



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Jamaica's Economy Contracts 2.5% in Fourth Quarter of 2009

The Jamaican economy contracted by 2.5% in the fourth quarter (Q4) of 2009—marking the 9 consecutive quarterly contraction since October 2007. The contraction underscores the challenging times that still lay ahead for the economy despite the recently concluded Agreement between the Government of Jamaica and the International Monetary Fund.

Goods producing industries declined by 7.6% and Services industries declined by 0.7% during the Fourth Quarter of 2009. Leading the decline among the Goods Producing industries was 'Mining and Quarrying' which has declined by over 55% in each of the last three quarters and an average of -50.3% for calendar year 2009. 'Manufacturing' declined by -4.6% in Q4 and at an average rate of -5.5% for

2009; and 'Construction' declined by -3.5% in the Quarter and at an average rate of -4.6% for 2009. 'Agriculture' was the only Goods Producing sector recording growth, and it grew by a robust 20.5% during the Quarter and at average of 12.9% for 2009.

Though there was an overall -0.7% decline in the 'Services' sector, of the eight (8) industry groups within that sector, four (4) recorded increases during the Fourth Quarter of 2009 and four (4) declined. Leading the decliners was 'Transport, Storage and Communication' which declined by -4.2% during the Fourth Quarter and by an average of -4.9% for 2009. They were followed by 'Wholesale and Retail' which declined by -0.8% during the Quarter and -1.13% for the year. 'Government Services' declined by -1.0% during the Fourth Quarter and by -0.65% during 2009.

Among the industries that grew, 'Electricity & Water Supply' grew by 3.1% during the Fourth Quarter and averaged 2.3% for the year. 'Other Services' grew by 0.1% during the Quarter and averaged 0.25% for 2009, while 'Finance & Insurance Services' and 'Hotels & Restaurants' were flat on the Quarter, but grew by 1% and 1.2% respectively during 2009.

Bottoming-out ? Despite the nearly two year long recession in the Jamaican economy there are signs that the economy has hit bottom and may be turning around. This is manifested in several industries where the rate of decline seems to be lessening, especially in the 'Goods Producing Sector'. Thus, the rate of decline in 'Mining and Quarrying' has lessened from -59.6% in the Second Quarter (April -June) 2009 to -56.8% in the Fourth Quarter. The decline in 'Manufacturing' has lessened from -

8.0% in the Second Quarter of 2009 to -4.6 in Fourth Quarter; and in 'Construction', the rate of decline has lessened from -6.3% in Q2 2009 to -3.5% in the Fourth Quarter.

This decline in the rate of contraction is also evident among Services Industries though there seems to be a falling-off rather than a quickening of the pace among the industries that grew. Thus the contraction in 'Transport, Storage & Communication' lessened from -5.4% in the Second Quarter of 2009 to -4.2% in the Fourth; and in 'Wholesale and Retail', the decline lessened from -1.4% in the Second Quarter to -0.8% in the Fourth Quarter of 2009. But the Fourth Quarter growth in 'Electricity & Water Supply' and in 'Hotels and Restaurants' was two (2) percentage points lower for both industries than in the Third Quarter of 2009.

Some analysts have remarked that when recessions are easing, industries often perform in an uncertain up and down manner, or 'scrape along the bottom' as some have described it. This might continue for two or three quarters until confidence about the recovery picks up, and more investors abandon their 'wait and see' attitude and again start putting their money to work, thereby boosting investment and ushering-in self-sustaining growth. Maybe the lessening contraction in the 'Goods Producing' industries and the uncertain tentative signs of growth in the 'Services' sector are further evidence of this bottoming out and economic turn around taking place.

What appears more certain however, is that Jamaica's recovery is unlikely to be independent of the broader global recovery.

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★ **No new updates since previous issue**



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Net International Re-

During the month of January 2010, Net International Reserves (NIR) decreased by US\$163.4 million to US\$1,566.0 million from US\$1,729.4 million in December 2009. This 9.4% reduction in the NIR is much larger than the decline of 3.8% in December from November 2009, and marked the fifth straight monthly decline which temporarily reduced import coverage to the borderline 12.0 weeks international benchmark of NIR adequacy. With the receipt of US\$640 million in February 2010 from the IMF under the new Stand-by Agreement with the GOJ, NIR was boosted to US\$2,390 million. At current levels, the NIR is adequate to finance almost 20 weeks of “goods” imports or 16.9 weeks of “goods and services”, imports well above the 12 weeks international benchmark of NIR adequacy.

Foreign Currency Deposits

The Bank of Jamaica (BOJ) estimates that net foreign currency inflows in Oct-Dec.2009 quarter (Q4) was US\$1.133 billion - US\$34 more than inflows in Q3 2009, but US\$75 million less than the US\$1.208 billion recorded in Q4 2008. Outflows on the other hand, amounted to US\$1.615 billion—US\$204 million more than in Q3 2009, but US\$582 less than the US\$2.197 recorded in Q4 2008.

The Q4 over Q3 2009 outflows reflects higher out-payments for fuel, which increased in price by 11.4% during Q4' and the effect of seasonal increase in consumer demand. The year over year decline in outflows was influenced by generally weaker domestic demand brought on by the global recession. Net private inflows were insufficient to finance the imbalance of outflows over inflows, and the BOJ sold US\$115 million into the market relative to purchases of US\$61.9 million in Q3 2009.

Foreign Exchange

US DOLLAR: During the month of January 2010, the Jamaican dollar depreciated marginally by 10 cents or 0.11% to \$89.70 per US\$1. This continues the relative stability in the J\$/US\$ exchange rate observed since the

Table 1: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Jan-10	1,566.0	-163.4	-199.0	-163.4	12.01
Jan-09	1,765.0	-8.0	-54.1	-8.0	14.0

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Nov-09	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,648,494	(51,786)	(52,388)	-3.05%	-3.08%
Building Societies	495,696	6,332	33,827	1.29%	7.32%
Merchant Banks	108,678	(1,122)	(38,512)	-1.02%	-26.16%
Total Deposits	2,252,868	(46,576)	(57,073)	-2.03%	-2.47%

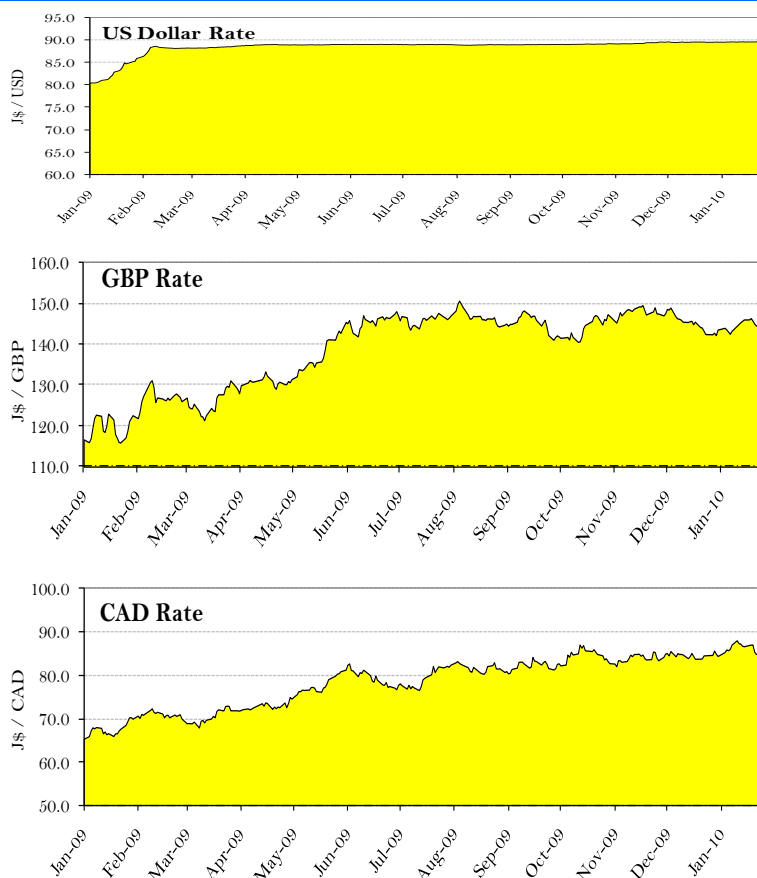
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2009—01/31/10) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2009	0.10	0.1	2.83	2.0	0.38	0.4
2008	-8.73	-10.8	25.12	21.5	6.08	9.3
2007	-3.07	-4.3	-8.59	-6.1	13.86	-19.4
Jan 2010						
Actual Rate	89.70	0.12	146.38	-0.45	84.94	0.66
Mth Change	0.11	0.12	-0.66	-0.45	0.56	0.66

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

first quarter (Q1) of 2009. For while the J\$ depreciated by J\$9.11 or 10.17% against its US counterpart in 2009, much of this decline occurred in the first five weeks of 2009. Thereafter, and for the next 10 months of 2009, the J\$ traded in a fairly narrow band of J\$88.70 to J\$89.65, before closing the year 3 cents off its lows for the calendar year.

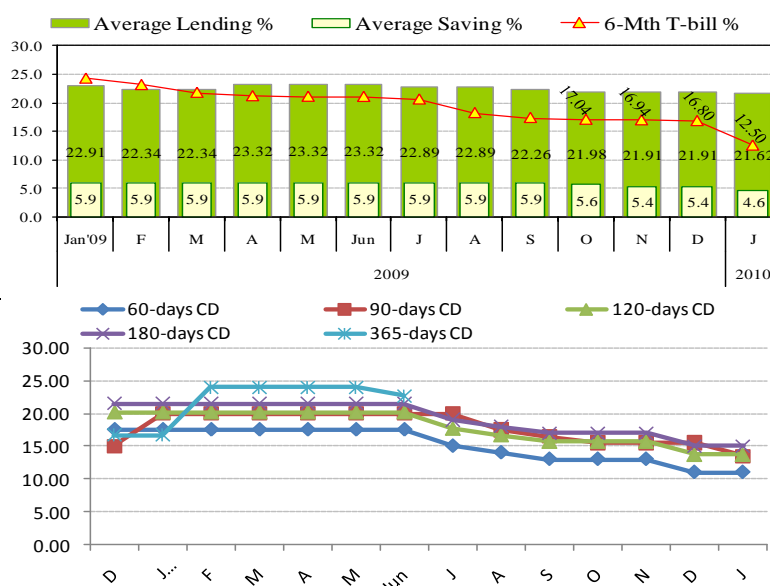
During the last quarter of 2009 (Q4), the average weekly trading range of J\$/US\$ had increased to 8 cents from 5 cents in Q3 and this slightly higher trading range has continued into the first weeks of 2010. The BOJ explains this uptick in the USD/J\$ trading range as being due to seasonally higher demand for foreign currency and uncertainty during the seeming delay in concluding an agreement with the IMF. Now that the IMF Agreement has been concluded and the NIR fortified, and with low interest rates worldwide and moderate inflation, it is possible that the relative stability observed in the J\$/US\$ exchange rate may continue, especially if Jamaica passes the IMF tests.

POUND & CANADIAN DOLLAR:

During the month of January 2010, the Jamaican dollar depreciated by J\$1.97 or 1.37% against the British pound moving from 1GBP = J\$143.55 to J\$146.38. Against the Canadian dollar, the J\$ depreciated by 37 cents, going from CAD1 = J\$84.56 at the beginning January to J\$84.94 at the end of the month—a 0.44% decline.

This depreciation of the J\$ against the GBP and the CAD in January 2010 reverses the slight appreciation of J\$ against both currencies in December 2009 when J\$ gained 0.9% against GBP and 0.6% against the CAD. Typically, supply/demand fundamentals concerning the availability of these currencies on the local market govern these trades which are often very choppy ranging by J\$2 to J\$3 in a month. In 2009 J\$ depreciated by 23% against the CAD and 19.2% against GBP.

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Dec-09	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	10.50%	-2.00%	-6.50%	-6.50%
60-days CD	11.00%	-2.00%	-6.50%	-6.50%
90-days CD	13.50%	-2.00%	-6.50%	-6.50%
120-days CD	13.70%	-2.00%	-6.50%	-6.50%
180-days CD	15.00%	-2.00%	-6.50%	-6.50%
Avg Savings Deposit	4.61%	-0.74%	-1.28%	-0.74%
Avg Loan Rate	21.62%	-0.29%	-1.29%	-0.29%
6-Month T-Bill	12.50%	-4.30%	-11.76%	-4.30%

Source: Bank of Jamaica (BOJ Preliminary)

Interest Rates

Citing positive trends in key economic indicators such as moderating inflation, improving balance of payments and stability in the exchange rate, and the expectations that they will be sustained over the medium term, the Bank of Jamaica slashed 2 percentage points or 200 basis points off of all its open market instruments in December 2009. The BOJ based its optimistic medium term outlook on the immanence of an early agreement between the

GOJ and the IMF, and the expectation that the US\$2.2 billion the GOJ would receive in loans from the IMF and other multilaterals, would enable the BOJ to maintain market stability despite what it views as 'short-term' inflationary pressures set off by the Government' tax package.

Now, since signing of the IMF Agreement the downward movement of interest rates has continued. Indeed, one of the main aims of the Jamaica Debt Exchange (JDX) was not simply to lower interest rates on pre-existing GOJ domestic debt, but to establish a lower trajectory for interest rates



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going forward.

Already, it seems like some success is being achieved towards this goal. The January 27th, 2010 treasury bill auction was over-subscribed for the 90-day and 182-day tenors which cleared market at 11.68% and 12.50% respectively— lopping 400 basis points from their previous levels. On February 8, 2010 the BOJ further lowered the interest rate on its 30 day instrument by 50 basis points to 10%, and since January 8th, 2010 the BOJ has been temporarily withholding its longer tenors to allow the market to establish a new yield curve.

How far the BOJ is able to go in reducing rates will greatly depend on the rate of inflation in 2010. If contrary to its expectations of 6% to 7%, inflation persists at the present 10.2% levels or rises higher throughout the year, then it may be difficult to push interest rates lower. But if inflation does fall into single digits then some further lowering of interest rates may be possible.

Base Money & Money Supply

According to the BOJ, the monetary base expanded by \$9 billion or 12.5% during the October to December Quarter of 2009. This compares to the 24.2% expansion during Q4 of 2008, and was even lower than the BOJ's projection for a 14.6% expansion.

The moderate expansion in the monetary base occurred in seeming defiance of the usual surge in the demand for currency associated with the Christmas season, and despite the fact that the BOJ provided net monetary accommodation to the GOJ to the tune of \$20.6 billion and significantly eased monetary policy. This moderate growth of the money base during

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Oct-09	Mthly	12 Mth
M1	100,385.00	3.09	13.99
Quasi Money	221,648.00	1.00	6.83
M2	322,033.00	1.64	8.97
	Dec-09	Mthly	12 Mth
Base Money	75,972.00	-6.34	9.94

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Jan	12-Mth	YTD	Fiscal
2010	1.46	12.21	8.94	10.42
2009	-0.37	13.90	-0.37	10.66

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

Table 7: Mining Production

	000 tonnes			YTD	
	Jan-10	Jan-09	%	Jan-10	10/09 %
Production					
Alumina	123.1	278.6	-55.8	123.1	-55.8
C. Bauxite	612.2	1,090.9	-43.9	612.2	-43.9
Export					
Alumina	123.7	245.0	-49.5	123.7	-49.5
C. Bauxite	627.1	1,037.2	-39.5	627.1	-39.5

Source: Jamaica Bauxite Institute (JBI)

Q4 2009 likely attest to the continuing severe depression of demand caused by the global recession.

During Q4, the broadest measure of money supply, M3J, expanded by 4.7% relative to a 4.1% expansion in Q4 of 2008. The main source of growth of M3J was an expansion in banking system credit to the public sector and larger than projected build-up in local currency deposits. M3, the measure of money which includes foreign currency deposits, increased by 4.8% relative to the 5.5% in Q4 of 2008, due to a slowdown in the rate of foreign currency deposits. M2 which includes local currency deposits

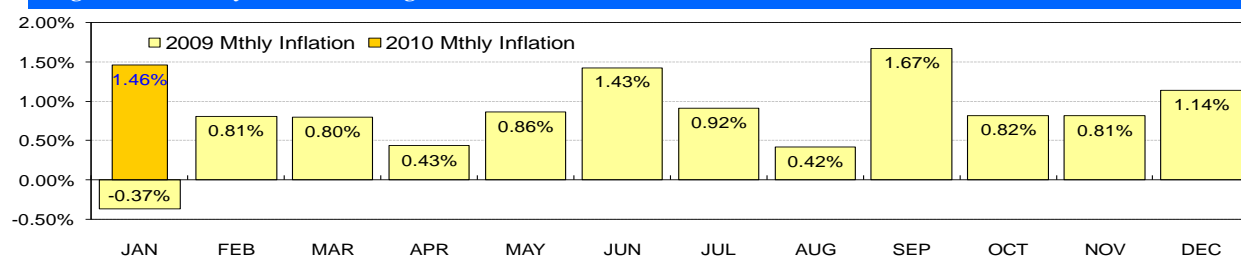
grew by 2.6% well below the average 4.8% of the last five quarters. At the end of Q4 2009, the money multiplier was 3.71 relative to 3.99 at the end of Q3 2009.

Inflation

The inflation out-turn in January 2010, was 1.46% compared to 1.14% recorded for the previous month and -0.37% one year ago.

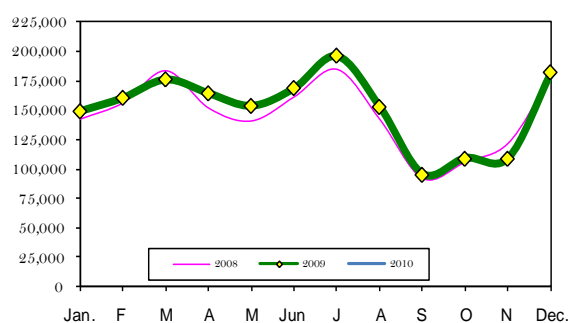
All twelve (12) divisions within the "All Jamaica Consumer Price Index" recorded increases. The largest increase was the 6.8 per cent recorded for 'Alcoholic Beverages and Tobacco'

Figure 3: Monthly Inflation Changes



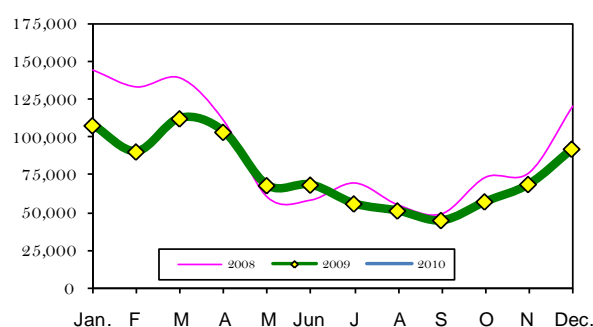
Source: STATIN and PSQJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

resulting from the increase in the Special Consumption Tax (SCT) imposed on cigarettes. This was followed by the increases in the 'Transport' and 'Communication' divisions which recorded increases of 3.2 and 2.9 per cent respectively reflecting the increased ad valorem tax on fuels. Five other divisions within the "All Jamaica CPI recorded increases of 1% to 2.9%. For the fiscal year-to-date the rate of inflation was 10.4 per cent, while the point-to-point inflation rate was 12.2 per cent.

Going forward, the Bank of Jamaica is forecasting an increase in headline inflation, 'albeit temporarily', in the range of 3.5% to 4.5% for the March 2010 Quarter. This is based on the expected impact of Government's recent tax increases and the pass-through of higher import prices—especially for fuel. The BOJ expects inflation to abate in the second half of 2010 due to continued weak domestic demand, continued stability in the exchange rate, and lower prices for domestic agricultural commodities. The BOJ notes, that the upside risks to the forecast are the second round effects of the tax measures, adverse weather conditions and higher import prices. Downside risks are greater than anticipated contraction in domestic demand.

Bauxite & Alumina

Production of alumina in January 2010 amounted to 123,121 tons, a 2% increase over the 120,835 tons produced in December 2009. For its part, total production of bauxite in January 2010 declined by 11.4% to 612,176 tons compared to 691,126 tons produced in December. For the recently concluded calendar year (2009), alumina production fell by 55.61% to 1,773,567 tons and alumina exports by 53.4% to 1,879,748 when compared to calendar year 2008. Bauxite production for its part was down by

Tourist Arrivals

	2008	2009	%Change	
	YTD (Jan-Dec)		YTD - YOY	Dec. 08/09
Stopover	1,767,271	1,831,097	3.6%	1.2%
Foreign	1,623,675	1,683,846	3.7%	1.6%
Non-Resident	143,596	147,251	2.5%	-1.3%
Cruise	1,088,901	922,349	-15.3%	-23.5%
Total Arrivals	2,856,172	2,753,446	-3.6%	-8.7%

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

46.6% to 7,817,463 tons and bauxite exports likewise fell by 45% to 8,092,439 tons compared to year 2008.

The depressed levels of bauxite/alumina production and export reflects the continuing impact of the hopefully now easing global recession on the industry. But even when the recovery is fully established, there are questions as to whether local production will return to peak levels, considering that output in the US auto industry, one of the main end users of Jamaican bauxite is expected to top out at 12.5 million cars per year for the next several years compared to 16.5 million previously. Deals with India and China which are expected to become bigger end users of bauxite as their auto industries grow need to be explored.

Tourism

Stopover arrivals in December 2009 were 181,816—a 1.2% increase over the 179,614 recorded in December 2008. However, the number of cruise passengers visiting the island in December 2009 declined by 23.5% to 92,314 compared to 120,612 in December 2008.

For calendar year 2009, stopover arrivals increased by 63,826 to

1,831,097 visitors marking a 3.6% increase over calendar year 2008 when there were 1,767,271 stopover visitors to the island.

During calendar year 2009, 1,172,844 or 64.1% of all stopover arrivals came from the United States reflecting a 1.9% increase over the corresponding period in 2008. Nonetheless, the share of visitors from the US declined by 1 percentage point from a year earlier. Canadian visitors numbering 290,307 accounted for 15.9% of stopovers during the period posting a remarkable 22.9% increase over their numbers for calendar year 2008 and a 2.5% jump in their market share from 13.4% a year earlier. Visitors from Europe, including the UK, declined by 2.8% in 2009 to 276,799 compared to 284,700 in 2008. Their market share also declined by 1 percentage point to 15.1%. Approximately 3.6% of stopover arrivals emanated from the Caribbean with the remaining 1.3% from other territories.

For calendar year 2009, 922,349 cruise passengers visited the island. These were 177,552 or 16.3% fewer than the 1,088,901 cruise visitors for 2008. Total Visitors to the island for 2009 were 2,753,446—a 3.6% reduction from the 2,856,172 visitors in

2008 and is wholly due to the fall-off in cruise passenger arrivals. Preliminary figures for January 2010 are indicating that Airport arrivals increased by 8.4%.

External Trade

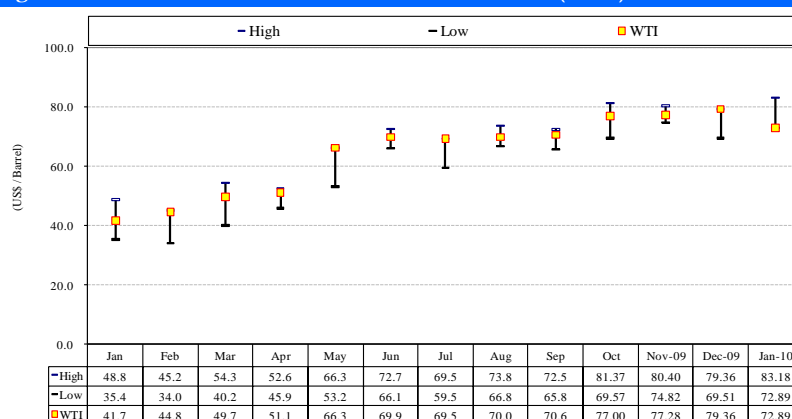
For the period January to October 2009, the total value of exports was US\$1.22 billion representing a 53.3% decline from the US\$2.40 billion recorded for same period in 2008. Imports for the review period also declined substantially by 44.5% to US\$4.13 billion compared to US\$7.44 billion for the corresponding period of 2008. Given the continuing wide gap between the country's imports and exports, the resultant trade deficit was US\$3.009 billion compared to US\$5.034 billion for the January to October period of 2008.

Traditional Exports: Agriculture, which recorded growth of 27.1% was the only group among Jamaica's traditional exports to grow during January to October 2009 compared to the same period of 2008 earning US\$37.15 million. Coffee, which has become our dominant agricultural export commodity in recent years, accounted for 88.9% of those earnings growing by 33.9% and earning US\$33.04 million. Among the smaller export crops, cocoa grew by 52.9% adding a modest US\$1.2 million to earnings. But earnings from citrus and pimento declined to US\$1.65 million and US\$1.45 million respectively, while bananas, now a mere trace of its former glory added \$6,000 to export earnings.

Exports from the Mining and Quarrying group, persisted in unrelenting downturn, declining by a massive 68% to US\$375.9 million when compared to the US\$1,175.8 million earned by the sector in the same period of 2008. Despite the massive contraction in the Mining and Quarrying sector, the sector is still the largest 'traditional' export earner accounting for approximately 58.9% of their export earnings in the first 10 months of 2009 while alumina remains Jamaica's largest commodity export earner.

Exports of traditional manufactured items also did not fare well during

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 '08	Jan-Oct '09	Change	% Change
TOTAL EXPORTS (fob)	2,403.98	1,122.55	-1,281.44	-53.3%
Major Traditional Exports	1,351.68	527.15	-824.54	-61.0%
<i>by Sector:-</i>				
Agriculture	29.22	37.15	7.93	27.1%
Mining & Quarrying	1,175.80	375.85	-799.95	-68.0%
Manufacturing	146.67	114.15	-32.52	-22.2%
<i>by Industry:-</i>				
Bauxite	97.09	65.41	-31.68	-32.6%
Alumina	1,075.62	310.31	-765.32	-71.2%
Sugar	104.25	72.33	-31.92	-30.6%
Rum	40.63	40.00	-0.63	-1.6%
Bananas	0.04	0.01	-0.03	-83.8%
Coffee	24.68	33.04	8.36	33.9%
Other	9.36	6.05	-3.31	-35.4%
Non-Traditional Exports	998.00	531.20	-466.80	-46.8%
Re-exports	54.30	64.20	9.90	18.2%
TOTAL IMPORTS	7,438.59	4,132.06	-3,306.53	-44.5%
Food	736.79	668.19	-68.60	-9.3%
Beverages & Tobacco	77.77	65.93	-11.84	-15.2%
Crude Materials (excl. Fuels)	66.19	43.94	-22.25	-33.6%
Mineral Fuels, etcetera	3,176.11	1,127.96	-2,048.15	-64.5%
Animal & Vegetable Oils & Fats	41.46	27.02	-14.44	-34.8%
Chemicals	817.79	615.30	-202.49	-24.8%
Manufactured Goods	770.38	451.43	-318.95	-41.4%
Machinery and Transport Equip.	1,076.61	684.84	-391.77	-36.4%
Misc. Manufactured Articles	583.01	344.03	-238.99	-41.0%
Other	92.48	103.42	10.94	11.8%
TRADE BALANCE	(5,034.61)	(3,009.51)	2,025.09	-40.2%

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

January –October 2009 declining by 22.3% to US\$114.1 million from US\$146.7 million a year earlier. Much of this decline was contributed to by sugar which fell by US\$31.9 million to US\$72 million while rum and 'coffee products' declined marginally to US\$40.0 million and US\$949,000 respectively.

Non-traditional exports accounted for 47.2% of exports by value in the 10 months from January to October 2009 surpassing earnings from traditional exports. Nonetheless, earnings in this segment decreased substantially by US\$466.8 million or 46.8% to US\$531.20 million compared to the US\$998.0 million earned in the corre-

sponding period of 2008.

Earnings from non-traditional “Food” items improved by 1.4% during the review period and were valued at US\$99.0 million. Of this amount, Yams (the leading non-traditional food item), earned US\$16.0 million, a 7% reduction below the US\$17.2 million reported for the comparable period of 2008; ‘Juices excluding Citrus’ declined by 19.2% to US\$5.9 million, while ‘Sauces declined marginally to US\$8.9 million. But “Ackee” exports valued at US\$10.9 million and ‘Baked Products’ valued at US\$9.3 million recorded increases of 76.7% and 8.6% respectively.

The category “Beverages and Tobacco” declined marginally to US\$44.84 million. Within this category ‘Non-Alcoholic Beverages’ declined by 10.9% to US\$7.10 million while ‘Alcoholic Beverages (excl. Rum)’ increased by 1.4% to US\$37.7 million.

Earnings from “Crude Materials” was nearly halved to US\$13.98 million due mainly to a sharp fall in exports of ‘Waste and Scrap Metals’ from US\$20.34 million in Jan-October 2008 to US\$10.4 million during the current period.

The category “Other” non-traditional domestic exports also declined by a substantial 55% to US\$373.3 million from US\$831.4 million a year earlier. Leading the declines in this sub-group were: “Ethanol”—down 60.3% to US\$148.85 million; “Mineral Fuels etc” down 55.4% to US\$177.49 million and “Chemicals (excluding alcohol)” down 46.4% to US\$24.56million.

Jamaica’s Imports were slashed by a substantial 44.5% to US\$3.306 billion in the first 10 months of 2009 from US\$7.439 billion for the corresponding period of 2008. If the sharp fall in our exports reveals the severity of the recession externally, then the equally sharp fall in our imports reveals the severity of the downturn within Jamaica given the high dependence of our consumption and production on imports. Apart from a 11.5% increase in ‘Other’ imports all other nine categories of imports were down, some by very wide margins. Reflecting the sharp drop in oil prices from historic highs in 2008, imports of ‘Mineral Fuels and similar items’ was down US\$2.048 billion or 64.5%; ‘Machinery & Transport Equipment’ (down US\$391.77 million or 36.4%); ‘Manufactured

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

	Jan-Oct 2008	Jan-Oct 2009	\$ Change	% Change
Current Account	(2,609.7)	(655.4)	1,954.3	74.9%
Goods Balance	(4,284.1)	(2,495.0)	1,789.1	41.8%
Exports	2,454.7	1,178.0	(1,276.7)	-52.0%
Imports	6,738.8	3,673.0	(3,065.9)	-45.5%
Services Balance	304.1	617.6	313.5	103.1%
Transportation	(568.7)	(303.5)	265.2	46.6%
Travel	1,403.7	1,414.2	10.5	0.7%
Other Services	(530.9)	(493.0)	37.9	7.1%
Income	(441.0)	(471.9)	(30.9)	-7.0%
Compensation of empl	66.4	42.8	(23.5)	-35.4%
Investment Income	(507.4)	(514.7)	(7.4)	-1.5%
Current Transfers	1,811.3	1,693.8	(117.5)	-6.5%
Official	83.6	131.8	48.2	57.7%
Private	1,727.7	1,562.0	(165.6)	-9.6%
Capital & Financial Account	2,609.7	655.4	(1,954.3)	-74.9%
Capital Account	23.1	15.4	(7.7)	-33.3%
Capital Transfers	23.1	15.4	(7.7)	-33.3%
Official	48.6	45.3	(3.3)	-6.8%
Private	(25.5)	(29.8)	(4.4)	-17.3%
Acq/disposal	-	-	-	0.0%
Financial Account	2,586.6	640.0	(1,946.6)	-75.3%
Other Official Invst	526.8	230.3	(296.4)	-56.3%
Other Private Invst	1,984.7	546.1	(1,438.6)	-72.5%
Reserves	75.1	(136.4)		

Source: BOJ & Statistical Update:

Goods’ (down US\$318.95 million or 41.4%), ‘Miscellaneous Manufactured Goods’ (down US\$238.9 million or 41.0%), and ‘Chemicals’ (down US\$202.49 million or 24.8%). (see Total Imports section of Table 9).

Oil: At the end of January 2010, the West Texas Intermediate (WTI) Crude Oil price stood at US\$72.89 per 42 gallon barrel a marginal 8.2% decrease over the previous end of month price of US\$79.36. During January 2010 the price ranged between a low of US\$72.89 and a high of \$US83.18 per barrel. (Refer to Figure 5 for further details).

Balance of Payments

Jamaica’s current account deficit for the first 10-months of 2009 was US\$655.4 million. This represented an improvement of US\$1,954 billion relative to the corresponding period in 2008. The improved performance in the current account was mainly due to a substantial US\$1.789 billion reduction in imports, reflecting the continuing impact of the global recession, which had positive effects on the outturn in the **Goods Sub-**

account and the **Services Sub-account**.

The **Goods Sub-account** recorded a deficit of US\$2.495 billion, an improvement of US\$1.789 billion over the corresponding period of 2008. This mainly resulted from a reduction in fuel imports of US\$2,048 billion. The improvement in the **Goods sub-account** was however partially offset by a decline of US\$1.276 billion in exports, due mainly to a reduction in alumina exports of US\$763.6 million.

The surplus on the **Services Sub-account** increased by US\$313.5 million. This primarily resulted from a decline in freight costs associated with reduced imports.

The balance on the **Income Sub-account** declined by US\$30.9million during the review period. This resulted primarily from decline in investment income inflows.

Over the period, there was a decline in the **Current Transfers Sub-account** of US\$117.5 million to US\$1.693 billion. This was largely the result of a decline of US\$165.6

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Dec (Fiscal—2009/10)				Apr-Dec (YOY)	
	J\$ million		Deviation		08/09 - 09/10	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	205,524.8	231,003.5	-25,478.7	-11.03	2,537.8	1.9
Tax Revenue	185,909.6	207,948.2	-22,038.6	-10.60	3,340.0	2.8
Non-Tax Revenue	11,237.0	12,218.0	-981.0	-8.03	-1,306.5	-15.2
Bauxite Levy	1,498.0	104.5	1,393.5	1333.49	-2,637.1	-97.0
Capital Revenue	1,108.7	1,971.9	-863.2	-43.78	237.9	33.1
Grants	5,771.5	8,760.9	-2,989.4	-34.12	2,903.4	122.7
Expenditure	304,747.1	309,222.8	-4,475.7	-1.45	44,254.7	28.3
Recurrent Expenditure	280,136.8	280,730.1	-593.3	-0.21	42,250.3	29.9
Programmes	53,183.9	61,590.6	-8,406.7	-13.65	841.5	2.5
Wages & Salaries	94,192.6	95,307.3	-1,114.7	-1.17	14,839.5	30.3
Interest	132,760.3	123,832.1	8,928.2	7.21	26,569.2	45.3
Domestic	96,991.7	89,148.4	7,843.3	8.80	19,657.9	46.0
External	35,768.6	34,683.7	1,084.9	3.13	6,911.4	43.7
Capital Expenditure	24,610.4	28,492.8	-3,882.4	-13.63	2,004.6	13.1
Capital Programmes	24,610.4	28,492.8	-3,882.4	-13.63	2,004.6	13.1
IMF #1 Account	0.0	0.0	0.0		0.0	
Fiscal Balance (Surplus [+ve])	-99,222.4	-78,219.3	-21,003.1	-26.85	-41,716.9	-172.2
Loan Receipts	201,465.7	176,612.7	24,853.0	14.07	44,510.3	51.3
Domestic	188,243.3	161,737.0	26,506.3	16.39	66,588.4	115.0
External	13,222.4	14,875.6	-1,653.2	-11.11	-22,078.4	-76.4
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	103,099.5	98,167.2	4,932.3	5.02	16,820.5	32.3
Domestic	83,054.4	80,904.6	2,149.8	2.66	15,082.2	37.1
External	20,045.1	17,262.6	2,782.5	16.12	1,738.3	15.3
Overall Balance (Surplus [+ve])	-856.2	226.2	-1,082.4	-478.51	-14,027.1	-133.3
Primary Balance (Surplus [+ve])	33,537.9	45,612.8	-12,074.9	-26.47	-15,147.9	-44.1

Source: Ministry of Finance and Planning

million in remittances. Flows from official and private sources were insufficient to finance the current account deficit. Accordingly the BOJ drew down the NIR by US\$136.4 million to finance the gap..

Historically, Jamaica has run a deficit on current account equivalent to 15-20% of GDP. The fact that it has been slashed to about 5% of GDP, is mainly due to the sharp cutbacks in our imports and exports caused by the unique circumstances of the severe global recession.

Fiscal Accounts

For the first three quarters of fiscal year 2009/10 (Apr-Dec) the Government of Jamaica (GOJ) accumulated a fiscal deficit of \$99.22 billion—about 9.25% of GDP. This was \$21.0 billion (or 21.2%) more than the planned

deficit for the period. The main contributor to the fiscal deficit was a \$25 billion shortfall in projected tax revenues which was insufficiently offset by \$4.4 billion in expenditure cuts.

REVENUE: Total Revenues to the fiscal account for the first 9-months of the fiscal year was \$205.5 billion. This was as noted, \$25 billion (or 11%) lower than the \$231 billion targeted for the period. The six (6) largest contributors to revenue accounting for \$126.64 billion were PAYE (\$42.10 billion) and tax on interest income (\$20.45 billion) both of which came in modestly better than projected recording increases of 3.2% and 0.6% respectively. Other large contributors to revenue were local GCT (\$30.07 billion), GCT on Imports (\$20.89 billion), SCT on Imports (\$17.17 billion), and Company Taxes (\$20.45 billion). These all came in substantially less than expected contributing a combined –

16.64 billion to the deficit. In particular, possibly reflecting the continuing soft demand conditions in the economy, GCT from imports were down 21%, local GCT was down 13%, Customs duties were down 16.4% and Company taxes were down 11.5% (see *Fiscal Account chart in Appendix, pg.14 for further details*).

The large shortfalls on these major revenue heads more than offset the better than expected gains of \$1.22 billion by the few outperformers on the revenue accounts such as “Tax on Interest”, PAYE, “Travel Tax”, “Other Licenses”, “Betting, Gaming & Lottery”, and “Bauxite & Alumina” (see table 12).

EXPENDITURE: During the first 9-months of fiscal 2009/10 actual expenditure amounted to \$304.75 billion. This was lower than the budgeted level by approximately

\$4.75 billion (or 1.4%). This mainly reflected cutbacks in Recurrent and Capital Programmes of \$7.8 billion and \$1.08 billion respectively, and \$1.12 billion reduction in wages and salaries possibly due to the continuing delay in wage talks between Government and certain categories of public sector workers. The savings achieved on the under-spent items were offset by larger than projected interest payments on both the domestic and external debt amounting to \$7.8 billion for the former and \$1.08 billion in the case of the external debt. The only other area of increased expenditure above budget was the \$4.93 billion increase in amortization payments providing an additional \$2.78 billion towards paying down the external debt and \$2.15 billion more than budgeted going towards paying down the domestic debt.

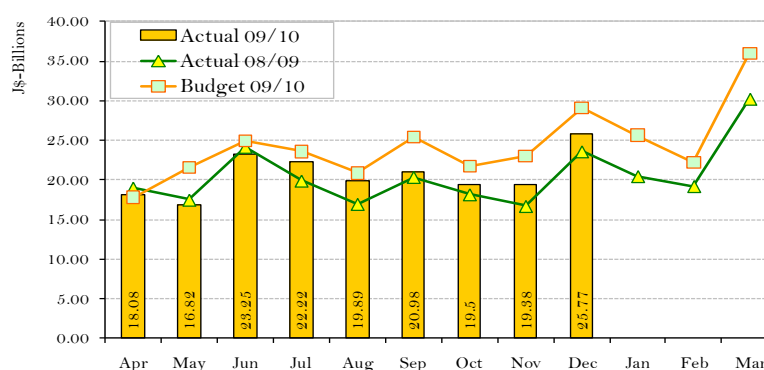
FISCAL BALANCE: The accumulated fiscal deficit of \$99.2 billion for the 9 month period under review was financed by loans amounting to \$201.5 billion which exceeded the budgeted levels by \$24.85 billion (or 12.3%). Ninety-three percent (93.4%) of loan receipts or \$188 billion was sourced from the domestic market, while external loans, which were actually under-subscribed by \$1.65 billion, providing the remaining 6.6% or \$13.2 billion of loans.

Total amortization was \$103.10 billion for the review period—4.7% above the \$98 billion originally budgeted. \$83 billion or 80.5 went to domestic creditors of the GOJ and the remaining \$20 billion to external creditors.

The Primary Surplus for the 9 month period from April to December 2009 was approximately \$33.5 billion, which fell short of budget by \$12.10 billion (or 26.8%). After taking account of amortization, the overall balance on the fiscal account was a deficit of \$856 million which exceeded the planned deficit by \$1.082 billion (see table 11).

PUBLIC DEBT: Total public debt as of November 2009 stood at \$1.333 trillion. This represents an additional \$10.65 billion added to the debt stock over the previous month. Since January 2009, the stock of public debt has increased by \$168.78 billion or 12.6%. The do-

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



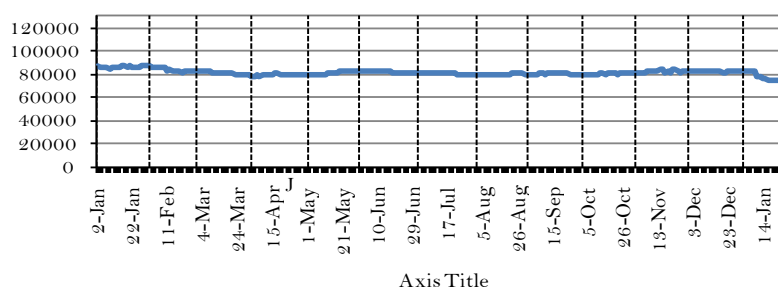
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Dec 2009/10
Revenue (Revenue Surpluses)		
Tax on Interest		648.40
PAYE		283.10
Environmental Levy		156.90
Travel Tax		146.20
Other Licenses		71.40
Revenue (Revenue Shortfalls)		
GCT (imports)		-5,641.10
GCT (local)		-4,563.20
Grants		-2,989.40
Custom Duty		-2,909.10
SCT (imports)		-2,407.80
Expenditure (Changes)		
Programmes	(under-spend)	-8,406.70
Capital Programmes	(under-spend)	-3,882.40
External - Interest	(under-spend)	-1,297.40
Wages & Salaries	(under-spend)	-1,114.70
Domestic - Interest	(over-spend)	7,843.30

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Jan - Dec-09



Source: Jamaica Stock Exchange (Online Database) and PSQJ

mestic debt currently stands at \$735.61 billion or 55.15% of the total, while the external debt amounts to \$598.19 billion or 44.85% of the total debt stock of \$1.333 trillion.

For the April to December period of FY2009/10, the GOJ had programmed J\$123 billion for debt service but had already exceeded that amount by 8.5%.

Stock Market

During the month of January 2010, market capitalization on the Jamaica Stock Exchange plunged by J\$52.01 billion or 9.5% to J\$492.875 billion. Four of the five indices on the Exchange declined and one advanced. The main **JSE Market Index** declined by -8,156 points or -9.8% to close at 75,166 points. The **JSE Select** declined by -180 points or -9.5% to close at 1,716 points and the **JSE All Jamaican Composite** declined by -6,805 points or -9.6% to close at 64,190 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica also declined by -10.0% to close at 866.6 points. The **Jamaica Stock Exchange Junior** was the only Index gaining a marginal 1.50 points to close at 151.60.

Volume was very heavy on the Exchange with 1,468,780,766 units

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

	31- Dec-09	31- Jan 10	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Berger Paints	1.20	1.70	0.50	41.67%
Desnoes & Geddes	3.42	4.00	0.58	16.96%
JMMB	2.27	2.65	0.38	12.50%
Bank of Nova Scotia	1.12	1.26	0.14	9.45%
Radio Jamaica	2.01	2.20	0.19	9.45%
Bottom Five (unadjusted for dividends or transact. Costs)				
Guardian Holdings	299.50	175.0	(125.50)	-41.57%
Pegasus Hotels	19.99	14.07	(5.92)	-29.61%
Montego Freeport	1.90	1.36	(0.54)	-28.42%
Jamaica's Producer's Gp.	2.5.89	21.02	(4.87)	-18.81%
Capital & Credit M. Bank	1.55	1.26	(0.29)	-18.71%

Source: Compiled from the JSE

valued at \$3,131,073,224 billion changing hands. Overall market activity resulted from trading in 42 stocks of which 12 advanced, 26 declined and 4 traded firm. Supreme Ventures dominated market volume accounting for 89.6% of traded shares followed by Kingston Wharves with 8.9% of

market volume. The leading advances for January 2010 were: Berger Paints, Desnoes & Geddes, JMMB, Bank of Nova Scotia and Montego Freeport. The leading decliners were: Guardian Holdings, Pegasus Hotel, Montego Freeport, and Jamaica Producers Group (See Table 13).

Developments & Outlook

Contd from P1.

That is because our two key industries and largest income and foreign exchange earners—bauxite and tourism—are inextricably bound-up with the global economy and rise or fall with it.

This great dependence of the Jamaican economy on the global economy highlights the vulnerabilities and challenges facing the country in the road ahead especially as it relates to passing the IMF Tests. Because in the short-term, given the weak to non-existent control the country has over the main drivers of our economy, it is largely, but not entirely within our control how the country performs on the IMF Tests.

This highlights the need that the US\$2.4 billion (J\$220 billion) that the country will borrow over the next three years from the IMF and other multilaterals be put to good use to reduce the country's vulnerabilities to weather and external shocks; broaden and strengthen export industries; and further enhance the country's autonomous

production capacities wherever feasible to reduce our trade dependence.

PSOJ's Economic Framework

To achieve these objectives several of the proposals in the Private Sector Organization of Jamaica (PSOJ) 'Economic Policy Framework' and currently under consideration or being implemented by the Government will have to succeed. These include:

1. Right-sizing the Government to reduce costs and make Government more efficient without casting out vitally needed skills.
2. Enacting comprehensive tax reform to reduce the fiscal deficit and balance the budget, and to make the tax system more efficient and equitable, while providing competitive incentives to business.
3. Improve national security to reduce the fear and risks of crime and to build confidence and encourage investments.
4. Further reduce and keep interest rates low to encourage investment and reduce government debt service.
5. Reduce dependence on imported fuel which now accounts for 40% of the country's import bill, and encourage the development and

use of renewable energy.

6. Provide stronger financial, technical and marketing support to exporting, value-added and linkage industries to improve product quality, brand development, market penetration and income growth.

Achieving these goals will be very challenging and will require further sacrifice and forbearance from the Jamaican people. But in many ways Jamaica is at one of its most profound economic and social crossroads. The country's debt to GDP ratio of 140% and Government's chronic over-expenditure above revenues have become unsustainable. At the same time, the country's narrow, shallow and uncompetitive economy has long fallen short in producing the standard of living and quality of life most Jamaicans desire. Given these circumstances a change had to come.

Jamaica cannot fail to meet these challenges at this time. The consequences of failure are simply too dire. The country would slip into a deeper debt-trap and more economic and social breakdown.

INFLATION (JANUARY 2010) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	1.46%	1.463		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.78%	0.291	2	
Food	0.77%			
Bread and Cereals	0.59%			
Meat	1.65%			
Fish and Seafood	1.34%			
Milk, Cheese and eggs	1.49%			
Oils and Fats	1.76%			
Fruit	-1.40%			
Vegetables and Starchy Foods	-1.35%			
Vegetables	-0.71%			
Starchy Foods	-3.13%			
Sugar, Jam, Honey, Chocolate and Confectionery	2.54%			
Food Products n.e.c.	1.76%			
Non-Alcoholic Beverages	1.42%			
Coffee, tea and Cocoa	1.93%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	1.19%			
ALCOHOLIC BEVERAGES AND TOBACCO	6.83%	0.094	7	
CLOTHING AND FOOTWEAR	0.96%	0.032	11	
Clothing	1.11%			
Footwear	0.79%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	1.72%	0.220	3	
Rentals for Housing	5.08%			
Maint and Repair of Dwelling	0.21%			
Water Supply and Misc. Serv Related to the Dwelling	3.52%			
Electricity, Gas and Other Fuels and Routine	-0.12%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.74%	0.036	10	
Furniture and Furnishings (including Floor Coverings)	1.41%			
Household Textiles	0.95%			
Household Appliances	1.02%			
Glassware, Tableware and Household Utensils	0.47%			
Tools and Equipment for House and Garden	1.34%			
Goods and Serv. for Routine Household Maint	0.47%			
HEALTH	0.43%	0.014	12	
Medical Products, Appliances and Equipment	0.16%			
Health Services	0.61%			
TRANSPORT	3.14%	0.402	1	
COMMUNICATION	2.92%	0.117	5	
RECREATION AND CULTURE	1.40%	0.047	8	
EDUCATION	1.75%	0.037	9	
RESTAURANTS AND ACCOMMODATION SERVICES	1.63%	0.101	6	
MISCELLANEOUS GOODS AND SERVICES	1.99%	0.166	4	

INFLATION YTD (JAN 2010 -) - CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	1.46%	1.463		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.78%	0.291	2	
Food	0.77%			
Bread and Cereals	0.59%			
Meat	1.65%			
Fish and Seafood	1.34%			
Milk, Cheese and eggs	1.49%			
Oils and Fats	1.76%			
Fruit	-1.40%			
Vegetables and Starchy Foods	-1.35%			
Vegetables	-0.71%			
Starchy Foods	-3.13%			
Sugar, Jam, Honey, Chocolate and Confectionery	2.54%			
Food Products n.e.c.	1.76%			
Non-Alcoholic Beverages	1.42%			
Coffee, tea and Cocoa	1.93%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	1.19%			
ALCOHOLIC BEVERAGES AND TOBACCO	6.83%	0.094	7	
CLOTHING AND FOOTWEAR	0.96%	0.032	11	
Clothing	1.11%			
Footwear	0.79%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	1.72%	0.220	3	
Rentals for Housing	5.08%			
Maint and Repair of Dwelling	0.21%			
Water Supply and Misc. Serv Related to the Dwelling	3.52%			
Electricity, Gas and Other Fuels and Routine	-0.12%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.74%	0.036	10	
Furniture and Furnishings (including Floor Coverings)	1.41%			
Household Textiles	0.95%			
Household Appliances	1.02%			
Glassware, Tableware and Household Utensils	0.47%			
Tools and Equipment for House and Garden	1.34%			
Goods and Serv. for Routine Household Maint	0.47%			
HEALTH	0.43%	0.014	12	
Medical Products, Appliances and Equipment	0.16%			
Health Services	0.61%			
TRANSPORT	3.14%	0.402	1	
COMMUNICATION	2.92%	0.117	5	
RECREATION AND CULTURE	1.40%	0.047	8	
EDUCATION	1.75%	0.037	9	
RESTAURANTS AND ACCOMMODATION SERVICES	1.63%	0.101	6	
MISCELLANEOUS GOODS AND SERVICES	1.99%	0.166	4	

FISCAL ACCOUNT (APR - DEC 2009/10)

REV. & EXPEN. (APR'09 - DEC'09)	J\$m	PROVISIONAL Results	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	205,524.8		-25,478.7		2,537.80	
Tax Revenue	185,909.6		-22,038.6		3,340.00	
Non-Tax Revenue	11,237.0		-981.0		-1,306.50	
Bauxite Levy	1,498.0		1,393.5		-2,637.10	
Capital Revenue	1,108.7		-863.2		237.90	
Grants	5,771.5		-2,989.4		2,903.40	
Expenditure	304,747.1		-4,475.7		44,254.70	
Recurrent Expenditure	280,136.8		-593.3		42,250.30	
Programmes	53,183.9		-8,406.7		841.50	
Wages & Salaries	94,192.6		-1,114.7		14,839.50	
Interest	132,760.3		8,928.2		26,569.20	
Domestic	96,991.7		7,843.3		19,657.90	
External	35,768.6		1,084.9		6,911.40	
Capital Expenditure	24,610.4		-3,882.4		2,004.60	
Capital Programmes	24,610.4		-3,882.4		2,004.60	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-99,222.4		-21,003.1		-41,716.90	
Loan Receipts	201,465.7		24,853.0		44,510.30	
Domestic	188,243.3		26,506.3		66,588.40	
External	13,222.4		-1,653.2		-22,078.40	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	103,099.5		4,932.3		16,820.50	
Domestic	83,054.4		2,149.8		15,082.20	
External	20,045.1		2,782.5		1,738.30	
Overall Balance (Surplus [+ve])	-856.2		-1,082.4		-14,027.10	
Primary Balance (Surplus [+ve])	33,537.9		-12,074.9		-15,147.90	

REV. & EXPEN. (APR'09 - DEC'09)	J\$m	PROVISIONAL Results	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	205,524.8		-25,478.7		2,537.8	
Tax Revenue	185,909.6		-22,038.6		3340	
Income and profits	78,789.1		-3,262.3		3888.9	
Bauxite/alumina	19.2		19.2		19	
Other companies	14,274.5		-1,862.7		-336.5	
PAYE	42,124.4		283.1		1568.3	
Tax on dividend	218.8		-797.3		-115.2	
Other individuals	1,696.3		-1,553.0		-973.8	
Tax on interest	20,455.9		648.4		3727.1	
Environmental Levy	1,641.7		156.9		-121.3	
Production and consumption	50,490.1		-8,723.8		-759.7	
SCT	3,520.0		-2,407.8		372.3	
Motor vehicle licenses	1,277.2		-40.5		71.9	
Other Licenses	371.2		71.4		76.4	
Betting, gaming and lottery	1,095.2		65.6		138.1	
Education Tax	8,855.3		-216.8		156.8	
Contractors levy	588.9		-21.7		-16.6	
GCT (Local)	30,069.7		-4,563.2		20.4	
Stamp Duty (Local)	4,712.6		-1,610.8		-1578.8	
International Trade	54,988.7		-10,209.4		332.3	
Custom Duty	14,796.3		-2,909.1		-1132.1	
Stamp Duty	929.5		-125.3		70.2	
Travel Tax	1,261.3		146.2		-30.4	
GCT (Imports)	20,833.6		-5,641.1		-2260.4	
SCT (Imports)	17,168.0		-1,680.1		3685.2	
Non-Tax Revenue	11,237.0		-981.0		-1306.5	
Bauxite Levy	1,498.0		1,393.5		-2637.1	
Capital Revenue	1,108.7		-863.2		237.9	
Grants	5,771.5		-2,989.4		2903.4	

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 '08	-11.73	12.95	n/a	14.01	1,819.08	2,454.38	2.23	18.21	5.1	71.74	13.33	21.64	4.88	560,278.86	6,123.21
Feb	0.34	11.22	1.61	16.77	1,956.20	2,436.13	1.76	19.90	13.3	71.37	14.22	22.39	4.88	562,555.18	6,159.34
Mar	1.81	13.54	-3.46	12.21	2,083.40	2,450.52	1.15	19.90	4.6	71.09	14.23	22.47	4.88	562,108.09	6,169.29
Apr	-2.17	11.27	2.81	13.79	2,162.86	2,451.16	1.55	21.18	-0.4	71.35	14.20	22.39	4.50	564,723.82	6,138.83
May	-6.63	9.33	0.62	12.21	2,259.21	2,462.11	2.40	22.51	-10.70	71.53	14.28	21.46	4.59	565,053.60	6,125.23
Jun	0.77	8.79	-1.22	9.24	2,228.80	2,321.04	1.96	23.98	-3.5	71.89	14.43	21.46	5.05	569,140.39	6,456.52
Jul	2.82	9.04	3.78	11.01	2,244.85	2,598.44	2.84	26.22	-6.2	72.04	14.90	21.83	5.48	571,400.77	6,431.84
Aug	4.06	12.09	-1.91	6.83	2,287.84	2,417.72	1.19	26.49	-5.39	72.07	15.08	22.00	5.48	577,570.80	6,363.02
Sep	-6.66	5.69	-1.14	4.35	2,251.08	2,327.84	0.66	25.34	-6.3	72.68	15.35	23.18	5.54	578,372.40	6,304.28
Oct	0.67	5.14	0.89	2.30	1,802.59	2,309.94	0.29	24.00	4.4	76.29	16.96	22.58	5.54	591,982.54	6,163.79
Nov	2.79	6.27	1.51	3.60	1,794.03	2,332.70	-0.37	19.65	-11.3	77.76	19.26	23.17	5.54	595,251.21	6,164.05
Dec	20.01	9.56	4.38	4.41	1,772.94	2,191.04	0.07	16.87	0.6	80.47	24.45	23.17	5.33	608,915.52	6,343.72
Jan'09	-3.35	19.97	0.41	8.86	1,764.98	2,238.85	-0.37	16.49	-10.7	86.07	24.26	22.91	5.89	627,394.74	6,246.45
Feb	5.7	26.47	-0.09	6.79	1,601.85	2,226.86	0.81	12.84	-13.6	88.29	23.13	22.34	5.89	650,215.09	6,154.8
Mar	-2.59	21.01	0.88	11.53	1,628.58	2,214.26	0.80	12.45	-10.9	88.82	21.17	22.34	5.89	651,657.43	6,177.6
Apr	1.49	25.53	1.86	10.50	1,663.60	n/a	0.43	11.22	1.72	89.01	21.17	23.32	5.89	658,557.83	6,228.69
May	1.13	27.76	0.20	10.05	1,671.75	2,289.71	0.86	9.55	10.2	89.08	21.08	23.32	5.89	664,819.68	6,296.99
Jun	-0.52	26.12	-1.47	9.77	1,619.41	2,256.85	1.43	8.98	7.8	89.07	21.05	23.32	5.87	676,761.65	6,279.89
Jul	0.61	23.40	n/a	n/a	1,648.93	2,317.60	0.92	6.94	-1.1	89.01	20.60	22.89	5.87	705,054.23	6,283.50
Aug	-0.09	18.48	n/a	n/a	1,934.22	n/a	0.42	6.12	n/a	89.00	18.21	22.89	5.87	n/a	n/a
Sep	-1.30	25.29	n/a	n/a	1,933.24	n/a	n/a	n/a	n/a	89.08	17.35	22.26	5.86	n/a	n/a
Oct	1.14	25.87	1.64	8.97	1,909.30	2,299	n/a	n/a	-3.1	89.16	17.00	21.98	5.60	720,830.00	593,330.00
Nov	0.61	21.07	n/a	n/a	1,794.0	n/a	0.81	9.0	2.7	89.59	16.80	21.91	5.35	733,610.00	598,190.00
Dec	10.35	13.45	n/a	n/a	1,736	n/a	1.14	10.2	1.2	89.62	16.80	21.91	5.35	n/a	n/a
Jan '10	n/a	n/a	n/a	n/a	1,566	n/a	1.46	12.21	n/a	89.70	12.50	21.62	4.61	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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