



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Emerging Parameters of New GOJ/IMF Arrangement

The main features and parameters of a new Government of Jamaica/International Monetary Fund Agreement has been trickling out over the past several months in the statements of Government officials. Some of its main features can now be identified.

First, the new arrangement seems likely to be a multi-year Extended Fund Facility (EFF) rather than a Standby Arrangement (SBA). Jamaica previously had a 27 month SBA under the previous JLP Administration. An SBA is generally shorter in duration (usually about 24 months with repayment periods of 3.25–5 years. An EFF on the other hand typically runs for three years, and in exceptional cases, four years, with repayment periods of 4.5–10 years. EFF are generally offered to countries experiencing serious longer-term

payment imbalances requiring structural adjustments that might take a longer time to implement and bear fruit. Given the deep-rooted structural weaknesses of Jamaica's economy over several decades, an EFF appears to be the more appropriate vehicle to provide funding support while the country tackles these challenges. In an address to the PSOJ Chairman's Club on December 13th, 2012 Finance Minister Peter Phillips announced matter-of-factly, that the GOJ had commenced negotiations on an 'Extended Fund Facility' soon after the completion of the Article 4 Review in 2012.

Earlier on October 23rd, 2012, Finance Minister Phillips outlined the main budgetary parameters of the arrangement under discussion with the Fund. These included:

- Virtually eliminating the fiscal deficit from currently 4.5% of GDP to zero (0) by 2015/16.
- Reducing Jamaica's debt to GDP to 100% (time-frame not stated) from current levels of about 133%.
- Reducing the Central Government wage bill to 9% of GDP.
- Increasing the primary surplus—the difference between revenues and non-debt expenditure - to 6% of GDP. This was revised upward by the MOF to 7.5% in his update at the end of 2012.
- In addition, several structural reforms—tax reform, pension reform, public sector reform and rationalization and reform of the system of waivers and incentives are proposed. This is critical as to

and the efforts to achieve fiscal stability and economic reform is sustainable.

Eliminating the Fiscal Deficit

Jamaica's fiscal deficit currently amounts to J\$48.3 billion. Theoretically, reducing the deficit can be achieved by increasing revenues and or cutting back expenditure or through debt restructuring. Further reduction of expenditure on the capital side of the budget is frowned upon by both the Government and the IMF as deleterious to the country's infrastructure. The public sector unions and workers, and many in civil society, allege that there is limited room for reduction of recurrent expenditure. At the same time, many financial institutions, claim that any further debt restructuring involving significant rate reduction (JDX2) will push them into insolvency. In addition, many analysts contend that given Jamaica's weak, over-taxed economy, any further tax increases will push the economy from recession into depression. Yet despite these objections and dire possibilities, Min. Phillips has stated that further tax increases and expenditure cuts are definitely part of any new GOJ/IMF Agreement.

Despite the contractionary effects of revenue increases and expenditure cuts it is possible that the GOJ could eliminate the fiscal deficit over the next two years especially if tax and other structural reforms yield expected revenues and savings. Furthermore, when it is recalled that over the two year period from 2009/10 to 2011/12, the GOJ cut the fiscal deficit from J\$123 billion (12% of GDP) to J\$46 billion (4.5% of GDP), it is fair to say the odds if not the economics appear to be in the GOJ's favour. Still, it seems only a stronger global recovery feeding through the local tourism and bauxite sectors and strengthening markets for Jamaica's exports are likely to mitigate the contractionary effects of these policies.

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Thus the broad directions and parameters are well-known. As the saying goes however, the devil is in the details, and many details await the tabling of the Agreement in Parliament. Of special interest to observers is whether the putative objectives outlined above are realistic and achievable. This is critical to whether the IMF Program and the



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Net International Reserves (NIR)

During December 2012, Net International Reserves recovered modestly, increasing by US\$47.4 million to US\$1,125.6 million compared to US\$1,078.2 million at the end of November 2012. This reverses twenty consecutive monthly declines, but it is probably not a trend reversal as the factors driving the decline in NIR—weak export earnings and declining confidence in the Jamaican dollar have not abated. During calendar year 2012, the NIR declined by -US\$841.4 million. This was 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 December 2012, gross reserves were adequate to finance 17.6 weeks of “goods” imports or 12.88 weeks of “goods and services” imports, just slightly above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During October 2012, foreign currency deposits (FCD's) in the local financial system increased by US\$11.36 million or 0.47% to US\$2.396 billion compared to US\$2.385 billion at the end of September 2012. The increase in August 2012 is the sixth increase over the past seven months and likely reflects the current bias to hold foreign currencies due to uncertainty over the stalled GOJ/IMF Arrangement and the weakening of the Jamaican dollar. YOY, FCD's are up US\$155 million or 6.9%.

Foreign Exchange Rate

US DOLLAR: During December 2012, the Jamaican dollar depreciated by an additional J\$1.18 against the USD to J\$92.98 compared to J\$91.89 at the end of the previous month. After several months of testing, the J\$ finally breached key psychological resistance of US\$1 = J\$90 in October 2012 and has experienced accelerated decline since then. For calendar year 2012, the J\$ is down -J\$6.38 or -7.36%. By com-

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Dec-12	1,125.58	47.43	-841.43	-841.43	17.66
Dec-11	1,967.01	5.27	-204.40	-204.40	25.53

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Oct '12	Change (US\$000)		% Change	
		mtly	12 mth	mtly	12 mth
Commercial Banks	1,786,608	12,731	134,906	0.71	8.17
Building Societies	566,579	-1,017	22,480	-0.18	4.13
Merchant Banks	42,493	-350	-2,339	-0.82	-5.22
Total Deposits	2,395,680	11,364	155,047	0.47	6.92

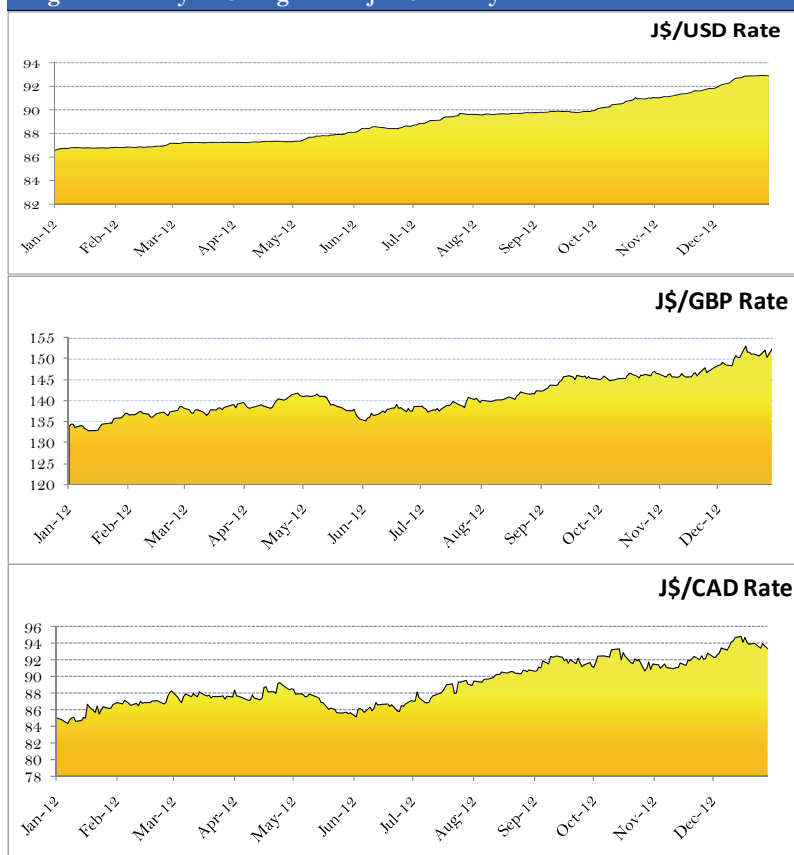
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2011—12/31/12) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2012	-6.38	-7.36	-18.20	-13.54	-9.11	-10.8
2011	-0.74	-0.86	-0.71	-0.53	1.14	1.34
2010	3.74	4.17	9.81	6.84	-0.77	-0.92
	MOM Dec - 2012					
Actual Rate	92.98	1.18	152.64	3.32	93.31	0.48
Mth Change	1.09	1.18	4.90	3.32	0.45	0.48

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

parison, for all of 2011, the J\$ declined by J\$0.74 or 0.86%. This retreat into the safe haven USD was largely driven by uncertainty about when and what will be the terms of a new GOJ/IMF agreement.

POUND & CANADIAN DOLLAR:

During December 2012, the J\$ depreciated by an additional J\$4.90 or -5.32% against the GBP to J\$152.64 from J\$147.74 in November 2012. Against the CAD, the J\$ also depreciated in December 2012 - by J\$0.45 or -0.48% to sell for J\$93.51 compared to J\$92.86 in November 2012. For calendar year 2012, the Jamaican dollar is down J\$18.20 or -13.5% against GBP, and by J\$9.11 or -10.8% against the CAD. In 2012 as in 2011, there were often sharp up and down movements of the J\$ against GBP and CAD mirroring the rise and fall of these currencies against the USD on international currency exchanges in response to risk sentiment. But now the appreciation of CAD and GBP appears part of the broader retreat from the J\$ because of uncertainty regarding when a new agreement with the IMF will be signed.

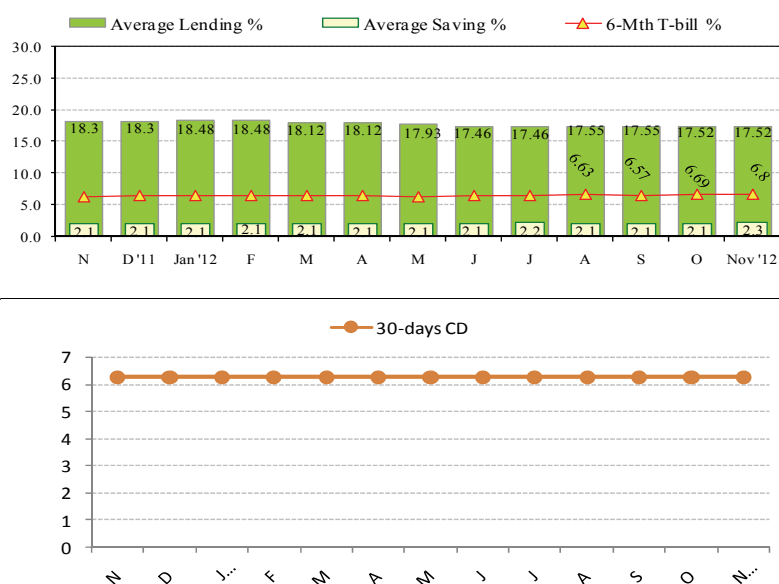
Interest Rates

Continuing the steadiness observed since the beginning of the year, during November 2012, there were only modest movement on two benchmark rates.

The bell-weather 6-month Treasury Bill increased by another 11 bps to 6.80%. 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. Since November 2011 the 6-month T-Bill is up 53 bps while year to date it has increased by 34 bps.

The average saving rate (ASR) which held steady at historic lows of 2.10% for six months from January 2012, and then ticked up to 2.24% in July 2012, and was unchanged since August 2012 at 2.07% jumped by 18 bps in November to 2.25%. If the steadiness since August 2012 possibly reflected people saving

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Nov-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	2.25%	0.18%	0.12%	0.12%
Avg Loan Rate	17.52%	0.00%	-0.78%	-0.78%
6-Month T-Bill	6.80%	0.11%	0.53%	0.34%

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

more because of uncertainty about the future, the increase in the saving rate in November could be due to persons and businesses drawing down their deposits and spending more in anticipation of the Christmas holidays causing the banks to increase their rates to attract deposits.

The average lending rate (ALR) for its part, held steady (month over month) in November at 17.52%. The ALR which has been the slowest declining rate over the past three years, but the fastest in 2012, hit a multi-year low of 17.46% in June and July 2012, but has been inching

upward since. Year to date, the average lending rate is down 78 bps.

Base Money & Money Supply

During September 2012, M1 contracted sharply by -4.78% to J\$114,914.46 million reflecting equally sharp month over month contractions of -4.0% in 'currency with the public' and -5.3% in 'demand deposits'. These sharp contractions likely reflects currency redemptions by the BOJ in the case of the former and payouts by consumers in the case



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of the latter following the expansion of the money supply and spending during Jamaica's Independence holiday in August 2012. Quasi money also contracted (by -1.05%) in September 2012 to J\$236,102.6 million. This also likely reflects post-holiday seasonal adjustments in saving and spending with 'Time' deposits contracting by 8.9% while 'Savings' deposits were rebuilt by 1.76%. Given the contractions in M1 and Quasi money, M2—the broadest measure of money supply - also contracted by (-2.30%) to J\$351,014.6 million.

In December 2012, the monetary base expanded by 11.25% to J\$97,648.46 million as is typical during the Christmas season.

Inflation

The rate of inflation increased by 1.0% during December 2012 for the second highest monthly rate for 2012, but well below the 1.9% recorded in September 2012.

The highest increase (1.9%) was recorded in the most heavily weighted **"Food and Non-Alcoholic Beverages"** division. This mainly reflected a large 7.1% increase for 'Vegetables and Starchy Foods' and a 2.5% increase for 'Fruits' in the continuing aftermath of Hurricane Sandy. For calendar year 2012, the index for this division rose 14.3%.

The other key contributor to the rise in the CPI was a 0.8% increase in **"Clothing and Footwear"** due to a 1.3% rise in the group 'Footwear' and 0.5% for 'Clothing' possibly reflecting higher (Christmas) seasonal demand for these items. Two divisions - **"Alcoholic Beverages and Tobacco"** and **"Furnishings, Household Equipment and Routine Household Maintenance"** each rose by 0.5%, again possibly due to higher seasonal demand for these items and services. Two divisions

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Sep-12	Mthly	12 Mth
M1	114,912.46	-4.78	2.85
Quasi Money	236,102.16	-1.05	4.11
M2	351,014.61	-2.30	3.70
	Dec -'12	Mthly	12 Mth
Base Money	97,648.46	11.25	20.11

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Dec	12-Mth	YTD	Fiscal
2012	1.00	8.02	8.02	6.24
2011	0.39	6.01	6.01	5.94

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

Table 7: Mining Production

	000 tonnes			YTD	
	Dec-12	Dec-11	%	Dec-12	10/11 %
Production					
Alumina	155.3	162.3	-4.29	1,757.7	-10.3
C. Bauxite	416.2	445.3	-6.52	4,770.6	-6.68
Export					
Alumina	173.5	145.3	19.4	1,775.8	-9.36
C. Bauxite	449.6	454.2	-1.00	4,759.6	-7.46

Source: Jamaica Bauxite Institute (JBI)

- **"Communication"** and **"Education"** were flat during December 2012, while the other six divisions recorded increases of less than 0.3%.

For calendar year 2012, the rate of inflation rate was 8.0%, compared to 6.0% during calendar year 2011. The fiscal year to date rate was 6.2%.

Bauxite & Alumina

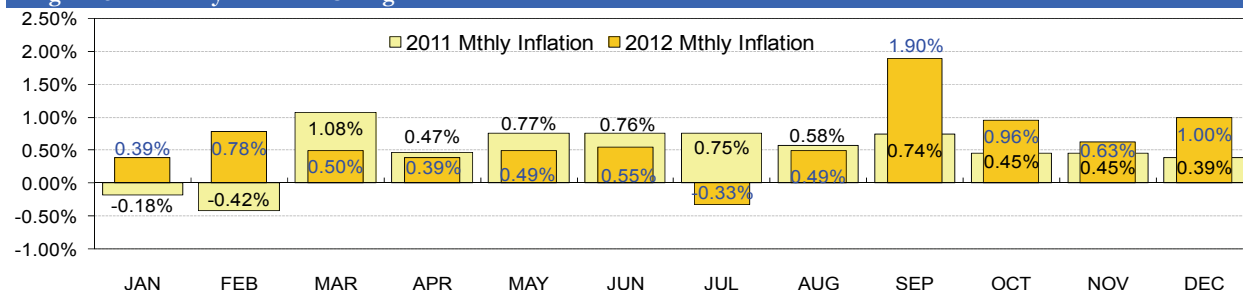
Production of alumina in December 2012 declined by -4.29% to 155,347 tons compared to 162,312 tons in December 2011. For its part, production of crude bauxite in December

2012 decreased by -6.52% to 416,240 tons relative to 445,265 tons in December 2011.

Reflecting the upturn in the global economy, during calendar year 2011, 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.

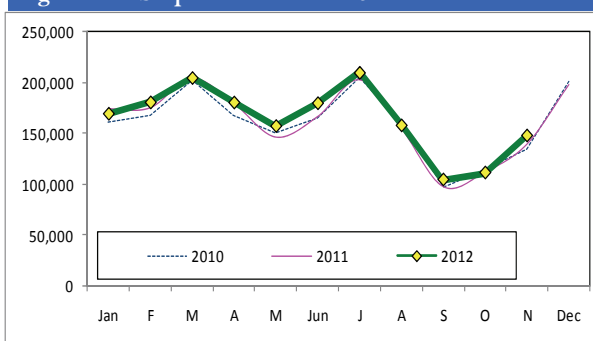
However, the soft conditions in the global economy during 2012 has resulted in Jamaica's production of alumina falling by -10.32% during 2012 to 1,757,693 tons compared to 1,959,926 tons during 2011. Production of crude bauxite was also down

Figure 3: Monthly Inflation Changes



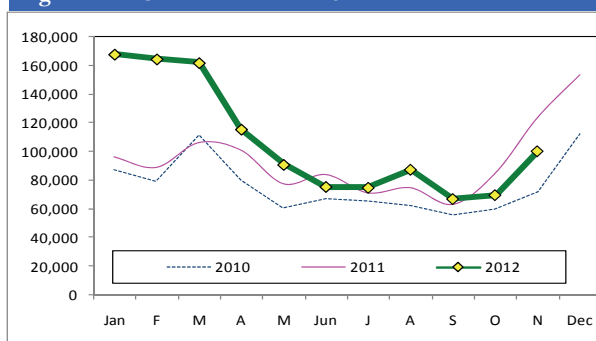
Source: STATIN and PSJOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

in 2012 by -6.69% to 4,770,576 million tons relative to 5,112,028 during 2011.

Tourism

Stopover arrivals in November 2012 were 138,395 - a decrease of -0.9% over the 139,721 stopovers recorded in October 2011. The number of cruise passengers also decreased in November 2012 by -19.0% to 100,239 visitors, compared to 123,683 in November 2011.

Regionally, stopovers from the US declined by -1.0% in November 2012 to 83,563 compared to 84,389 in November 2011. This is the second month over month decline in stopovers from the US after four consecutive monthly increases. Year to date, stopovers from the US are up by 3.0% with 1,144,139 arrivals compared to 1,110,313 in Jan-Nov 2011. From the Canadian market, stopovers increased by 4.1% in November 2012 with 28,609 arrivals compared to 27,478 in November 2011. Year to date, the number of visitors from Canada are up 8.1% to 356,193 visitors compared to 329,380 visitors during the corresponding period of 2011.

Visitors from Europe, including the UK, declined by -13.1% in November 2012 to 18,138 visitors compared to 20,865 arrivals in November 2011. Year to date, visitors from Europe are down -12.5% to 200,831 compared to 229,433 in Jan-Nov 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 recorded a 13.6% increase in 2011 to 66,216 reversing a -10.8% decline in 2010. For the Jan-Nov 2012 however, stopovers from the Caribbean are down 1.9% to 58,585 compared to 59,362 in Jan-Nov 2011. On the other hand, stopovers from Latin America were up by 50.8% to 21,219 in Jan-Nov 2012 com-

Tourist Arrivals

	2011	2012	%Change	
	YTD (JAN-NOV)		YOY	MOM
Stopover	1,754,039	1,803,431	2.8%	32.9%
Foreign	1,626,043	1,671,960	2.8%	-34.9%
Non-Resident	127,996	131,471	2.7%	9.4%
Cruise	971,920	1,174,033	20.8%	44.1%
Total Arrivals	2,725,959	2,977,464	9.2%	37.2%

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

pared to 15,200 visitors in Jan-Nov 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-Nov 2012, cruise arrivals are up by 20.8% to 1,174,033 visitors reflecting the impact of the opening of the Falmouth Port. Total Visitors to Jamaica for Jan-Nov 2012 were 2,977,464 marking a 9.2% increase relative to 2,725,959 visitors during Jan-Nov 2011.

External Trade

During January to September 2012, Jamaica's exports were basically flat, declining modestly by -US\$7.72 million or -0.6% to US\$1,238.15 million, compared to US\$1,245.87 million during January - September 2011. Imports for the period were also flat, declining by -US\$33.10 million to US\$4,817.8 million compared to US\$4,850.9 million during the corresponding period of 2011. Given the modestly larger decline of imports compared to exports, the traditional negative imbalance in Jamaica's merchandise trade lessened in Jan-Sep 2012 by -US\$25.38 million or -0.7% to (US\$3,579.67 million) compared to (US\$3,605.05 million) in January - Sep 2011.

Traditional Exports: During the nine month period of Jan-Sep 2012,

traditional domestic exports earned US\$604.8 million, a decrease of -US\$52.57 million or -8.0% relative to the US\$657.4 million earned during the corresponding period of 2011. The share of traditional exports in total domestic exports also decreased to 48.8% in Jan-Sep 2012 from 52.8% during the Jan-Sep 2011.

The decreased earnings from traditional exports were mainly due to a US\$66.0 million or -12.3% contraction in Mining and Quarrying to US\$468.4 million relative to US\$534.4 million in Jan-Sep 2011. The decreased earnings from Mining and Quarrying resulted from a decline of US\$62.45 million (or -14.6%) in alumina earnings to US\$364.74 million compared to US\$427.18 million during the corresponding period of 2011 and a smaller drop of US\$3.45 million in bauxite earnings to US\$103.69 million.

Also contributing to the decline in traditional exports was a substantial -US\$16.50 million or -43.6% decline in 'Rum' exports to US\$21.39 million from US\$37.89 million during the Jan-Sep 2011. Adding to these declines, there was also a decline of US\$2.84 million or -14.1% in 'Agriculture' exports to US\$17.37 million compared to US\$20.22 million in Jan-Sep

2012. This was largely due to a decline of -20.7% in Coffee exports to US\$13.2 million compared to US\$16.67 million during the corresponding period of 2011.

Partly off-setting these declines, was a significant US\$16.3 million increase in 'Manufacturing' exports to US\$119.0 million from US\$102.8 million one year earlier. This largely reflected a US\$31.5 million or 50.7% increase in 'Sugar' exports to US\$93.69 million from US\$62.16 million during Jan-Sep 2011.

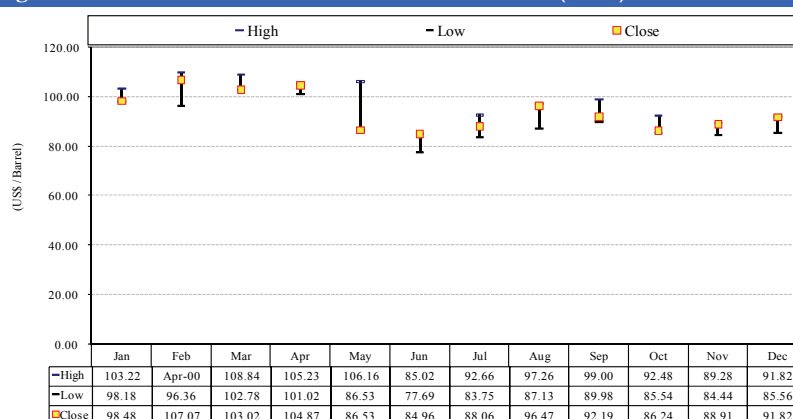
Non-traditional exports continued to grow during Jan-Sep 2012, expanding by 11.9% to US\$583.7 million, compared to US\$524.6 million in Jan-Sep 2011. Three of four categories of non-traditional exports recorded growth during the period and one declined.

In the category "**Food**", there was a 5.9% increase in earnings to US\$108.8 million relative to US\$102.7 million in Jan-Sep 2011. Ten of seventeen groups recorded increases and seven declined. Among the groups recording increased earnings were: 'Papaya' - up 117.3% to US\$3.75 million from US\$1.73 million; 'Other Fruits and Fruit Preparations' - up 37.9% to US\$5.59 million from US\$4.06 million; and 'Animal Feed' - up 29.1% to US\$6.69 million from US\$5.18 million. Notable increases were also recorded for 'Juices excl. Citrus' - up 26.2% to US\$6.63 million from US\$5.26 million; 'Sauces' - up 19.3% to US\$11.36 million; and 'Ackee' - up 8.7% to US\$9.78 million from US\$8.99 million.

There were however, notable decreases in earnings from some 'Food' groups in Jan-Sep 2012 relative to the corresponding period of 2011. Earnings from 'Yams' were down -10.6% to US\$14.02 million from US\$15.69 million; 'Baked Products' were down 9.7% to US\$9.36 million from US\$10.36 million; and exports of 'Other Vegetables & Preparations thereof' were down -19.5% to US\$1.83 million from US\$2.27 million in Jan-Sep 2011. Exports of 'Dairy Products and Bird Eggs' declined by -3% to US\$5.76 million compared to US\$5.93 million in Jan-Sep 2011, while 'Other Food Exports' declined by -4.4% to US\$17.06 million compared to US\$17.85 million during the corresponding period of 2011.

"Beverages & Tobacco (excl. Rum)" was another one of the three Non-Traditional export categories that

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-Sep '11	Jan-Sep '12	Change	% Change
TOTAL EXPORTS (fob)	1,245.87	1,238.15	-7.72	-0.6%
Major Traditional Exports	657.41	604.83	-52.57	-8.0%
<i>by Sector:-</i>				
Agriculture	20.22	17.37	-2.84	-14.1%
Mining & Quarrying	534.43	468.43	-66.00	-12.3%
Manufacturing	102.76	119.03	16.27	15.8%
<i>by Industry:-</i>				
Bauxite	107.14	103.69	-3.45	-3.2%
Alumina	427.18	364.74	-62.45	-14.6%
Sugar	62.16	93.69	31.52	50.7%
Rum	37.89	21.39	-16.50	-43.6%
Bananas	0.04	0.11	0.07	0.0%
Coffee	16.67	13.22	-3.45	-20.7%
Other	6.32	7.99	1.68	26.5%
Non-Traditional Exports	524.57	583.66	59.10	11.3%
Re-exports	63.90	49.66	-14.24	-22.3%
TOTAL IMPORTS	4,850.92	4,817.82	-33.10	-0.7%
Food	679.89	711.82	31.93	4.7%
Beverages & Tobacco	58.28	59.84	1.56	2.7%
Crude Materials (excl. Fuels)	49.33	36.15	-13.18	-26.7%
Mineral Fuels, etcetera	1,859.87	1,785.65	-74.22	-4.0%
Animal & Vegetable Oils & Fats	46.19	41.65	-4.55	-9.8%
Chemicals	597.89	603.84	5.95	1.0%
Manufactured Goods	492.51	476.75	-15.76	-3.2%
Machinery and Transport Equip.	701.88	679.37	-22.51	-3.2%
Misc. Manufactured Articles	330.91	340.11	9.20	2.8%
Other	34.18	82.65	48.47	141.8%
TRADE BALANCE	(3,605.05)	(3,579.67)	25.38	-0.7%

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

recorded growth in Jan-Sep 2012. This category grew by 14.2% to US\$58.97 million, due largely to a 21.0% increase in 'Alcoholic Beverages (excl. Rum)' to US\$51.65 million from US\$42.68 million in Jan-Sep 2011.

In addition, **"Other"** non-traditional exports, generally, the largest category of non-traditional exports, increased by 17.8% to US\$394.76 million relative to

US\$335.14 million in Jan-Sep 2011. This mainly resulted from a US\$65 million or 205% increase in 'Chemicals (incl. Ethanol)' to US\$96.38 million compared to US\$31.55 million in Jan-Sep 2011. However, the other seven groups of 'Other' non-traditional exports recorded declines ranging from -0.9% to -47%.

“Crude Materials”, which has been the fastest growing group of non-traditional exports in recent years, was down -39.7% during Jan-Sep 2012. This decline was largely due to a 42.3% drop in exports of ‘Waste and Scrap Metals’ from US\$30.7 million to US\$17.7 million during Jan-Sep 2012. This was compounded by declines of 29.2% and -13.3% in exports of ‘Limestone’ and ‘Other’ crude materials respectively.

Imports. Reflecting more buoyant conditions in the local and global economy, during 2011, imports surged by 24.2% to US\$6.6 billion. This growth slowed during the first nine months of 2012 reflecting the tightening grip of recessionary forces in the local economy. For the period Jan-Sep 2012, imports were flat declining slightly by US\$25.2 million (-0.5%) to US\$4.844 billion compared to US\$4.869 billion in Jan-Sep 2011.

Largely responsible for the slower growth of imports in Jan-Sep 2012 was a -5.3% drop in imports of **Raw Materials/Intermediate Goods** to US\$3.005 billion compared to US\$3.175 billion in Jan-Sep 2011. This was due to declines in all but one category of intermediate goods led by ‘Parts and Accessories of Capital Goods’. Imports of ‘Parts and Accessories of Capital Goods’ fell by -27.7% to US\$198.6 million relative to US\$274.8 million in Jan-Sep 2011. Imports of ‘Other Fuels and Lubricants’ were down -7.3% to US\$1.113 billion from US\$1.200 billion though the value of ‘Crude Oil’ imports rose by 2.0% to US\$671 million on price increases. ‘Industrial Supplies’ were also down -1.4% to US\$808.67 million from US\$820.4 million; while imports of intermediate ‘Food (incl. Beverages)’ fell by -3.3% to US\$213.4 million from US\$220.67 million.

During Jan-Sep 2012, imports of **‘Capital Goods (excl. Motor Cars)’** declined (by -4.2%) to US\$358.5 million from US\$374.38 million in Jan-Sep 2011. ‘Other Industrial Transport Equipment’ fell by -9.3% to US\$71.79 million compared to US\$79.19 million in Jan-Sep 2011; while ‘Construction Materials’ declined by -12.4% to US\$84.09 million relative to US\$96.02 million one year earlier. These declines were only partially offset by increases of 1.8% in imports of ‘Machinery and Equipment’ to US\$198.2 million relative to US\$194.67 million for the cor-

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

	Jan-Jun	Jan-Jun	
	2011	2012	Change
1. Current Account	-790.7	-639.3	151.5
A. Goods	-1952.1	-1933.9	18.1
Exports	879.8	866.1	-13.8
Imports	2831.9	2800	-31.9
B. Services	450.4	447.5	-2.9
C. Income	-269.1	-156.4	112.7
D. Current Transfers	979.9	1003.6	23.6
2. Capital & Financial Account	790.7	639.3	-151.5
A. Capital Account	-10	-17.1	-7
B. Financial Account	800.8	656.3	-144.4
Official Investment	177.5	353.4	175.9
Private Investment	719	-122.7	-841.8
Reserves	-95.8	425.7	

Source: BOJ & Statistical Update:

responding period of 2011.

Defying the fall in other categories of imports, imports of **Consumer Goods (excl. Motor Cars)** were up 7.1% to US\$1.31 billion compared to US\$1.23 billion in Jan-Sep 2011. The largest areas of increase were ‘Non-Durable Goods’ - up 14.1% to US\$397.24 million relative to US\$348.07 million in Jan-Sep 2011; and ‘Food (incl. Beverages)’ - up 5.7% to US\$557.8 million relative to US\$527.85 million one year ago. ‘Other Durable Goods (excl. Motor Cars)’ also increased by 2.4% to US\$241.4 million, while imports of ‘Semi-Durable Goods’ increased by 1.8% to US\$116.6 million. During Jan-Sep 2012, imports of **‘Passenger Motor Cars’** increased by 78.5% to US\$167.24 million compared to US\$93.67 million in Jan-Sep 2011.

Oil: At the end of December 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$91.82 per 42 gallon barrel - an increase in price of US\$2.91 relative to the closing price of US\$88.91 the previous month. During December 2012 the price ranged between a high of US\$89.28 and a low of US\$84.44. For 2012, the price ranged between US\$103.22 and a low of US\$77.65.

During the first half of 2012, Jamaica ran a **Current Account** deficit of US\$639.3 million on the external accounts, which represented an improvement of US\$151.5 million relative to the first half of 2011. The improvement in the Current Account emanated from all sub-accounts except the Services sub-account

During the period, the **Goods balance** recorded a deficit of US\$1 933.9 million, an improvement of US\$18.1 million when compared to the corresponding period in 2011. This resulted primarily from a US\$31.9 million decrease in imports, which was significantly influenced by a decrease in chemicals of US\$48.2 million and a US\$43.3 million decrease in mineral fuels. The decrease in exports of US\$13.8 million stemmed mainly from a decrease in alumina exports of US\$41.5 million.

In relation to the **Services balance**, there was a decline of US\$2.9 million in its surplus position. This was primarily attributed to an increase in estimated freight cost associated with imports. The **Income sub-account** improved by US\$112.7 million during the review period. This increase emanated primarily from a decrease of US\$74.4 million in profits remitted by foreign direct investment companies.

Balance of Payments

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Nov (Fiscal—2012/13)				Apr-Nov (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	210,658.2	220,975.2	-10,317.0	-4.67	5,836.2	2.8
Tax Revenue	197,478.9	205,103.5	-7,624.6	-3.72	14,235.9	7.8
Non-Tax Revenue	10,812.3	11,212.5	-400.2	-3.57	-865.0	-7.4
Bauxite Levy	799.4	1,079.6	-280.2	-25.95	-212.1	-21.0
Capital Revenue	571.0	614.9	-43.9	-7.14	-5,613.1	-90.8
Grants	996.7	2,964.6	-1,967.9	-66.38	-1,562.6	-57.9
Expenditure	258,927.7	267,178.5	-8,250.8	-3.09	925.1	0.4
Recurrent Expenditure	238,374.2	245,205.7	-6,831.5	-2.79	14,770.4	6.6
Programmes	57,845.2	60,525.7	-2,680.5	-4.43	2,201.6	4.0
Wages & Salaries	100,955.8	101,059.9	-104.1	-0.10	9,091.3	9.9
Interest	79,573.2	83,620.0	-4,046.8	-4.84	3,477.4	4.6
Domestic	52,509.5	55,457.3	-2,947.8	-5.32	2,884.6	5.8
External	27,063.8	28,162.7	-1,098.9	-3.90	592.6	2.2
Capital Expenditure	20,553.5	21,972.9	-1,419.4	-6.46	-13,845.2	-40.2
Capital Programmes	20,553.5	21,972.9	-1,419.4	-6.46	-13,845.2	-40.2
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-48,269.5	-46,203.4	-2,066.1	-4.47	4,910.9	9.2
Loan Receipts	96,508.5	104,331.4	-7,822.9	-7.50	-16,102.8	-14.3
Domestic	91,961.0	97,367.7	-5,406.7	-5.55	-3,981.1	-4.1
External	4,547.5	6,963.7	-2,416.2	-34.70	-12,121.7	-72.7
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	65,907.8	66,648.3	-740.5	-1.11	-9,182.9	-12.2
Domestic	24,109.3	24,044.9	64.4	0.27	-836.0	-3.4
External	41,798.4	42,603.4	-805.0	-1.89	-8,346.8	-16.6
Overall Balance (Surplus [+ve])	-17,668.8	-8,520.3	-9,148.5	-107.37	19,705.3	125.8
Primary Balance (Surplus [+ve])	31,303.7	37,416.7	-6,113.0	-16.34	8,388.4	36.6

Source: Ministry of Finance and Planning

During the review period, Current Transfers increased by US\$23.6 million to US\$1 003.6 million. This improvement resulted primarily from an increase in net private transfers of US\$30.0 million.

Flows from official and private sources were insufficient to finance the Current Account deficit. Consequently, the NIR declined by **US\$425.7 million** during the period.

Fiscal Accounts

During the eight month period (Apr-Nov) of fiscal year 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$48 billion. This fiscal deficit was J\$2.07 billion or -4.5% worse than the -J\$46.20 billion budgeted but was J\$4.9 billion or 9.2% better than the -J\$51 billion deficit recorded during the corresponding period of FY2011/12. The worse than expected out-turn on the fiscal deficit largely resulted from a J\$10.32 billion shortfall in collected Revenues and Grants which was

only partially offset by expenditure cutbacks of J\$8.3 billion.

REVENUE: Total Revenues & Grants to the GOJ during Apr-Nov 2012/13 was J\$210.65 billion. This was -J\$10.32 billion or -4.67% short of the budgetary target of J\$220.96 billion though it greater by J\$5.84 billion or 2.8% greater than Revenues and Grants collected during Apr-Nov 2011/12.

Of 25 revenue heads, only 5 came in (modestly) above target during the first eight months of FY2012/13. This largely reflects the recession in the Jamaican economy. The five out-performers were: 'SCT' - up J\$705.5 million above budget; 'Tax on Interest' - up J\$350.7 million; and 'Tax on Dividend' - up J\$216.0 million. 'Motor Vehicle Licenses' - up J\$58.4 million and 'Travel Tax' - up J\$49.3 million also exceeded budget.

Among the main underperformers on the revenue account were: 'PAYE' - down -J\$1,959.9 million below budget; 'SCT (Imports)' down -J\$1,604.1 million; and 'Custom Duty' - down -J\$1,448.7 million. 'GCT (Imports)' also under-performed budget to the tune of J\$1,347.5 million, while 'Other Individual Taxes' came in at -US\$794.3 million below budget.

EXPENDITURE: The expenditure budget for 2012/13 is J\$612 billion. For the first eight months of FY2012/13 total expenditure was J\$258.9 billion. This was -J\$8.25 billion or -3.09% less than the J\$267.18 billion budgeted, but about J\$1.0 billion or 0.4% more than expenditures for the first eight months of FY2011/12. The main areas of under expenditure were: 'Recurrent Programmes' which was under-spent by -J\$2.68 billion or 4.43% below the J\$60.53 billion budgeted, but still exceeded

2011/12 levels. The GOJ also achieved significant savings of J\$4.05 billion on interest payments with J\$2.95 billion arising from domestic repayments and J\$1.09 billion from external loans. Expenditures on 'Wages and Salaries' (J\$89.56 billion) also came in modestly below budget with savings of J\$104.1 million. 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, but it seems also that expenditure curtailment is being driven by falling revenues.

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 eight months of 2012/13 was -J\$48.27 billion or J\$6.0 billion per month which is well above 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-Nov 2012/13, the primary surplus was J\$31.3 billion which was J\$6.11 billion below the J\$37.42 billion budgeted.

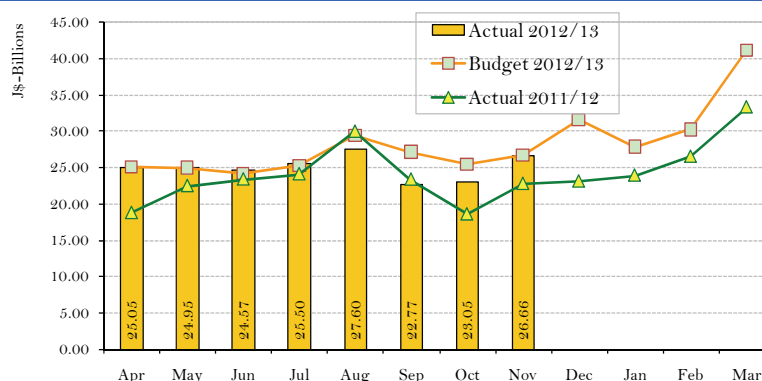
PUBLIC DEBT

At the end of September 2012 the total public debt stood at J\$1,712.67 trillion - an increase of J\$50.1 billion over the J\$1,662.3 trillion recorded at the start of FY 2012/13. For the first seven months of FY2012/13, the domestic debt has increased by J\$63.5 billion to J\$976.86 billion or 57.0% of the total, while the external debt has declined by J\$13.4 billion to J\$736.23 billion (US\$8,186.7 billion).

Stock Market

During 2012, market capitalization decreased by J\$6.35 billion or -1.028% to close at J\$611.45 billion. Five of six indices on the Jamaican Stock Exchange declined and one advanced. The main **JSE Market Index** declined by 3,195.98 points or -3.47% to close at 92,101 points. The **JSE Combined Index** declined by 3,630 points or -3.88% to close at 93,504 points. The **JSE All Jamaican Composite Index** declined by 11,017 points or (-10.78%) to close at 91,162 points and the **JSE Select Index** declined by 384.3 points or (-13.37%) to close at 2,489.7 points.

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



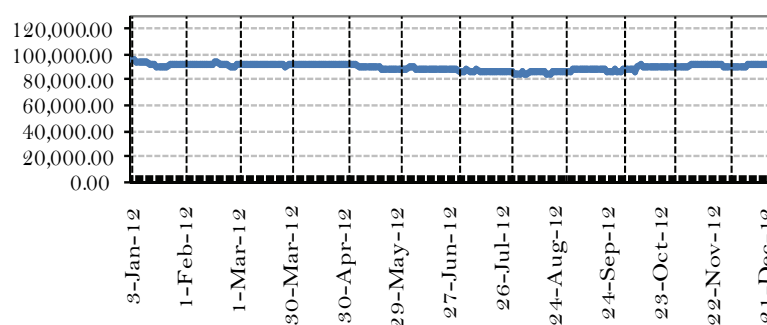
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Nov 2012/13
Revenue Surpluses	
SCT	705.5
Tax on Interest	350.7
Tax on Dividend	216.0
Motor Vehicle Licenses	58.4
Travel Tax	49.3
Revenue Shortfalls	
PAYE	-1,959.9
SCT (Imports)	-1,604.1
Customs Duty	-1,448.7
GCT (Imports)	-1,347.5
GCT (Local)	-794.3
Expenditure Changes	
Recurrent Programmes	-2,680.5
Domestic Interest	-2,947.8
External Interest	-1,098.9
Capital Programs	-1,419.4
Wages and Salaries	-104.1

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index Jan'12 - Dec'12



Source: Jamaica Stock Exchange (Online Database) and PSQJ

Also declining were the **Junior Market Index** - down 101.1 points or 13.5% to close at 647.8 points and the **JSE USD Equities Index** which declined by 10.7 points or -13.6% to close at 67.9 points.

The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica was the only Index advancing in 2012, gaining 79.4 points or 9.99% to close at 873.9 points.

Market volume was moderate in 2012 with just over 2.0 billion million units valued at J\$23.5 billion changing hands compared with 1.55 billion units valued at J\$18.10 billion in 2011.

Overall market activity resulted from trading in 59 stocks of which 11 advanced, 42 declined and 6 traded firm. Sagicor Life Jamaica Ltd. was the market leader with 358.05 million units or 17.89% of market volume; followed by Lasco Manufacturing Ltd. with 210.2 million units or 10.5% of market volume; while LIME was third with 198.55 million units or 9.92% of market volume.

The leading advancers in 2012 were: Guardian Holdings Ltd; Access Financial Services; Lascelles deMercado Ltd; Palace Amusement Company and JSE Variable Preference. The leading decliners were: Montego Freeport; Caribbean Cement Company; Jamaica Livestock association; Pulse Investments; Barita Investments Ltd; and Hardware & Lumber.

rate of growth of Jamaica's debt is largely influenced by repayment schedule of debt and revenues and expenditure out-turns. But at the very minimum, to bring down the levels of debt in a stagnant economy, the GOJ needs to keep the growth of debt below the levels of inflation.

Reducing Central Govt. Wage Bill

Reducing the wage bill of Central Government from about 11% of GDP to 9% appears to be the measure the GOJ has the most control over. Yet both the current PNP Administration and the previous JLP Administration, have been reluctant to face the political challenges involved in making the necessary adjustments. The previous JLP Administration commissioned a 'Public Sector Master Rationalization Plan' in 2011 which purports to cut 10,000 positions (mainly by attrition) over 5 years up to 2015/16. The current MOF says some 3,000 positions in Central Government have been cut so far by not filling those positions, but very few numbers have been offered as to how these cuts tally-up in relation to the goal of reducing the public sector wage bill to 9% of GDP.

Increasing the Primary Surplus

Increasing the primary surplus - the difference between revenues and non-debt expenditure - from about 3.5% (J\$31.0 billion) currently to 7.5% of GDP

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

	2012 Jan 1	2012 Dec 31	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Guardian Holdings Ltd	165.00	277.00	112.00	67.88%
Access Financial Services	4.60	6.20	1.60	34.78%
Lascelles deMercado & Co	292.50	390.00	97.50	33.33%
Palace Amusement Co.	50.00	60.00	10.00	20.00%
JSE. Variable Preference	1.70	1.97	0.27	15.88%
Bottom Five (unadjusted for dividends or transact. Costs)				
Montego Freeport Ltd.	1.50	0.00	(1.50)	-100.0%
Caribbean Cement Co	3.00	1.00	(2.00)	-66.67%
Jamaica Livestock Assn	1.60	0.57	(1.03)	-64.38%
Pulse Investments Ltd	2.45	1.00	(1.45)	-42.33%
Hardware & Lumber	5.90	3.40	(2.50)	-40.37%

Source: Compiled from the JSE

Economic Highlights

(contd. from page 1.)

Reducing Debt to GDP to 100%

Debt to GDP is calculated using the nominal, not real value of GDP. Thus even if real growth remains flat, if

borrowing is kept below the level of inflation, then debt to GDP ratio will fall. The problem Jamaica has experienced over the past several years before 2011 is that the rate of growth of debt (on average 13%) has in some years been double the rate of inflation. Considering that we have been 'borrowing from Peter to pay Paul' the

(about J\$75 billion) in one year will require an additional J\$45 billion. To the extent that the GOJ succeeds in reducing the fiscal deficit, then it should be easier to boost the primary surplus. But to lock-in the gains of debt and deficit reduction and increasing the primary surplus an improved growth performance and implementation of the structural reforms proposed are required.

Global Picture

The consensus among analysts is that the global economy continued to improve during the December 2012 despite the up and down movements of various data. In the United States, Q4 2012 GDP fell into negative -1% territory due to a massive 15.4% reduction in Government spending, led by a 22% drop in defense spending - the largest decrease in defense spending since the ending of the Vietnam War in 1972. This pullback in defense spending is ostensibly sparked by fears of the automatic spending cuts that will ensue if US lawmakers do not agree on a debt reduction deal to avoid 'sequestration' by the end of March 2013.

Despite the fall off in the US Q4 GDP, the out-turn for the whole year (2.2%) was better than the 1.8% expected and other data demonstrated that the US

recovery is taking hold. Non-farm Payrolls for December 2012 of 153,000 were roughly in line with expectations, but US monthly job creation for 2012 was revised upward to an average of 181,000 from previous estimates of 150,000, and consumer spending and consumer confidence were up, though there were some slippage in new and pending home sales.

In China, for the second month in a row, the Purchasing Managers Index (PMI) for Manufacturing was in expansionary mode at 51.9 after five previous months of negative reading during the second half of 2012. Chinese Services industries also recorded stepped-up expansion during the month.

Though there was some slippage in Britain's Q4 2012 GDP to -0.3%, sparking fears of a 'triple-dip' recession in the UK, there were signs of turn-around in the form of a lessening rate of decline in several other European countries. Eurozone PMI was up to 48.2 compared to the previous reading of 47.2; and Euro-zone Economic Sentiment was up to 31.2 compared to November's reading of 7.2.







































Though the sailing is far from smooth, the global economy appears to be moving forward.

INFLATION (DEC - 2012) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	1.00%	0.997		
FOOD AND NON-ALCOHOLIC BEVERAGES	1.88%	0.705	1	
Food	1.95%			
Bread and Cereals	0.39%			
Meat	0.43%			
Fish and Seafood	0.29%			
Milk, Cheese and eggs	0.67%			
Oils and Fats	0.79%			
Fruit	2.46%			
Vegetables and Starchy Foods	7.09%			
Vegetables	8.17%			
Starchy Foods	4.82%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.29%			
Food Products n.e.c.	0.96%			
Non-Alcoholic Beverages	0.90%			
Coffee, tea and Cocoa	1.29%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.76%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.48%	0.007	9	
CLOTHING AND FOOTWEAR	0.84%	0.028	3	
Clothing	0.49%			
Footwear	1.26%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.29%	0.037	2	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	0.16%			
Water Supply and Misc. Serv Related to the Dwelling	0.76%			
Electricity, Gas and Other Fuels and Routine	0.33%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.54%	0.027	4	
Furniture and Furnishings (including Floor Coverings)	0.84%			
Household Textiles	0.34%			
Household Appliances	1.13%			
Glassware, Tableware and Household Utensils	0.43%			
Tools and Equipment for House and Garden	0.43%			
Goods and Serv. for Routine Household Maint	0.38%			
HEALTH	0.31%	0.010	7	
Medical Products, Appliances and Equipment	0.53%			
Health Services	0.08%			
TRANSPORT	0.06%	0.008	8	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.13%	0.004	10	
EDUCATION	0.00%	0.000	11	
RESTAURANTS AND ACCOMMODATION SERVICES	0.31%	0.019	6	
MISCELLANEOUS GOODS AND SERVICES	0.28%	0.024	5	

INFLATION YTD (JAN - DEC 2012) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	8.02%	8.025		
FOOD AND NON-ALCOHOLIC BEVERAGES	14.33%	5.368	1	
Food	14.72%			
Bread and Cereals	8.24%			
Meat	11.67%			
Fish and Seafood	12.92%			
Milk, Cheese and eggs	15.81%			
Oils and Fats	9.33%			
Fruit	17.98%			
Vegetables and Starchy Foods	28.40%			
Vegetables	32.56%			
Starchy Foods	19.09%			
Sugar, Jam, Honey, Chocolate and Confectionery	7.16%			
Food Products n.e.c.	10.21%			
Non-Alcoholic Beverages	8.39%			
Coffee, tea and Cocoa	12.98%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	6.59%			
ALCOHOLIC BEVERAGES AND TOBACCO	6.09%	0.084	10	
CLOTHING AND FOOTWEAR	11.68%	0.389	5	
Clothing	11.99%			
Footwear	11.12%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	5.31%	0.677	2	
Rentals for Housing	1.57%			
Maint and Repair of Dwelling	8.95%			
Water Supply and Misc. Serv Related to the Dwelling	6.66%			
Electricity, Gas and Other Fuels and Routine	6.57%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	8.62%	0.425	4	
Furniture and Furnishings (including Floor Coverings)	9.51%			
Household Textiles	9.25%			
Household Appliances	11.14%			
Glassware, Tableware and Household Utensils	10.40%			
Tools and Equipment for House and Garden	4.43%			
Goods and Serv. for Routine Household Maint	7.98%			
HEALTH	3.15%	0.104	9	
Medical Products, Appliances and Equipment	4.38%			
Health Services	2.39%			
TRANSPORT	2.54%	0.325	7	
COMMUNICATION	-39.41%	-1.572	12	
RECREATION AND CULTURE	6.61%	0.222	8	
EDUCATION	3.76%	0.080	11	
RESTAURANTS AND ACCOMMODATION SERVICES	5.34%	0.330	6	
MISCELLANEOUS GOODS AND SERVICES	5.97%	0.500	3	

FISCAL ACCOUNTS (APR-OCT 2012/13)

REV. & EXPEN. (APR-NOV '12)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	210,658.2		-10,317.0		5,836.20	
Tax Revenue	197,478.9		-7,624.6		14,235.90	
Non-Tax Revenue	10,812.3		-400.2		-865.00	
Bauxite Levy	799.4		-280.2		-212.10	
Capital Revenue	571.0		-43.9		-5,613.10	
Grants	996.7		-1,967.9		-1,562.60	
Expenditure	258,927.7		-8,250.8		925.10	
Recurrent Expenditure	238,374.2		-6,831.5		14,770.40	
Programmes	57,845.2		-2,680.5		2,201.60	
Wages & Salaries	100,955.8		-104.1		9,091.30	
Interest	79,573.2		-4,046.8		3,477.40	
Domestic	52,509.5		-2,947.8		2,884.60	
External	27,063.8		-1,098.9		592.60	
Capital Expenditure	20,553.5		-1,419.4		-13,845.20	
Capital Programmes	20,553.5		-1,419.4		-13,845.20	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-48,269.5		-2,066.1		4,910.90	
Loan Receipts	96,508.5		-7,822.9		-16,102.80	
Domestic	91,961.0		-5,406.7		-3,981.10	
External	4,547.5		-2,416.2		-12,121.70	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	65,907.8		-740.5		-9,182.90	
Domestic	24,109.3		64.4		-836.00	
External	41,798.4		-805.0		-8,346.80	
Overall Balance (Surplus [+ve])	-17,668.8		-9,148.5		19,705.30	
Primary Balance (Surplus [+ve])	31,303.7		-6,113.0		8,388.40	

REV. & EXPEN. (APR-NOV '12)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	210,658.2		-10,317.0		6,035.30	
Tax Revenue	197,478.8		-7,624.7		13,951.10	
Income and profits	64,293.8		-2,682.8		7,281.10	
Bauxite/alumina	0.0		-39.8		-0.10	
Other companies	14,301.7		-509.3		7,246.30	
PAYE	39,846.7		-1,959.9		599.20	
Tax on dividend	970.6		216.0		35.00	
Other individuals	1,348.2		-740.6		-45.80	
Tax on interest	7,826.6		350.7		-553.70	
Environmental Levy	1,342.2		-207.6		-76.60	
Production and consumption	62,461.3		-305.8		3,519.70	
SCT	7,529.0		705.5		847.50	
Motor vehicle licenses	1,581.4		58.4		437.20	
Other Licenses	215.3		-47.0		-34.90	
Betting, gaming and lottery	1,258.6		-135.7		283.70	
Education Tax	9,654.9		-81.6		-116.50	
Contractors levy	807.8		-7.3		-16.80	
GCT (Local)	34,282.7		-794.3		264.30	
Stamp Duty (Local)	5,099.6		489.7		-169.90	
International Trade	69,381.6		-4,428.4		3,226.90	
Custom Duty	15,673.4		-1,448.7		1,430.80	
Stamp Duty	1,049.4		-77.5		103.00	
Travel Tax	3,386.7		49.3		-425.00	
GCT (Imports)	30,109.0		-1,347.5		1,664.30	
SCT (Imports)	19,163.1		-1,604.1		454.20	
Non-Tax Revenue	10,812.3		-400.2		-674.70	
Bauxite Levy	799.4		-280.2		-210.90	
Capital Revenue	571.0		-43.9		-5,660.30	
Grants	996.7		-1,967.9		-1,369.90	

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	1.5	88.12	6.39	17.93	2.10	935,140.9	8,506.5
Jun	84,337.4	0.72	351,410.	n/a	1,540.4	2,553,943	0.6	3.2	8.0	88.70	6.51	17.46	2.10	940,368.6	8,526.2
Jul	87,157.8	3.34	359,205.	0.69	1,483.82	n/a	-0.33	2.8	3.6	89.69	6.52	17.46	2.24	973,858.5	8,226.2
Aug	86,275.1	-1.01	359,293.9	n/a	1,428.60	2,438,745	0.5	3.3	1.8	89.82	6.63	17.55	2.07	976,159.2	8,200.5
Sep	85,193.8	-1.25	351,014.6	-2.30	1,257.8		1.85	5.3	6.2	89.93	6.57	17.55	2.07	976,126.3	8,186.8
Oct	86,488.1	n/a	n/a	n/a	1,132.8	2,395,680	0.9	6.3	-1.1	91.09	6.69	17.52	2.07	n/a	n/a
Nov	87,775.2	1.49	n/a	n/a	1,078.2	n/a	0.63	6.9	-0.9	91.89	6.80	17.52	2.24	n/a	n/a
Dec	97,648.5	11.25	n/a	n/a	1,125.58	n/a	1.0	8.0	n/a	92.98	n/a	n/a	n/a	n/a	n/a

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

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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