



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Jamaica's Economy Grows by 1.7% in Q4 2011

Jamaica's economy grew by 1.7% in the October - December quarter of 2011 (Q4 2011) recording its fourth consecutive quarter of growth and the first full year of growth since 2007. The Planning Institute of Jamaica (PIOJ) which reported this information recently, noted however, that the recorded growth was mostly recovery growth from the recession levels of 2008-2010, rather than "new dynamism throughout the economy". For calendar year 2011, the PIOJ is projecting GDP growth of 1.5% relative to a decline of -1.1% in 2010.

In Q4 2011, the **Goods Producing** industries grew by 5.8% while the combined **Services** industries grew by 0.2%. With the exception of Transport Storage & Communication and Finance & Insurance

Table 1a: Year over Year Change in Quarterly GDP by Industry

| Industrial Sectors | Jan-Dec 2010 | Q1 2011 | Q2 2011 | Q3 2011 | Q4 2011 |
|--|--------------|-------------|------------|-------------|------------|
| Total GDP | -1.1 | 1.6 | 2.1 | 0.5 | 1.7 |
| Goods Producing Industries | -1.6 | 5.9 | 5.6 | 2.4 | 5.8 |
| Agric, Forestry & Fishing | 0.6 | 13.7 | 10.7 | 2.9 | 16.4 |
| Mining & Quarrying | -3.5 | 37.5 | 33.8 | 7.7 | 8.2 |
| Manufacture | -2.0 | -0.5 | -0.4 | 1.8 | 2.1 |
| Construction & Installation | -2.3 | -0.2 | 1.4 | 1.1 | 1.0 |
| Services Industries | -1.4 | -0.2 | 0.9 | -0.2 | 0.2 |
| Electricity & Water Supply | -4.3 | 1.6 | 0.3 | 1.1 | 3.4 |
| Trans, Storage & Communication | -1.9 | -1.1 | 3.3 | -2.1 | -2.4 |
| Wholesale & Retail Trade etc. | -1.8 | 0.0 | 0.0 | 0.1 | 0.7 |
| Finance & Insurance Services | -3.9 | -3.0 | -0.1 | -0.4 | -0.5 |
| Real Estate, Renting & Business Services | -1.0 | 0.0 | 0.7 | 0.6 | 0.7 |
| Producers of Government Services | -0.1 | -0.4 | 0.3 | 0.5 | 0.7 |
| Hotels & Restaurants | 3.3 | 4.3 | 2.4 | -0.5 | 0.2 |
| Other Services | 0.1 | 0.6 | 0.7 | -1.3 | 0.8 |

Source: PIOJ

Services growth was recorded by all other industries within the economy.

GOJ infrastructure expenditures and residential building construction.

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Goods Producing Industries

Growth in the **Goods Producing Sector**, and in the economy as a whole, was driven by strong recovery growth of 16.4% in **Agriculture, Forestry and Fishing** and 8.2% in **Mining and Quarrying**. The growth in **Agriculture** resulted from a 28.9% increase in 'Other Agricultural Crops', in particular, Vegetables- up 45.3%; Condiments - up 62%; Fruits - up 54.8%; and Potatoes - up 55.4%. However, growth in 'Traditional Export Crops' declined by -0.7% reflecting a 39.6% decline in Coffee and 15.1% decline in Banana production.

The growth in **Mining and Quarrying** largely reflected increases in alumina production of 6.4% and 18.0% for bauxite. The 2.1% growth in **Manufacturing** resulted from a 1.8% increase in 'Food, Beverage and Tobacco' and a 2.5% increase in 'Other Manufacture', most notably chemicals and refined petroleum products. Real value added for **Construction** increased by 1.0% driven by

Services

The 0.2% growth recorded for **Services** was led by a 3.4% growth in '**Electricity & Water**' reflecting a 3.7% increase in electricity generation and a 2.2% increase in Water production. '**Other Services**' followed with a 0.8% rise; while the **Wholesale & Retail Trade, Repair and Installation of Machinery (WTRIM)** and **Real Estate, Renting and Business Services**, each grew by 0.7%. The growth in **WTRIM**, likely influenced by seasonal Christmas demand, reflected increase sales of automobiles, electronic equipment, petroleum products and hardware and building supplies; while sales and marketing activity associated with increased residential construction contributed to the growth in **Real Estate and Business Services**.

Real value-added for **Hotels and Restaurants** grew modestly by 0.2%.
(Contd on Page 10)



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Net International Reserves (NIR)

During January 2012, Net International Reserves decreased by US\$83.5 million to US\$1,882.6 million relative to US\$1,966 million at the end of December 2011. This marks the eight monthly decline of NIR over the past nine months and reverses a small US\$5.26 million increase during the previous month. The decline in January 2012, likely reflected a resumption of the net selling of the USD since May 2011 by the BOJ to support the J\$ which has been under moderate pressure, possibly, because of the hiatus in the GOJ/IMF Arrangement.

As of January 2012, gross reserves were adequate to finance 24.9 weeks of “goods” imports or 18.7 weeks of “goods and services” imports, well above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

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

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

Foreign Exchange Rate

US DOLLAR: During January 2012, the J\$ depreciated by J\$0.23 or 0.27% against the USD to J\$86.83 from J\$86.60 in December 2011. Apart from about three months in 2011 when there were small month over month gains, the J\$ declined steadily though modestly against the USD during 2011.

Table 1b: Changes in the NIR

| | US\$M NIR | Change US\$M | | | Imports (Weeks) |
|--------|--------------|--------------|---------|--------|--------------------|
| | | Mthly | 12 Mth | YTD | |
| Jan-12 | 1,882.63 | -84.38 | -206.34 | -84.38 | 24.85 |
| Jan-11 | 2088.97 | -82.44 | 522.96 | -82.44 | 31.42 |

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

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

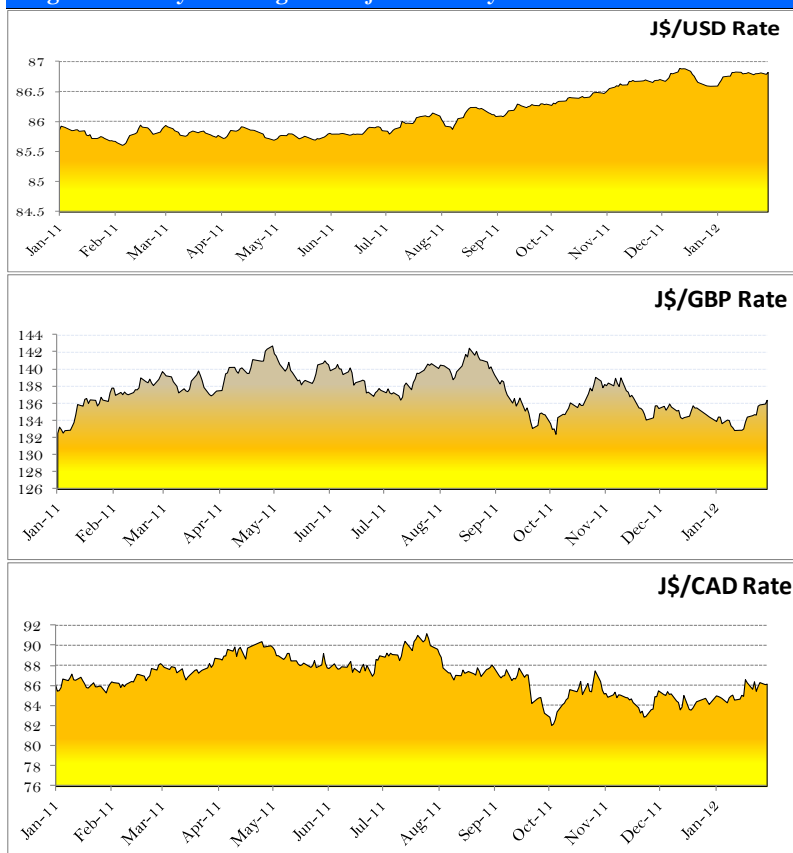
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

| | YTD Currency Rate Change (Dec 31, 2011—01/31/12) * | | | | | |
|-------------|--|-------|-----------|--------|-------------|-------|
| | J\$ / US\$ | % | J\$ / UK£ | % | J\$ / Can\$ | % |
| 2012 | 0.23 | 0.27 | 1.96 | 1.45 | 2.03 | 2.41 |
| 2011 | 3.84 | 4.47 | 12.64 | 9.45 | -0.40 | -0.47 |
| 2010 | -3.53 | -3.94 | -20.96 | -14.60 | 14.54 | 17.19 |
| | Jan- 2012 | | | | | |
| Actual Rate | 86.83 | 0.27 | 136.40 | 1.45 | 86.22 | 2.41 |
| Mth Change | 0.23 | 0.27 | 1.96 | 1.45 | 2.03 | 2.41 |

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

After been basically stable since June 2010 against the USD holding in a narrow trading range of J\$85.25 to 86.50 for 12 months, the J\$ came under moderate selling pressure from mid 2011 possibly due to concerns about the IMF's delayed assessment of Jamaica's performance under the last four quarterly tests. From J\$85.72 at the end of April 2011, the J\$ fell to J\$86.60 at the end of December 2011. For calendar year 2011, the J\$ is down 74 cents or 0.86% against the USD, after beginning the year at J\$85.86.

POUND & CANADIAN DOLLAR:

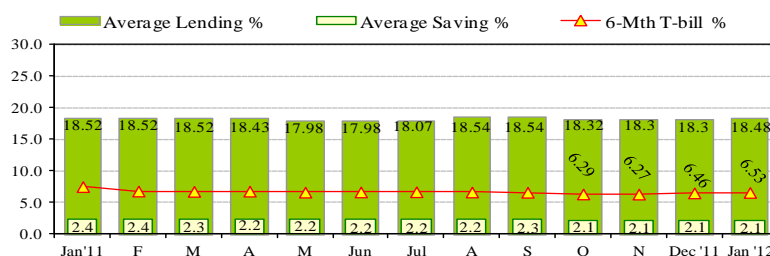
During January 2012, the J\$ depreciated by J\$1.96 or 1.45% against the GBP to J\$136.40 from J\$134.44 in December 2011. Against the CAD, the J\$ also depreciated in January 2012 - by J\$2.03 or 2.4% to sell for J\$86.22 compared to J\$84.20 in December 2011. During 2011 there were sharp up and down movements of the J\$ against GBP and CAD (See Chart 1) mirroring the rise and fall of these currencies against the USD on international exchanges in response to risk sentiment. For calendar year 2011, the J\$ declined by J\$0.71 or 0.53% against GBP, but gained J\$1.14 or 1.34% against the CAD.

Interest Rates

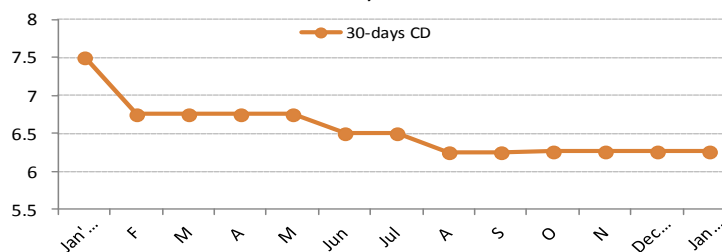
During calendar year 2011, Jamaican monetary authorities maintained their dovish (low interest rate) policy stance and continued the policy of withholding medium and longer term instruments from the market in their efforts to allow interest rates to recalibrate at much lower levels than was the norm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

In relation to the MOF 6-month treasury bill, interest rate declined by 1.02% during 2011 reaching a low of 6.27% in November 2011, before closing the year at 6.49%. The BOJ 30 day CD for its part, was cut by an additional 1.25% in 2011 from 7.50% to 6.25%. Average

Figure 2A & 2B: Interest Rate Movements



30-days CD



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

| | Jan-12 | Change (%age pts) | | |
|---------------------|--------|-------------------|--------|--------|
| | | Monthly | 12-Mth | YTD |
| 30-days CD | 6.26% | 0.00% | -1.24% | 0.00% |
| 60-days CD* | 11.00% | 0.00% | 0.00% | 0.00% |
| 90-days CD* | 13.50% | 0.00% | 0.00% | 0.00% |
| 120-days CD* | 13.70% | 0.00% | 0.00% | 0.00% |
| 180-days CD* | 15.00% | 0.00% | 0.00% | 0.00% |
| Avg Savings Deposit | 2.10% | -0.03% | -0.30% | -0.03% |
| Avg Loan Rate | 18.48% | 0.18% | -0.04% | 0.18% |
| 6-Month T-Bill | 6.53% | 0.07% | -0.93% | 0.07% |

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

savings rate declined by 37 bps during the year to 2.13%, but average lending rates remained unnervingly high closing the year at 18.30% (about three-times the rate of inflation) having reached a low of 17.98% in May and June 2011.

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

Base Money & Money Supply

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

Given the modest changes in its com-



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ponents (M1 and Quasi Money), M2 not unexpectedly showed only marginal movements recording an increase of 1.18% during the month to J\$346.35 billion.

During January 2011 the monetary base decreased by -J\$8.8 billion or 8.9% to J\$83.56 billion. This largely resulted from a J\$9.09 billion decrease in net currency issue due to BOJ post-Christmas reduction of the money supply.

Inflation

The rate of inflation increased by 0.4% in January 2012 roughly in line with the increase over the last three months of 2011. Within the Consumer Price Index (CPI), the division recording the highest increase (1.0%) was “Miscellaneous Goods and Services” due to higher prices for motor vehicle insurance, appliances, and personal care items.

The second highest increase (0.7%) was recorded in the most heavily-weighted division - “Food and Non-Alcoholic Beverages”. This largely resulted from price increases of 1.9% in the class ‘Oils and Fats’; a 1% rise for ‘Fish and Seafood’; and a 0.9% rise for ‘Meat’; with ‘Sugar, Jam, Honey, Chocolate and Confectionery’ increasing by 0.8%. In contrast, prices in the class ‘Vegetables and Starchy Foods’ were flat on the month, with ‘Starchy Foods’ declining by 1.2%.

The division recording the third largest increase (0.6%) was “Clothing and Footwear” reflecting increases of 0.6% for “Clothing” and 0.7% for “Footwear”. Two divisions - “Transport” and “Recreation and Culture” each recorded increases of 0.5%. Increased prices for airfares, petroleum and related products explains the rise of the former; while increased price for cinema tickets resulted in the rise of the latter. Three divisions recorded increases of 0.4% or less, while two divisions -

Table 5: Base Money and Money Supply

| | J\$M | Percentage Change (%) | |
|-------------|------------|-----------------------|--------|
| | Nov -11 | Mthly | 12 Mth |
| M1 | 118,467.65 | 2.02 | 13.56 |
| Quasi Money | 227,881.00 | 0.75 | 0.82 |
| M2 | 346,348.65 | 1.18 | 4.84 |
| | Jan -'12 | Mthly | 12 Mth |
| Base Money | 83,564.39 | -8.88 | 6.61 |

Source: BOJ Economic Statistics

Table 6: Inflation Trends

| | % Percent Changes | | | |
|------|-------------------|--------|-------|--------|
| | Jan | 12-Mth | YTD | Fiscal |
| 2012 | 0.39 | 6.62 | 0.39 | 5.92 |
| 2011 | -0.18 | 9.96 | -0.18 | 7.15 |

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

Table 7: Mining Production

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

Source: Jamaica Bauxite Institute (JBI)

“Education” and “Communication” were flat (0.0%) on the month. The only division recording a decrease (-0.8%) for the month was “Housing, Water, Electricity, Gas and Other Fuels”. This resulted from a 1.9% decline in the class ‘Electricity, Gas and Other Fuels’ possibly indicating demand destruction due to higher fuel prices.

The rate of inflation, year to date (Jan 2012) was 0.4%, in contrast to minus 0.18% recorded for January 2011. The point to point rate was 6.6%, while for the fiscal year to date, the rate of inflation is 5.9% which was 1.2 percentage point lower than the 7.1% recorded in the corresponding

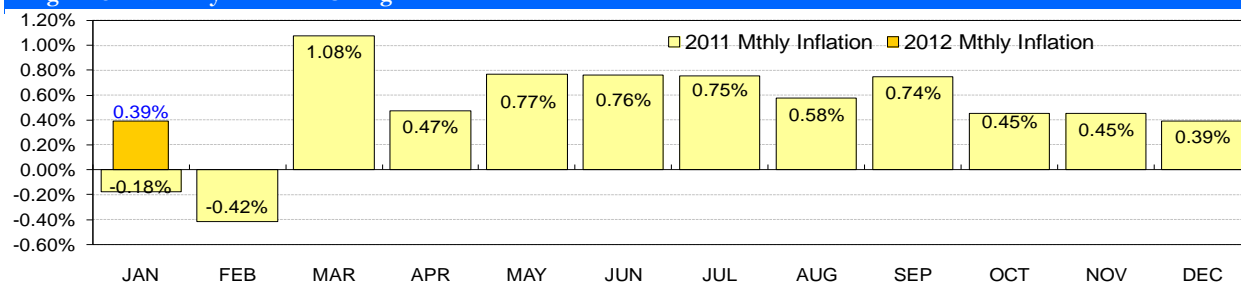
period of FY 2010/11.

Bauxite & Alumina

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

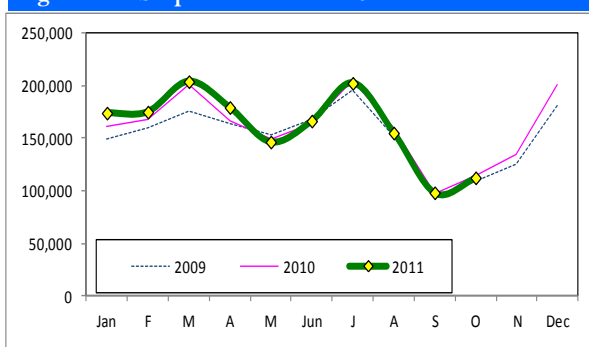
During calendar year 2010, alumina production fell by -10.3% to 1.59 million tons and alumina exports by -16.4% to 1.56 million tons compared to 2009. But this was much lower than the -60% contraction in 2009

Figure 3: Monthly Inflation Changes



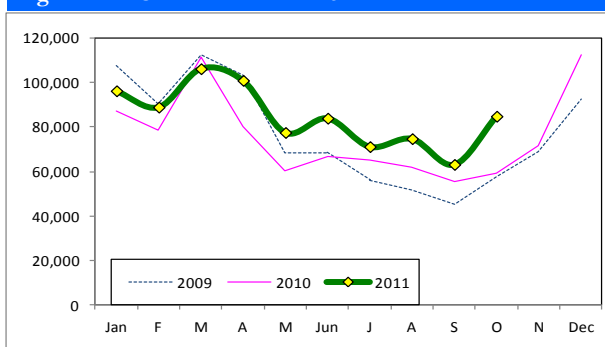
Source: STATIN and PSJOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

relative to 2008.

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

Tourism

Stopover arrivals in October 2011 were 112,536 – a decrease of 1.9% over the 114,699 recorded in October 2010. For the period – Jan-October 2011, stopovers increased by 1.8% to 1,614,318 compared to 1,586,512 arrivals in 2010. The number of cruise passengers also increased in October 2011 – by 42.9% to 84,888 visitors, compared to 59,398 in October 2010 which possibly reflected the impact of the disturbance in Western Kingston five months earlier.

During calendar year 2010, stopovers increased by 4.9% to 1,921,678 compared to 1,831,097 in 2009. However, this fell 4% short of the 2 million stopovers the GOJ had targeted for 2010. For 2011, the GOJ is targeting a 6% to 8% rise to 2,030,000.

Regionally, stopovers from the US decreased by 4.3% in October 2011 to 71,441 compared to 74,666 in October 2010. Year to date (Jan-Oct 2011), stopovers from the United States are down by –1.9% to 1,025,924 visitors compared to 1,045,367 during Jan-Oct 2010. From the Canadian market, stopovers increased by 21.0% in October 2011 with 15,968 arrivals, compared to 13,192 in October 2010. Year to date, stopovers from Canada are up 20.6% with 301,902 visitors compared to 250,332 visitors in Jan-October 2010.

Visitors from Europe, including the UK, decreased by 8.7% in October 2011 to 18,426 compared to 20,178 arrivals in October 2010. Year to date, stopovers

Tourist Arrivals

| | 2010 | 2011 | %Change | |
|-----------------------|------------------|------------------|--------------|--------------|
| | YTD (OCT) | YTD - YOY | YTD - YOY | MOM |
| Stopover | 1,586,512 | 1,614,318 | 1.8% | 14.5% |
| Foreign | 1,467,924 | 1,495,342 | 1.9% | 15.8% |
| Non-Resident | 118,588 | 118,976 | 0.3% | 1.8% |
| Cruise | 725,778 | 848,237 | 16.9% | 34.3% |
| Total Arrivals | 2,312,290 | 2,462,555 | 6.5% | 22.3% |

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

from Europe are down –6.9% to 208,568 compared to 223,959 in 2010.

Stopover arrivals from the Caribbean decreased during 2010 by a significant 10.8% to 58,299 compared to 65,333 in 2009. But for the ten months of 2011, stopovers from the Caribbean are up 16.9% to 54,668 visitors compared to 46,782 for the corresponding period of 2010. Stopovers from Latin America were also down 7.2% to 13,442 in 2010. But for the ten months of 2011, stopovers from Latin America are up by 21.0% to 13,863 visitors.

During calendar year 2010, cruise visitors to the Island decreased slightly by 1.4% to 909,619 visitors. For the ten months of 2011 however, cruise arrivals are up by 16.9% to 848,237 visitors. Total Visitors to Jamaica for Jan-October 2011 were 2,462 million marking a 6.5% increase relative to 2,312 million visitors during Jan-October 2010.

External Trade

During January – October 2011, Jamaica's exports increased by US\$240.0 million or 21.5% to US\$1,355.8 million, compared to US\$1,115.8 million in January – Oct 2010. Imports for their part, grew by US\$1,060.8 million or 24.6%, to US\$5.37 billion compared to

US\$4.30 billion during January – Oct 2010. As is usually the case when economic conditions are picking up globally and in Jamaica, the negative imbalance in Jamaica's merchandise trade worsened in Jan-Oct 2011 by –US\$820.8 million or –25.7% to –US\$4.01 billion compared to US\$3.19 billion in January – Oct 2010.

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

The increase earnings from traditional exports largely resulted from the continuing recovery of alumina production with earnings increasing by 49.5% to US\$472.4 million during Jan-Oct 2011 compared to US\$316.0 million in Jan-Oct 2010. This was supported by a strong 40.5% increase in sugar exports to US\$62.2 million relative to US\$44.2 million during the same period a year earlier. Notable contributions to the growth in traditional exports were also made by a 17.9% rise in 'Manufacturing' exports to US\$106.9 million compared to US\$90.9 million one year ago; with

smaller increases in 'Bauxite' -up 5% to US\$115.9 million and 'Rum' exports - up 0.3% to US\$41.9 million.

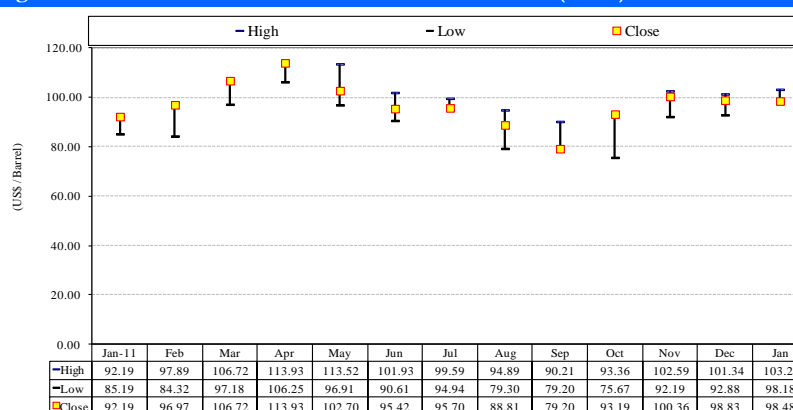
There was however, a notable -9.5% declines in traditional agricultural exports and in particular coffee. Compared to earnings of US\$18.2 million in Jan-Oct 2010, earnings from Coffee exports fell by -7.5% to US\$16.8 million during the ten months of 2011. The decline in earnings from Coffee reflects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

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

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

There were however, notable decreases

Figure 5: West Texas Intermediate Crude Oil Prices (WTI) US\$ / Barrel



Source: PSOJ Compilation from Union Pacific (<http://www.uprr.com/customers/surcharge/wti.shtml>)

Table 9: External Trade (US\$M)

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

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

in earnings from some 'Food' categories in Jan-July 2011 relative to the corresponding period of 2010. Earnings from 'Sweet Potatoes' fell by -23.6% to US\$2.06 million from US\$2.7 million in 2010; 'Papaya' exports were down -22.8% to US\$1.92 million from US\$2.5 million; 'Ackee' exports were down -4.5% to US\$10.35 million from US\$10.83 million; and 'Juices excl.

Citrus' were down by -9.9% to US\$5.85 million from US\$6.5 million.

The three other categories of non-traditional exports also recorded increases during Jan-Oct 2011. "Crude Materials" were up by 107.5% largely driven by a 146% increase in (the now outlawed) 'Waste and Scrap Metals' trade from US\$13.5 million in

Jan-Oct 2010 to US\$33.3 million in the current period; and a 124% increase in 'Limestone' exports to US\$2.10 million from US\$940,000. But exports of 'Other' crude materials declined by – 32.3% to US\$2.6 million from US\$3.88 million in Jan-Oct 2010.

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

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

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

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

The largest increase was recorded in **Raw Materials/Intermediate Goods** which typically accounts for the bulk of imports. In this category, imports increased by 38.3% to US\$3.47 billion from US\$2.51 billion for the corresponding period of 2010. The greatest contributors to that increase were imports of 'Mineral Fuels' – up 48.3% to US\$2.03 billion from US\$1.367 billion during Jan-Oct 2010. Imports of 'Food' for intermediate use surged by 30.2% to US\$243.7 million; while 'Industrial Supplies' grew by 21.7% to US\$901.0 million. 'Parts & Accessories of Capital Goods' grew by 38.5% to US\$300.9 million.

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

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

Source: BOJ & Statistical Update:

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

Imports of **Consumer Goods (excl. Motor Cars)** also increased in Jan-Oct 2011, though modestly by 1.2% to US\$1.37 billion compared to US\$1.35 billion in the corresponding ten months of 2010. This was largely due to increase imports of 'Food (incl. Beverages)' which were up 10.8% to US\$588.3 million. All other categories of Consumer Goods imports declined. Non-durable Goods' declined by –8.7% to US\$387.0 million; 'Semi-durable Goods' were down –2.9% to US\$126.9 million while 'Other Durable Goods (excl. Motor cars)' decreased slightly by –

0.2% to US\$263.9 million. Imports of **'Passenger Motor Cars'** increased however by 34.5% to US\$112.4 million from US\$83.6 million in Jan-Oct 2010.

Oil: At the end of January 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$98.48 per 42 gallon barrel – a decrease in price of US\$0.35 relative to the closing price of US\$98.83 the previous month. During January 2012 the price ranged between a high of US\$103.22 and a low of US\$98.18. (See Fig. 5)

Balance of Payments

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

During the period, the **Goods balance** recorded a deficit of US\$3,404.9 million, a deterioration of US\$756.1 million when compared to the corresponding period in 2010. This resulted primarily from an increase in imports of US\$1,007.0 million, which was

Table 11: Fiscal Accounts (J\$ Million)

| | Apr-Dec (Fiscal—2011/12) | | | | Apr-Dec (YOY) | |
|--|--------------------------|------------------|------------------|---------------|------------------|---------------|
| | J\$ million | | Deviation | | 10/11 - 11/12 | |
| | Provisional | Budget | J\$M | (%) | J\$M | (%) |
| Revenue & Grants | 231,441.3 | 246,864.7 | -15,423.4 | -6.25 | 6,287.2 | 2.8 |
| Tax Revenue | 206,289.4 | 220,841.7 | -14,552.3 | -6.59 | 9,963.2 | 5.1 |
| Non-Tax Revenue | 14,314.3 | 15,243.8 | -929.5 | -6.10 | -3,561.3 | -21.5 |
| Bauxite Levy | 1,169.2 | 1,145.5 | 23.7 | 2.07 | 979.9 | 517.6 |
| Capital Revenue | 6,716.4 | 7,058.1 | -341.7 | -4.84 | 4,378.5 | 242.0 |
| Grants | 2,952.0 | 2,575.6 | 376.4 | 14.61 | -5,473.9 | -65.0 |
| Expenditure | 287,781.6 | 296,739.4 | -8,957.8 | -3.02 | 10,024.4 | 3.6 |
| Recurrent Expenditure | 251,959.5 | 254,085.0 | -2,125.5 | -0.84 | 13,876.8 | 5.8 |
| Programmes | 62,837.9 | 64,520.2 | -1,682.3 | -2.61 | 8,529.5 | 15.7 |
| Wages & Salaries | 106,135.1 | 106,900.2 | -765.1 | -0.72 | 8,971.0 | 9.2 |
| Interest | 82,986.5 | 82,664.6 | 321.9 | 0.39 | -3,623.2 | -4.2 |
| Domestic | 50,008.6 | 50,271.2 | -262.6 | -0.52 | -6,103.8 | -10.9 |
| External | 32,977.9 | 32,393.4 | 584.5 | 1.80 | 2,480.5 | 8.1 |
| Capital Expenditure | 35,822.1 | 42,654.4 | -6,832.3 | -16.02 | -3,852.3 | -9.6 |
| Capital Programmes | 35,822.1 | 42,654.4 | -6,832.3 | -16.02 | -3,852.3 | -9.6 |
| IMF #1 Account | 0.0 | 0.0 | 0.0 | 0.00 | 0.0 | 0.0 |
| Fiscal Balance (Surplus [+ve]) | -56,340.3 | -49,874.7 | -6,465.6 | -12.96 | -3,737.2 | -6.8 |
| Loan Receipts | 112,163.8 | 108,843.5 | 3,320.3 | 3.05 | -18,183.6 | -13.3 |
| Domestic | 93,570.8 | 88,692.7 | 4,878.1 | 5.50 | 9,787.1 | 10.8 |
| External | 18,593.0 | 20,150.8 | -1,557.8 | -7.73 | -27,970.6 | -60.1 |
| Divestment Proceeds | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 |
| Amortization | 79,656.0 | 80,378.5 | -722.5 | -0.90 | 4,888.4 | 6.6 |
| Domestic | 27,414.5 | 27,678.5 | -264.0 | -0.95 | -30,550.5 | -52.7 |
| External | 52,241.5 | 52,700.0 | -458.5 | -0.87 | 35,438.5 | 213.2 |
| Overall Balance (Surplus [+ve]) | -23,832.6 | -21,409.7 | -2,422.9 | -11.32 | -19,596.5 | -259.9 |
| Primary Balance (Surplus [+ve]) | 26,646.2 | 32,789.9 | -6,143.7 | -18.74 | -7,360.7 | -23.2 |

Source: Ministry of Finance and Planning

greatly influenced by an increase in mineral fuel imports of US\$675.2 million. The deterioration in the Goods sub-account was partially offset by a US\$250.9 million increase in exports, stemming mainly from an increase in alumina exports of US\$156.4 million.

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

During the review period, **Current transfers** increased by US\$68.0 million to US\$1,693.3 million. This improvement resulted primarily from an increase in net private transfers of US\$97.8 million. Flows from official and private sources were insufficient to finance the current

account deficit. Consequently, the NIR declined by US\$139.2 million during the period.

Fiscal Accounts

During the nine months of FY 2011/12 (Apr-Dec), the GOJ ran a fiscal deficit of -J\$56.3 billion. This deficit was -J\$12.9 billion more than the -J\$49.87 billion budgeted and mainly resulted from a significant J\$15.4 billion or -6.25% shortfall in Revenues and Grants which were inadequately counter-balanced by expenditure reductions of -J\$9.96 billion or 3.02%.

REVENUE: Total Revenues & Grants to the GOJ during Apr-Dec 2011/12 was J\$231.4 billion. This was, as noted, -J\$15.4 billion or 6.3% below the J\$246.9 billion budgeted, but J\$6.3 billion higher than the J\$228 billion collected in Apr-Dec

2010. The main outperformers on the revenue accounts were SCT - up J\$1,048.7 million; 'Grants' - up J\$376.4 million above budget; and 'Contractor's Levy' which was J\$328.0 million above budget. 'Bauxite Levy' - up J\$23.7 million and a marginal J\$0.1 million increase in 'Bauxite/alumina' income taxes were also above budget. Returns on all other revenue heads were negative.

Among the main underperformers on the revenue accounts were: 'GCT (local)' which registered a shortfall of -J\$3.6 billion; 'Other Companies' taxes were down -J\$3.1 billion; and 'SCT (Imports)' - down -J\$2.3 billion. Notable shortfalls were also recorded by 'GCT (Imports)' which came in -J\$1.74 billion below budget and 'Customs Duty' - down -J\$1.62 billion.

EXPENDITURE: Total expenditure for the first nine months of

fiscal year 2011/12, was J\$287.8 billion. This was -J\$8.9 billion less than budgeted, but J\$10.02 billion more than the J\$277.7 billion expended for the corresponding period of FY2010/11. Among the heads showing notable deviations from budget were: 'Capital Programmes' - under-spent by -J\$6.8 billion; 'Recurrent Programmes' - under-spent by -J\$1.68 billion; and 'Wages and Salaries' by -J\$1.0 billion. Domestic Interest payments was under-spent by J\$262.6 million, but external interest payments exceeded budget by J\$584.5 million.

FISCAL OUTTURN

As noted, for the first nine months of FY2011/12 (Apr-Dec 2011), the Budget recorded a fiscal deficit of J\$56.3 billion. This was -J\$6.5 billion or -12.9% worse than budgeted, and about J\$3.7 billion or -6.8% worse than the deficit for Apr-Dec 2010/11.

During FY2010/11, there was a fiscal deficit of -J\$74.2 billion amounting to 6.1% of GDP which represented a 40.2% improvement on the deficit of -J\$123 billion recorded in 2009/10. For FY2011/12, the GOJ is projecting a deficit of -J\$61.8 billion or 4.7% of GDP. The out-turn for the first nine months - averaging -J\$6.25 billion per month, is therefore running well ahead of the -J\$5.2 billion projected.

The Primary Surplus - the difference between total revenues and non-interest expenditures for FY2010/11 was J\$54.1 billion or 5.6% of GDP. This fell short of budget by J\$7.15 billion or 11.7% relative to the J\$61.3 billion originally budgeted. For the first nine months of FY2011/12, the primary surplus was J\$26.5 billion which was -J\$6.14 billion or 18.7% less than J\$32.8 billion targeted.

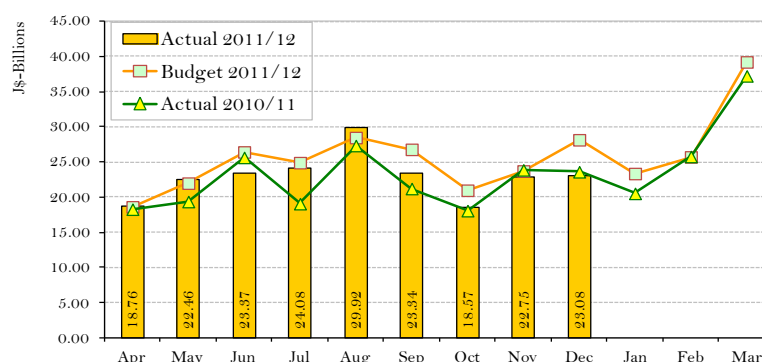
PUBLIC DEBT

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

Stock Market

During January 2012, market capitalization decreased by J\$23.95 billion or

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



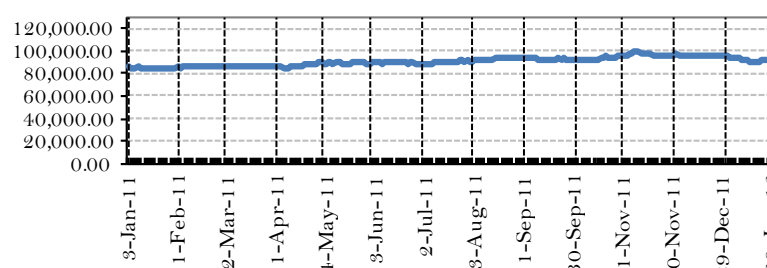
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Major Deviations in Fiscal Revenue and Expenditure

| J\$-Millions | Apr-Dec 2011/12 |
|-------------------------------------|-----------------|
| Revenue (Revenue Surpluses) | |
| SCT | 1,048.7 |
| Grants | 376.4 |
| Contractor's Levy | 328.0 |
| Bauxite Levy | 23.7 |
| Bauxite/alumina | 0.1 |
| Revenue (Revenue Shortfalls) | |
| GCT (local) | -3,628.8 |
| Other Companies | -3,065.0 |
| SCT (Imports) | -2,283.4 |
| GCT (Imports) | -1,740.8 |
| Customs Duty | -1,621.1 |
| Expenditure (Changes) | |
| Capital Programmes (under-spend) | -6,832.3 |
| Recurrent Programmes (under-spend) | -1,682.3 |
| Wages & Salaries (under-spend) | -765.1 |
| Domestic Interest (under-spend) | -262.6 |
| External Interest (over-spend) | 584.5 |

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSQJ

3.87% to close at J\$593.85 billion. Four of five indices declined and one was unchanged on the month. The main **JSE Market Index** declined by 3,090 points or 3.24% to close at 92,207 points. The

JSE All Jamaican Composite declined by 5,154 points or 5.0% to close at 97,025 points. The **JSE Select Index** declined by 147.5 points or 5.1% to close at points while the

JSE Junior Market Index declined by 42.4 points or 5.7% to close at 706.5 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica was unchanged during the month holding steady at 794.6 points.

Market volume was very low during the first month of 2012 with 54.38 million units valued at J\$509.7 million changing hands, compared to 199.78 million units valued at J\$4.0 billion in December 2011.

Overall market activity resulted from trading in 34 stocks of which 4 advanced, 25 declined and five traded firm. Cable & Wireless Ltd. was the market leader with 12.19 million units or 18.9% of market volume; followed by Jamaica Broilers Group with 11.8 million units or 18.4% of market volume; while Ciboney Group was third with 9.7% or 6.26 million units changing hands.

The leading advancers during January 2012 were: Pulse Investments Ltd, Salada Foods, Radio Jamaica Ltd, and Carreras Ltd.

Jamaica and a 19.7% decline in cargo handled at the Kingston port which outweighed a 12.8% increase in cargo handled at Outports. The 0.5% decline in **Finance and Insurance Services** resulted largely from a decline in interest income.

For the current quarter (Q1 2012) the PIOJ is projecting continued economic growth of 1.2% - 1.5% for the Jamaican economy based on continuing recovery of most industries and continued growth in remittances. The PIOJ notes downside risks to these forecasts from higher oil prices and slower than anticipated growth in the industrialized countries, in particular Europe.

PNP Reviewing IMF Options

The recently elected People's National Party Government appears to be reviewing its options regarding the IMF. Jamaica is currently operating under a 27 month **Stand-by Agreement** with the IMF which expires at the end of March 2012. Though the previous JLP Government made substantial progress in fiscal consolidation under the SBA, there has been notable slippage on the deficit and primary balance targets and the JLP Government lagged in implementing certain key structural reforms, notably, tax reform, public sector rationalization and pension reforms. At the time the JLP Government signed the SBA, the

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

| | 31- Dec '11 | 31- Jan '12 | \$ change | % change |
|--|----------------|----------------|--------------|-------------|
| Top Five (unadjusted for dividends or transact. Costs) | | | | |
| Pulse Investments | 2.45 | 3.20 | 0.75 | 30.6% |
| Salada Foods | 8.87 | 9.51 | 0.64 | 7.22% |
| Radio Jamaica | 2.54 | 2.67 | 0.13 | 5.12% |
| Carreras Limited | 61.52 | 62.05 | 0.51 | 0.86% |
| Bottom Five (unadjusted for dividends or transact. Costs) | | | | |
| Caribbean Cement Co | 3.00 | 2.06 | (0.94) | -31.3% |
| Ciboney Group | 0.05 | 0.04 | (0.01) | -20.0% |
| Jamaica Producers Gp. | 24.01 | 20.05 | (3.96) | -16.5% |
| Barita Investments Ltd. | 4.71 | 4.10 | (0.51) | -12.9% |
| Jamaica Broilers Gp. | 5.92 | 5.16 | (0.76) | -12.8% |

Source: Compiled from the JSE

The leading decliners were Caribbean Cement Company Ltd, Ciboney Group, Jamaica Producers Group, Barita Investments Ltd, and Jamaica Broilers Group.

Economic Highlights

(contd. from page 1.)

Because while cruise passenger arrivals jumped by 48.9%, higher spending stopover arrivals were flat during Q4 2011.

With regards to the two declining Services industries, the decline in **Transport, Storage & Communication** was due to reduced activity associated with the divestment of Air

PNP in Opposition argued that an **Extended Fund Facility (EFF)**, which has a longer time-frame would spread out the adjustments and be less contractionary on the economy. But recently Finance Minister Peter Phillips, mooted the possibility of seeking a **Staff Monitored Program (SMP)** with the IMF. Unlike the SBA and the EFF, the SMP requires no funding from the IMF and mainly entails IMF staff scrutiny of the authorities' policies, but not formal backing of the program. Maybe, because Jamaica is not experiencing any absolute shortage of foreign exchange, and the PNP like the JLP is reluctant to implement conditions that could entail 10,000 layoffs in the public sector, the PNP is leaning towards the SMP which allows greater flexibility.

The Global Picture

The issue roiling financial markets for the past several months - providing financial aid to Greece to help it to make crucial bond repayments due at the end of March 2012, seems to have been partially alleviated by European Governments pledging to fund a €130 billion package for that purpose.

While the package for Greece is expected to be ultimately approved, there are still a number of outstanding issues. For one, the pledges of several Governments have to be approved by their respective Parliaments. Secondly, the

arrangements in respect of Greece are not viewed as resolving the funding challenges of larger indebted Eurozone countries such as Italy and Spain; and thirdly, though the Europeans have been seeking extra-European support, few Non-European countries have committed specific amounts. Still markets have experienced a relief rally on the Greece Agreement; if only from the fact that the Agreement postpones the bigger challenges posed by the larger indebted European economies.





































Despite the uneasiness about Europe, equity markets have continued to trudge higher over the past few weeks with markets now at multi-year highs in Japan, Britain and the United States. This relative buoyancy in equity markets is occurring even in the face of mixed or worst than expected economic performance. Many analysts have concluded that the quantitative easing (a form of money printing) that is occurring in many countries is supportive of equities by making large quantities of money available at low interest rates. This has contributed a bullish tone in markets and supported expectations that while the first half and possible all of 2012 will see many economies struggling, the flood of cheap money available to companies will lead to more hiring and economic expansion by 2013.

INFLATION (JAN - 2012) - CPI

APPENDIX

| | %Change | Weighted Δ | Rnk | Infl. Contribution |
|---|---------------|---------------|-----------|--------------------|
| All Groups | 0.39% | 0.393 | | |
| FOOD AND NON-ALCOHOLIC BEVERAGES | 0.70% | 0.264 | 1 | |
| Food | 0.70% | | | |
| Bread and Cereals | 0.65% | | | |
| Meat | 0.91% | | | |
| Fish and Seafood | 1.02% | | | |
| Milk, Cheese and eggs | 0.62% | | | |
| Oils and Fats | 1.88% | | | |
| Fruit | 0.35% | | | |
| Vegetables and Starchy Foods | -0.05% | | | |
| Vegetables | 0.36% | | | |
| Starchy Foods | -1.24% | | | |
| Sugar, Jam, Honey, Chocolate and Confectionery | 0.81% | | | |
| Food Products n.e.c. | 0.95% | | | |
| Non-Alcoholic Beverages | 0.79% | | | |
| Coffee, tea and Cocoa | 1.60% | | | |
| Mineral waters, Soft Drinks, Fruit and Veg Juices | 0.46% | | | |
| ALCOHOLIC BEVERAGES AND TOBACCO | 0.37% | 0.005 | 8 | |
| CLOTHING AND FOOTWEAR | 0.64% | 0.021 | 4 | |
| Clothing | 0.55% | | | |
| Footwear | 0.69% | | | |
| HOUSING, WATER, ELECT., GAS AND OTHER FUELS | -0.81% | -0.103 | 12 | |
| Rentals for Housing | 0.54% | | | |
| Maint and Repair of Dwelling | 0.88% | | | |
| Water Supply and Misc. Serv Related to the Dwelling | 0.15% | | | |
| Electricity, Gas and Other Fuels and Routine | -1.87% | | | |
| FURNISH, HSHOLD EQUIP & HSHOLD MAINT. | 0.23% | 0.011 | 7 | |
| Furniture and Furnishings (including Floor Coverings) | 0.43% | | | |
| Household Textiles | 0.37% | | | |
| Household Appliances | 0.47% | | | |
| Glassware, Tableware and Household Utensils | 1.05% | | | |
| Tools and Equipment for House and Garden | 0.25% | | | |
| Goods and Serv. for Routine Household Maint | 0.12% | | | |
| HEALTH | 0.08% | 0.003 | 9 | |
| Medical Products, Appliances and Equipment | 0.23% | | | |
| Health Services | 0.00% | | | |
| TRANSPORT | 0.49% | 0.063 | 3 | |
| COMMUNICATION | 0.00% | 0.000 | 10 | |
| RECREATION AND CULTURE | 0.40% | 0.013 | 5 | |
| EDUCATION | 0.00% | 0.000 | 10 | |
| RESTAURANTS AND ACCOMMODATION SERVICES | 0.20% | 0.012 | 6 | |
| MISCELLANEOUS GOODS AND SERVICES | 0.96% | 0.080 | 2 | |

INFLATION YTD (JAN-2011) CPI

| | %Change | Weighted Δ | Rnk | Infl. Contribution |
|---|---------------|---------------|-----------|---|
| All Groups | 0.39% | 0.393 | |  |
| FOOD AND NON-ALCOHOLIC BEVERAGES | 0.70% | 0.264 | 1 |  |
| Food | 0.70% | | | |
| Bread and Cereals | 0.65% | | |  |
| Meat | 0.91% | | |  |
| Fish and Seafood | 1.02% | | |  |
| Milk, Cheese and eggs | 0.62% | | |  |
| Oils and Fats | 1.88% | | |  |
| Fruit | 0.35% | | |  |
| Vegetables and Starchy Foods | -0.05% | | | |
| Vegetables | 0.36% | | |  |
| Starchy Foods | -1.24% | | |  |
| Sugar, Jam, Honey, Chocolate and Confectionery | 0.81% | | |  |
| Food Products n.e.c. | 0.95% | | |  |
| Non-Alcoholic Beverages | 0.79% | | | |
| Coffee, tea and Cocoa | 1.60% | | |  |
| Mineral waters, Soft Drinks, Fruit and Veg Juices | 0.46% | | |  |
| ALCOHOLIC BEVERAGES AND TOBACCO | 0.37% | 0.005 | 8 |  |
| CLOTHING AND FOOTWEAR | 0.64% | 0.021 | 4 |  |
| Clothing | 0.55% | | |  |
| Footwear | 0.69% | | |  |
| HOUSING, WATER, ELECT., GAS AND OTHER FUELS | -0.81% | -0.103 | 12 |  |
| Rentals for Housing | 0.54% | | |  |
| Maint and Repair of Dwelling | 0.88% | | |  |
| Water Supply and Misc. Serv Related to the Dwelling | 0.15% | | |  |
| Electricity, Gas and Other Fuels and Routine | -1.87% | | |  |
| FURNISH, HSHOLD EQUIP & HSHOLD MAINT. | 0.23% | 0.011 | 7 |  |
| Furniture and Furnishings (including Floor Coverings) | 0.43% | | |  |
| Household Textiles | 0.37% | | |  |
| Household Appliances | 0.47% | | |  |
| Glassware, Tableware and Household Utensils | 1.05% | | |  |
| Tools and Equipment for House and Garden | 0.25% | | |  |
| Goods and Serv. for Routine Household Maint | 0.12% | | |  |
| HEALTH | 0.08% | 0.003 | 9 |  |
| Medical Products, Appliances and Equipment | 0.23% | | |  |
| Health Services | 0.00% | | | |
| TRANSPORT | 0.49% | 0.063 | 3 |  |
| COMMUNICATION | 0.00% | 0.000 | 10 | |
| RECREATION AND CULTURE | 0.40% | 0.013 | 5 |  |
| EDUCATION | 0.00% | 0.000 | 10 | |
| RESTAURANTS AND ACCOMMODATION SERVICES | 0.20% | 0.012 | 6 |  |
| MISCELLANEOUS GOODS AND SERVICES | 0.96% | 0.080 | 2 |  |

FISCAL ACCOUNT (APR-DEC 2011)

| REV. & EXPEN. (APR-DEC '11) | J\$m | PROVISIONAL RESULTS | J\$m | BUDGET DEVIATION | J\$m | YOY - CHANGE |
|--|-----------|---------------------|-----------|------------------|------------|--------------|
| Revenue & Grants | 231,441.3 | | -15,423.4 | | 6,287.20 | |
| Tax Revenue | 206,289.4 | | -14,552.3 | | 9,963.20 | |
| Non-Tax Revenue | 14,314.3 | | -929.5 | | -3,561.30 | |
| Bauxite Levy | 1,169.2 | | 23.7 | | 979.90 | |
| Capital Revenue | 6,716.4 | | -341.7 | | 4,378.50 | |
| Grants | 2,952.0 | | 376.4 | | -5,473.90 | |
| Expenditure | 287,781.6 | | -8,957.8 | | 10,024.40 | |
| Recurrent Expenditure | 251,959.5 | | -2,125.5 | | 13,876.80 | |
| Programmes | 62,837.9 | | -1,682.3 | | 8,529.50 | |
| Wages & Salaries | 106,135.1 | | -765.1 | | 8,971.00 | |
| Interest | 82,986.5 | | 321.9 | | -3,623.20 | |
| Domestic | 50,008.6 | | -262.6 | | -6,103.80 | |
| External | 32,977.9 | | 584.5 | | 2,480.50 | |
| Capital Expenditure | 35,822.1 | | -6,832.3 | | -3,852.30 | |
| Capital Programmes | 35,822.1 | | -6,832.3 | | -3,852.30 | |
| IMF #1 Account | 0.0 | | 0.0 | | 0.00 | |
| Fiscal Balance (Surplus [+ve]) | -56,340.3 | | -6,465.6 | | -3,737.20 | |
| Loan Receipts | 112,163.8 | | 3,320.3 | | -18,183.60 | |
| Domestic | 93,570.8 | | 4,878.1 | | 9,787.10 | |
| External | 18,593.0 | | -1,557.8 | | -27,970.60 | |
| Divestment Proceeds | 0.0 | | 0.0 | | 0.00 | |
| Amortization | 79,656.0 | | -722.5 | | 4,888.40 | |
| Domestic | 27,414.5 | | -264.0 | | -30,550.50 | |
| External | 52,241.5 | | -458.5 | | 35,438.50 | |
| Overall Balance (Surplus [+ve]) | -23,832.6 | | -2,422.9 | | -19,596.50 | |
| Primary Balance (Surplus [+ve]) | 26,646.2 | | -6,143.7 | | -7,360.70 | |

| REV. & EXPEN. (APR-DEC '11) | J\$m | PROVISIONAL RESULTS | J\$m | BUDGET DEVIATION | J\$m | YOY - CHANGE |
|-----------------------------|-----------|---------------------|-----------|------------------|----------|--------------|
| Revenue & Grants | 231,441.3 | | -15,423.4 | | 6,287.2 | |
| Tax Revenue | 206,289.4 | | -14,552.3 | | 9,963.19 | |
| Income and profits | 69,344.9 | | -5,632.4 | | 2,943.7 | |
| Bauxite/alumina | 0.1 | | 0.1 | | -866.2 | |
| Other companies | 16,033.1 | | -3,065.0 | | -605.3 | |
| PAYE | 44,282.2 | | -961.1 | | 7,287.2 | |
| Tax on dividend | 723.0 | | -123.1 | | -4.2 | |
| Other individuals | 1,710.2 | | -209.4 | | -58.2 | |
| Tax on interest | 6,596.2 | | -1,274.0 | | -2,809.3 | |
| Environmental Levy | 1,738.8 | | -59.9 | | 177.2 | |
| Production and consumption | 62,403.7 | | -2,842.7 | | 5,578.6 | |
| SCT | 6,764.1 | | 1,048.7 | | 748.4 | |
| Motor vehicle licenses | 1,294.8 | | -36.6 | | -32 | |
| Other Licenses | 268.8 | | -12.6 | | 86.4 | |
| Betting, gaming and lottery | 1,163.0 | | 22.3 | | 55.7 | |
| Education Tax | 10,963.4 | | -385.9 | | 1,596.9 | |
| Contractors levy | 928.5 | | 328.0 | | 345.8 | |
| GCT (Local) | 35,167.6 | | -3,628.8 | | 1,405.7 | |
| Stamp Duty (Local) | 5,853.5 | | -177.8 | | 1,371.2 | |
| International Trade | 72,802.2 | | -6,017.1 | | 1,264.3 | |
| Custom Duty | 15,912.0 | | -1,740.8 | | 153.3 | |
| Stamp Duty | 1,048.7 | | -30.1 | | 50.3 | |
| Travel Tax | 4,158.4 | | -341.8 | | 1,291.9 | |
| GCT (Imports) | 31,695.5 | | -1,621.1 | | 2,415.9 | |
| SCT (Imports) | 19,987.5 | | -2,283.4 | | -2,647.3 | |
| Non-Tax Revenue | 14,314.3 | | -929.5 | | -3,561.3 | |
| Bauxite Levy | 1,169.2 | | 23.7 | | 979.9 | |
| Capital Revenue | 6,716.4 | | -341.7 | | 4,378.5 | |
| Grants | 2,952.0 | | 376.4 | | -5,473.9 | |

Statistical Index

Major Macro-Economic Indicators

| | BM | | M2 | | NIR | Fgn Cur-Dep | Inflation | | Tourism | J\$/US\$ | T-bill | Loan | Sav | Dom Debt | Fgn Debt |
|--|----------|-------|----------|-------|----------|-------------|-----------|------|---------|----------|--------|-------|------|-----------|----------|
| | M | P | M | P | US\$M | US\$M | M | P | P | | % | % | % | J\$M | US\$M |
| Jan '11 | 78,380 | -7.89 | n/a | n/a | 2,088.97 | n/a | -0.18 | -0.2 | 8.5 | 85.69 | 7.46 | 18.52 | 2.4 | 813,805.6 | 8,436.2 |
| Feb | 77,963 | -0.53 | 340,301 | 1.23 | 2,471.40 | 2,245.9 | -0.42 | -0.6 | 6.3 | 85.84 | 6.75 | 18.52 | 2.4 | 760,227.2 | 8,856.7 |
| Mar | 78,919 | 1.23 | 332,828 | 2.20 | 2,553.16 | n/a | 1.04 | 0.5 | n/a | 85.75 | 6.70 | 18.52 | 2.34 | 760,997.9 | 8,874.8 |
| Apr | 81,399 | 3.14 | 342,336 | n/a | 2,602.40 | 2,336.53 | 0.47 | 1.0 | 7.5 | 85.73 | 6.74 | 18.43 | 2.24 | 763,624.7 | 8,907.5 |
| May | 79,357 | -2.51 | 342,497 | n/a | 2,334.38 | n/a | 0.77 | 1.7 | n/a | 85.78 | 6.58 | 17.98 | 2.24 | 836,417.3 | 8,521.1 |
| Jun | 80,560 | 1.52 | 341,652 | -0.25 | 2267.13 | 2,275.4 | 0.76 | 2.5 | 1.4 | 85.91 | 6.61 | 17.98 | 2.24 | 839,103.7 | 8,587.5 |
| Jul | 81,443.4 | 1.10 | 338,018. | 1.06 | 2,156.37 | n/a | 0.75 | 2.8 | -1.0 | 86.15 | 6.44 | 18.07 | 2.24 | 842,200.0 | 8,590.0 |
| Aug | 82,207.2 | 0.94 | n/a | n/a | 2,126.32 | 2,255.48 | 0.58 | 3.3 | 2.7 | 86.12 | 6.51 | n/a | n/a | 868,318.9 | 8,575.0 |
| Sep | 80,479.2 | -2.10 | 338,501. | -0.73 | 2,080.6 | 2,308,044 | 0.74 | 4.1 | 5.9 | 86.30 | 6.56 | 18.54 | 2.27 | 868,990 | 8,550.0 |
| Oct | 80,597.7 | 0.15 | 342,310. | 1.15 | 2,032.17 | 2,240,633 | 0.45 | 5.1 | 1.8 | 86.49 | 6.29 | 18.32 | 2.13 | 868,936 | 8,674.6 |
| Nov. | 81,296.7 | 0.87 | 346,348. | 1.18 | 1,961.74 | 2,285,800 | 0.45 | 5.1 | n/a | 86.70 | 6.27 | 18.3 | 2.1 | 880,569 | 8,625.5 |
| Dec | 91,710.2 | 12.81 | n/a | n/a | 1,967.01 | n/a | 0.40 | 6.0 | n/a | 86.60 | 6.46 | 18.3 | 2.1 | 883,388.6 | 8,626.1 |
| Jan '12 | 83,564.3 | -8.8 | n/a | n/a | 1,882.63 | n/a | 0.40 | 6.6 | n/a | 86.83 | 6.53 | 18.48 | 2.10 | n/a | n/a |
| | | | | | | | | | | | | | | | |
| 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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