



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Reforming Jamaica's Tax System

A broad group of private sector leaders - the Private Sector Working Group on Tax Reform (PSWGTR) with representatives from the various trade organizations have been working since June 2011 to develop proposals for reforming Jamaica's Tax System. The Strategic objectives of the PSWGTR was to enhance economic growth and development by simplifying the tax code; making it more equitable by reducing rates and broadening the base; and increasing compliance and making the system operate more efficiently. A final set of 148 widely agreed proposals were presented to Parliament recently, though some organizations were not in agreement with different aspects of particular proposals. Overall, the proposals are revenue positive to the tune of J\$7.5 billion without taking into account dynamic benefits or compliance dividends.

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Summary of PSWG Proposals

General Consumption Tax (GCT)

1. Reduce the standard rate of GCT from 17.5% to 12.5%.
2. Eliminate the GCT exemption of basic items, since the bulk of the benefits goes to unintended middle and upper income consumers. Instead provide J\$2 billion of direct support to lower income consumers. (Net revenue gain of J\$5.5 billion)
3. In the interest of equity and uniformity, increase GCT rate from 10.6% to 12.5% on tourism activities. (Revenue gain of J\$1.5 billion).
4. Remove the Modernization of Industry and GCT Deferral Schemes which largely benefits manufacturers.
5. Increase the kWh exempted from GCT to 300 kWh from 200 kWh, but increase the GCT rate on usage above 300kwh from 10% to the new uniform rate of 12.5%.

Personal Income Tax (PIT)

6. Introduce a PIT rate of 15% on the first J\$1,123,200 of income, with any additional income subject to a 25% rate.
7. Replace current tax-free threshold of J\$441,168 with income exemption limit of J\$499,200 which will allow all income groups to retain more of their earnings, especially lower income earners.
8. Earnings above J\$499,200 but under J\$1,128,200 will have the option of being charged the lower of 25% on the difference or 15% on the whole income.
9. With effect from January 1st, 2013 remove the J\$1,000,000 salary cap on which NIS can be charged and reduce the rates to 3% from 5% for the joint contributions of employers and employees and for self-employed persons.

Corporate Income Tax

10. Reduce the CIT rate from 33.3% to 15%, except for certain highly regulated entities (ex. financial institutions and the JPS) which will continue at their existing rates for at least the next 5 years to avoid undue disruption in GOJ revenues, considering that several of these entities account for the great bulk of GOJ revenues.
11. Impose a minimum income tax (MIT) of 0.5% of gross revenues or J\$100,000 on all locally registered companies to reduce non-compliance levels.
12. Impose a 10% dividend withholding tax on Jamaican resident shareholders (compared to 0% now) except on dividends paid by one Jamaican tax resident company to another or to regulated entities still paying at 33.3%.

Other Measures

13. In the context of a generally competitive tax regime discontinue the approval of new incentives under the Hotel/Resort Cottage/and Approved Farmer incentives regimes and the Free Zone /EIEA regimes and allow all existing incentives to expire.
14. Reduce the income tax relief offered to new listings on the Jamaica Stock Exchange from 10 to 5 years as it is being used to avoided taxes
15. Introduce a tax credit mechanism which will award incentives after the performance - investment or job creation - is done and assessed.
16. Raise property taxes from 0.75% to 2% on the unimproved value of land but re-structure rates on an equal yield basis after new valuation

Net International Reserves (NIR)

During February 2012, Net International Reserves decreased by US\$7.95 million to US\$1,874.7 million relative to US\$1,882.6 million at the end of January 2012. This marks the ninth monthly decline of NIR over the past ten months and likely reflects continued net selling of the USD since May 2011 by the BOJ to support the J\$ which has been under moderate pressure, possibly, because of the hiatus and uncertainty in the GOJ/IMF Arrangement.

As of February 2012, gross reserves were adequate to finance 24.7 weeks of “goods” imports or 18.6 weeks of “goods and services” imports, well above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During November 2011, foreign currency deposits (FCD's) in the local financial system increased by US\$45.2 million or 1.98% to US\$2.308 billion compared to US\$2.240 billion at the end of October 2011. The increase in November 2011 is the second month over month increase in FCD's over the past three months reversing three consecutive monthly declines in Q3 2011.

During 2010 FCD's increased compared to 2009 because investors preferred holding Jamaican dollar denominated assets due to the improving stability of the Jamaican macro-economy and the sufficiency of foreign exchange. In 2011 however, sentiment regarding prospects for the Jamaican economy appears to have become more cautious.

Foreign Exchange Rate

US DOLLAR: During February 2012, the J\$ depreciated by J\$0.31 or 0.36% against the USD to J\$87.15 from J\$86.83 in January 2012. Apart from three months in 2011 when there were small month over month gains, the J\$ has declined steadily though modestly against the USD over the past 14 months. During calendar year 2011, the USD gained J\$0.46 against the J\$

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Feb-12	1,874.65	-7.98	-596.75	-92.36	24.72
Feb-11	2471.4	382.43	911.69	299.99	36.45

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Nov '11	Change (US\$000)		% Change	
		mtly	12 mth	mtly	12 mth
Commercial Banks	1,703,714	52,012	35,813	3.05	2.15
Building Societies.	538,205	-5,894	21,807	-1.10	4.22
Merchant Banks	43,881	-951	-17,193	-2.17	-28.15
Total Deposits	2,285,800	45,167	40,427	1.98	1.80

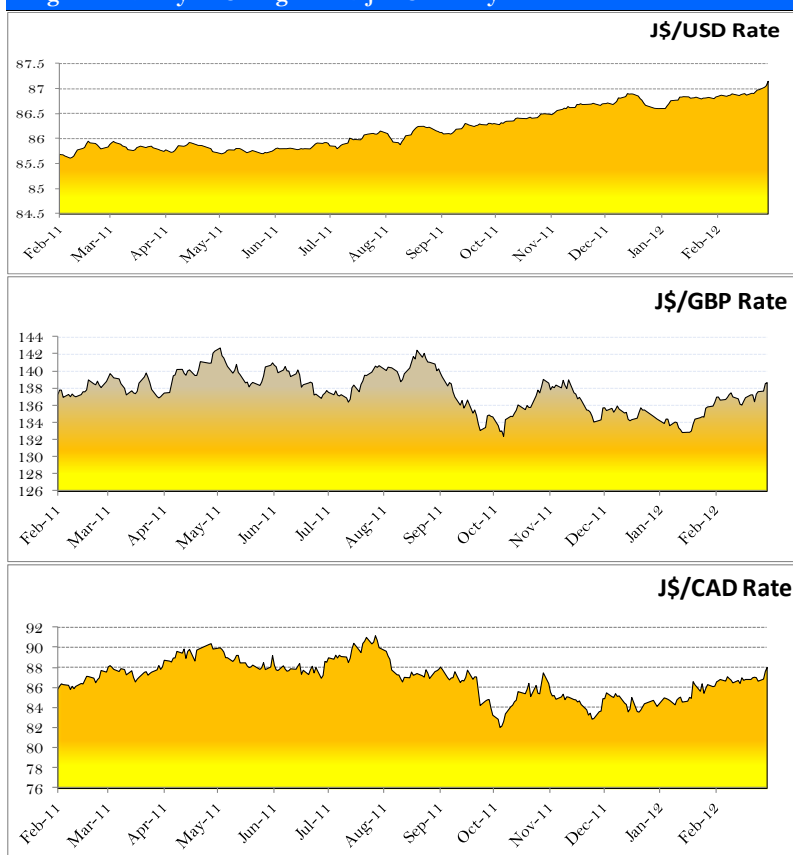
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2011—02/29/12) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2012	-0.54	-0.63	-4.25	-3.16	-3.91	-4.64
2011	0.03	0.03	-5.09	-3.81	-2.29	-2.68
2010	-0.15	-0.16	6.41	4.47	-0.16	-0.19
	MOM Feb - 2012					
Actual Rate	87.15	0.36	138.69	1.68	88.10	2.18
Mth Change	0.31	0.36	2.30	1.68	1.88	2.18

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

and has now retraced approximately 40% of its three year low of J\$85.49 hit in September 2010. But the USD remains well below its three year high of J\$89.79 and below key resistance at J\$90. For calendar year 2012, the J\$ is down 54 cents or 0.63% against the USD, after beginning the year at J\$86.60.

POUND & CANADIAN DOLLAR:

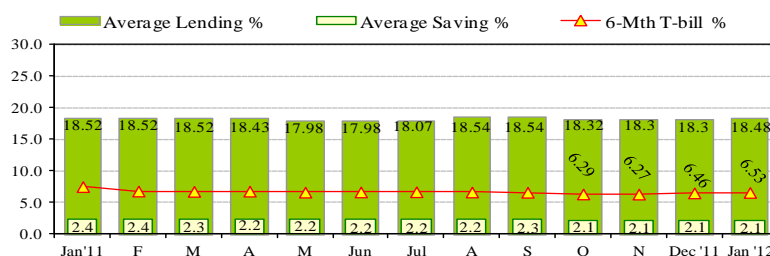
During February 2012, the J\$ depreciated by J\$2.30 or 1.68% against the GBP to J\$138.69 from J\$136.40 in January 2012. Against the CAD, the J\$ also depreciated in February 2012 - by J\$1.88 or 2.18% to sell for J\$88.10 compared to J\$86.22 in January 2012. During 2011 there were sharp up and down movements of the J\$ against GBP and CAD (See Chart 1) mirroring the rise and fall of these currencies against the USD on international exchanges in response to risk sentiment. For the first two months of calendar year 2012, the J\$ is down J\$4.25 or -3.16% against GBP, and by J\$3.91 or -4.64% against the CAD.

Interest Rates

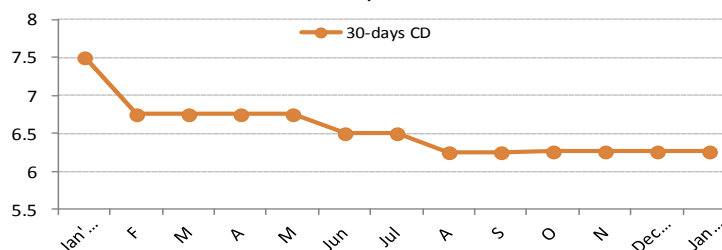
During calendar year 2011, Jamaican monetary authorities maintained their dovish (low interest rate) policy stance and continued the policy of withholding medium and longer term instruments from the market in their efforts to allow interest rates to recalibrate at much lower levels than was the norm for the two previous decades. In furtherance of that policy, the Bank of Jamaica only issued 30 days certificate of deposits during the year and the longest tenure issued by the Ministry of Finance was the 6-month treasury bill.

In relation to the MOF 6-month treasury bill, interest rate declined by 1.02% during 2011 reaching a low of 6.27% in November 2011, before closing the year at 6.49%. The BOJ 30 day CD for its part, was cut by an additional 1.25% in 2011 from 7.50% to 6.25%. Average savings rate declined by 37 bps during the year to 2.13%, but average lending rates remained unnervingly high closing the year at 18.30% (about three-times

Figure 2A & 2B: Interest Rate Movements



30-days CD



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Jan-12	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.26%	0.00%	-1.24%	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 Deposit	2.10%	-0.03%	-0.30%	-0.03%
Avg Loan Rate	18.48%	0.18%	-0.04%	0.18%
6-Month T-Bill	6.53%	0.07%	-0.93%	0.07%

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

the rate of inflation) having reached a low of 17.98% in May and June 2011.

During January 2012, average lending rate increased by 18 bps to 18.48%, the average saving rate fell by 10 bps to 2.10% while the 6-month treasury bill inched up by 7 bps to 6.53%. The recently elected People's National Party Government also affirmed the dovish policy bias of its predecessor.

Base Money & Money Supply

During November 2011 M1 increased by J\$2.35 billion or 2.02% due to a combination of a J\$1.33 billion increase in currency with the public to J\$52.26 billion and a J\$1.017 billion increase in demand deposits to J\$66.21 billion. Quasi money for its part increased by J\$1.69 billion or 0.75% to J\$227.9 billion reflecting small month over month changes in its main aggregates - time deposits and savings deposits.

Given the modest changes in its components (M1 and Quasi Money), M2 not unexpectedly showed only marginal movements recording an increase of 1.18% during the month to



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J\$346.35 billion.

During February 2011 the monetary base increased by J\$1.4 billion or 1.66% to J\$84.95 billion. This largely resulted from an increase of J\$960 million in Net Currency Issue; a J\$341 increase in Commercial Banks' Statutory Reserves and a J\$85.2 increase in demand deposits.

Inflation

The rate of inflation increased by 0.8% in February 2012 –the highest increase over the last 10 months since April 2011. Within the Consumer Price Index (CPI), the division recording the highest increase (2.4%) was **“Housing, Water, Electricity, Gas and Other Fuels”** due to higher prices for ‘Electricity, Gas and other Fuels’ and increases in the wage rates of tradesmen in the construction sector.

The second highest increase (1.0%) was recorded for **“Clothing and Footwear”** due to increases of 1.1% and 1.0% in the two groups ‘Clothing’ and ‘Footwear’ respectively. This was followed by a 0.7% increase in the division **“Miscellaneous Goods and Services”** reflecting increased prices for personal care products and for legal services.

Three divisions— **“Transport”**; **“Alcoholic Beverages and Tobacco”**; and **“Furnishings, Household Equipment and Routine Household Maintenance”** recorded increases of 0.6%.

The increase in **“Alcoholic Beverages and Tobacco”** - the most heavily weighted division within the CPI - reflected mostly moderate increases (of 0.3% to 1.3%) in all classes within the division except ‘Fruits’ and ‘Starchy Food’ which recorded declines of -0.8% and -1.9% respectively. These declines were due to adequate supplies of these items on the market. The increase in **“Transport”** reflected higher prices for petroleum; while increases of 1.4% for

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Nov -11	Mthly	12 Mth
M1	118,467.65	2.02	13.56
Quasi Money	227,881.00	0.75	0.82
M2	346,348.65	1.18	4.84
	Feb -'12	Mthly	12 Mth
Base Money	84,950.74	1.66	8.96

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Feb	12-Mth	YTD	Fiscal
2012	0.78	7.90	1.18	6.75
2011	-0.42	7.18	-0.59	6.70

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

Table 7: Mining Production

	000 tonnes			YTD	
	Jan-12	Jan-11	%	Jan-12	10/11 %
Production					
Alumina	158.6	175.0	-9.48	158.6	-9.48
C. Bauxite	410.9	396.3	3.68	410.9	3.98
Export					
Alumina	147.4	156.6	-5.82	147.4	-5.82
C. Bauxite	407.9	363.7	12.13	407.9	12.13

Source: Jamaica Bauxite Institute (JBI)

‘Household Appliances’ and 1.0% for ‘Furniture and Furnishings’ contributed to the increase **“Furnishings, Household Equipment etc”**.

Two divisions - **“Communication”** and **“Education”** were flat on the month, while the other four divisions within the CPI recorded increases of 0.3% and lower.

The rate of inflation, year to date was 1.2%, in contrast to -0.59% recorded for the first two months of 2011. The point to point rate was 7.9%, while for the fiscal year to date, the rate of inflation is 6.75% which is about the same as the 6.7% % recorded in the corresponding period of

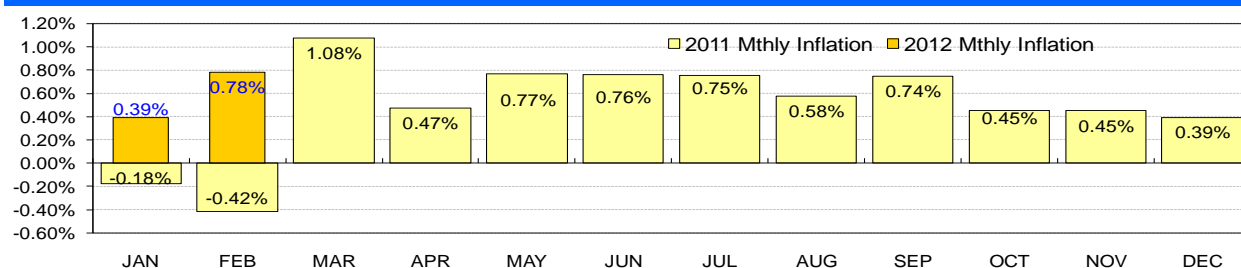
FY 2010/11.

Bauxite & Alumina

Production of alumina in January 2012 amounted to 158.6 tons compared to 175.0 tons in January 2011 - a decrease of -9.48%. For its part, production of crude bauxite in January 2012 increased by 3.68% to 410.9 tons compared to 396.3 tons in January 2011.

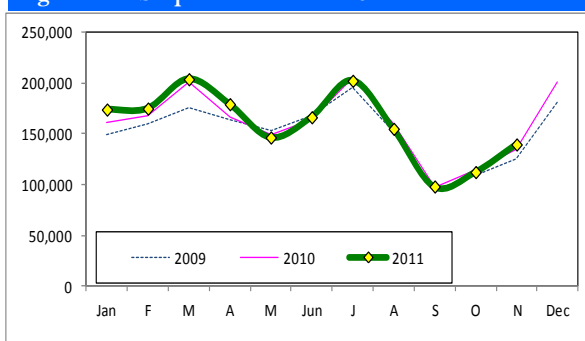
During calendar year 2010, alumina production fell by -10.3% to 1.59 million tons and alumina exports by -16.4% to 1.56 million tons compared to 2009. But this was much lower than the -60% contraction in 2009

Figure 3: Monthly Inflation Changes



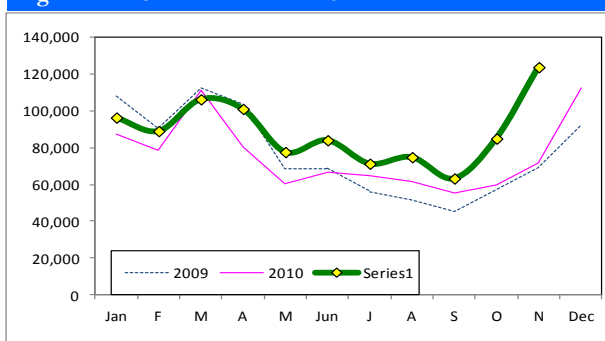
Source: STATIN and PSOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

relative to 2008.

Reflecting the continuing upturn in the industry during calendar 2011, alumina production increased by 23.2% to 1.959 million tons, while production of crude bauxite was up by 19.5% to 5.143 million tons relative to 2010.

Tourism

Stopover arrivals in November 2011 were 139,721 – an increase of 4.0% over the 134,320 recorded in November 2010. For the period – Jan-November 2011, stopovers increased by 1.9% to 1,754,039 compared to 1,720,832 arrivals in 2010. The number of cruise passengers also increased in November 2011 – by 72.7% to 123,683 visitors, compared to 71,601 in October 2010 which possibly reflected the impact of the disturbance in Western Kingston six months earlier.

During calendar year 2010, stopovers increased by 4.9% to 1,921,678 compared to 1,831,097 in 2009. However, this fell 4% short of the 2 million stopovers the GOJ had targeted for 2010. For 2011, the GOJ is targeting a 6% to 8% rise to 2,030,000. But with only one reporting month to go before 2011 figures are completed, it seems likely that performance will fall below both the 2010 and 2011 targets.

Regionally, stopovers from the US increased by 6.7% in November 2011 to 84,389 compared to 79,072 in November 2010. Year to date (Jan-Nov 2011), stopovers from the United States are down by –1.3% to 1,110,313 visitors compared to 1,124,439 during Jan-Nov 2010. From the Canadian market, stopovers increased by 5.8% in November 2011 with 27,478 arrivals, compared to 25,974 in November 2010. Year to date, stopovers from Canada are up 19.2% with 329,380 visitors compared to 276,296 visitors in Jan-November 2010. Visitors from Europe, including the UK,

Tourist Arrivals

	2010	2011	%Change	
	YTD (NOV)	YTD - YOY	YTD - YOY	MOM
Stopover	1,720,832	1,754,039	1.9%	24.2%
Foreign	1,592,841	1,626,043	2.1%	26.2%
Non-Resident	127,991	127,996	0.0%	0.6%
Cruise	797,379	971,920	21.9%	45.7%
Total Arrivals	2,518,211	2,725,959	8.2%	33.4%

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

decreased by 9.0% in November 2011 to 20,865 compared to 22,919 arrivals in November 2010. Year to date, stopovers from Europe are down –7.1% to 229,433 compared to 246,878 in 2010.

Stopover arrivals from the Caribbean decreased during 2010 by a significant 10.8% to 58,299 compared to 65,333 in 2009. But for the eleven months of 2011, stopovers from the Caribbean are up 15.7% to 59,362 visitors compared to 51,310 for the corresponding period of 2010. Stopovers from Latin America were also down 7.2% to 13,442 in 2010. But for the eleven months of 2011, stopovers from Latin America are up by 22.3% to 13,863 visitors.

During calendar year 2010, cruise visitors to the Island decreased slightly by 1.4% to 909,619 visitors. For the eleven months of 2011 however, cruise arrivals are up by 21.9% to 971,920 visitors. Total Visitors to Jamaica for Jan-November 2011 were 2.726 million marking a 8.2% increase relative to 2.518 million visitors during Jan-November 2010.

External Trade

During January – October 2011, Jamaica's exports increased by US\$240.0 million or 21.5% to US\$1.355.8 million,

compared to US\$1,115.8 million in January – Oct 2010. Imports for their part, grew by US\$1,060.8 million or 24.6%, to US\$5.37 billion compared to US\$4.30 billion during January – Oct 2010. As is usually the case when economic conditions are picking up globally and in Jamaica, the negative imbalance in Jamaica's merchandize trade worsened in Jan-Oct 2011 by – US\$820.8 million or –25.7% to – US\$4.01 billion compared to US\$3.19 billion in January – Oct 2010.

Traditional Exports: For the ten months of 2011, traditional domestic exports earned US\$716.4 million, an increase of US\$175.4 million or 32.4% over the US\$540.9 million recorded in Jan-Oct 2010. The share of traditional exports in total domestic exports also increased from 48.5% in Jan-Oct 2010 to 52.8% during Jan-Oct 2011.

The increase earnings from traditional exports largely resulted from the continuing recovery of alumina production with earnings increasing by 49.5% to US\$472.4 million during Jan-Oct 2011 compared to US\$316.0 million in Jan-Oct 2010. This was supported by a strong 40.5% increase in sugar exports to US\$62.2 million relative to US\$44.2 million during the same period a year earlier. Notable contributions to the growth in

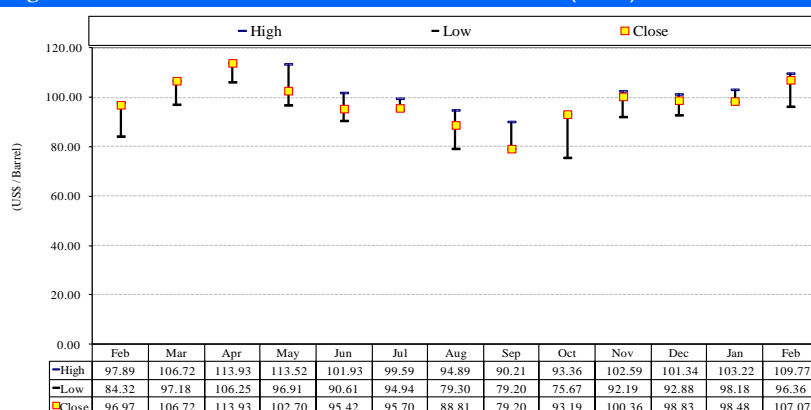
traditional exports were also made by a 17.9% rise in 'Manufacturing' exports to US\$106.9 million compared to US\$90.9 million one year ago; with smaller increases in 'Bauxite' -up 5% to US\$115.9 million and 'Rum' exports - up 0.3% to US\$41.9 million.

There was however, a notable -9.5% declines in traditional agricultural exports and in particular coffee. Compared to earnings of US\$18.2 million in Jan-Oct 2010, earnings from Coffee exports fell by -7.5% to US\$16.8 million during the ten months of 2011. The decline in earnings from Coffee reflects the continuing contraction in demand for Jamaican coffee since the global recession as the premium prices normally paid for Jamaican coffee have not been forthcoming from price conscious consumers. Earnings from 'Other' Traditional exports also decreased significantly during Jan-Oct 2011 by -31.7% to US\$6.99 million compared to US\$10.24 million during Jan-Oct 2010.

Non-traditional exports accounted for 50.4% of exports by value in calendar year 2009 surpassing earnings from traditional exports. But due to the recovery in the Bauxite/ Alumina industry in 2010 and significant declines in several non-traditional exports groups, traditional exports again moved to the top in 2010. During Jan-Oct 2011, earnings from non-traditional exports rebounded by 12.0% to US\$567.5 million relative to US\$506.5 million during the corresponding period of 2010 but accounted for only 41.8% of exports.

Several groups of non-traditional exports contributed to the expansion in Jan-Oct 2011. In the category "**Food**", there was a 7.6% increase in earnings to US\$113.7 million compared to US\$105.7 million in Jan-Oct 2010 as twelve of seventeen categories recorded increases. Among the main contributors to the increase in 'Food' earnings were: a 50.7% increase in 'Animal Feed' to US\$5.83 million; a 37.8% increase in 'Meat and Meat Preparations' to US\$2.93 million; a 20.4% increase in 'Malt Extract & Preparations thereof' to US\$3.86 million; and a 16.9% increase in 'Dairy Products & Birds Eggs to US\$6.3 million'. There was also a 10.7% increase in 'Baked Products' to US\$11.15 million; a 4.3% increase for 'Fish, Crustaceans and Molluscs' to US\$6.67 million; and a 7.0% increase in 'Yam' exports to US\$17.2 million which con-

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-Oct '10	Jan-Oct '11	Change	% Change
TOTAL EXPORTS (fob)	1,115.78	1,355.81	240.04	21.5%
Major Traditional Exports	540.97	716.36	175.40	32.4%
<i>by Sector:-</i>				
Agriculture	23.14	20.94	-2.20	-9.5%
Mining & Quarrying	426.96	588.49	161.53	37.8%
Manufacturing	90.87	106.94	16.07	17.7%
<i>by Industry:-</i>				
Bauxite	110.42	115.96	5.54	5.0%
Alumina	316.04	472.42	156.38	49.5%
Sugar	44.24	62.16	17.92	
Rum	41.81	41.94	0.13	0.3%
Bananas	0.00	0.05	0.04	0.0%
Coffee	18.21	16.84	-1.37	-7.5%
Other	10.24	6.99	-3.25	-31.7%
Non-Traditional Exports	506.52	567.48	60.96	12.0%
Re-exports	68.29	71.97	3.68	5.4%
TOTAL IMPORTS	4,303.66	5,364.55	1060.89	24.7%
Food	666.26	763.55	97.29	14.6%
Beverages & Tobacco	62.41	65.12	2.71	4.3%
Crude Materials (excl. Fuels)	51.44	53.70	2.26	4.4%
Mineral Fuels, etcetera	1,366.96	2,026.65	659.69	48.3%
Animal & Vegetable Oils & Fats	14.05	46.80	32.74	233.0%
Chemicals	555.27	664.63	109.36	19.7%
Manufactured Goods	484.53	545.24	60.71	12.5%
Machinery and Transport Equip.	647.14	784.43	137.29	21.2%
Misc. Manufactured Articles	386.48	372.47	-14.01	-3.6%
Other	69.11	41.96	-27.15	-39.3%
TRADE BALANCE	(3,187.88)	(4,008.73)	-820.85	25.7%

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

tinues to be Jamaica's leading non-traditional export.

There were however, notable decreases in earnings from some 'Food' categories in Jan-July 2011 relative to the corresponding period of 2010. Earnings from 'Sweet Potatoes' fell by -23.6% to US\$2.06 million from US\$2.7 million in 2010; 'Papaya' exports were

down -22.8% to US\$1.92 million from US\$2.5 million; 'Ackee' exports were down -4.5% to US\$10.35 million from US\$10.83 million; and 'Juices excl. Citrus' were down by -9.9% to US\$5.85 million from US\$6.5 million.

The three other categories of non-traditional exports also recorded increases during Jan-Oct 2011. "**Crude**

Materials” were up by 107.5% largely driven by a 146% increase in (the now outlawed) ‘Waste and Scrap Metals’ trade from US\$13.5 million in Jan-Oct 2010 to US\$33.3 million in the current period; and a 124% increase in ‘Limestone’ exports to US\$2.10 million from US\$940,000. But exports of ‘Other’ crude materials declined by –32.3% to US\$2.6 million from US\$3.88 million in Jan-Oct 2010.

In the category **“Beverages & Tobacco (excl. Rum)”** there was a 13.6% increase from US\$48.98 million to US\$55.65 million during Jan-Oct 2011. This mainly reflected a 27.1% increase in ‘Non-Alcoholic Beverages’ from US\$7.6 million to US\$9.6 million and a 11.1% increase in ‘Alcoholic Beverages (excl. Rum)’ to US\$45.96 million from US\$41.36 million.

“Other” non-traditional exports, generally, the largest category of non-traditional exports, increased by 8.0% to US\$360.1 million from US\$333.5 million in Jan-Oct 2010. This mainly reflected a large 22.4% increase in ‘Mineral Fuels etc’ to US\$311.0 million from US\$254.1 million. This increase was nearly canceled by large declines of –45.3% in ‘Chemicals (incl. Ethanol)’ from US\$61.13 million in Jan-Oct 2010 to US\$33.4 million; and a –62.1% reduction in exports of ‘Manufactured Goods’ to US\$3.9 million from US\$10.4 million in Jan-October 2010.

Imports. Continuing the upturn from 2010, during the ten months of 2011, imports surged by 24.6% to US\$5.36 billion relative to US\$4.30 billion in Jan-Oct 2010.

Apart from **‘Other’** imports which declined by –39.3% to US\$41.9 million; and imports of **‘Miscellaneous Manufactured Articles’** which declined by –3.6% to US\$372.5 million, all other categories of imports recorded increases during the Jan-Oct 2011 period.

The largest increase was recorded in **Raw Materials/Intermediate Goods** which typically accounts for the bulk of imports. In this category, imports increased by 38.3% to US\$3.47 billion from US\$2.51 billion for the corresponding period of 2010. The greatest contributors to that increase were imports of ‘Mineral Fuels’- up 48.3% to US\$2.03 billion from US\$1.367 billion during Jan-Oct 2010. Imports of ‘Food’ for intermediate use surged by 30.2% to US\$243.7 million; while ‘Industrial

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

	Jan-Oct 2010	Jan-Oct 2011	\$ Change	% Change
Current Account	(762.5)	1,532.1	2,294.6	300.9%
Goods Balance	2,648.8	3,404.9	756.1	28.5%
Exports	1,145.0	1,395.9	250.9	21.9%
Imports	3,793.8	4,800.8	1,007.0	26.5%
Services Balance	670.5	610.6	(59.9)	-8.9%
Transportation	(346.0)	(434.5)	(88.5)	-25.6%
Travel	1,486.4	1,523.9	37.5	2.5%
Other Services	(469.8)	(478.8)	(9.0)	-1.9%
Income	(409.4)	(431.1)	(21.7)	-5.3%
Compensation of empl	64.0	33.0	(31.0)	-48.4%
Investment Income	(473.4)	(464.1)	9.3	2.0%
Current Transfers	1,625.2	1,693.3	68.1	4.2%
Official	140.0	110.3	(29.7)	-21.2%
Private	1,485.3	1,583.0	97.7	6.6%
Capital & Financial Account	762.5	1,532.1	769.6	100.9%
Capital Account	(18.0)	1.0	19.0	105.6%
Capital Transfers	(18.0)	1.0	19.0	105.6%
Official	4.2	23.2	19.0	452.4%
Private	(22.3)	(22.3)	-	0.0%
Acq/dis. of	-	-	-	0.0%
Financial Account	780.5	1,531.1	750.6	96.2%
Other Official Invst	772.6	424.9	(347.7)	-45.0%
Other Private Invst	261.9	967.1	705.2	269.3%
Reserves	(254.1)	139.2	393.3	154.8%

Source: BOJ & Statistical Update:

Supplies’ grew by 21.7% to US\$901.0 million. ‘Parts & Accessories of Capital Goods’ grew by 38.5% to US\$300.9 million.

Possibly reflecting expansion or re-tooling by Jamaican firms, imports of **‘Capital Goods (excl. Motor Cars)’** grew significantly by 15.5% to US\$414.3 million in Jan-Oct 2011. All categories of Capital Goods imports registered increases. ‘Other Industrial Transport Equipment’ was up 62.2% to US\$84.9 million compared to US\$73.3 million a year earlier; ‘Machinery and Equipment’ was up by 21.8% to US\$217.4 million from US\$178.5 million; and ‘Construction Materials’ increased by 3.9% to US\$107.0 million from US\$102.9 million in Jan-Oct 2010.

Imports of **Consumer Goods (excl. Motor Cars)** also increased in Jan-Oct 2011, though modestly by 1.2% to US\$1.37 billion compared to US\$1.35 billion in the corresponding ten months of 2010. This was largely due to increase imports of ‘Food (incl. Beverages)’ which were up 10.8% to US\$588.3 million. All other categories of Consumer Goods imports declined. Non-durable Goods’

declined by –8.7% to US\$387.0 million; ‘Semi-durable Goods’ were down –2.9% to US\$126.9 million while ‘Other Durable Goods (excl. Motor cars)’ decreased slightly by –0.2% to US\$263.9 million. Imports of **‘Passenger Motor Cars’** increased however by 34.5% to US\$112.4 million from US\$83.6 million in Jan-Oct 2010.

Oil: At the end of February 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$107.07 per 42 gallon barrel - an increase in price of US\$8.59 relative to the closing price of US\$98.48 the previous month. During February 2012 the price ranged between a high of US\$109.77 and a low of US\$96.36. (See Fig. 5)

Balance of Payments

During the first ten months of 2011, Jamaica ran a **current account deficit** of US\$1,532.1 million, which represented a deterioration of US\$769.6 million relative to the corresponding period in 2010. The deterioration in the current account resulted from all sub-accounts except the Current Transfers sub-account.

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Jan (Fiscal—2011/12)				Apr-Jan (YOY)	
	J\$ million		Deviation		10/11 - 11/12	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	258,589.3	272,615.0	-14,025.7	-5.14	6,287.2	2.8
Tax Revenue	230,137.9	243,070.4	-12,932.5	-5.32	9,963.2	5.1
Non-Tax Revenue	15,435.9	16,487.5	-1,051.6	-6.38	-3,561.3	-21.5
Bauxite Levy	1,285.1	1,268.4	16.7	1.32	979.9	517.6
Capital Revenue	8,727.4	8,951.3	-223.9	-2.50	4,378.5	242.0
Grants	3,003.0	2,837.4	165.6	5.84	-5,473.9	-65.0
Expenditure	311,879.3	320,966.6	-9,087.3	-2.83	10,024.4	3.6
Recurrent Expenditure	273,427.5	275,545.0	-2,117.5	-0.77	13,876.8	5.8
Programmes	70,443.3	71,589.9	-1,146.6	-1.60	8,529.5	15.7
Wages & Salaries	117,250.4	118,036.9	-786.5	-0.67	8,971.0	9.2
Interest	85,733.8	85,918.2	-184.4	-0.21	-3,623.2	-4.2
Domestic	50,462.2	51,178.3	-716.1	-1.40	-6,103.8	-10.9
External	35,271.6	34,739.9	531.7	1.53	2,480.5	8.1
Capital Expenditure	38,451.7	45,421.6	-6,969.9	-15.34	-3,852.3	-9.6
Capital Programmes	38,451.7	45,421.6	-6,969.9	-15.34	-3,852.3	-9.6
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-53,290.0	-48,351.6	-4,938.4	-10.21	-3,737.2	-6.8
Loan Receipts	119,238.8	112,433.8	6,805.0	6.05	-18,183.6	-13.3
Domestic	100,156.0	91,535.9	8,620.1	9.42	9,787.1	10.8
External	19,082.9	20,897.9	-1,815.0	-8.69	-27,970.6	-60.1
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	83,756.1	84,830.9	-1,074.8	-1.27	4,888.4	6.6
Domestic	29,011.9	29,505.6	-493.7	-1.67	-30,550.5	-52.7
External	54,744.2	55,325.3	-581.1	-1.05	35,438.5	213.2
Overall Balance (Surplus [+ve])	-17,807.3	-20,748.7	2,941.4	14.18	-19,596.5	-259.9
Primary Balance (Surplus [+ve])	32,443.8	37,566.6	-5,122.8	-13.64	-7,360.7	-23.2

Source: Ministry of Finance and Planning

During the period, the **Goods balance** recorded a deficit of US\$3,404.9 million, a deterioration of US\$756.1 million when compared to the corresponding period in 2010. This resulted primarily from an increase in imports of US\$1,007.0 million, which was greatly influenced by an increase in mineral fuel imports of US\$675.2 million. The deterioration in the Goods sub-account was partially offset by a US\$250.9 million increase in exports, stemming mainly from an increase in alumina exports of US\$156.4 million.

In relation to the **Services balance**, there was a decline of US\$59.9 million in its surplus position. This resulted from an increase in estimated freight cost associated with imports. The **Income sub-account** deteriorated by US\$21.7 million during the review period. This reduction emanated primarily from a decrease of US\$29.3 million in repatriated earnings from Jamaican residents living abroad. During the review period, **Current transfers** increased by US\$68.0 million to

US\$1,693.3 million. This improvement resulted primarily from an increase in net private transfers of US\$97.8 million. Flows from official and private sources were insufficient to finance the current account deficit. Consequently, the NIR declined by US\$139.2 million during the period.

Fiscal Accounts

During the ten months of FY 2011/12 (Apr-Jan), the GOJ ran a fiscal deficit of -J\$53.3 billion. This deficit was -J\$4.9 billion more than the -J\$48.35 billion budgeted and mainly resulted from a significant J\$14.03 billion or -5.14% shortfall in Revenues and Grants which were inadequately counter-balanced by expenditure reductions of -J\$9.09 billion or 2.83%.

REVENUE: Total Revenues & Grants to the GOJ during Apr-Jan 2011/12 was J\$258.6 billion. This

was, as noted, -J\$14.03 billion or 5.14% below the J\$258.6 billion budgeted, but J\$6.28 billion higher than the J\$252 billion collected in Apr-Jan 2010/11. The main outperformers on the revenue accounts were SCT - up J\$1,843.4 million; 'Contractor's Levy' - up J\$307.9 million above budget; and 'Grants' which was J\$165.6 million above budget. 'Betting, Gaming and Lottery' also came in J\$28.8 million above budget and so did PAYE - which exceeded budget by J\$28.8 million. Returns on all other revenue heads were negative.

Among the main underperformers on the revenue accounts were: 'GCT (local)' which registered a shortfall of -J\$3.51 billion; 'Other Companies' taxes were down -J\$2.95 billion; and 'Customs Duty' - down -J\$2.067 billion. Notable shortfalls were also recorded by 'SCT (Imports)' - down -J\$2.018 billion and 'GCT

(Imports) which came in -J\$1.74 billion below budget.

EXPENDITURE: Total expenditure for the ten months of fiscal year 2011/12 was J\$311.9 billion. This was -J\$9.087 billion less than budgeted, but J\$10.024 billion more than the J\$301.8 billion expended for the corresponding period of FY2010/11. Among the heads showing notable deviations from budget were: 'Capital Programmes' - under-spent by -J\$6.97 billion; 'Recurrent Programmes' - under-spent by -J\$1.146 billion; and 'Wages and Salaries' by -J\$786.5 billion. Domestic Interest payments was under-spent by -J\$716.1 million, but external interest payments exceeded budget by J\$531.7 million.

FISCAL OUTTURN

As noted, for the first ten months of FY2011/12 (Apr-Jan 2011), the Budget recorded a fiscal deficit of J\$53.29 billion. This was -J\$4.94 billion or -10.2% worse than budgeted, and J\$3.7 billion or -6.8% worse than the deficit for Apr-Jan 2010/11.

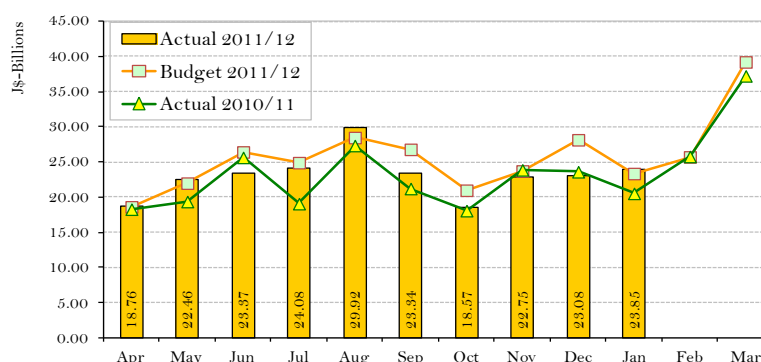
During FY2010/11, there was a fiscal deficit of -J\$74.2 billion amounting to 6.1% of GDP which represented a 40.2% improvement on the deficit of -J\$123 billion recorded in 2009/10. For FY2011/12, the GOJ is projecting a deficit of -J\$61.8 billion or 4.7% of GDP. The out-turn for the ten months of 2011/12 averaging -J\$5.3 billion per month, is therefore roughly in line with the -J\$5.2 billion projected.

The Primary Surplus - the difference between total revenues and non-interest expenditures for FY2010/11 was J\$54.1 billion or 5.6% of GDP. This fell short of budget by J\$7.15 billion or 11.7% relative to the J\$61.3 billion originally budgeted. For the ten months of FY2011/12, the primary surplus was J\$32.4 billion which was -J\$5.12 billion or 13.6% less than J\$37.6 billion targeted.

PUBLIC DEBT

At the end of calendar year 2011 the total public debt stood at J\$1.630 trillion - an increase of J\$93.7 billion over the J\$1.536 trillion recorded at the start of January 2011. During 2011, the domestic debt increased by J\$69.58 billion to J\$883.39 billion or 54.2% of the total, while the external debt grew by J\$24.13 billion (US\$280 million) to J\$747.03 billion (US\$8.626 billion) or 46.0% of the total debt stock.

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



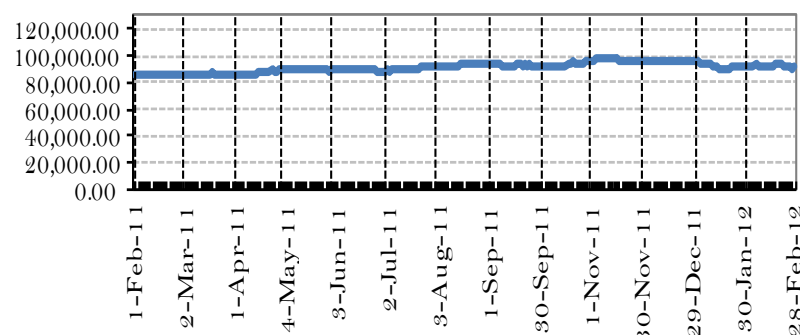
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Jan 2011/12
Revenue (Revenue Surpluses)		
SCT		1,843.4
Contractor's Levy		307.9
Grants		165.6
Betting, Gaming and Lottery		28.8
PAYE		19.7
Revenue (Revenue Shortfalls)		
GCT (local)		-3,508.1
Other Companies		-2,948.2
Customs Duty		-2,067.0
SCT (Imports)		-2,018.8
GCT (Imports)		-1,903.4
Expenditure (Changes)		
Capital Programmes	(under-spend)	-6,969.9
Recurrent Programmes	(under-spend)	-1,146.6
Wages & Salaries	(under-spend)	-786.5
Domestic Interest	(under-spend)	-716.1
External Interest	(over-spend)	531.7

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSQJ

Stock Market

During February 2012, market capitalization decreased by J\$8.6 billion or 1.45% to close at J\$585.24 billion. All

five indices on the Jamaican stock Exchange declined during the month. The main **JSE Market Index** declined by **1,337** points or 1.45% to close at 90,869 points. The **JSE All**

Jamaican Composite declined by 1,552 points or 1.6% to close at 95,473 points. The **JSE Select Index** declined by 16.3 points or 0.60% to close at 2,710 points; while the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica declined by 9.51 points or 1.20% to close at 785 points. The **JSE Junior Market Index** also declined by 34.7 points or 4.9% to close at 671.7 points.

Market volume though greater than the previous month was still quite moderate with 122.62 million units valued at J\$1.797 billion changing hands compared to 54.38 million units valued at J\$509.7 million changing hands during January 2012.

Overall market activity resulted from trading in 36 stocks of which 12 advanced, 18 declined and 6 traded firm. National Commercial Bank Ltd. was the market leader with 24.45 million units or 17.8% of market volume; followed by Scotia Group Limited with 18.97 million units or 13.8% of market volume; while Gleaner Company was

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

	31- Dec '11	31- Feb '12	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Salada Foods	8.87	9.51	0.64	7.22%
Sagicor Life Jamaica	10.00	10.08	0.08	0.80
Carreras Limited	61.52	61.67	0.15	0.24%
Bottom Five (unadjusted for dividends or transact. Costs)				
Pulse Investments	2.45	1.75	(0.70)	-28.57
Caribbean Cement Co	3.00	2.31	(0.94)	-31.3%
Ciboney Group	0.05	0.04	(0.01)	-20.0%
JMMB	12.40	10.00	(2.40)	-19.35%
Barita Investments Ltd.	4.71	3.80	(0.91)	-19.32%

Source: Compiled from the JSE

third with 8.7% or 12.016 million units changing hands.

The leading advancers year to date were: Salada Foods, Sagicor Life Jamaica and Carreras Limited.

The leading decliners were Pulse Investments, Caribbean Cement Com-

pany Ltd, Ciboney Group, Jamaica Money Market Brokers, and Barita Investments Ltd.

Economic Highlights

(contd. from page 1.)

Global Picture

Since the alarming threat of a disorderly default by Greece subsided with a second bailout of €150 billion provided by Euro-zone countries, markets have shifted their nervousness and concern to the economic slowdown in China and the wider Euro-zone.

Economic data and official pronouncements over the past month have underscored Chinese slowdown. China's Industrial Production in February 2012, came in at 11.4% relative to expectations of 13.4%; Retail Sales were 14.7% relative to expectations for a 17.6% gain; and New Loans by commercial banks fell to 710.7 billion Yuan relative to expectations for 750.0 billion Yuan. Even more worrisome, Chinese trade balance fell to -\$31.5 billion in February 2012 the lowest in 22 years. In addition, HSBC Flash Purchasing Manager's Index of Chinese manufacturing for March 2012 came in at 48.1—the fourth consecutive month of a below 50 reading suggesting continuing contraction in this critical sector of the Chinese economy.

Though the sharp decline in the Chinese trade balance reflect seasonal factors

such as the slowdown in production during the 15 day Chinese New Year holidays; as well as, recession in the Euro-zone - (China's main export market), and cool demand in the US, averaging these figures for the previous two months to reduce the impact of seasonal factors, still reveal a sharp slowdown in Chinese exports and imports compared to the corresponding period of 2011. It is not surprising therefore, that on March 4th 2012, Chinese Premier Wen Jiabao announced that the Government was lowering its growth target for China for 2012 from 8.0% to 7.5% - the lowest in 8 years. Though this is a largely symbolic target that actual Chinese growth often exceeds, many investors now believe that China may be in for a 'harder landing' than was thought in Q3 2011 when the Government begun to tighten monetary policy to control the then looming threat of inflation.

Recent data also appears to support the argument that the Euro-zone is in actual and technical recession defined as two consecutive quarters of negative growth. Q4 GDP growth in the Euro-zone was -0.3%. But recent data also

suggest that growth in Q1 2012 will also be negative. Euro-zone PMI worsened in March dipping to 48.7 compared to the previous month's reading of 49.3. Further, the leading economies in the Euro-zone also recorded PMI's showing contraction with German PMI (Manufacturing) coming in at 48.7 relative to expectations of 49.3 and French PMI coming in even worse at 47.6 relative to a stable print of 50.0 in January 2012.

Several other economies—Japan, Canada, Australia and India were also showing in February and March 2012 that the stress of the prolonged Euro-zone debt crisis had taken a toll on their trade and domestic production. The United States appears to have been the least damaged by the Euro-zone crisis as the US labour market seems to have stabilized and has created over 200,000 jobs monthly over the past 5 months; and manufacturing has continued to perform strongly in many regions of the country. Still, the housing market remains very weak with inventory levels still at historic highs (10 million) while new home construction remains at historic lows 321,000 annualized.

INFLATION (FEB - 2012) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.78%	0.783		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.60%	0.224	2	
Food	0.59%			
Bread and Cereals	0.28%			
Meat	1.22%			
Fish and Seafood	0.58%			
Milk, Cheese and eggs	0.67%			
Oils and Fats	0.57%			
Fruit	-0.86%			
Vegetables and Starchy Foods	0.49%			
Vegetables	1.35%			
Starchy Foods	-1.83%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.62%			
Food Products n.e.c.	0.59%			
Non-Alcoholic Beverages	0.96%			
Coffee, tea and Cocoa	1.47%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.74%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.32%	0.004	10	
CLOTHING AND FOOTWEAR	1.03%	0.034	5	
Clothing	1.09%			
Footwear	0.95%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	2.39%	0.306	1	
Rentals for Housing	0.29%			
Maint and Repair of Dwelling	2.45%			
Water Supply and Misc. Serv Related to the Dwelling	-1.20%			
Electricity, Gas and Other Fuels and Routine	4.12%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.64%	0.032	6	
Furniture and Furnishings (including Floor Coverings)	1.02%			
Household Textiles	0.49%			
Household Appliances	1.41%			
Glassware, Tableware and Household Utensils	0.58%			
Tools and Equipment for House and Garden	0.25%			
Goods and Serv. for Routine Household Maint	0.41%			
HEALTH	0.16%	0.005	9	
Medical Products, Appliances and Equipment	0.23%			
Health Services	0.08%			
TRANSPORT	0.68%	0.087	3	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.33%	0.011	8	
EDUCATION	0.00%	0.000	11	
RESTAURANTS AND ACCOMMODATION SERVICES	0.33%	0.020	7	
MISCELLANEOUS GOODS AND SERVICES	0.71%	0.059	4	

INFLATION YTD (JAN-FEB 2011) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	1.18%	1.178		
FOOD AND NON-ALCOHOLIC BEVERAGES	1.31%	0.490	1	
Food	1.30%			
Bread and Cereals	0.93%			
Meat	2.14%			
Fish and Seafood	1.61%			
Milk, Cheese and eggs	1.29%			
Oils and Fats	2.47%			
Fruit	-0.51%			
Vegetables and Starchy Foods	0.44%			
Vegetables	1.72%			
Starchy Foods	-3.05%			
Sugar, Jam, Honey, Chocolate and Confectionery	1.43%			
Food Products n.e.c.	1.55%			
Non-Alcoholic Beverages	1.76%			
Coffee, tea and Cocoa	3.09%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	1.20%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.69%	0.009	9	
CLOTHING AND FOOTWEAR	1.68%	0.056	5	
Clothing	1.64%			
Footwear	1.65%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	1.57%	0.200	2	
Rentals for Housing	0.83%			
Maint and Repair of Dwelling	3.35%			
Water Supply and Misc. Serv Related to the Dwelling	-1.05%			
Electricity, Gas and Other Fuels and Routine	2.17%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.87%	0.043	6	
Furniture and Furnishings (including Floor Coverings)	1.45%			
Household Textiles	0.87%			
Household Appliances	1.89%			
Glassware, Tableware and Household Utensils	1.64%			
Tools and Equipment for House and Garden	0.51%			
Goods and Serv. for Routine Household Maint	0.53%			
HEALTH	0.24%	0.008	10	
Medical Products, Appliances and Equipment	0.47%			
Health Services	0.08%			
TRANSPORT	1.18%	0.151	3	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.73%	0.025	8	
EDUCATION	0.00%	0.000	11	
RESTAURANTS AND ACCOMMODATION SERVICES	0.53%	0.033	7	
MISCELLANEOUS GOODS AND SERVICES	1.67%	0.140	4	

FISCAL ACCOUNT (APR-JAN 2012)

REV. & EXPEN. (APR-JAN '11/12)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	258,589.3		-14,025.7		11,857.70	
Tax Revenue	230,137.9		-12,932.5		13,283.40	
Non-Tax Revenue	15,435.9		-1,051.6		-3,203.50	
Bauxite Levy	1,285.1		16.7		1,030.40	
Capital Revenue	8,727.4		-223.9		6,378.40	
Grants	3,003.0		165.6		-5,631.90	
Expenditure	311,879.3		-9,087.3		11,531.40	
Recurrent Expenditure	273,427.5		-2,117.5		14,649.80	
Programmes	70,443.3		-1,146.6		9,140.10	
Wages & Salaries	117,250.4		-786.5		9,658.30	
Interest	85,733.8		-184.4		-4,148.10	
Domestic	50,462.2		-716.1		-6,619.90	
External	35,271.6		531.7		2,471.70	
Capital Expenditure	38,451.7		-6,969.9		-3,118.30	
Capital Programmes	38,451.7		-6,969.9		-3,118.30	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+]/ve)	-53,290.0		-4,938.4		326.30	
Loan Receipts	119,238.8		6,805.0		-28,510.50	
Domestic	100,156.0		8,620.1		-868.40	
External	19,082.9		-1,815.0		-27,642.00	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	83,756.1		-1,074.8		6,379.90	
Domestic	29,011.9		-493.7		-29,086.60	
External	54,744.2		-581.1		35,466.10	
Overall Balance (Surplus [+]/ve)	-17,807.3		2,941.4		-27,351.50	
Primary Balance (Surplus [+]/ve)	32,443.8		-5,122.8		-3,822.10	

REV. & EXPEN. (APR-DEC '11)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	258,589.3		-14,025.7		11,896.5	
Tax Revenue	230,137.9		-12,932.5		13,292.99	
Income and profits	76,375.3		-4,729.2		3,190.7	
Bauxite/alumina	0.1		0.1		-866.2	
Other companies	16,647.0		-2,948.2		-481	
PAYE	50,337.6		19.7		7,392.5	
Tax on dividend	792.9		-154.5		-129	
Other individuals	1,829.1		-381.4		-93.3	
Tax on interest	6,768.5		-1,265.0		-2,631.8	
Environmental Levy	1,930.2		-46.5		211.3	
Production and consumption	71,266.8		-1,774.2		7,202.4	
SCT	8,107.4		1,843.4		1,420.4	
Motor vehicle licenses	1,448.9		-42.4		-30.1	
Other Licenses	300.8		-2.6		93.6	
Betting, gaming and lottery	1,296.5		28.8		28.3	
Education Tax	12,418.7		-223.6		1,693.6	
Contractors levy	985.7		307.9		321.6	
GCT (Local)	40,336.8		-3,508.1		2,215.7	
Stamp Duty (Local)	6,372.1		-177.5		1,458.6	
International Trade	80,565.5		-6,382.7		2,689.1	
Custom Duty	17,383.6		-2,067.0		1,06.9	
Stamp Duty	1,183.0		-24.1		69.8	
Travel Tax	4,412.0		-369.3		1,347.1	
GCT (Imports)	34,873.5		-1,903.4		2,712.6	
SCT (Imports)	22,713.5		-2,018.8		-1,547.3	
Non-Tax Revenue	15,435.9		-1,051.6		-3,174.3	
Bauxite Levy	1,285.1		16.7		1,030.4	
Capital Revenue	8,727.4		-223.9		6,378.4	
Grants	3,003.0		165.6		-5,631.9	

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	2,267.13	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	n/a	n/a	1,967.01	n/a	0.40	6.0	n/a	86.60	6.46	18.3	2.1	883,388.6	8,626.1
Jan '12	83,564.3	-8.8	n/a	n/a	1,882.63	n/a	0.40	6.6	n/a	86.83	6.53	18.48	2.10	n/a	n/a
Feb	84,950.7	1.66	n/a	n/a	1,874.65	n/a	0.8	6.7	n/a	87.15	6.47	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—Skinston 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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