



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

J'can Economy Contracts in Q4 2010

The Planning Institute of Jamaica (PIOJ) reported recently, that the Jamaican economy contracted by 0.6% during the October-December 2010 quarter (Q4). This marks the fourteen consecutive quarterly contraction since June 2007. The **Services Sector** declined by 0.9%; and the **Goods Producing Sector** declined by 0.7% relative to the corresponding period of 2009 (See Table 1a).

Within the **Services Sector**, all but three of nine industry groups declined. The 'Hotel & Restaurant' group grew strongly by 5.4%, as stopover arrivals increased by 7.7% and cruise visitor arrivals by 11.2% due to the prolonged winter in North America. 'Other Services' also increased by 0.8% and 'Producers of Government Services' were unchanged during Q4 2010. Leading the decliners were 'Electricity & Water Supply, which con-

TABLE 1a: YEAR OVER YEAR GDP CHANGE BY INDUSTRY AT CONSTANT (2003) PRICES

	Jan-Dec 2009	Jan-Mar 2010	Apr-Jun 2010	Jun-Sept 2010	Oct-Dec 2010	Jan-Dec 2010
GOODS PRODUCING INDUSTRY	-9.0	-4.0	-1.6	2.0	-0.7	-1.6
Agriculture, Forestry & Fishing	13.9	6.7	-3.5	6.0	-6.0	0.6
Mining & Quarrying	-50.5	-40.7	4.3	31.1	20.4	-3.5
Manufacture	-5.7	-1.0	-1.6	-3.6	-1.2	-2.0
of which: Food, Beverages & Tobacco	-3.8	-2.0	-1.0	-2.0	-0.5	-1.3
Other Manufacturing	-8.0	0.4	-2.5	-5.5	-2.0	-2.9
Construction	-6.5	-2.1	-1.5	-1.0	-1.0	-2.3
SERVICES INDUSTRY	-0.8	-0.4	-0.9	-1.4	-0.9	-1.4
Electricity & Water Supply	2.2	-1.2	-1.5	-6.3	-7.7	-4.3
Transport, Storage & Communication	-4.3	1.5	-0.8	-2.5	-1.3	-1.9
Wholesale & Retail Trade; Repair and Installation of Machinery	-2.3	-2.1	-1.0	-2.0	-1.2	-1.8
Finance & Insurance Services	1.3	-3.6	-2.0	-2.8	-2.8	-3.9
Real Estate, Renting & Business Activities	-0.7	-0.1	-0.1	-0.2	-1.0	-1.0
Producers of Government Services	0.0	-0.3	-0.3	-0.1	0.0	-0.1
Hotels and Restaurants	2.1	7.1	-1.6	2.2	5.4	3.3
Other Services	0.1	-0.3	-0.5	-0.2	0.8	0.1
Less Financial Intermediation Services Indirectly Measured (FISIM)	1.8	-5.7	-6.0		-7.0	-6.9
TOTAL GDP AT BASIC PRICES	-3.0	-1.0	-0.8	-0.5	-0.6	-1.1

Source: STATIN & PIOJ

tracted by -7.7% reflecting lower levels of electricity generation and water production, due quite likely to depressed demand brought on by the continuing decline in the Jamaican economy. 'Finance & Insurance' also contracted significantly, by -2.8%, reflecting the continuing consolidation brought on by the JDX and the decline in loans and advances by commercial banks. 'Transport, Storage and Communication' was down by -1.3% as 'Transport' was adversely affected by reduced operations at Air Jamaica during its transition to Caribbean Airlines.

Within the **Goods Producing Sector**, only 'Mining & Quarrying' recorded growth. Real value added in the Mining & Quarrying industry grew by 20.4% reflecting increase alumina production arising from the reopening of the Windalco Ewarton Alumina Plant in June 2010. But Agriculture, Forestry and Fishing which had grown vigorously in the last three

quarters of FY2009/10, declined by -6% in the last quarter of 2010 due to the crop destruction and disruption caused by Tropical Storm Nicole. 'Manufacturing' for its part continued its uninterrupted decline for the past 10 quarters, albeit at a much slower pace of -1.2%, compared to -5.7% during 2009. 'Construction', which is a key industry in creating employment for young people, also continued to decline, but at a slower pace. In comparison to a -6.5% fall in 2009, the rate of decline in 'Construction' slowed to -1.0% in Q4 2010.

Preliminary Estimates of GDP for 2010 by the PIOJ, is that real value added for the economy as a whole declined by -1.1%. The Services Sector is estimated to have declined by -1.4% and the 'Goods Producing Sector' declined by -1.6%. All industries recorded declines, except 'Hotels & Restaurants' (up 3.3%); 'Other Services' (up 0.1%); and Agriculture, Forestry and Fishing up 0.6%. (Contd. on Page 10).

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Net International Reserves (NIR)

During the month of January 2011, Net International Reserves decreased by -US\$82.4 million to US\$2,088.9 million compared to US\$2,171.4 million at the end of December 2010. This mainly resulted from a US\$61 million increase in Foreign Liabilities to US\$868.8 reinforced by a small decrease of -US\$21 million in Foreign Assets to US\$2,957.7 million.

At current levels, gross reserves are adequate to finance 31.42 weeks of "goods" imports or 22.64 weeks of "goods and services" imports, well above the 12 weeks international benchmark of reserves adequacy and the highest levels they have been in 20 years.

Foreign Currency Deposits

During November 2010, foreign currency deposits (FCD's) in the local financial system decreased modestly by -US\$47.8 million or 2.13% to US\$2,245 billion compared to US\$2,293 billion at the end of October 2010. The decrease in November largely resulted from modest decreases in FCD's in all types of financial institutions (See Table 2).

BOJ Reports are intimating at a modest decline in FCD's during 2010 compared to 2009. This the BOJ explains as been due to investors preferring to hold Jamaican dollar denominated assets arising from the improving stability of the Jamaican macro-economy and the sufficiency of foreign exchange.

Foreign Exchange Rate

US DOLLAR: During January 2011, there was modest appreciation of the J\$ dollar against its US counterpart of J\$0.17 cents or 0.20% to J\$85.69 from J\$85.86 at the end of December 2010. The appreciation in January adds to an equally modest appreciation of 0.32% in December 2010, as the J\$/USD exchange rate appears to have consolidated in a narrow J\$0.75 range since June 2010. After being very stable from the second quarter of 2009, the J\$ began to appreciate sharply against the USD from the beginning of March 2010, following on the successful im-

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Jan-11	2,088.97	-82.44	522.96	-82.44	31.42
Jan-10	1566.01	-163.34	-198.97	-163.34	17.13

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

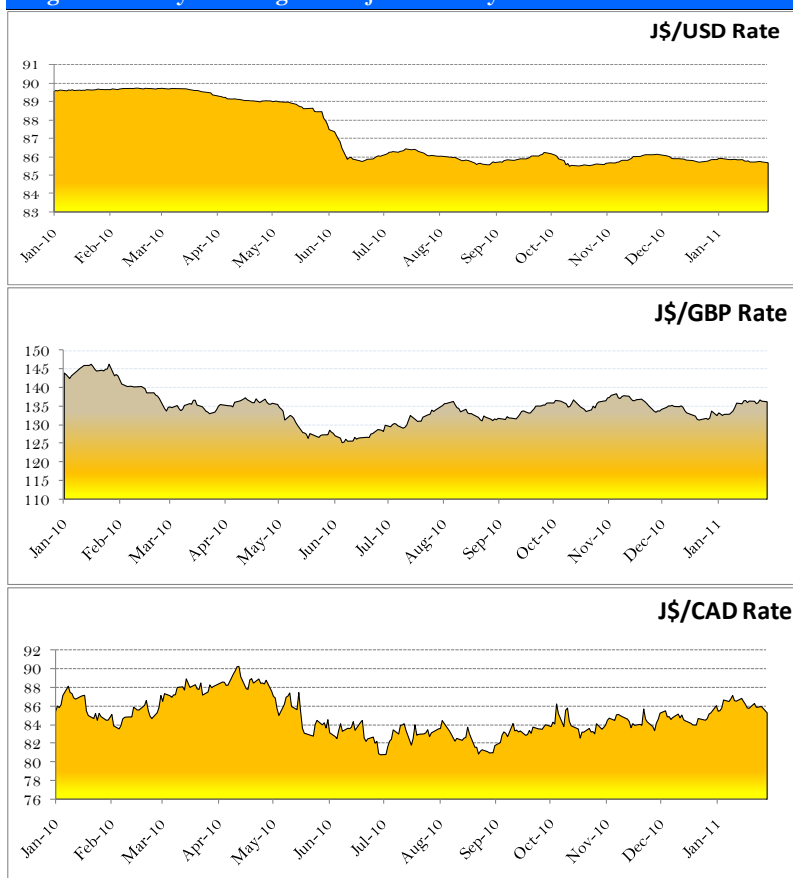
	US\$000 Nov 10	Change (US\$000)		% Change	
		mtly	12 mth	mtly	12 mth
Commercial Banks	1,667,901	-35,729	-14,337	-2.14	-0.85
Building Societies.	516,398	-10,672	16,073	-2.07	3.21
Merchant Banks	61,074	-1,399	-46,041	-2.29	-42.98
Total Deposits	2,245,373	-47,800	-44,305	-2.13	-1.93

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2010—01/31/11) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2011	-0.17	-0.20	2.52	1.89	0.00	0.01
2010	0.10	0.11	2.83	1.97	0.38	0.44
2009	5.60	6.95	5.76	4.93	4.49	6.84
Jan - 2011						
Actual Rate	85.69	-0.20	136.26	1.89	85.34	0.01
Mth Change	-0.17	-0.20	2.52	1.89	0.00	0.01

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

plementation of the JDX and the signing of the GOJ/IMF Agreement. In March 2010, the J\$ appreciated by 20 cents; then by 44 cents in April; 59 cents in May and then by J\$2.46 during June 2010. Since July 2010, the J\$/USD exchange rate has seen-sawed up and down within the J\$0.75 cents range.

The appreciation of J\$ in 2010 was more a reflection of improving sentiments than improving fundamentals in the real economy. The pumping-up of the NIR through multilateral inflows has boosted sentiments regarding the adequacy of foreign exchange and relieved downward pressure on the J\$. These are however transient factors, and unless growth returns decidedly to the Jamaican economy in 2011, the possibility of the J\$ returning to depreciation is likely.

POUND & CANADIAN DOLLAR:

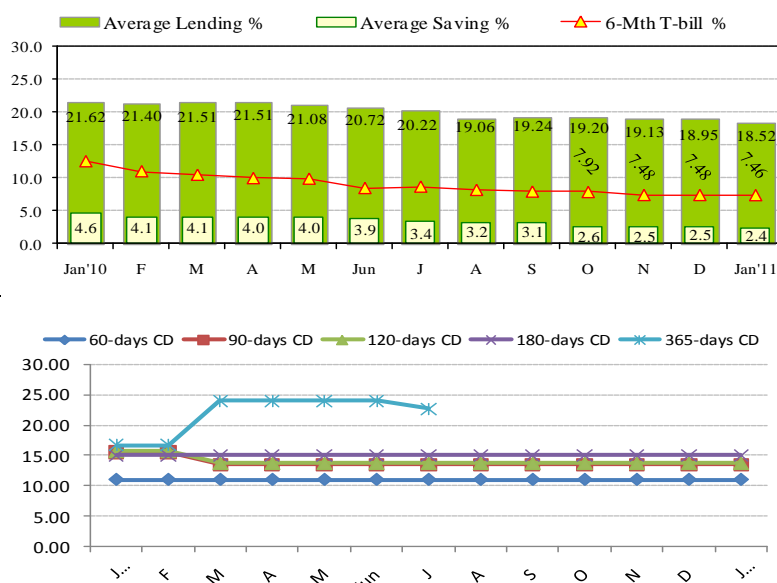
During January 2011, GBP appreciated by J\$2.52 or 1.89% to sell at J\$136.26 compared to J\$133.74 at the end of December 2010. The CAD for its part, remained flat in January 2011 at J\$85.34 after appreciating by J\$1.92 or 2.30% during December 2010. Like the J\$/USD rate, the movement of the J\$ against GBP and CAD has see-sawed since July 2010, but has been more down than up. After a massive sell-off of -J\$14.97 in June 2010, GBP has retraced 48.6% of that loss and is off by only -J\$7.29 from its 2010 low. The CAD for its part, has recouped all of the -J\$3.46 loss against the J\$ in June 2010 and is up by \$2.69 against the J\$ since then.

The movement of the J\$ against the USD, CAD, and GBP over the past two months appears to be connected to the strength or weakness of the USD on international currency exchanges. When USD weakens against CAD and GBP, J\$ also weakens against CAD and GBP and vice versa

Interest Rates

The downward movement of Jamaica's interest rates which began

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Jan-11	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	7.50%	0.00%	-3.00%	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	2.40%	-0.10%	-2.21%	-0.10%
Avg Loan Rate	18.52%	-0.43%	-3.10%	-0.43%
6-Month T-Bill	7.46%	-0.02%	-5.04%	-0.02%

Source: Bank of Jamaica (BOJ Preliminary)

with the JDX in March 2010, continued in January 2011, but at a much slower pace than in Q2 and Q3 of 2010 when rates in the public sector declined by as much as 600bps. Indeed, during Q4 2010, interest rates seemed to have bumped upon resistance to further significant downward movement in both the public and commercial sectors.

Nonetheless, in January 2011, there were notable declines in a number of rates. The average lending rate, which was the second slowest declining rate in 2010, decreasing by 2.96% from very high levels around

23% to 18.52%, fell by a further 43 bps in January 2011, to 18.52%. The Bank of Jamaica also trimmed 25 bps from its 30 day CD to 7.25% at the end of January 2011 (and a further 50 bps in February 2011) citing moderate inflation and the likelihood of continued subdued domestic demand. Rates on the 6-month T-bill, having led the way in rate reductions in 2010 with dramatic declines of 9.32%, and which remained unchanged during November and December 2010 at 7.48%, inched down by an additional 2 bps in January 2011. Average saving rates also inched down by 1 bps to 2.44% after going was unchanged



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over the previous two months.

While it is heartening that average lending rates have continued to decline, it is noteworthy that Jamaica's lending rate of 18.52% remains very high in relation to our main trading partners and compares to 0.25 to 2% in the US, Canada, the UK and the Euro-zone and 9.5% in Trinidad.

Base Money & Money Supply

The BOJ reported that in Q4 2010, broad Jamaica Dollar money supply (M3J), increased by 3.8 %, compared to growth of 4.7% for the December 2009 quarter. The expansion in the review quarter was also at a slower pace than the average growth of 6.6% for the last five December quarters. This slower growth of money supply largely reflects continuing depressed domestic demand.

The measure of money supply that includes foreign currency deposits (M3*) increased by 2.9%, relative to an expansion of 4.8% in the corresponding quarter of 2009. Within M3*, foreign currency deposits increased by a marginal 0.2%, relative to the expansion of 4.9% for the December 2009 quarter. Consequently, the ratio of foreign currency deposits to total deposits was 28.1% as of the end of December 2010, compared to 31% at end-December 2009.

In January 2011, the monetary base contracted by -7.89% to JS78,380 billion, largely reflecting end of (Christmas) season redemptions by the BOJ exceeding new currency issue.

Inflation

The rate of inflation in January 2011 dipped to -0.18%. This was the lowest level in 15 months and follows a 1.45% rise in December 2010 which was roughly the same as in January 2010. The decrease in the 'All Jamaica Con-

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Nov -10	Mthly	12 Mth
M1	104,320.89	1.60	4.83
Quasi Money	226,028.54	0.56	0.60
M2	330,349.43	0.88	1.90
	Jan -'11	Mthly	12 Mth
Base Money	78,380.33	-7.89	3.17

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Jan	12-Mth	YTD	Fiscal
2011	-0.18	9.96	-0.18	7.15
2010	1.46	12.21	1.46	10.42

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

Table 7: Mining Production

	000 tonnes			YTD	
	Jan-11	Jan-10	%	Jan-11	10/11 %
Production					
Alumina	158.7	120.8	31.3	1,590.7	-10.3
C. Bauxite	304.4	372.9	-18.4	4,318.8	35.0
Export					
Alumina	162.3	139.4	16.4	1,575.3	-16.4
C. Bauxite	308.5	347.9	11.3	4,303.4	34.6

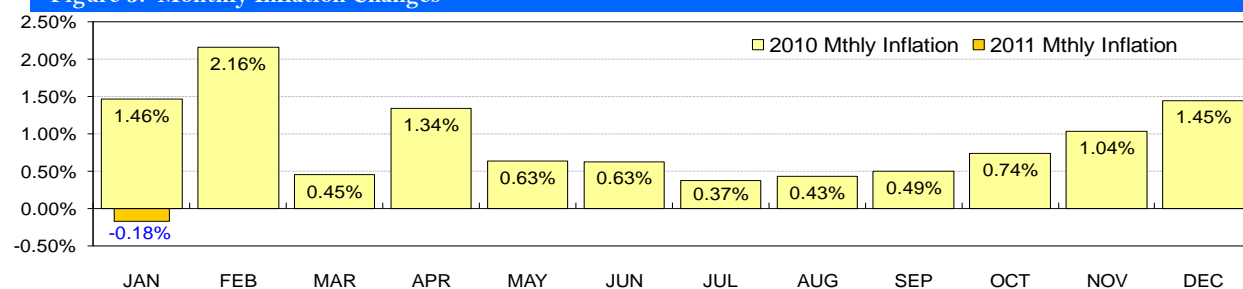
Source: Jamaica Bauxite Institute (JBI)

sumer Price Index' in January 2011 was wholly due to a -1.1% fall in the most heavily weighted 'Food and Non-Alcoholic Beverages' division which accounts for 37% of the CPI. The out-turn on the 'Communications' division was unchanged, but the remaining ten (10) divisions within the CPI recorded moderate increases of 0.1% to 0.7%.

The fall in the 'Food and Non-Alcoholic Beverages' division was mainly due to a huge -6.9% drop in prices in the group 'Vegetables and Starchy Foods' arising from the recent high volume of these products on the market. Of the three (3) divisions

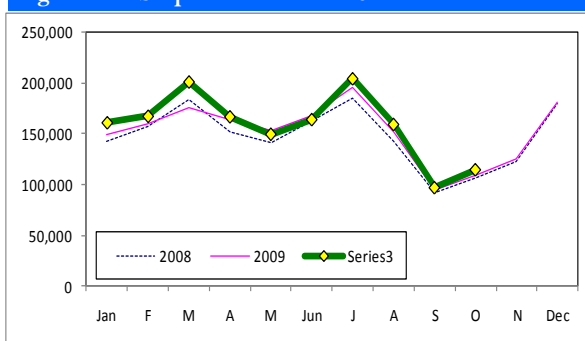
recording increases of 0.7%, the increases in 'Transport' and 'Housing, Water, Electricity, Gas and Other Fuels' were largely due to higher prices for fuel. 'Clothing and Footwear' also rose by 0.7%. Three divisions— 'Education', 'Recreation and Culture' and 'Miscellaneous Goods and Services' recorded increases of 0.4%. Two divisions- 'Health', 'Restaurants and Accommodation Services' recorded increases of 0.1% and 0.2% respectively, while 'Alcoholic Beverages and Tobacco' and 'Furnishings, Household Equipment & Routine Household Maintenance' recorded increases of 0.5% and 0.3%. The point to point inflation in January 2011 was 10.0% and the fiscal

Figure 3: Monthly Inflation Changes



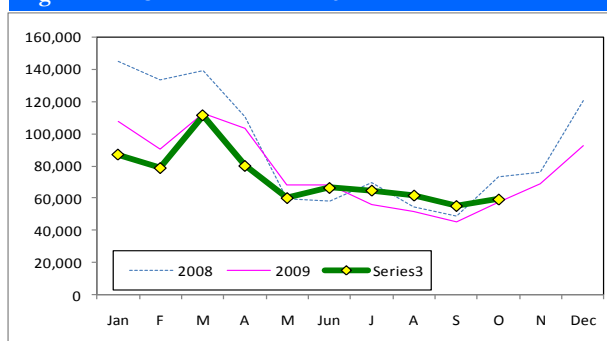
Source: STATIN and PSQJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

year to date (March 2010 to January 2011) rate is 7.1%.

Bauxite & Alumina

Production of alumina in January 2011 amounted to 175.0 tons compared to 123.1 tons in January 2009 - a 42.2% increase. For its part, production of crude bauxite in January 2011 increased by 34.5% to 396.3 tons compared to 294.6 tons in January 2009. During calendar year 2010, alumina production fell by -10.3% to 1,590.6 tons and alumina exports by -16.4% to 1,575.3 tons compared to the same period of 2009. But this was a much lower rate of contraction than the 60% contraction in 2009 relative to 2008. Reflecting the upturn in the industry, production of crude bauxite was up 35% to 4.32 million tons during 2010, compared to 3.2 million tons for 2009. Bauxite exports were also up by 34.6% to 4.3 million tons. The increases in bauxite and alumina production in January 2011 therefore reflects a continuation of the upturn in the industry which gathered pace in July 2010 with the reopening of Windalco Ewarton plant.

Tourism

Stopover arrivals in October 2010 were 114,699—an increase of 5.4% over the 108,820 recorded in October 2009. The number of cruise passengers also increased by 3.3% in October 2010 to 59,398 visitors compared to 57,478 in October 2009.

For the mainly summer period, May to October 2010, stopovers to Jamaica increased by 1.7% with 889,623 arrivals compared to 874,600 in 2009. Year to date, January to October 2010, there have been 62,725 more stopover arrivals or 1,586,512 visitors coming to Jamaica marking a 4.1% increase over the cor-

Tourist Arrivals

	2009	2010	%Change	
	YTD (Jan–Oct)	YTD - YOY	YTD - YOY	Oct 09/10
Stopover	1,523,787	1,586,512	4.1%	5.4%
Foreign	1,407,879	1,467,924	4.3%	5.0%
Non-Resident	115,908	118,588	2.3%	9.6%
Cruise	761,064	725,778	-4.6%	3.3%
Total Arrivals	2,284,851	2,312,290	1.2%	4.7%

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

responding period of 2009 when there were 1,523,787 stopover visitors. For 2010, the GOJ is targeting 2 million stopovers.

Regionally, stopovers from the US in October 2010 were up by 8.2% to 74,666 compared to 69,039 in October 2009. For the first ten months of 2010, stopovers from the United States increased by 6.0% to 1,045,367 compared to 986,345 for the corresponding period of 2009. Stopovers from the Canadian market increased by 3.9% in October 2010 with 13,192 arrivals, compared to 12,700 in October 2010. Year to date, stopovers from Canada are up by 16,987 or 7.3% with a total of 250,322 compared to 233,335 visitors in 2009.

Visitors from Europe, including the UK, decreased by 1.6% in October 2010 to 20,178 compared to 20,507 arrivals in 2009; while visitors from the Caribbean decreased by 3.6% to 4,460 compared to 4,627 in 2009. The number of visitors from Latin America however were up by 6.0% in October 2010 to 1,300, compared to 1,226 in October 2009.

For the first ten months of 2010, cruise visitors to the Island were down -4.6% to 725,778 visitors compared to 761,064 for the same period in 2009. Total Visitors to the island for the

January to October 2010 period were 2,312,290 marking a small 1.2% increase relative to the 2,284,851 million visitors for the same period of 2009.

External Trade

During January to October 2010, Jamaica's exports decreased by US\$22.5 million or -2.0% to US\$1,113.6 million, compared to US\$1,136.1 million for the corresponding period of 2009. Notwithstanding the decline in exports, the pick-up in Jamaica's trade in 2010 appears confirmed on the import side, after a brutal recession in which imports fell by a hefty 38.9% in 2009 compared to 2008. For the first ten months of 2010, imports increased by 3.0%, to US\$4.24 billion compared to US\$4.11 billion for the same period in 2009. As is usually the case when economic conditions are picking up globally and in Jamaica, after many periods of positive out-turn, the 'change' in Jamaica's year-over-year trade balance turned negative in January to October 2010 compared to the same period in 2009.

Traditional Exports: For the first ten months of 2010, traditional domestic exports earned US\$540.9 million, signaling a small increase of

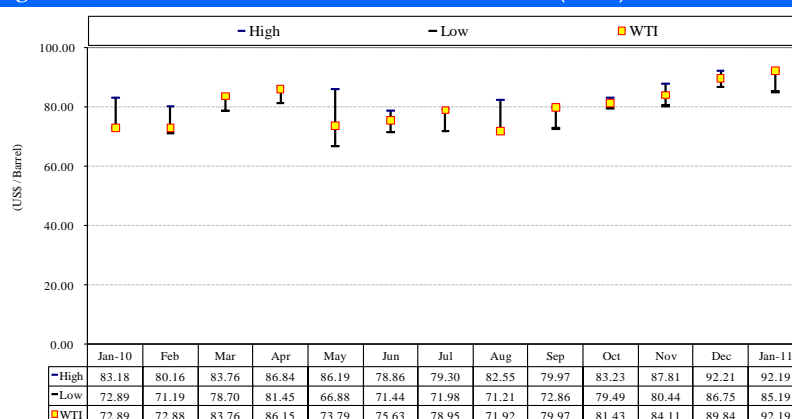
US\$8.8 million or 1.7% after 22 months of decline. The share of traditional exports in total domestic exports also increased from 46.8% in Jan-October 2009 to 48.6% for the corresponding period of 2010. The main contributor to the increase in the value of traditional exports, was a 67.7% increase in the value of bauxite exports. Compared to US\$65.8 million in Jan-October 2009, earnings from bauxite increased by US\$44.6 million to US\$110.4 million for the first 10 months of 2010. Reflecting the upturn in the Bauxite/Alumina industry worldwide, alumina exports also recorded a small 0.4% increase to US\$316.0 million after many months of decline.

Agricultural exports, which were the only group among our traditional exports to grow in 2009, have not done so well in 2010. These exports have declined by 37.8% to US\$23.1 million during the first ten months of 2010, from US\$37.2 million for the corresponding period of 2009. This is largely due to a steep -44.9% drop in the value of coffee exports from US\$33.0 million to US\$18.2 million as the premium prices normally paid for Jamaican coffee has been halved since the recession.

Exports of traditional Manufactured items which also did not fare well during calendar year 2009 have continued their decline in 2010. For the first ten months of 2010, the "Manufacture" group earned US\$90.9 million, about US\$23.2 million less than the US\$114.1 million earned for the same period of 2009. An important contributor to exports of traditional manufactures, has being exports of "Rum", which increased by 4.7% to US\$41.8 million, compared to US\$39.9 million during the corresponding period of 2009. Sugar exports however, were down by 38.9% to US\$44.2 million compared to US\$72.3 million in Jan-October 2009.

Non-traditional exports accounted for 50.4% of exports by value in calendar year 2009 surpassing earnings from traditional exports. But due to the recent recovery in the Bauxite/Alumina industry and a decline in non-traditional exports, traditional exports have again moved to the top. For the first time in over 20 months the share of non-

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 '09	Jan-Oct '10	Change	% Change
TOTAL EXPORTS (fob)	1,136.07	1,113.59	-22.48	-2.0%
Major Traditional Exports	532.12	540.98	8.86	1.7%
<i>by Sector:-</i>				
Agriculture	37.15	23.14	-14.01	-37.7%
Mining & Quarrying	380.90	426.96	46.06	12.1%
Manufacturing	114.07	90.88	-23.19	-20.3%
<i>by Industry:-</i>				
Bauxite	65.85	110.42	44.57	67.7%
Alumina	314.91	316.04	1.13	0.4%
Sugar	72.33	44.24	-28.09	
Rum	39.93	41.79	1.87	4.7%
Bananas	0.01	0.00	0.00	-81.7%
Coffee	33.04	18.21	-14.83	-44.9%
Other	6.05	10.27	4.22	69.7%
Non-Traditional Exports	539.81	505.10	-34.72	-6.4%
Re-exports	64.14	67.52	3.38	5.3%
TOTAL IMPORTS	4,113.37	4,235.54	122.17	3.0%
Food	667.74	661.01	-6.73	-1.0%
Beverages & Tobacco	65.93	62.40	-3.53	-5.4%
Crude Materials (excl. Fuels)	43.95	51.42	7.47	17.0%
Mineral Fuels, etcetera	1,139.37	1,324.46	185.08	16.2%
Animal & Vegetable Oils & Fats	27.01	14.05	-12.97	-48.0%
Chemicals	613.79	548.52	-65.26	-10.6%
Manufactured Goods	451.15	481.37	30.22	6.7%
Machinery and Transport Equip.	684.66	641.04	-43.62	-6.4%
Misc. Manufactured Articles	343.85	382.15	38.30	11.1%
Other	75.91	69.11	-6.80	-9.0%
TRADE BALANCE	(2,977.30)	(3,121.95)	-144.65	4.9%

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

traditional exports in total exports has decreased to 45.8% compared to 48.6% for traditional exports. For the January to October 2010 period, there was broad, though not deep, declines in many non-traditional exports of 6.4% to US\$505.1 million from US\$539.8 million in Jan-October 2009.

In the category "Food", there was an

overall 6.9% increase in earnings to US\$105.5 million relative to US\$98.7 million in Jan-Oct 2009. But there were notable decreases in a number of items. Earnings from 'Meat and Meat Preparations' were down -10.5% from US\$2.5 million in 2009 to US\$2.2 million. 'Animal Feeds' was down 9.5% to US\$3.9 million and 'Papaya'

exports were down 5.7% to US\$2.4 million from US\$2.6 million. On the other hand, there were increased earnings of 60% for 'Fish, Crustaceans & Molluscs' from US\$3.9 million to US\$6.4 million, and of 56.2% for 'Sweet Potatoes' from US\$1.99 million to US\$3.12. 'Other Fruits and Fruit Preparations' also recorded a notable increase of 25% from US\$4.9 million to US\$6.14 million, and earnings from 'Juices excluding Citrus' increased by 10.4% to US\$6.5 million from US\$5.9 million. Earnings from 'Yams' (the leading non-traditional food item), increased slightly by 1.7% to US\$16.3 million, but earnings from 'Ackee'-another leading non-traditional export, fell slightly by -0.9% to US\$10.8 million.

Exports of 'Beverages & Tobacco (excl. Rum)' increased by 9.3% for the review period to US\$49.0 million from US\$44.8 million during the corresponding period of 2009. Of the amount, 'Alcoholic Beverages (excl. Rum)' accounted for US\$41.3 million, a 9.7% increase from US\$37.7 million a year earlier.

'Crude Materials' grew by 30.5% from US\$14.0 million in Jan-Oct 2009 to US\$18.3 million in the current review period. 'Limestone' exports decreased by -12.6% to US\$940,000; but earnings from 'Waste and Scrap Metals' rose 29.4% to US\$13.5 million; while exports of 'Other' crude materials increased by 53% to US\$3.9 million from US\$2.5 million one year earlier..

Earnings from 'Other' non-traditional exports declined by -13.1% during the review period, from US\$382.3 million in Jan-Oct 2009 to US\$279.3 million in Jan-Oct 2010. This was largely due to massive declines of -66.5% in exports of 'Chemicals (incl. Ethanol)' from US\$181.5 million one year ago, to US\$60.7 million in Jan-Oct 2010; and a -31% decline in exports of 'Manufactured Goods' from US\$15.1 million in 2009 to US\$10.4 million in Jan-Oct 2010. However, exports of 'Mineral Fuels, etcetera' grew from US\$178 million in the previous period to US\$254.1 million in the current period—a 43% increase.

Imports. The 39.4% decline in Jamaica's imports observed in 2009 due to depressed domestic demand brought on by the global recession, appears to now have abated with the onset of the global recovery. Compared to US\$4.13 billion

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

	Jan-Oct 2009	Jan-Oct 2010	\$ Change	% Change
Current Account	(838.7)	(784.6)	54.1	6.5%
Goods Balance	(2,458.9)	(2,624.0)	(165.1)	-6.7%
Exports	1,191.8	1,146.1	(45.6)	-3.8%
Imports	3,650.7	3,770.2	119.4	3.3%
Services Balance	640.2	695.9	55.7	8.7%
Transportation	(358.6)	(353.2)	5.4	1.5%
Travel	1,411.4	1,467.9	56.5	4.0%
Other Services	(412.6)	(418.8)	(6.2)	-1.5%
Income	(556.8)	(476.5)	80.3	14.4%
Compensation of empl	50.3	62.7	12.4	24.7%
Investment Income	(607.1)	(539.2)	67.9	11.2%
Current Transfers	1,536.9	1,620.0	83.2	5.4%
Official	127.7	131.4	3.7	2.9%
Private	1,409.1	1,488.6	79.4	5.6%
Capital & Financial Account	838.7	784.6	(54.1)	-6.5%
Capital Account	24.6	(18.0)	(42.6)	-173.2%
Capital Transfers	24.6	(18.0)	(42.6)	-173.2%
Official	45.3	4.2	(41.0)	-90.5%
Private	(20.7)	(22.3)	(1.6)	-7.7%
Acq/dis.	-	-	-	0.0%
Financial Account	814.1	802.6	(11.5)	-1.4%
Other Official Invst	174.8	825.5	650.6	372.2%
Other Private Invst	775.7	231.2	(544.5)	-70.2%
Reserves	(136.4)	(254.1)		

Source: BOJ & Statistical Update:

in Jan-Oct 2009, imports increased by 3.6% to US\$4.26 billion during Jan-Oct 2010. Leading the increase was a 5.7% rise in the value of '**Raw Materials/Intermediate Goods**' from US\$2.3 billion to US\$2.5 billion. This was greatly contributed to by rising prices for crude oil which pushed up the value of crude imports by 35.8% from US\$405.1 million in Jan-Oct 2009 to US\$550.3 million in the current review period. Imports of 'Parts & Accessories of Capital Goods' also increased by 7.8% suggesting that there might be some retrofitting occurring in the Jamaican economy.

In addition, there was a 3.6% rise in imports of '**Consumer Goods (excl. Motor Cars)**' to US\$1.33 billion, led by a 9.8% increase in 'Food' imports, possibly reflecting rising global commodity prices. There were also notable increases of 5.2% in imports of Durable Goods and 2.2% for Semi-Durable Goods. Illustrating the fitful quality of the recovery in Jamaica, imports of '**Capital Goods (excl. Cars)**' declined further by -15.6% to US\$353.6 million from US\$419.2 million in Jan-Oct 2009.

Oil: At the end of January 2011, West Texas Intermediate (WTI) Crude Oil price stood at US\$92.19 per 42 gallon barrel - an increase in price of US\$2.35 compared to the closing price of US\$89.84 the previous month. During January 2011 the price ranged between a low of US\$85.19 and a high of US\$92.19 per barrel where it closed. (See Fig. 5)

Balance of Payments

During the first ten months of 2010, Jamaica ran a current account deficit of US\$784.6 million, which represents an improvement of US\$54.1 million relative to the corresponding period in 2009. The improvement in the current account resulted from improvements in all subaccounts except the **Goods Sub-account**.

During the period, the **Goods Balance** recorded a deficit of US\$2,624.0 million, a deterioration of US\$165.1 million when compared to the corresponding period in 2009. This resulted primarily from an increase in imports of US\$119.4 million, which was greatly influenced by an increase in fuel imports of US\$184.9 million. The deterioration in the Goods Sub-account also resulted from a US\$45.6

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Dec(Fiscal—2010/11)				Apr-Dec (YOY)	
	J\$ million		Deviation		09/10 - 10/11	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	223,941.1	227,952.0	-4,010.9	-1.76	18,237.4	8.9
Tax Revenue	196,355.7	197,610.9	-1,255.2	-0.64	10,501.6	5.7
Non-Tax Revenue	16,571.4	15,068.7	1,502.7	9.97	5,696.7	52.4
Bauxite Levy	189.2	433.7	-244.5	-56.38	-1,315.5	-87.4
Capital Revenue	1,809.4	1,881.3	-71.9	-3.82	700.8	63.2
Grants	9,015.4	12,957.4	-3,942.0	-30.42	2,654.4	46.0
Expenditure	279,916.7	292,177.4	-12,260.7	-4.20	-26,363.3	-8.7
Recurrent Expenditure	239,793.8	245,762.7	-5,968.9	-2.43	-41,876.1	-14.9
Programmes	55,017.3	54,441.1	576.2	1.06	1,124.5	2.1
Wages & Salaries	96,480.9	96,389.7	91.2	0.09	2,971.6	3.2
Interest	88,295.7	94,931.9	-6,636.2	-6.99	-45,972.5	-34.6
Domestic	56,111.5	59,464.6	-3,353.1	-5.64	-40,880.3	-42.1
External	32,184.2	35,467.3	-3,283.1	-9.26	-5,092.0	-14.2
Capital Expenditure	40,122.9	46,414.7	-6,291.8	-13.56	15,512.5	63.0
Capital Programmes	40,122.9	46,414.7	-6,291.8	-13.56	15,512.5	63.0
IMF #1 Account	0.0	0.0	0.0		0.0	0.0
Fiscal Balance (Surplus [+ve])	-55,975.6	-64,225.4	8,249.8	12.85	44,601.0	44.8
Loan Receipts	140,102.2	145,814.8	-5,712.6	-3.92	-60,254.0	-30.5
Domestic	90,595.5	98,837.0	-8,241.5	-8.34	-94,989.3	-51.2
External	49,506.7	46,977.8	2,528.9	5.38	34,735.4	293.7
Divestment Proceeds	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	74,588.6	75,061.9	-473.3	-0.63	-28,510.9	-27.7
Domestic	57,964.9	56,701.1	1,263.8	2.23	-25,089.3	-30.2
External	16,623.8	18,360.8	-1,737.0	-9.46	-3,421.2	-17.1
Overall Balance (Surplus [+ve])	9,538.0	6,527.4	3,010.6	46.12	12,857.5	241.8
Primary Balance (Surplus [+ve])	32,320.0	30,706.5	1,613.5	5.25	-1,371.3	-4.1

Source: Ministry of Finance and Planning

million decline in exports, stemming mainly from a decline in chemical exports of US\$121.9 million.

The imbalance on merchandise trade was mitigated by increases in the surplus on the **Services Sub-account** of US\$55.7 million. This mainly resulted from an improvement in estimated tourist expenditure as well as a reduction in the expenditure of Jamaicans travelling abroad. There was also an improvement in the **Income Sub-account** of US\$80.3 million due largely to reductions in official interest payments and reductions in profits remitted by foreign corporations. In addition, during the review period, **Current Transfers** increased by US\$83.2 million to US\$1,620.0 million resulting primarily from an increase in remittances of US\$79.4 million. Flows from official and private sources were more than sufficient to finance the current account deficit. Consequently, the NIR increased by US\$254.1 million during the period.

Fiscal Accounts

During the first nine months (Apr-Dec) of fiscal year 2010/11, the Government of Jamaica (GOJ) accumulated a fiscal deficit of -J\$55.97 billion. This was J\$8.25 billion or 12.8% less than the -J\$64.25 billion budgeted and represents a 45% reduction below the deficit of -J\$101 billion recorded for the same period in 2009/10. Annualized, this fiscal deficit averaging J\$5.6 billion per month, suggest that the Government remains on track towards achieving the -J\$77.35 billion deficit targeted for FY 2010/11.

The deficit reduction in December was wholly achieved by a -J\$12.3 billion cutback in expenditures (about 4.2%) to J\$279.2 billion compared to the J\$292.2 billion that was budgeted. Revenues and Grants for its part declined by -J\$4.0 billion or -

1.8%.

REVENUE: Total Revenues & Grants to the GOJ for April to December 2010 was J\$223.9billion. This was, as noted, -J\$4.0 billion or -1.76% below the J\$223.9 billion targeted for the period. The main outperformers on the revenue accounts were 'GCT (Imports)' which was J\$6.7 billion above budget; 'Non-tax Revenue'—up J\$1.5 billion; and Travel Tax—up J\$1.02 billion. Other notable outperformers on the revenue accounts were 'SCT (Imports)' - up J\$829.4 million and income tax on the 'Bauxite/Alumina' industry which came in at J\$214.6 million above budget on recovering output in the mining sector.

Reflecting the still weak conditions in the economy brought on by the recession, 'PAYE' recorded a notable shortfall of -J\$5.3 billion below budget, and was running -J\$5.14

billion below the corresponding period of FY2009/10. 'Customs Duty' came in -J\$2.13 billion below budget, but was J\$962.5 million above FY2009/10 levels; and 'Tax on Interest' was -J\$1.85 billion below budget and a whopping -J\$11.0 billion below 2009/10 levels, quite likely reflecting the impact of the JDX. Other items recording notable shortfalls, were 'SCT' - down J\$666.3 million and 'Other Companies Taxes' down -J\$255.5 million.

EXPENDITURE: For the first nine months of FY2010/11, actual expenditure amounted to \$279.9 billion, about J\$12.3 billion or 4.2% less than the J\$292.2 billion originally budgeted. This reduced expenditure was due in equal measure to a -J\$6.6 billion reduction in interest payments and -J\$6.3 billion reduction in expenditures on capital programs. Contributing to the reduction in interest payments, savings on domestic interest payments accounting for J\$3.35 billion of the decrease while external interest savings amounted to J\$3.28 billion.

FISCAL OUTTURN

Year over year, the fiscal consolidation efforts of the GOJ appear to be progressing in the right direction. The fiscal deficit of -J\$5.9 billion for April to December 2010 represents a 44.8% improvement on the -J\$101.0 billion recorded for the corresponding period of 2009. While Wages and Salaries of J\$96.5 billion are roughly in line with the amounts budgeted, Net Interest payments are down by -J\$46 billion or 34.6%, with savings on domestic interest payments accounting for -J\$40.9 billion of the reduction and external interest payments -J\$5.1 billion. Net new borrowings are also down by -J\$60.3 billion or 30.5% for the April to December 2010 period compared to 2009. This is entirely due to a -J\$95 billion reduction in (the usually more expensive) domestic loans, as there was a J\$34.7 billion increase in external borrowing.

The Primary Surplus—the difference between total revenues and non-interest expenditures—for the first nine months of 2010/11 was J\$32.3 billion. This was J\$1.6 billion or 5.3% better than the J\$30.7 billion originally budgeted, but was -J\$1.4 billion less than the J\$33.13 recorded in 2009/10.

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

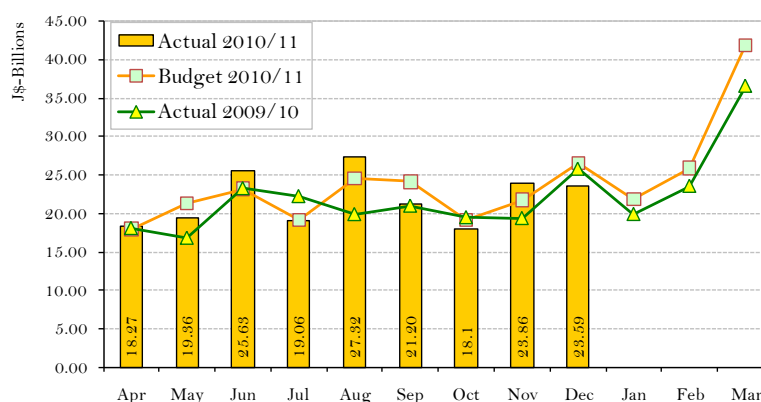
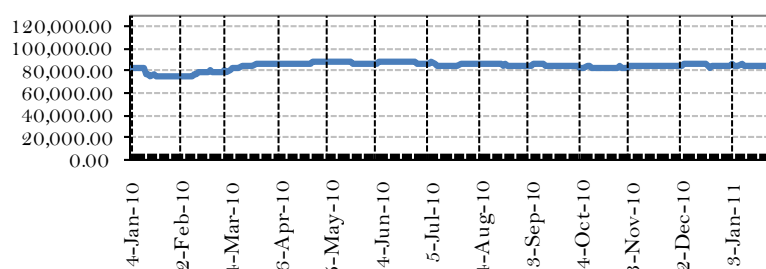


Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Dec 2010/11
Revenue (Revenue Surpluses)		
GCT (Imports)		6,708.9
Non-Tax Revenue		1,502.7
Travel Tax		1,023.3
SCT (Imports)		829.4
Bauxite/Alumina		214.6
Revenue (Revenue Shortfalls)		
PAYE		-5,251.8
Custom Duty		-2,133.7
Tax on Interest		-1,850.3
SCT		-666.3
Other Companies		-255.5
Expenditure (Changes)		
Capital Programmes	(under-spend)	-6,291.8
External Interest	(under-spend)	-3,353.1
Domestic Interest	(under-spend)	-3,283.1
Recurrent Programmes	(over-spend)	576.2
Wages & Salaries	(over-spend)	91.2

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Jan '10 - Jan '11



Source: Jamaica Stock Exchange (Online Database) and PSOJ

PUBLIC DEBT: Total public debt at the end of December 2010 stood at \$1.52 trillion. This represents an additional \$157.3 billion added to the debt stock during calendar year 2010. As of Decem-

ber 2010, the domestic debt is estimated at J\$799.9 billion or 52.6% of the total, while the external debt amounts to US\$720.3 billion or 47.4% of the total debt stock. 84% of the

increase in the debt stock (or J\$131 billion) in 2010, arose from external borrowing, reflecting GOJ policy to seek out lower interest external loans.

Stock Market

During January 2011, market capitalization decreased slightly by J\$1.2 billion or 0.2% to close at J\$563.5 billion. Three of five indices on the Jamaica Stock Exchange declined and two advanced. The main **JSE Market Index** declined by 146.5 points or 0.17% to close at 85,074 points. The **JSE All Jamaican Composite** declined by 237 points, or 0.29%, to close at 80,557 points. The **JSE Select** advanced by 14.3 points or 0.65% to close at 2,206 points; and the **Jamaica Stock Exchange Junior** advanced by 41.7 points or 10.9% to close at 421.6 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, declined by 0.06 points or 0.01% to close at 862.95 points.

Market volume was low during January 2011 with only 93.9 million units

Money Market Brokers (JMMB). The leading decliners were Pulse Investments, Caribbean Cement Company, Desnoes & Geddes, Pan Caribbean Financial and Cable & Wireless Jamaica Ltd.

Economic Highlights

(contd. from page 1.)

Global picture

Before the peoples' uprisings in Tunisia and Egypt, now shifting to Bahrain and Libya, discussions in the global space had begun to shift from concerns about the sustainability of the global recovery, (though still patchy), to speculation about the normalization of monetary policy, and how soon and which of the major industrial countries would be among the first to increase interest rates. To be sure, a few countries in the broader G20 had already moved to increase interests rates from super-accommodative lows instituted during 2008 as economic stimulus in response to the global recession. Between October 2010 and January 2011, China had hiked bank reserve requirements four time and raised interest rates three times to cool its economy clocking double-digit growth and to fight inflation running at 5% or twice the desired levels.

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

	31- Dec '10	31- Jan '11	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Gleaner Company	1.70	2.15	0.45	26.5%
Carreras Limited	53.07	59.97	6.90	13.0%
Berger Paints	2.01	2.20	0.19	9.45%
Montego Freeport	1.43	1.53	0.10	6.99%
JMMB	4.00	4.17	0.17	4.25%
Bottom Five (unadjusted for dividends or transact. Costs)				
Pulse Investments	2.30	1.80	(0.50)	-21.74%
Caribbean Cement	3.07	2.51	(0.48)	-18.24%
Desnoes & Geddes	3.59	3.00	(0.59)	-16.43%
Pan Carib. Financial	19.49	17.51	(1.98)	-10.16%
Cable & Wireless (Ja)	0.33	0.30	(0.03)	-9.09%

Source: Compiled from the JSE

valued at \$408.9 million changing hands, compared to 1.66 billion units valued at \$11.4 billion in 2009.

Overall market activity resulted from trading in 42 stocks of which 17 advanced, 19 declined and 6 traded firm. Cable & Wireless Limited with 50.7 million units was the volume leader with 54.0% of market volume; Gleaner

Company Ltd. was second with 8.8 million units or 9.4% of traded shares; followed by Barita Investment Ltd. Series A with 6.31 million units or 6.7% of market volume.

The leading advancers during January 2011 were: Gleaner Company, Carreras Limited, Berger Paints, Montego Freeport, and Jamaica

Prior to China's moves, Australia had raised interest rate in three moves by 125bps and Canada had also raised rates by 75bps in three moves between June and September 2010. Speculation had therefore shifted as to when the major industrial economies would move in the same direction and several indices were suggesting it could be as soon as middle of 2011.

In the United States, though the labour and housing markets continued to be weak, several indices in January 2011 pointed to a consolidation of the US recovery. US Q4 2010 GDP came in a little below expectations at 2.8% (revised) versus consensus of 3.5%, but it was faster than the 2.6% recorded in Q3 2010. Similarly, manufacturing activity in the US North-east, Mid-west and South-west continued to surprise on the upside; while retail sales rose by 0.5% in January beating expectations for a 0.3% rise. Added to these, Consumer Confidence hit a two and a half year high of 70.4% beating expectations for 65.5; and very importantly, Weekly Jobless Claims trended towards 400,000 compared to 600,000 at the height of the recession. In light of these positive indications the Federal Reserve noted at its January Meeting that US recovery was "firming" and kept its asset purchasing program at US\$600

billion. Thus, while most analysts see little likelihood of a US interest rate rise while unemployment remains at 9%, markets had priced in a 92% likelihood of an increase in the Fed's Funds-rate before the end of 2011.

In the Euro-zone, while the debt problems of the peripheral economies continue to cause concern, the performance of the major economies, in particular Germany, also gave rise to speculations of higher interest rate. German GDP of 4% (annualized) was roughly in line with expectations, but their Purchasing Manager's Index, the IFO Business Climate Index, and the GfK Consumer Confidence Survey handily beat expectations with the result that markets were pricing in an ECB interest rate rise as early as May 2011.

In Britain, the concern prompting interest rate speculation, was that inflation at 5% was more than twice the Bank of England rate.

Now with the uprising in the Middle East in January, speculation about normalizing monetary policy has given way to concerns about how rising oil prices could impact the global recovery.

INFLATION (JAN 2011) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	-0.18%	-0.178		
FOOD AND NON-ALCOHOLIC BEVERAGES	-1.06%	-0.397	12	
Food	-1.15%			
Bread and Cereals	0.15%			
Meat	0.99%			
Fish and Seafood	0.29%			
Milk, Cheese and eggs	1.24%			
Oils and Fats	0.72%			
Fruit	-0.36%			
Vegetables and Starchy Foods	-6.90%			
Vegetables	-8.12%			
Starchy Foods	-3.28%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.48%			
Food Products n.e.c.	0.48%			
Non-Alcoholic Beverages	0.43%			
Coffee, tea and Cocoa	0.84%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.24%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.48%	0.007	9	
CLOTHING AND FOOTWEAR	0.69%	0.023	4	
Clothing	0.81%			
Footwear	0.68%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.68%	0.087	2	
Rentals for Housing	0.05%			
Maint and Repair of Dwelling	0.32%			
Water Supply and Misc. Serv Related to the Dwelling	0.79%			
Electricity, Gas and Other Fuels and Routine	1.12%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.25%	0.012	6	
Furniture and Furnishings (including Floor Coverings)	0.12%			
Household Textiles	0.75%			
Household Appliances	0.06%			
Glassware, Tableware and Household Utensils	0.69%			
Tools and Equipment for House and Garden	0.46%			
Goods and Serv. for Routine Household Maint	0.31%			
HEALTH	0.08%	0.003	10	
Medical Products, Appliances and Equipment	0.16%			
Health Services	0.00%			
TRANSPORT	0.70%	0.090	1	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.34%	0.012	7	
EDUCATION	0.42%	0.009	8	
RESTAURANTS AND ACCOMMODATION SERVICES	0.20%	0.013	5	
MISCELLANEOUS GOODS AND SERVICES	0.38%	0.032	3	

INFLATION YTD (JAN 2011) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	-0.18%	-0.178		
FOOD AND NON-ALCOHOLIC BEVERAGES	-1.06%	-0.397	12	
Food	-1.15%			
Bread and Cereals	0.15%			
Meat	0.99%			
Fish and Seafood	0.29%			
Milk, Cheese and eggs	1.24%			
Oils and Fats	0.72%			
Fruit	-0.36%			
Vegetables and Starchy Foods	-6.90%			
Vegetables	-8.12%			
Starchy Foods	-3.28%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.48%			
Food Products n.e.c.	0.48%			
Non-Alcoholic Beverages	0.43%			
Coffee, tea and Cocoa	0.84%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.24%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.48%	0.007	9	
CLOTHING AND FOOTWEAR	0.69%	0.023	4	
Clothing	0.81%			
Footwear	0.68%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.68%	0.087	2	
Rentals for Housing	0.05%			
Maint and Repair of Dwelling	0.32%			
Water Supply and Misc. Serv Related to the Dwelling	0.79%			
Electricity, Gas and Other Fuels and Routine	1.12%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.25%	0.012	6	
Furniture and Furnishings (including Floor Coverings)	0.12%			
Household Textiles	0.75%			
Household Appliances	0.06%			
Glassware, Tableware and Household Utensils	0.69%			
Tools and Equipment for House and Garden	0.46%			
Goods and Serv. for Routine Household Maint	0.31%			
HEALTH	0.08%	0.003	10	
Medical Products, Appliances and Equipment	0.16%			
Health Services	0.00%			
TRANSPORT	0.70%	0.090	1	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.34%	0.012	7	
EDUCATION	0.42%	0.009	8	
RESTAURANTS AND ACCOMMODATION SERVICES	0.20%	0.013	5	
MISCELLANEOUS GOODS AND SERVICES	0.38%	0.032	3	

FISCAL ACCOUNT (APR- DEC '2010)

REV. & EXPEN. (APR'10 - DEC'10)	J\$M	PROVISIONAL Results	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	223,941.1		-4,010.9		18,237.40	
Tax Revenue	196,355.7		-1,255.2		10,501.60	
Non-Tax Revenue	16,571.4		1,502.7		5,696.70	
Bauxite Levy	189.2		-244.5		-1,315.50	
Capital Revenue	1,809.4		-71.9		700.80	
Grants	9,015.4		-3,942.0		2,654.40	
Expenditure	279,916.7		-12,260.7		-26,363.30	
Recurrent Expenditure	239,793.8		-5,968.9		-41,876.10	
Programmes	55,017.3		576.2		1,124.50	
Wages & Salaries	96,480.9		91.2		2,971.60	
Interest	88,295.7		-6,636.2		-45,972.50	
Domestic	56,111.5		-3,353.1		-40,880.30	
External	32,184.2		-3,283.1		-5,092.00	
Capital Expenditure	40,122.9		-6,291.8		15,512.50	
Capital Programmes	40,122.9		-6,291.8		15,512.50	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+]/ve)	-55,975.6		8,249.8		44,601.00	
Loan Receipts	140,102.2		-5,712.6		-60,254.00	
Domestic	90,595.5		-8,241.5		-94,989.30	
External	49,506.7		2,528.9		34,735.40	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	74,588.6		-473.3		-28,510.90	
Domestic	57,964.9		1,263.8		-25,089.30	
External	16,623.8		-1,737.0		-3,421.20	
Overall Balance (Surplus [+]/ve)	9,538.0		3,010.6		12,857.50	
Primary Balance (Surplus [+]/ve)	32,320.0		1,613.5		-1,371.30	

REV. & EXPEN. (APR'10 - DEC'10)	J\$M	PROVISIONAL Results	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	223,941.1		-4,010.9		-3,287.2	
Tax Revenue	196,355.7		-1,255.2		-7770.3	
Income and profits	66,410.2		-6,686.3		-12320.4	
Bauxite/alumina	866.3		214.6		847.1	
Other companies	16,656.7		-255.5		2426.3	
PAYE	36,983.1		-5,251.8		-5141.5	
Tax on dividend	727.5		337.9		508.7	
Other individuals	1,771.8		118.8		75.6	
Tax on interest	9,404.8		-1,850.3		-11036.9	
Environmental Levy	1,561.6		-48.1		-97.4	
Production and consumption	56,866.4		-964.3		6408.5	
SCT	6,009.4		-666.3		2495.6	
Motor vehicle licenses	1,329.4		-128.4		99	
Other Licenses	182.0		-219.6		-202.7	
Betting, gaming and lottery	1,109.6		-98.5		8.3	
Education Tax	9,361.1		160.2		505.8	
Contractors levy	582.8		-51.2		14	
GCT (Local)	33,769.3		-45.0		3692.8	
Stamp Duty (Local)	4,522.7		84.4		-203.9	
International Trade	71,517.6		6,443.6		16510.8	
Custom Duty	15,762.2		-2,133.7		962.5	
Stamp Duty	998.4		15.7		69.3	
Travel Tax	2,838.1		1,023.3		1565.9	
GCT (Imports)	29,284.2		6,708.9		8446.1	
SCT (Imports)	22,634.7		829.4		5466.7	
Non-Tax Revenue	16,571.4		1,502.7		5696.7	
Bauxite Levy	189.2		-244.5		-1315.5	
Capital Revenue	1,809.4		-71.9		700.8	
Grants	9,015.4		-3,942.0		2654.4	

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'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	324.191	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	332,010	6.03	1,736	n/a	1.14	10.2	1.2	89.62	16.80	21.91	5.35	754,612.01	590,849.70
Jan '10	75,972.	9.94	n/a	n/a	1,566	2,331.5	1.46	12.21	n/a	89.70	12.50	21.62	4.61	774,116.9	6,564.60
Feb	76,862	1.17	336,882	n/a	1,559	2,362.2	2.16	12.8	n/a	89.72	11.01	21.40	4.13	800,675.8	7,586.80
Mar	77,322	0.60	325,963 1		1,7519	2,332.28	0.45	4.1	-1.8	89.51	10.49	21.40	4.09	758,700.3	7,553.0
Apr	77,652	8.6	332,696.	2.07	1,736	2,321.3	1.34	5.5	14.5	89.07	9.99	21.51	4.03	759,420.5	7,729.3
May	81,011	10.9	334,179	3.06	1,675.6	2,325	0.63	6.2	-2.4	88.48	9.91	21.08	4.03	757,750.4	7,692.40
Jun	77,754	-4.02	319,480	-4.40	1,795.8	2,335.2	0.63	6.8	-2.6	86.02	8.52	20.72	3.90	773,311.5	7,711..26
Jul	74,477	-4.22	n/a	n/a	1,732.6	2,335.4	0.37	7.2	-0.5	86.09	8.73	20.22	3.36	787,795.1	7,847.25
Aug	75,121	2.80	336,171	0.96	1,956.93	2,289.4	0.43	7.7	4.5	85.58	8.24	19.44	3.23	780,506.4	8,032.83
Sep	74,230	-1.18	n/a	n/a	1,973.70	2,305.2	0.49	8.2	1.8	86.25	7.99	19.24	3.12	n/a	n/a
Oct	75,065	1.12	n/a	n/a	1,983.67	2,293.2	0.74	9.0	5.4	85.62	7.92	19.20	2.63	n/a	n/a
Nov	74,872	-0.26	330,349	0.88	1,918.48	2,245.4	1.04	10.2	n/a	86.14	n/a	n/a	n/a	n/a	n/a
Dec	85,093	4.90	n/a	n/a	2,171.41	n/a	1.45	11.7	n/a	85.86	7.48	18.95	2.5	799,900.	8,375.58
Jan '11	78,380	-7.89	n/a	n/a	2,088.97	n/a	-0.18	10.0	n/a	85.69	7.46	18.52	2.4	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.

<u>Key:</u>	
ACP— Africa Caribbean Pacific States	Loan – Average Loan Rate
BM – Base Money	M – Monthly Percentage Change
BP — Basis Points	M2 – Money Supply
CaPRI— Caribbean Policy and Research Institute	MT – Million tonnes
CARICOM— Caribbean Community & Common Market	N/A – Not Available
CARIFORUM— CARICOM and Dominican Republic	NIR – Net International Reserves
CPI – Consumer Price Index	OMO – Open Market Operation
CSME— Caribbean Single Market & Economy	P – Point-to-Point Percentage Change
EC— European Commission	R – Revised
EPA—Economic Partnership Agreement	S – Stopover
EU—European Union	Save – Average Savings Deposit Rate
FX Dep – Foreign Exchange Deposit	Tbill – 6-month Treasury Bill Yield
JCB – Jamaica Conference Board	Tourism – Total Tourist Arrivals
JCC – Jamaica Chamber of Commerce	WATBY- weighted average Treasury bill yield
KMA — Kingston and Metropolitan Area	WTO—World Trade Organization
KSA—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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