	
External	3,182.6		1,066.0		-77.00	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	35,862.0		-2,385.0		-14,828.60	
Domestic	5,885.9		-116.1		-2,832.20	
External	29,976.2		-2,268.7		-11,996.40	
Overall Balance (Surplus [+ve])	19,750.7		5,928.1		39,603.50	
Primary Balance (Surplus [+ve])	17,621.7		1,519.0		7,901.20	

REV. & EXPEN. (APR-JUL '12/13)	JSm	PROVISIONAL RESULTS	JSm	BUDGET DEVIATION	JSm	YOY - CHANGE
Revenue & Grants	103,646.0		354.6		4,152.1	
Tax Revenue	97,396.5		762.6		7310.3	
Income and profits	30,219.6		-78.7		3140.8	
Bauxite/alumina	0.0		-18.6		0	
Other companies	7,938.7		121.9		-289.2	
PAYE	19,982.7		-353.1		1444.5	
Tax on dividend	581.1		172.4		107.8	
Other individuals	801.9		-174.7		-6.3	
Tax on interest	915.2		173.4		1883.9	
Environmental Levy	701.0		-51.9		-93.8	
Production and consumption	31,470.8		331.9		3593	
SCT	3,692.3		115.0		1540.2	
Motor vehicle licenses	825.9		115.5		23.4	
Other Licenses	123.2		-5.5		-31.8	
Betting, gaming and lottery	664.9		-34.2		155.9	
Education Tax	4,877.5		-62.0		317.2	
Contractors levy	398.7		-12.5		91.1	
GCT (Local)	18,182.5		-39.8		924.4	
Stamp Duty (Local)	2,705.8		255.4		572.7	
International Trade	35,005.1		561.4		670.2	
Custom Duty	7,533.2		-22.5		482.2	
Stamp Duty	512.4		-40.4		1.3	
Travel Tax	1,274.0		-128.6		-150.4	
GCT (Imports)	14,731.7		60.2		659.2	
SCT (Imports)	10,953.8		692.7		-321.8	
Non-Tax Revenue	5,264.2		56.8		-322.6	
Bauxite Levy	463.1		-43.3		-106.9	
Capital Revenue	189.4		-59.3		-2332.9	
Grants	332.7		-362.3		-395.8	

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 '11	78,380	-7.89	n/a	n/a	2,088.97	n/a	-0.18	-0.2	8.5	85.69	7.46	18.52	2.4	813,805.6	8,436.2
Feb	77,963	-0.53	340,301	1.23	2,471.40	2,245..9	-0.42	-0.6	6.3	85.84	6.75	18.52	2.4	760,227.2	8,856.7
Mar	78,919	1.23	332,828	2.20	2,553.16	n/a	1.04	0.5	n/a	85.75	6.70	18.52	2.34	760,997.9	8,874.8
Apr	81,399	3.14	342,336	n/a	2,602.40	2,336.53	0.47	1.0	7.5	85.73	6.74	18.43	2.24	763,624.7	8,907.5
May	79,357	-2.51	342,497	n/a	2,334.38	n/a	0.77	1.7	n/a	85.78	6.58	17.98	2.24	836.,417.3	8,521.1
Jun	80,560	1.52	341,652	-0.25	2267.13	2,275.4	0.76	2.5	1.4	85.91	6.61	17.98	2.24	839,103.7	8,587.5
Jul	81,443.4	1.10	338,018.	1.06	2,156.37	n/a	0.75	2.8	-1.0	86.15	6.44	18.07	2.24	842,200.0	8,590.0
Aug	82,207.2	0.94	n/a	n/a	2,126.32	2,255.48	0.58	3.3	2.7	86.12	6.51	n/a	n/a	868,318.9	8,575.0
Sep	80,479.2	-2.10	338,501.	-0.73	2,080.6	2,308,044	0.74	4.1	5.9	86.30	6.56	18.54	2.27	868,990	8,550.0
Oct	80,597.7	0.15	342,310.	1.15	2,032.17	2,240,633	0.45	5.1	1.8	86.49	6.29	18.32	2.13	868,936	8,674.6
Nov.	81,296.7	0.87	346,348.	1.18	1,961.74	2,285,800	0.45	5.1	4.0	86.70	6.27	18.3	2.1	880,569	8,625.5
Dec	91,710.2	12.81	361,211	n/a	1,967.01	2,306,539	0.40	6.0	-1.6	86.60	6.46	18.3	2.1	883,388.6	8,626.1
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	n/a	n/a	1,874.65	2,379,213	0.8	6.7	3.1	87.06	6.57	18.48	2.10	875,211.40	8,605.4
Mar	83,696.6	-1.48	356,099	0.19	1,777.13	2,409,355	0.50	1.68	0.3	87.30	6.47	18.12	2.10	912,642.4	8,586.8
Apr	84,966.6	1.52	348,580	n/a	1,771.8	2,414,159	0.4	2.1	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	2.6	n/a	88.12	6.39	17.93	2.10	935,140.9	8,506.5
Jun	84,337.4	0.72	n/a	n/a	1,540.4	2,553,943	0.6	3.2	n/a	88.70	6.51	17.46	2.10	n/a	n/a
Jul	87,157.8	3.34	n/a	n/a	1,483.82	n/a	-0.33	2.8	n/a	89.69	6.52	17.46	2.24	n/a	n/a
Aug	86,275.1	-1.01	n/a	n/a	1,428.60	n/a	0.5	3.3	n/a	89.82	6.63	17.55	2.07	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.

Key:	
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—Skington 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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