



# PSOJ MONTHLY ECONOMIC BULLETIN



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## Economic Highlights

### Jamaica Passes 2nd Quarterly IMF Tests; Economic Contraction Lessening.

Jamaica successfully met the June 2010 quarterly performance targets under the International Monetary Fund (IMF) Standby Agreement. This news was presented by the IMF Mission Chief to Jamaica, Dr. Trevor Alleyne on August 27th, 2010. Dr. Alleyne expressed satisfaction with the “faster than expected” improvements in macro-economic conditions, noting, that the decline in interest rates were having a positive net effect on the fiscal deficit. He also remarked on the “improved tax administration resulting in strong GCT collections” plus “cautious and disciplined” budgetary administration being the keys to Jamaica meeting the target for the primary surplus.

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★ No new updates since previous issue



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## YOY Quarterly GDP 2009-2010 in Constant (2003) Prices

	2009				2010	
	Q1	Q2	Q3	Q4	Q1	Q2
Goods Prod	-6.5	-12.7	-8.9	-8.2	-4.0	-1.6
Services	-2.1	-0.8	-0.1	-0.4	-0.4	-0.9
Total GDP	-3.4	-3.9	-2.5	-2.4	-1.0	-0.8

Source: PIOJ

Dr. Alleyne noted that the “Net international Reserve target was exceeded by a wide margin”. The actual out-turn on a few of the key tests were as follows:

	Target	Outturn
Fiscal Def.	-16,112.4	-10,450.3
Prim Surplus	6,593.8	10,598.0
NIR	1,396.0	1,759.3
NDA	-47,908.0	-79,436

The IMF official also expressed satisfaction with the progress of the GOJ on the structural reform measures. These include the amendments to strengthen the effectiveness of the fiscal responsibility framework; the development of a draft rationalization plan for the public sector; the initiation of reform of tax administration; and the progress being made in divesting public enterprises.

### Economic Contraction Lessening

The same week the IMF gave the GOJ favourable grades on the Second Quarterly tests, the Planning Institute of Jamaica (PIOJ) reported that though the Jamaican economy contracted, year over year, for the thirteen quarter in a row (since April 2008), the rate of contraction was lessening. The PIOJ reported that in the April-June 2010 quarter, the Jamaican economy contracted by -0.8% relative to the similar period of 2009.

During the April-June 2010 quarter, the **‘Goods Producing’** sectors declined by -1.6% compared to -4.0% during Q1 2009 and an average of -9% during 2009. The **Services** industries for their part declined by -0.9% in Q2 2010 relative to a -0.4% decline in Q1 2009 and an average decline of -0.8% for calendar year 2009.

**Within the Goods Producing** sector, all industry groups declined except **Mining & Quarrying** which grew by 4.3%. This marked the first growth in Mining & Quarrying since Q4 2008, and comes against the background of a 50% contraction in that industry in 2009. Growth in the industry in Q2 2010 largely reflects a 103% increase in crude bauxite production, as alumina output contracted by 10.3%.

Reflecting the lagged effects of drought conditions and soft demand within the economy, **Agriculture, Forestry and Fishing** declined by -3.5% in Q2 2010 after growing robustly over the last five quarters, and averaging 13.9% growth in 2009. All the major areas of agricultural activity were down, with traditional export crops down by 11.4%; other agricultural crops down by 2.4% and animal farming down by 5.6%.

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## Net International Reserves (NIR)

During the month of July 2010, Net International Reserves decreased by US\$63.15 million to US\$1,732.61 million compared to US\$1,795.76 million at the end of May 2010. This was largely due to a decrease in Foreign Assets of US\$45.5 million to US\$2.48 billion reinforced by an increase in Foreign Liabilities by US\$17.7 million from US\$730.9 million at the end of June 2010.

At current levels, gross reserves are adequate to finance 26.71 weeks of "goods" imports or 19.65 weeks of "goods and services" imports well above the 12 weeks international benchmark of reserves adequacy.

## Foreign Currency Deposits

During June 2010, foreign currency deposits (FCD's) in the local financial system increased marginally by US\$10.35 million or 0.44% to US\$2.335 billion compared to US\$2.325 billion at the end of April 2010. The increase in June largely resulted from an increase in FCD's of US\$12.28 million in Building Societies and an increase of \$4.6 million in commercial banks net a decrease of -US\$6.54 million in Merchant Banks. The steady levels of FCD's in recent months probably reflects weak demand conditions in the economy and improving investor confidence which may be encouraging the holding of more FCD's locally.

## Foreign Exchange Rate

**US DOLLAR:** During the month of July 2010, there was a slight appreciation of the US dollar against its Jamaican counterpart of J\$0.07 to J\$86.09 per US\$1 marking a stabilization of the USD against the J\$ after the sharp J\$2.42 drop of the USD during June 2010. From March 2009, the J\$/USD exchange rate had been very stable, fluctuating by 5-8 cents per month, or less than 0.01%, during 2009. Since the beginning of March 2010 however, after the successful implementation of the JDX and the signing of the GOJ/IMF Agreement, the appreciation of the J\$ accelerated against the USD. In March 2010, the

Table 1: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Jul-10	1,732.61	-63.15	83.68	3.26	27.20
Jul-09	1648.93	29.52	-595.92	-124.01	18.38

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

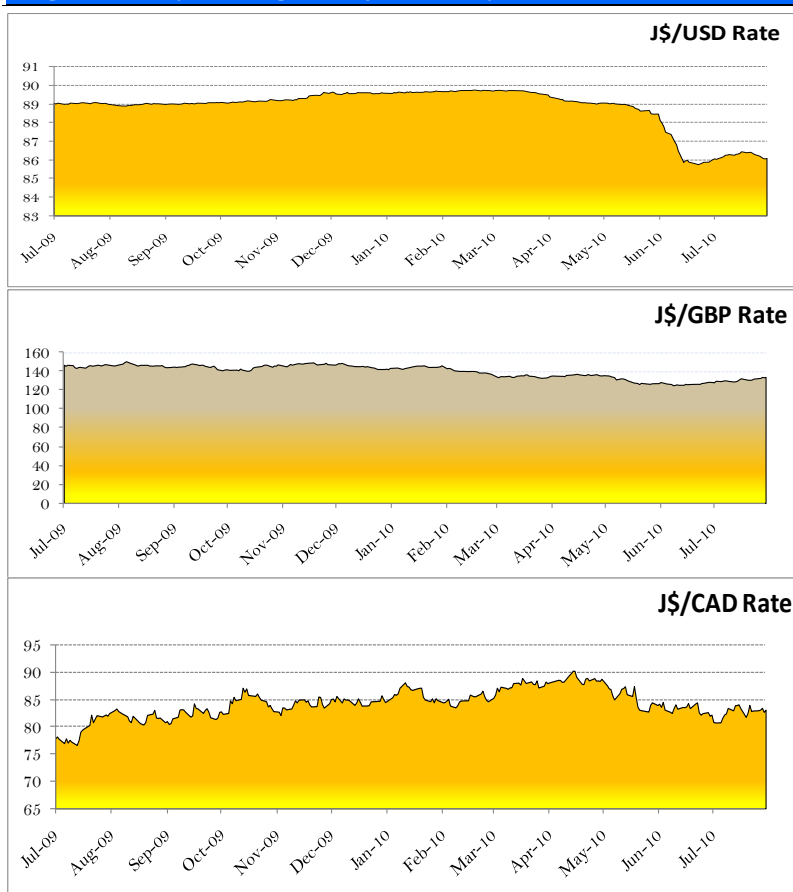
	US\$000 Jun 10	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,741,865	4,608	92,928	0.26	5.64
Building Societies.	504,024	12,282	10,820	2.44	2.19
Merchant Banks	89,475	-6,541	-25,233	-7.31	-22.00
Total Deposits	2,335,364	10,349	78,515	0.44	3.48

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2009—07/30/10) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2010	-3.51	-3.92	-9.53	-6.64	-1.39	-
2009	8.54	10.61	30.12	25.78	17.01	25.95
2008	1.43	2.02	2.15	1.53	-1.27	-
	July 2010					
Actual Rate	86.02	-2.78	128.58	0.94	82.26	-2.11
Mth Change	-2.46	-2.78	1.20	0.94	-1.78	-2.11

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

J\$ appreciating by 20 cents; then by 44 cents in April; 59 cents in May and then by J\$2.46 during June 2010. In sum, since the beginning of March 2010, the J\$ has appreciated by \$3.74 against the USD or 4.2%.

Persons who were concerned, that the appreciation of the J\$ could increase Jamaica's internal cost structure, and impair the external price competitiveness of the country's exports, may now be relieved that J\$/US\$ exchange rate appears to have stabilized in July. The open market purchase of US\$30 million during June 2010 by the BOJ may possibly have contributed to the stabilization observed in July 2010.

#### POUND & CANADIAN DOLLAR:

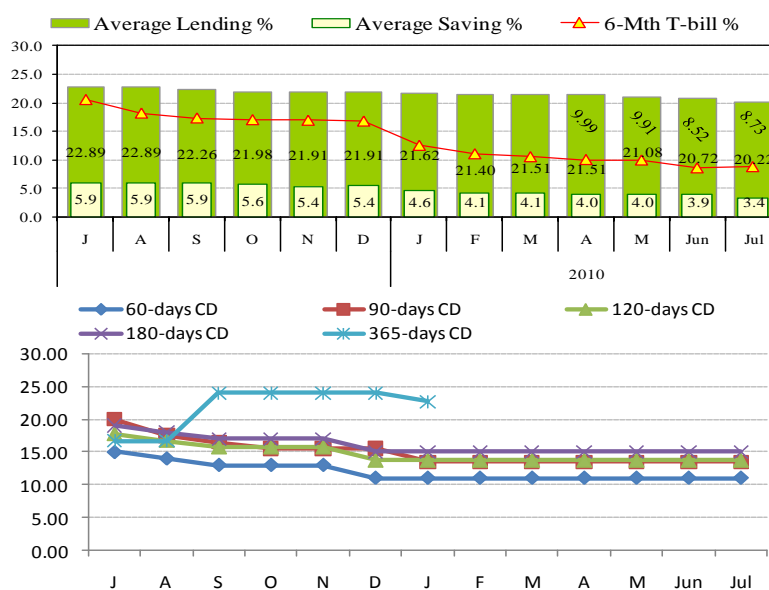
The recovery in the exchange rate of GBP and CAD during July 2010 were more significant than for the USD. After depreciating by J\$14.97 or 10.4% in June, GBP recovered some J\$5.45 or 4.24% of that loss to sell at J\$134.02 at the end of July 2010. The CAD for its part, retraced J\$0.91 or 1.11% of its J\$2.30 loss against the J\$ in June to close at J\$83.18 at the end of July 2010.

Whether, the USD, CAD or GBP appreciate further or resume their depreciation against the J\$, will largely depend on the strength of the recovery in the local economy which in turn will depend on the strength of the recovery in global economy. While risk sentiment has been driving the movement of GBP and CAD globally, no clear link has yet been established between the global movement of these internationally traded currencies and the movement of the J\$ in relation to them in the Jamaican space.

## Interest Rates

During July 2010, the downward movement of Jamaica's interest rates continued in both the commercial sphere and on GOJ issues. Since the implementation of the JDX, interest

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Jul-10	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	8.50%	-0.50%	-6.00%	-2.00%
60-days CD	11.00%	0.00%	-4.00%	0.00%
90-days CD	13.50%	0.00%	-4.00%	0.00%
120-days CD	13.70%	0.00%	-4.00%	0.00%
180-days CD	15.00%	0.00%	-4.00%	0.00%
Avg Savings Deposit	3.36%	-0.54%	-2.51%	-2.04%
Avg Loan Rate	20.22%	-0.50%	-2.67%	-1.69%
6-Month T-Bill	8.73%	0.21%	-11.87%	-8.07%

Source: Bank of Jamaica (BOJ Preliminary)

rates on GOJ 3-month and 6-month treasury bills have led in rate reductions. Year to date, rates on the 3-month have declined by 700 bps and by 825 on the 6-month T-bill, and as of July 28, 2010 stood at 8.32% and 8.73% respectively. While rates have moved down on other instruments and tenors, the movement has been smaller and more jerky. But in July 2010 there was more decisive downward movement on a wider range of instruments.

Citing the downtrend in Jamaica's inflation and the adequacy of net international reserves, the BOJ

slashed 100 bps in two stages from its 30 day CD to 8.50% in June 2010. Effective August 26, 2010, it slashed an additional 50 bps from the same instrument reducing the interest rate to 8%; and also reduced the overnight rates payable to commercial banks from 0.50% to 0.25%. Further, in July, the three largest commercial banks in the country also announced substantial cuts in their base lending rates ranging from 225 to 300 bps. This will bring these rates within the 16.5% to 17% range from above 20%. Still, Jamaica's interest rates have a long way to go to match our trading partners. Prime lending rates in



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Trinidad are 9.5% and central bank rates about 4% to 5%. In the US, the Fed's Fund rate remains at 0.25% and prime rates at 3.25%. In Canada the benchmark is at 0.25%. In the UK, it is 0.50% and the ECB repo rate is 1%. Both the BOJ and the MOF have deliberately withheld their longer tenors from the market to allow interest rates to recalibrate post-JDX. It is interesting therefore to speculate 'when' these longer-term instruments will be re-introduced and what rates will then obtain.

## Base Money & Money Supply

The BOJ reports that during the June 2010 quarter, broad Jamaica Dollar money supply (M3J) increased by 3.9%, compared to the growth of 2.7% recorded in the June 2009 quarter. The expansion in the review quarter was also at a faster rate than the average growth of 3.3 % recorded for the last five June quarters.

The measure of money supply that includes foreign currency deposits (M3\*) increased by 1.8% relative to an expansion of 1.4% in the corresponding quarter of 2009. Within M3\*, foreign currency deposits declined by 3.4 per cent, which was a sharper reduction than the decline of 1.6 per cent recorded in the June 2009 quarter. As at end of June 2010, the ratio of foreign currency deposits to total deposits was 29.8 per cent which was lower than the 31.6 per cent recorded at end of June 2009.

In July 2010, the monetary base contracted by -4.22%, to J\$74,477 billion relative to the previous month. Year over year the increase is 1.83% which is slower than the 8.6% average for FY2009/10.

## Inflation

The inflation rate in July 2010 was 0.37% - the lowest rate recorded for

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	April-10	Mthly	12 Mth
M1	102,637.00	-0.36	2.85
Quasi Money	231,542.00	0.81	3.16
M2	334,179.00	0.45	3.06
	Jul'10	Mthly	12 Mth
Base Money	74,477.48	-4.22	1.83

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	July	12-Mth	YTD	Fiscal
2010	0.37	12.56	7.25	3.00
2009	0.92	6.94	4.98	3.69

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

Table 7: Mining Production

	000 tonnes			YTD	
	Jul-10	Jul-09	%	Jul-10	10/09 %
<b>Production</b>					
Alumina	114.05	102.04	11.8	797.7	-32.6
C. Bauxite	460.9	232.1	98.6	2,573	69.7
<b>Export</b>					
Alumina	76.6	100.2	-23.6	768.0	-35.8
C. Bauxite	497.7	237.9	109.2	2,574	67.9

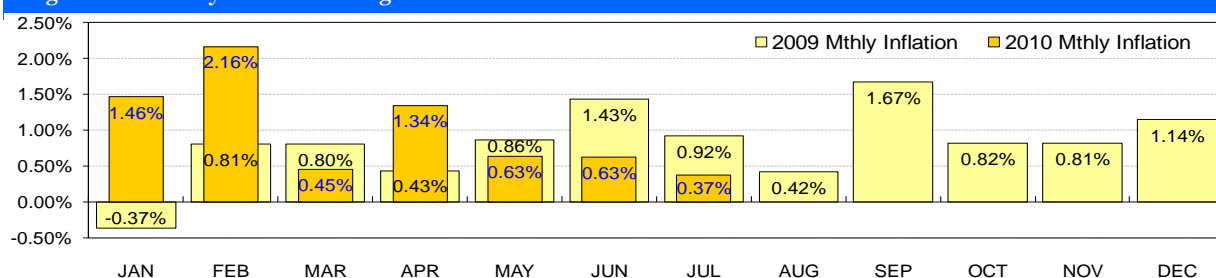
Source: Jamaica Bauxite Institute (JBI)

2010. Of the 12 divisions within the CPI, "Food and Alcoholic Beverages" was the only division to record an increase above 1 percent - 1.1% in that case. "Recreation and Culture" recorded the second highest increase of 0.8% followed by "Clothing and Footwear" at 0.7%. "Housing, Water, Electricity, Gas and Other Fuels" declined by -0.7% and so did "Transport" by -0.6%. All seven other divisions within the Index recorded very moderate increases under 0.4%. The 1.1% increase in the division 'Food and Non-Alcoholic Beverages', which carries the highest weight in the index, was contributed to by increases of 3.6% for 'vegetables and

starchy foods'; and 2% for 'fruits'; while 'non-alcoholic beverages' as a group increased by 0.7%. The 0.8% increase in the division "Clothing and Footwear" was due to increases of 0.8% and 0.5% in the groups 'clothing' and 'footwear' respectively. The declines in "Housing, Water, Electricity, Gas and Other Fuels" and in the "Transport" divisions was mainly due to falling prices for petroleum products.

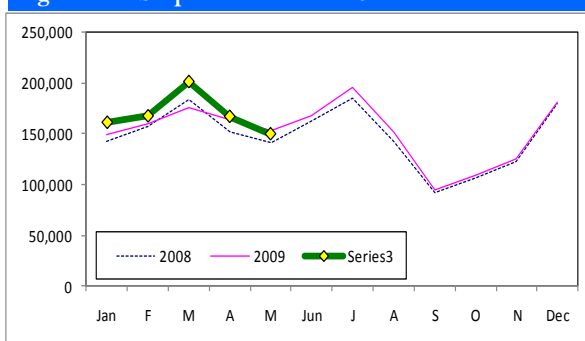
The inflation rate for the calendar year to date was 7.2%, in comparison to the 5.0% that was recorded in the corresponding period in 2009. The point-to-point rate -July 2009 to July 2010—was 12.6%, while, the fiscal year to date increase was 3.0 per cent.

Figure 3: Monthly Inflation Changes



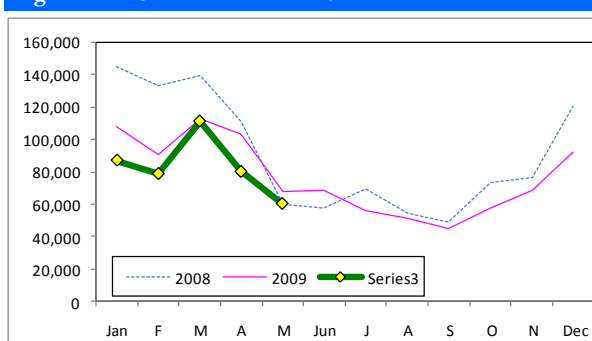
Source: STATIN and PSJO compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

## Bauxite & Alumina

Production of alumina in July 2010 amounted to 114,049 tons compared to 102,038 tons in July 2009 - a 11.8% increase. For its part, production of crude bauxite in July 2010 increased by 98% to 460,940 tons compared to 232,087 tons produced in June 2009. For the first seven months of 2010, alumina production is down by -32.0% to 797,718 tons and alumina exports by -35.8% to 768,022 tons compared to the same period of 2009. Reflecting the beginning of an upturn in the industry, production of crude bauxite is up by 69.7% to 2.57 million tons year to date, compared to 1.52 million tons for the corresponding 7-month period of 2009. Bauxite exports are also up 67.9% to 2.57 million tons. Indeed, since February 2010, production and export of crude bauxite has increased month over month compared with the same month in 2009.

Confirming these signs of turnaround, Windalco recently reopened the Ewarton plant rehiring 630 workers; and the GOJ is said to be moving to revitalize production arrangements with UC RUSAL, and to finalize a deal with the Chinese company Hong Fan for the sale of GOJ equity in Windalco.

## Tourism

There was a sharp drop in stopover and cruise visitors to Jamaica in May 2010 compared to April 2010. This very likely reflected the violent upheavals in Western Kingston and the negative international publicity the country received in the wake of efforts to extradite a reputed Jamaican gang leader wanted in the United States on drugs and weapons charges.

Stopover arrivals in May 2010 were

### Tourist Arrivals

	2009	2010	%Change	
	YTD (Jan -May)	YTD - YOY	May 09/10	
<b>Stopover</b>	<b>802,630</b>	<b>846,664</b>	<b>5.5%</b>	<b>-2.4%</b>
Foreign	749,568	794,269	6.0%	-1.8%
Non-Resident	53,062	52,395	-1.3%	-11.2%
<b>Cruise</b>	<b>482,385</b>	<b>417,713</b>	<b>-13.4%</b>	<b>-11.6%</b>
<b>Total Arrivals</b>	<b>1,285,015</b>	<b>1,264,377</b>	<b>-1.6%</b>	<b>-5.2%</b>

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

down sharply to 149,775—a decrease of 10.3% compared to the 166,955 stopovers in April 2010 and also well below the 164,090 recorded in April 2009. The number of cruise passengers also declined sharply by 25% to 60,000 visitors compared to 80,166 the month before and 103,484 in May 2009. Still, for the first five months of calendar year 2010, there have been 44,034 more stopover arrivals or 846,664 visitors coming to Jamaica marking a 5.5% increase over the corresponding period of 2009 when there were 802,630 stopover visitors to the island. For 2010, the GOJ is targeting 2 million stopovers.

Despite the contretemps in West Kingston, stopovers from the US in May 2010 were down only marginally by 1.3% to 104,120 compared to 105,537 in May 2009. For the first five months of 2010, stopovers from the United States increased by 9.3% to 427,320, compared to 390,845 for the corresponding period of 2009. Stopovers from the Canadian market declined month over month for the first time in May 2010, recording a slight decrease of 0.7% to 17,847 compared to 17,975 in May 2009. Year to date, stopovers from Canada are up 9.3% to 177,275 compared to 162,146 in 2009.

Visitors from Europe, including the UK, decreased by 5.1% in May 2010 to 21,880 compared to 23,047 in 2009;

while visitors from the Caribbean decreased markedly by 18.1% to 4,010 compared to 4,896 in May 2009. Visitors from Latin America were also down 3.8% in May 2010 to 1,027, compared to 1,068 in May 2009.

Cruise visitors to the Island for the first five months of 2010 was down 13.4% to 417,713 visitors compared to 482,385 for the same period in 2009. Total Visitors to the island for the January to May 2010 period was 1,264,377 marking a small -1.6% decrease relative to the 1,285,015 million visitors for the same period of 2009.

## External Trade

Indicating signs of a rebound in trade, Jamaica's exports increased by \$32.5 million or 8.2% to US\$457.7 million during the first four months of 2010, compared to US\$423.2 million for the corresponding period of 2009. Possibly, confirming a rebound in trade and the economy, the rate of decline of imports, which fell by a hefty 38.9% in 2009 over the same period in 2008, also lessened considerably during the first four months of 2010. For the first four months of 2010, imports declined by -0.3%, to

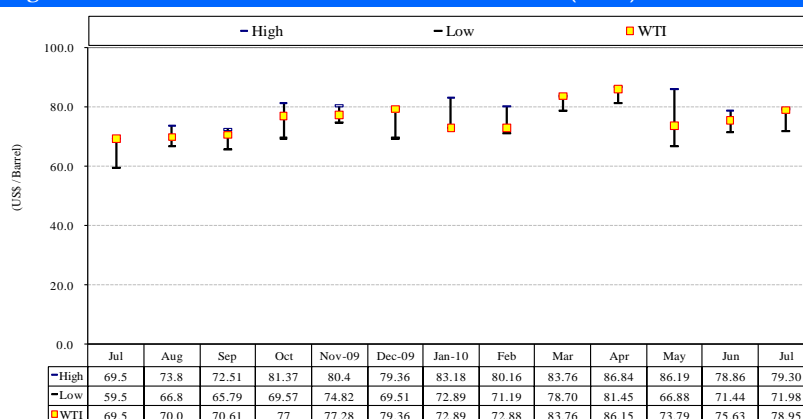
US\$1.623 billion compared to US\$1.632 billion in Q1 2009. Even, with the decline in imports, considering the traditional wide gap between the country's imports and exports, the resultant trade balance in January-April 2010 was -US\$1.169 billion compared to -US\$1.209 billion for the January-April 2009 –marking a US\$39.78 million improvement in the negative trade balance.

**Traditional Exports:** For the first four months of 2010, traditional domestic exports earned US\$211.09 million, a decline of -US\$24.01 million below the amounts recorded for January 2009. The share of traditional exports in total domestic exports also declined from 55.6% in Jan-April 2009 to 46.1% for the corresponding period of 2010. Agricultural exports, which were the only group among our traditional exports to grow in 2009, did not start 2010 so well, declining by -34.9% to US\$9.56 million for the first four months of 2010, from US\$11.13 million for the corresponding period of 2009. This was largely due to a steep -44% drop in coffee exports. Nonetheless, exports of “Coffee” valued at US\$7.03 million, remained Jamaica's leading traditional agricultural export.

Exports from the Mining and Quarrying group, which declined by a massive 66.4% in 2009, continued to decline during the first four months of 2010, but at the significantly slower rate of -17.1%. Exports from this group amounted to US\$152.3 million, accounting for 72.0% of total Traditional Domestic Exports. Of this, “Alumina” earned US\$109.9 million about US\$34.2 million less than the amount earned for the corresponding period of 2009. “Bauxite” exports however, earned US\$42.3 million, increasing by US\$17.13 million or 68.0%.

Exports of traditional manufactured items also did not fare well during calendar year 2009 declining by 17.6% to US\$123.6 million from US\$150 million a year earlier. For the first four months of 2010, the “Manufacture” group earned US\$49.3 million, only about US\$1.8 million less than the US\$51.4 million earned in for the same period of 2009. This suggest that stabilization, if not recovery, may be occur-

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-Apr'09	Jan-Apr'10	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>423.15</b>	<b>457.66</b>	<b>34.50</b>	<b>8.2%</b>
Major Traditional Exports	235.10	211.09	-24.01	-10.2%
<i>by Sector:-</i>				
Agriculture	14.70	9.56	-5.14	-34.9%
Mining & Quarrying	169.36	152.25	-17.11	-10.1%
Manufacturing	51.04	49.28	-1.76	-3.4%
<i>by Industry:-</i>				
Bauxite	25.17	42.30	17.13	68.0%
Alumina	144.10	109.95	-34.15	-23.7%
Sugar	37.83	31.81	-6.02	-15.9%
Rum	12.41	15.26	2.84	22.9%
Bananas	-	0.00	0.00	0.0%
Coffee	12.55	7.03	-5.52	-44.0%
Other	3.04	4.75	1.71	56.1%
Non-Traditional Exports	162.52	218.61	56.08	34.5%
Re-exports	25.53	27.96	2.43	9.5%
<b>TOTAL IMPORTS</b>	<b>1,632.17</b>	<b>1,626.90</b>	<b>-5.27</b>	<b>-0.3%</b>
Food	262.47	296.60	34.13	13.0%
Beverages & Tobacco	23.22	25.73	2.51	10.8%
Crude Materials (excl. Fuels)	18.75	15.12	-3.64	-19.4%
Mineral Fuels, etcetera	554.27	442.79	-111.48	-20.1%
Animal & Vegetable Oils & Fats	4.49	11.19	6.71	149.6%
Chemicals	178.08	216.41	38.32	21.5%
Manufactured Goods	175.76	172.85	-2.91	-1.7%
Machinery and Transport Equip.	233.80	284.38	50.58	21.6%
Misc. Manufactured Articles	149.64	131.81	-17.83	-11.9%
Other	31.70	30.03	-1.67	-5.3%
<b>TRADE BALANCE</b>	<b>(1,209.02)</b>	<b>(1,169.24)</b>	<b>39.78</b>	<b>-3.3%</b>

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

ring in the sector. An important contributor to the stabilization of exports of manufactures, has being exports of “Rum” which increased by 22.9% from US\$12.4 million to US\$15.3 million year over year.

**Non-traditional exports** accounted for 50.4% of exports by value in cal-

endar year 2009 surpassing earnings from traditional exports. For the first four months of 2010, non-traditional exports continued to outperform traditional exports, growing by 56% from US\$162.5 million in Jan-April 2009 to US\$218.6 million for the corresponding period of 2010. The share of non-traditional exports in

total exports, also increased from 38.4% in Jan-April 2009 to 47.8% in 2010.

Earnings from non-traditional "Food" items improved from US\$37.1 million in Jan-April 2009 to US\$39.9 million for the same period in 2010. Of this amount, Yams (the leading non-traditional food item), earned US\$5.9 million, a 6.5% increase above the US\$5.5 million earned in 2009. 'Ackee' - another leading non-traditional food export - grew by 4.7% from US\$3.97 million to US\$4.16 million; 'Baked Products' by 12.7% to US\$4.5 million from US\$3.9 million; and 'Juices excluding Citrus' to US\$2.5 million from US\$2.2 million. But 'Dairy Products & Bird's Eggs' fell -12.5% to US\$3.2 million; 'Sauces' by -9.6% to US\$2.9 million; and 'Meat Preparations' by -26% to US\$858,000.

Exports of 'Beverages & Tobacco (excl. Rum)' fell by -10.0% for the review period to US\$17.5 million from US\$19.5 million during the corresponding period of 2009. Of the amount, 'Alcoholic Beverages (excl. Rum)' accounted for US\$14.8 million, down -12.3% from US\$16.9 million a year earlier.

'Crude Materials' grew by 68.6% from US\$4.8 million in Jan-April 2009 period to US\$8.1 million in the current review period. Exports of all items in this group increased. Earnings from 'Waste and Scrap Metals' rose 45.2% to US\$5.2 million; 'Limestone' exports by 81% to US\$924,000; while exports of 'Other' crude materials increased to US\$2.03 million.

'Other' non-traditional exports also increased significantly during the review period, from US\$101.12 million in Jan-April 2009 to US\$152.98 million in Q1 2010—an 51% rise. Exports of 'Mineral Fuels, etcetera' grew from US\$75 million in the previous period to US\$119.3 million in the current period. 'Chemicals (incl. Ethanol)' also increased significantly from US\$22.7 million one year ago, to US\$29.2 million in Jan-April 2010.

**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 recovery, though the recovery has been quite fitful. Compared to US\$1.632 billion in Jan-April 2009, imports increased by 0.5% to US\$1.165 billion in during Jan

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

	Jan-Mar 2009	Jan-Mar 2010	\$ Change	% Change
<b>Current Account</b>	<b>(164.6)</b>	<b>1.1</b>	<b>165.7</b>	<b>100.7%</b>
<b>Goods Balance</b>	<b>(749.1)</b>	<b>699.0</b>	<b>50.1</b>	<b>6.7%</b>
Exports	349.2	369.3	20.1	5.8%
Imports	1,098.2	1,068.3	(29.9)	-2.7%
<b>Services Balance</b>	<b>261.2</b>	<b>315.5</b>	<b>54.4</b>	<b>20.8%</b>
Transportation	(82.9)	64.5	18.4	22.2%
Travel	502.4	548.9	46.5	9.3%
Other Services	(158.3)	168.8	(10.6)	-6.7%
<b>Income</b>	<b>(150.5)</b>	<b>129.0</b>	<b>21.5</b>	<b>14.3%</b>
Compensation of empl	1.6	0.8	(0.8)	-50.0%
Investment Income	(152.1)	129.8	22.3	14.7%
<b>Current Transfers</b>	<b>473.8</b>	<b>513.5</b>	<b>39.7</b>	<b>8.4%</b>
Official	31.9	27.0	(4.9)	-15.4%
Private	441.8	486.5	44.6	10.1%
<b>Capital &amp; Financial Account</b>	<b>164.6</b>	<b>(1.1)</b>	<b>(165.7)</b>	<b>-100.7%</b>
<b>Capital Account</b>	<b>32.1</b>	<b>(5.7)</b>	<b>(37.7)</b>	<b>-117.4%</b>
Capital Transfers	32.1	(5.7)	(37.7)	-117.4%
Official	41.9	4.0	(37.9)	-90.5%
Private	(9.8)	(9.7)	0.1	1.0%
Acq/disp.	-	-	-	0.0%
<b>Financial Account</b>	<b>132.5</b>	<b>4.6</b>	<b>(128.0)</b>	<b>-96.6%</b>
Other Official Invst	(179.7)	428.3	608.0	338.3%
Other Private Invst	167.9	401.2	(569.1)	-339.0%
Reserves	144.4	22.5		

Source: BOJ & Statistical Update:

-April 2010. The main contributor to this increase however, was rising prices for crude oil which pushed up the costs of crude imports by 58.4% from US\$147.7 million in Jan-April 2009 to US\$245.9 million in the current review period. All other categories of imports continued to record declines. '**Consumer Goods**' were down -5.0% from US\$535.9 million a year earlier. Apart from fuels and lubricants, most other '**Raw Materials/Intermediate Goods**' were down from a year earlier, and **Capital Goods (excl. Cars)** were down -26.6% to US\$119.5 million from US\$162.7 million in Jan-April 2009..

**Oil:** At the end of July 2010, West Texas Intermediate (WTI) Crude Oil price stood at US\$78.95 per 42 gallon barrel - an increase in price of US\$3.32 compared to the closing price of US\$75.63 the previous month. During July 2010 the price ranged between a low of US\$71.98 and a high of \$US79.30 per barrel. (See Fig. 5)

## Balance of Payments

For the period January to March 2010, the current account recorded a

small surplus of US\$1.1 million. This represented an improvement of US\$165.7 million compared to the deficit of US\$164.6 million for Q1 2009.

All sub-accounts contributed to the improvement. In particular, the **Services sub-account** recorded an expansion of US\$54.4 million due primarily to an increase earnings of US\$39.0 million from higher stop-over arrivals of 9.2 per cent.

In addition, there was an improvement of US\$50.1 million in the **Goods sub-account** due to a reduction of US\$29.9 million in imports and growth of US\$20.1 million in exports. For the period, all the categories of imports contracted, with the exception of mineral fuel, miscellaneous manufactured goods and crude materials. Higher earnings from non-traditional exports were responsible for the increase in exports.

The improvement of US\$129 million in the **Income sub-account** was principally related to lower interest payments on official external debt, while the increase of US\$513 million in net

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Jun (Fiscal—2010/11)				Apr-Jun (YOY)	
	J\$ million		Deviation		09/10 - 10/11	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
<b>Revenue &amp; Grants</b>	<b>75,524.5</b>	<b>72,816.4</b>	<b>2,708.1</b>	<b>3.72</b>	<b>13,053.7</b>	<b>20.9</b>
Tax Revenue	63,250.3	62,380.6	869.7	1.39	5,110.6	8.8
Non-Tax Revenue	7,249.3	7,747.8	-498.5	-6.43	4,243.1	141.1
Bauxite Levy	16.9	149.7	-132.8	-88.71	-25.5	-60.0
Capital Revenue	1,622.3	1,635.5	-13.2	-0.81	724.1	80.6
Grants	3,385.8	902.8	2,483.0	275.03	3,001.6	781.3
<b>Expenditure</b>	<b>85,974.8</b>	<b>88,928.8</b>	<b>-2,954.0</b>	<b>-3.32</b>	<b>-13,162.2</b>	<b>-13.5</b>
Recurrent Expenditure	70,481.3	72,994.8	-2,513.5	-3.44	-19,847.5	-22.3
Programmes	17,476.0	17,911.6	-435.6	-2.43	2,006.8	13.0
Wages & Salaries	31,956.2	32,378.3	-422.1	-1.30	831.1	2.7
Interest	21,049.1	22,705.0	-1,655.9	-7.29	-22,685.6	-53.5
Domestic	11,311.2	12,317.4	-1,006.2	-8.17	-19,897.4	-63.8
External	9,738.0	10,387.5	-649.5	-6.25	-2,788.1	-24.9
Capital Expenditure	15,493.5	15,934.0	-440.5	-2.76	6,685.2	75.9
Capital Programmes	15,493.5	15,934.0	-440.5	-2.76	6,685.2	75.9
IMF #1 Account	0.0	0.0	0.0		0.0	0.0
<b>Fiscal Balance (Surplus [+ve])</b>	<b>-10,450.3</b>	<b>-16,112.4</b>	<b>5,662.1</b>	<b>35.14</b>	<b>26,216.0</b>	<b>74.2</b>
Loan Receipts	59,948.6	53,096.2	6,852.4	12.91	7,427.1	14.6
Domestic	51,367.6	47,857.3	3,510.3	7.33	4,292.1	9.1
External	8,581.0	5,238.9	3,342.1	63.79	3,135.1	79.3
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	39,195.5	39,053.2	142.3	0.36	11,446.0	41.2
Domestic	34,323.1	33,874.6	448.5	1.32	11,805.7	52.4
External	4,872.3	5,178.6	-306.3	-5.91	-359.5	-6.9
<b>Overall Balance (Surplus [+ve])</b>	<b>10,302.8</b>	<b>-2,069.4</b>	<b>12,372.2</b>	<b>597.86</b>	<b>22,196.8</b>	<b>184.2</b>
<b>Primary Balance (Surplus [+ve])</b>	<b>10,598.8</b>	<b>6,592.6</b>	<b>4,006.2</b>	<b>60.77</b>	<b>3,530.5</b>	<b>49.9</b>

Source: Ministry of Finance and Planning

**Current Transfers** reflected a rise of 9.7 per cent in gross remittance inflows.

Net official investment inflows and the current account surplus were more than sufficient to finance net private capital outflows as well as the deficit on the capital account. As a result, there was an increase of US\$22.5 million in the NIR during the review period.

## Fiscal Accounts

During the first three months of fiscal year 2010/11, the Government of Jamaica (GOJ) accumulated a fiscal deficit of -J\$10.4 billion. This was J\$5.66 billion or 24.8% less than the -J\$16.11 billion budgeted and compares with a deficit of -J\$38.26 billion recorded for the same period in 2009/10. Annualized, this fiscal deficit is a substantial J\$37 billion below the deficit targeted for 2010/11 of J\$77.35 billion, which means that the GOJ is well ahead of target under the Standby Agreement with the Interna-

tional Monetary Fund. The deficit reduction was achieved in roughly equal measure by reductions in expenditures of -J\$2.95 billion and an increase in Revenues and Grants by J\$2.7 billion which resulted mainly from a 274% increase in Grants to J\$3.3 billion relative to the J\$902 million budgeted.

**REVENUE:** Total Revenues & Grants to the GOJ for April to June 2010 was \$75.5 billion. This was, as noted, \$2.7 billion or 3.7% more than the \$72.9 billion targeted for the period. The main outperformers on the revenue accounts were GCT (Imports) which was J\$1.32 billion above budget, and GCT (Local) which exceeded budget by J\$1.0 billion. Other notable outperformers on the revenue accounts were taxes garnered from Bauxite/Alumina of J\$866.3 million; Other Company taxes of J\$556.0; and Other Individual taxes of J\$214.8 million. Combined these five heads yielded a sur-

plus of J\$3,961 billion, modestly exceeding the main underperformers on the revenue accounts.

Possibly reflecting the still weak conditions in the economy brought on by the recession, PAYE recorded a notable shortfall of -J\$2,084 billion below budget, but was still J\$1.57 billion above the corresponding period of FY2009/10. Customs Duty was running -J\$1.05 billion below budget and -J\$1.13 billion below FY2009/10 levels; Tax on Interest fell -J\$319 million below budget, but was J\$3.7 billion higher than the corresponding period last year despite the JDX.

**EXPENDITURE:** For the first three months of FY2010/11, actual expenditure amounted to \$85.9 billion, about J\$2.95 billion or -3.2% less than the J\$89.9 billion originally budgeted. This reduced expenditure was greatly contributed to

by -J\$1.0 reduction in domestic interest payments and -J\$649 million in external interest payments. There were also significant cutbacks of J\$436 million in Wages and Salaries. But while payments on interests and wages appear to be moving in the right direction, there was a significant increase in new domestic and external debt of over J\$3 billion each, which one hopes is mainly reflective of the short-term costs of financing structural adjustment.

### FISCAL OUTTURN

On an annualized basis, the fiscal deficit of \$10.4 billion for April to June 2010/11 is about J\$37 billion below the J\$77.5 billion targeted in the Stand-by Agreement between the GOJ and the IMF. This is exceptional performance, but it is too early to say whether it is sustainable.

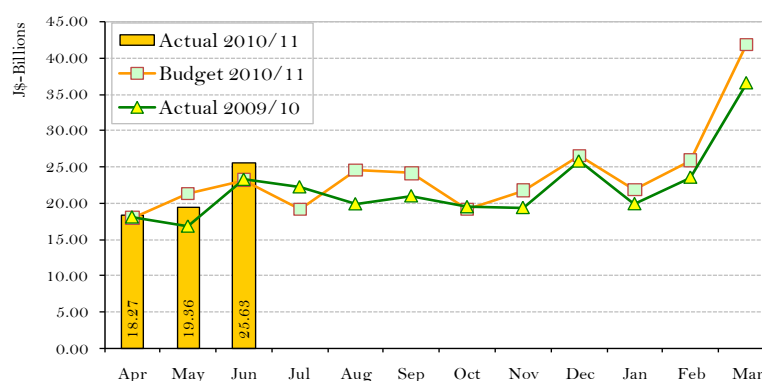
**The Primary Surplus**—the difference between total revenues and non-interest expenditures—for the first three months of 2010 was J\$10.6 billion. This was \$4.0 billion better than the \$6.6 billion originally budgeted, and a 49% improvement on the primary balance of J\$3.6 billion achieved in 2009/10.

The fiscal deficit was financed by loans amounting to J\$59.95 billion, which was J\$6.85 billion above budget. Eighty-six percent of loan receipts or \$51.4 billion were sourced from the domestic market, while external borrowing, provided the remaining 14% or \$8.58 billion of loans. Amortization of J\$39.20 was roughly in line with planned amortization of J\$39.05 billion. J\$34.3 billion or 87.5% went to domestic creditors of the GOJ and the remaining J\$4.9 billion to external creditors.

**PUBLIC DEBT:** Total public debt at the end of December 2009 stood at \$1.344 trillion. This represents an additional \$11.06 billion added to the debt stock over the previous month. During calendar year 2009, the stock of public debt increased by J\$179.88 billion or 15.4%. The domestic debt currently stands at \$754.02 billion or 56.0% of the total, while the external debt amounts to \$590.85 billion or 44.0% of the total debt stock.

## Stock Market →

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



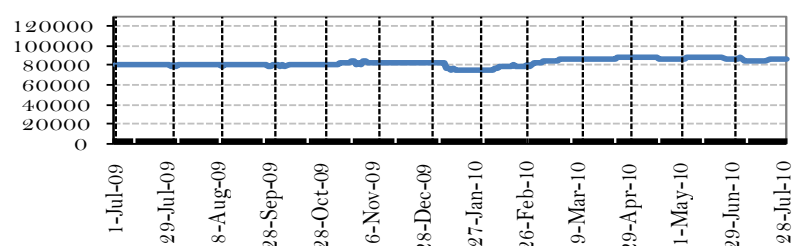
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Jun 2010/11
<b>Revenue (Revenue Surpluses)</b>		
GCT (Imports)	-	1,319.0
GCT (local)		1,005.3
Bauxite/Alumina		866.3
Other Companies		556.0
Other Individual		214.8
<b>Revenue (Revenue Shortfalls)</b>		
PAYE		-2,084.1
Custom Duty		-1,048.1
Tax on Interest		-319.0
Other Licenses		-186.4
Bauxite Levy		-132.8
<b>Expenditure (Changes)</b>		
Domestic Loans	(over-spend)	3,510.6
External Loans	(over-spend)	3,342.1
Domestic - Interest	(under-spend)	-1,006.2
External Interest	(under-spend)	-649.5
Wages and salaries	(under-spend)	-435.6

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, July '09 - July '10



Source: Jamaica Stock Exchange (Online Database) and PSQJ

During the month of July 2010, market capitalization decreased by J\$3.47 billion or 0.6% to close at J\$562.38 billion. Three of five indices on the Jamaica Stock Exchange declined. The main JSE

**Market Index** declined by 483.7 points or 0.56% to close at 85,849.9 points. The **JSE Select** advanced by 18 points or 0.83% to close at 2,214

points; and the **JSE All Jamaican Composite** declined by 406 points, or 0.5%, to close at 81,044.9 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, also declined by 5.68 points or 0.65% to close at 874.3 points; but the **Jamaica Stock Exchange Junior** advanced by 66.4 points or 27.04% to close at 312 points.

Market volume remained light in July 2010 with some 67.170 million units valued at \$920.5 million changing hands, compared to 60 million units in May 2010.

Overall market activity resulted from trading in 39 stocks of which 14 advanced, 20 declined and 5 traded firm. Sagicor Life Jamaica Ltd was the volume leader for the second consecutive month with 14.43 million or 21.5% of traded shares; followed by Jamaica's Boiler's with 18.4% of market volume and First Jamaica Investments Ltd. with 10.2% of market volume. The leading advancers year to date are: Berger Paints, Radio Jamaica GraceKennedy, Hardware & Lumber

Activity in all **Services** industries declined modestly with the highest level of deterioration -2% - occurring in **Financial Services**. This, the PIOJ ascribed to, reduction in loans and advances by banks; decline in net interest income due partly to the JDX; and foreign exchange losses resulting from the appreciation of the Jamaican dollar. The 1.6% decline in the **Hotel and Restaurant Trade** was the next most significant for the Quarter. This was largely due to a 1.3% decline in stop-over arrivals and a 13.8% decline in cruise visitor arrivals very likely influenced by the violence in Western Kingston in May 2010, and the negative international publicity Jamaica received during the events.

Real value-added in the **Electricity and Water Industry** fell by -1.5% reflecting a 9.8% decline in Water production and a 0.6% decline in electricity generation. The **Wholesale and Retail Trades** declined by -1.0% reflecting persistent soft demand in the economy; while **Transport, Storage and Communication** declined by 0.8% due to a 4.9% and 2.4% decline in air passenger and air cargo movements respectively.

#### Outlook for Jamaica

For the first half—January-June 2010, the PIOJ estimates that GDP declined

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

	31- Dec-09	31- Jul 10	\$ change	% change
<b>Top Five (unadjusted for dividends or transact. Costs)</b>				
Berger Paints (Jamaica)	1.20	3.00	1.80	150%
Radio Jamaica	2.01	2.92	0.91	45.3%
GraceKennedy Ltd.	40.5	58.00	19.5	43.21%
Hardware & Lumber	3.50	5.00	1.50	42.9%
Carreras Limited	35.02	48.66	13.64	38.95%
<b>Bottom Five (unadjusted for dividends or transact. Costs)</b>				
Ciboney Group	0.10	0.05	(0.05)	-50.00
Pulse Investments	5.44	3.00	(2.44)	-44.85
Salada Foods Jamaica	15.50	10.67	(4.25)	-30.65%
Guardian Holdings Ltd	299.50	220.0	(79.50)	-26.54%
Trinidad Cement	72.00	53.00	(19.00)	-26.39%

*Source: Compiled from the JSE*

and Carreras Limited. The leading decliners were Ciboney Group, Pulse Investments, Guardian Holdings, Salada Foods, and Trinidad Cement. (See Table 13).

## Economic Highlights

(contd. from page 1.) →

The rate of contraction in **Manufacturing**, which declined by -5.7% during 2009, lessened noticeably in Q2 2010 to -1.6%. **Construction** which declined by -6.5% in 2009 also showed signs of improvement in Q2 2010 declining by -1.5% following a -2.1% decline in Q1 2010.

expanded at a robust 13.4% in Q2.

But in the US, continued weakness in the housing and labour markets weighed heavily on expectations for return of robust consumer spending thought key to a sustained US recovery. Private sector job creation came roughly in line with expectations at 91,000, but the market was unimpressed considering that it is estimated that the US needs to create 150,000 new jobs monthly to absorb new entrants to the labour force, not to mention reduce the backlog of 8 million workers laid off during the recession. Retail sales (excl. autos) continued to be very weak at -0.1% against expectations of 0.1% rise, but the real damper was the massive decline in New and Existing Home Sales of -27.2% and 12.4% respectively. When Q2 US GDP was revised down from a weak 2.4% to an anemic 1.6%, the market seemingly demanded and was reassured by FED Chairman Ben Bernanke that he would not allow the US economy to slip back into recession.





































Thus, despite the seeming consolidation in China and Europe, there is no doubt that the outlook has darkened for the global recovery. Q3 2010 earnings and data could revive hope or bring on even more jitters.

#### Global economy

As regards the Global economy, July seems to have brought on further slip-page in the performance and outlook in many of the leading economies. Ironically, considering that it was fears about Eurozone sovereign debt that seemingly caused the global recovery to stall in Q2 2010, Eurozone data surprised to the upside with GDP coming in at 1.0% in Q2 beating expectations for 0.7% rise; Retail sales were up by 0.4% against expectations of a 0.1% rise; and Construction Spending up a strong 2.7% compared to -0.7% in Q1 2010. In China though industrial output cooled slightly from 13.7% in Q1, it still

## INFLATION (JULY 2010) - CPI

## APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
<b>All Groups</b>	<b>0.37%</b>	<b>0.373</b>		
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>1.14%</b>	<b>0.425</b>	<b>1</b>	
Food	1.18%			
Bread and Cereals	0.58%			
Meat	-0.06%			
Fish and Seafood	0.84%			
Milk, Cheese and eggs	0.41%			
Oils and Fats	0.90%			
Fruit	1.94%			
<b>Vegetables and Starchy Foods</b>	<b>3.67%</b>			
Vegetables	3.33%			
Starchy Foods	4.80%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.55%			
Food Products n.e.c.	0.62%			
<b>Non-Alcoholic Beverages</b>	<b>0.71%</b>			
Coffee, tea and Cocoa	0.47%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.76%			
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>0.10%</b>	<b>0.001</b>	<b>8</b>	
<b>CLOTHING AND FOOTWEAR</b>	<b>0.65%</b>	<b>0.022</b>	<b>4</b>	
Clothing	0.77%			
Footwear	0.52%			
<b>HOUSING, WATER, ELECT., GAS AND OTHER FUELS</b>	<b>-0.71%</b>	<b>-0.091</b>	<b>12</b>	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	0.64%			
Water Supply and Misc. Serv Related to the Dwelling	-5.47%			
Electricity, Gas and Other Fuels and Routine	-0.38%			
<b>FURNISH, HSHOLD EQUIP &amp; HSHOLD MAINT.</b>	<b>0.32%</b>	<b>0.016</b>	<b>5</b>	
Furniture and Furnishings (including Floor Coverings)	0.24%			
Household Textiles	0.14%			
Household Appliances	0.13%			
Glassware, Tableware and Household Utensils	0.46%			
Tools and Equipment for House and Garden	0.48%			
Goods and Serv. for Routine Household Maint	0.39%			
<b>HEALTH</b>	<b>0.25%</b>	<b>0.008</b>	<b>7</b>	
Medical Products, Appliances and Equipment	0.49%			
Health Services	0.17%			
<b>TRANSPORT</b>	<b>-0.65%</b>	<b>-0.083</b>	<b>11</b>	
<b>COMMUNICATION</b>	<b>0.00%</b>	<b>0.000</b>	<b>9</b>	
<b>RECREATION AND CULTURE</b>	<b>0.85%</b>	<b>0.029</b>	<b>3</b>	
<b>EDUCATION</b>	<b>0.00%</b>	<b>0.000</b>	<b>9</b>	
<b>RESTAURANTS AND ACCOMMODATION SERVICES</b>	<b>0.21%</b>	<b>0.013</b>	<b>6</b>	
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>0.46%</b>	<b>0.038</b>	<b>2</b>	

**INFLATION YTD ( JAN-JUL 2010 ) CPI**

	%Change	Weighted Δ	Rnk	Infl. Contribution
<b>All Groups</b>	<b>7.25%</b>	<b>7.247</b>		
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>6.58%</b>	<b>2.464</b>	<b>2</b>	
Food	6.65%			
Bread and Cereals	2.68%			
Meat	5.33%			
Fish and Seafood	7.30%			
Milk, Cheese and eggs	6.51%			
Oils and Fats	7.90%			
Fruit	4.73%			
<b>Vegetables and Starchy Foods</b>	<b>9.98%</b>			
Vegetables	11.38%			
Starchy Foods	7.11%			
Sugar, Jam, Honey, Chocolate and Confectionery	9.42%			
Food Products n.e.c.	8.84%			
<b>Non-Alcoholic Beverages</b>	<b>6.03%</b>			
Coffee, tea and Cocoa	6.87%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	5.71%			
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>12.61%</b>	<b>0.174</b>	<b>8</b>	
<b>CLOTHING AND FOOTWEAR</b>	<b>5.82%</b>	<b>0.194</b>	<b>7</b>	
Clothing	6.37%			
Footwear	5.15%			
<b>HOUSING, WATER, ELECT., GAS AND OTHER FUELS</b>	<b>3.13%</b>	<b>0.400</b>	<b>4</b>	
Rentals for Housing	19.57%			
Maint and Repair of Dwelling	8.67%			
Water Supply and Misc. Serv Related to the Dwelling	0.06%			
Electricity, Gas and Other Fuels and Routine	-4.71%			
<b>FURNISH, HSHOLD EQUIP &amp; HSHOLD MAINT.</b>	<b>4.28%</b>	<b>0.211</b>	<b>5</b>	
Furniture and Furnishings (including Floor Coverings)	6.14%			
Household Textiles	4.61%			
Household Appliances	8.25%			
Glassware, Tableware and Household Utensils	4.18%			
Tools and Equipment for House and Garden	4.16%			
Goods and Serv. for Routine Household Maint	3.06%			
<b>HEALTH</b>	<b>1.62%</b>	<b>0.053</b>	<b>12</b>	
Medical Products, Appliances and Equipment	1.32%			
Health Services	1.91%			
<b>TRANSPORT</b>	<b>23.57%</b>	<b>3.022</b>	<b>1</b>	
<b>COMMUNICATION</b>	<b>3.02%</b>	<b>0.120</b>	<b>10</b>	
<b>RECREATION AND CULTURE</b>	<b>4.64%</b>	<b>0.156</b>	<b>9</b>	
<b>EDUCATION</b>	<b>3.26%</b>	<b>0.070</b>	<b>11</b>	
<b>RESTAURANTS AND ACCOMMODATION SERVICES</b>	<b>3.20%</b>	<b>0.198</b>	<b>6</b>	
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>4.93%</b>	<b>0.413</b>	<b>3</b>	

## FISCAL ACCOUNT (APR-JUN 2010)

REV. & EXPEN. (APR'10 - JUN'10)	J\$M	PROVISIONAL Results	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
<b>Revenue &amp; Grants</b>	75,524.5		2,708.1		13,053.70	
Tax Revenue	63,250.3		869.7		5,110.60	
Non-Tax Revenue	7,249.3		-498.5		4,243.10	
Bauxite Levy	16.9		-132.8		-25.50	
Capital Revenue	1,622.3		-13.2		724.10	
Grants	3,385.8		2,483.0		3,001.60	
<b>Expenditure</b>	85,974.8		-2,954.0		-13,162.20	
Recurrent Expenditure	70,481.3		-2,513.5		-19,847.50	
Programmes	17,476.0		-435.6		2,006.80	
Wages & Salaries	31,956.2		-422.1		831.10	
Interest	21,049.1		-1,655.9		-22,685.60	
Domestic	11,311.2		-1,006.2		-19,897.40	
External	9,738.0		-649.5		-2,788.10	
Capital Expenditure	15,493.5		-440.5		6,685.20	
Capital Programmes	15,493.5		-440.5		6,685.20	
IMF #1 Account	0.0		0.0		0.00	
<b>Fiscal Balance (Surplus [+]/ve)</b>	-10,450.3		5,662.1		26,216.00	
Loan Receipts	59,948.6		6,852.4		7,427.10	
Domestic	51,367.6		3,510.3		4,292.10	
External	8,581.0		3,342.1		3,135.10	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	39,195.5		142.3		11,446.00	
Domestic	34,323.1		448.5		11,805.70	
External	4,872.3		-306.3		-359.50	
<b>Overall Balance (Surplus [+]/ve)</b>	10,302.8		12,372.2		22,196.80	
<b>Primary Balance (Surplus [+]/ve)</b>	10,598.8		4,006.2		3,530.50	

REV. & EXPEN. (APR'10 - JUN'10)	J\$M	PROVISIONAL Results	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
<b>Revenue &amp; Grants</b>	75,524.5		2,708.1		-8,470.9	
Tax Revenue	63,250.3		869.7		3340	
Income and profits	21,593.8		-645.9		3888.9	
Bauxite/alumina	866.3		866.3		19	
Other companies	5,444.1		556.0		-336.5	
PAYE	12,385.1		-2,084.1		1568.3	
Tax on dividend	235.6		120.2		-115.2	
Other individuals	723.5		214.8		-973.8	
Tax on interest	1,939.3		-319.0		3727.1	
Environmental Levy	466.2		-17.3		-121.3	
Production and consumption	19,940.2		937.5		-759.7	
SCT	2,330.6		-9.2		372.3	
Motor vehicle licenses	419.3		-50.2		71.9	
Other Licenses	65.4		-186.4		76.4	
Betting, gaming and lottery	391.0		-7.0		138.1	
Education Tax	3,112.7		74.3		156.8	
Contractors levy	236.2		19.8		-16.6	
GCT (Local)	11,875.9		1,005.3		20.4	
Stamp Duty (Local)	1,509.1		91.0		-1578.8	
International Trade	21,250.1		595.3		332.3	
Custom Duty	4,403.4		-1,048.1		-1132.1	
Stamp Duty	312.9		14.6		70.2	
Travel Tax	869.3		194.4		-30.4	
GCT (Imports)	8,621.6		1,319.0		-2260.4	
SCT (Imports)	7,042.9		115.5		3685.2	
Non-Tax Revenue	7,249.3		-498.5		-1306.5	
Bauxite Levy	16.9		-132.8		-2637.1	
Capital Revenue	1,622.3		-13.2		237.9	
Grants	3,385.8		2,483.0		2903.4	

### Statistical Index Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur- Dep	Inflation		Tourism	J\$/US\$	T-bill	Loan	Sav	Dom Debt	Fgn Debt
	M	P	M	P	US\$M	US\$M	M	P	P		%	%	%	J\$M	US\$M
Jan'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	n/a	1.46	12.21	n/a	89.70	12.50	21.62	4.61	n/a	n/a
Feb	76,862	1.17	336,882	n/a	1,559	n/a	2.16	12.8	n/a	89.72	11.01	21.40	4.13	n/a	n/a
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	n/a	n/a
Apr	77,652	8.6	332,696.	2.07	1,736	n/a	1.34	5.5	14.5	89.07	9.99	21.51	4.03	n/a	n/a
May	81,011	10.9	n/a	n/a	1,675.6	2,325	0.63	6.2	n/a	88.48	9.91	21.08	4.03	n/a	n/a
Jun	77,754	-4.02	n/a	n/a	1,795.8	n/a	0.63	6.8	n/a	86.02	8.52	20.72	3.90	n/a	n/a
Jul	74,477	-4.22	n/a	n/a	1,732.6	2,335.4	0.37	7.2	n/a	86.09	8.73	20.22	3.36	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.

<b>Key:</b>	
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—Kingston 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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