



# PSOJ MONTHLY ECONOMIC BULLETIN



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## Economic Highlights

### After the Budget Debate—Comes the Challenge of Growth.

The main presentations in the Budget Debate have come and passed. An IMF Agreement to restructure the Jamaican economy and to correct the longstanding fiscal imbalances in the public accounts is in place supported by US\$2.4 billion in loans from the multilaterals. The highly successful Jamaica Debt Exchange (JDX) is already succeeding in reducing many interest rates; and the government has initiated or is implementing many reforms such as tax reform, public sector consolidation and instituting a central treasury management system.

The purpose of these measures and their long-term success depends on the restoration, indeed the strong expansion of economic growth and job creation. After the 2.7% contraction in 2010/11, the GOJ is

targeting economic growth of 0.5% in 2010/11 and 2% in succeeding years from 2011/12 through 2013/14. The issue then, what are the likely sectors to generate growth and lead the economy out of recession?

**Tourism** in Jamaica was quite resilient during the recession. While destinations like Barbados and the Bahamas experienced double digit reductions in stopovers, only Jamaica's cruise passenger arrivals were similarly affected, as the country achieved a respectable 3.6% gain in stopovers in 2009. Many have contended that this resulted from deep rate discounting, but others in the policy directorate have maintained that evidence of deep discounting was neither widespread nor conclusive.

For 2010, the Ministry of Tourism is hoping to achieve 2 million stopovers compared to the 1,831,097 visitors in 2009. This 9.2% increase would be the second highest growth rate in 10 years though well below the 13.5% record achieved in 2006.

The target seems achievable, but it will depend on the resurgence of consumer confidence and expenditure in North America and Europe. What is sure, is Jamaica does have the capacity to entertain these and even larger numbers of visitors. In the three years before the recession took hold in 2008, close to 3,000 rooms were added to Jamaica hotel rooms stock and the impact of these on the industry are yet to be fully realized.

**Jamaica's Bauxite industry**, was the sector most hard-hit by the global recession. Three of the five plants operating in Jamaica ceased operations in 2009 removing 42% of the capacity within the industry. Total bauxite exports (incl. bauxite equiva-

lent alumina) declined by 45% from 14,718 kilo-tonnes in 2008 to 8,103 kilo-tonnes in 2009. In addition, 54.5% of the workers in the mining sector were laid off; and export earnings fell from US\$1,368 billion in 2008 to US\$466.8 million in 2009. World alumina demand is projected at 78 kilo-tonnes for 2010 relative to 73.4 kilo-tonnes in 2009 and prices are expected to recover some ground from their 30.4% fall in 2009.

The thought has been, that there is still a lot of idle capacity all over the world and Jamaican plants which are numbered among the least efficient, could be among the last to be reactivated. It is therefore encouraging, that UC RUSAL is considering reopening the Ewarton Plant in the Fourth Quarter of 2010; and that China Aluminium Company (Chalco) is in discussions with the GOJ to purchase the Government's 45% share of Alpart. There are also plans to adapt Kirkvine - the oldest and the least efficient of our bauxite plants, to produce chemical grade alumina instead of the more energy-consuming metal grade product. The GOJ is reportedly also at the point of choosing a tender to provide LNG from a 'floating storage and re-gasification unit' (FSRU) that could supply the bauxite plants. This would have the effect of cutting the energy costs for producing bauxite/alumina in Jamaica by two-thirds.

**Agriculture**, like tourism, especially domestic agriculture, seemingly defied the global recession, growing by 12.1% in 2009 after two consecutive years of decline. Much of the growth reflects recovery from the effects of Hurricanes Dean and Gustav.

(Contd on P.10)

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## Net International Reserves (NIR)

During the month of March 2010, Net International Reserves increased by US\$192.3 million to US\$1,751.9 million compared to US\$1,559.7 million in February 2010. This was largely due to an increase in foreign assets of US\$142 million to US\$2,414.4 million and a reduction in foreign liabilities of US\$49.5 million to US\$662.5 million.

At current levels, gross reserves are adequate to finance 26.5 weeks of “goods” imports or 18.6 weeks of “goods and services” imports well above the 12 weeks international benchmark of reserves adequacy.

## Foreign Currency Deposits

During January 2010, foreign currency deposits in the local financial system increased by US\$57.7 million to US\$2.331 billion compared to US\$2.274 billion at the end of December 2009. The increase in January largely resulted from increase (foreign currency deposits) of US\$59.9 million in commercial banks and US\$5.4 million in building societies which were incompletely offset by a decline of US\$7.5 million in merchant banks. By contrast, during the month of December 2009, there were decreases in foreign currency deposits of US\$16.9 million in commercial banks and US\$1.4 million in merchant banks mitigated by a small increase of US\$2.4 million in building societies.

The December 2009 declines in foreign currency deposits reflects higher out-payments for fuel, which increased in price by 11.4% during Q4' and the effect of seasonal increase in consumer demand. The January 2010 build in deposits, possibly reflects continuing weaker domestic demand brought on by the global recession.

## Foreign Exchange Rate

**US DOLLAR:** During the month of March 2010, the Jamaican dollar continued its remarkable 12 month steadiness against its US counterpart (See Figure 1) appreciating by 0.20 cents to J\$89.51 per US\$1. This relative stability in the J\$/US\$ exchange rate has

**Table 1: Changes in the NIR**

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Mar-10	1,751.9	192.2	123.3	22.5	26.5
Mar-09	1,628.6	26.7	-454.8	-144.4	12.2

Source: Compiled from the BOJ (Preliminary)

**Table 2: Foreign Currency Deposits**

	US\$000 Jan 10	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,725,182	59,860	67,244	3.47%	4.06%
Building Societies.	508,202	5,414	68,588	1.08%	15.60%
Merchant Banks	98,157	(7,524)	(43,144)	-7.67%	-30.53%
Total Deposits	2,331,541	57,750	92,688	2.48%	4.14%

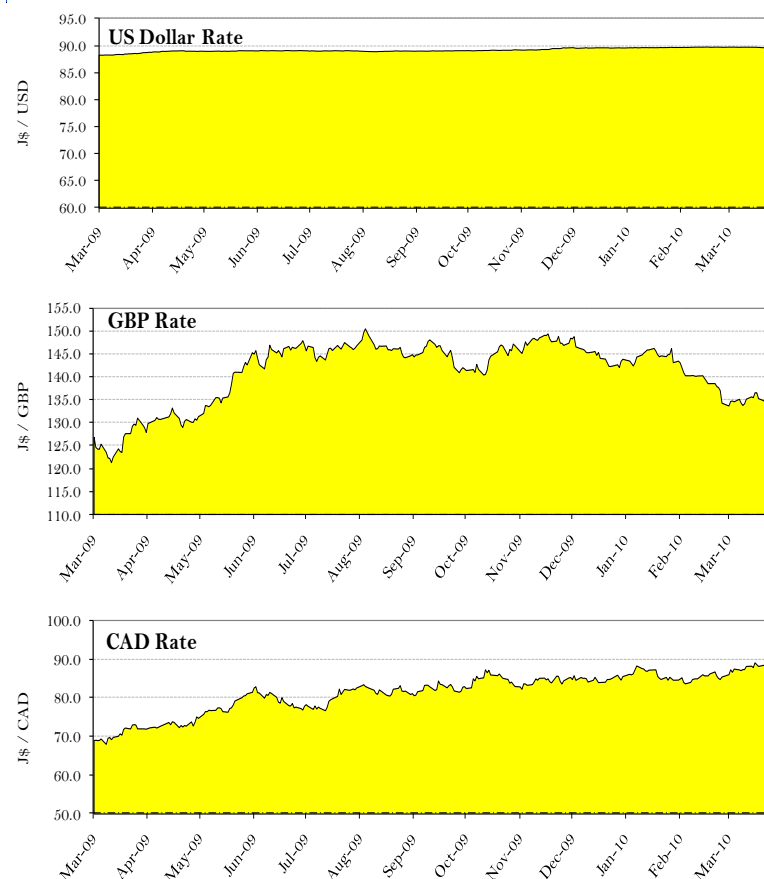
Source: Compiled from the BOJ (Preliminary)

**Table 3: Foreign Exchange Trends**

	YTD Currency Rate Change (Dec 31, 2009—03/31/10) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2010	-0.08	-0.1	-8.93	-6.2	2.59	3.0
2009	-9.38	-11.7	24.32	20.8	4.20	6.4
2008	-12.67	-15.7	-7.92	-5.6	1.23	2.1
Mar 2010						
Actual Rate	89.51	-0.20	135.07	-5.71	88.06	4.17
Mth Change	-0.18	-0.20	-8.18	-5.71	3.52	4.17

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

**Figure 1: Daily % Change in Major Currency Rates**



Source: Bank of Jamaica Database (BOJ)

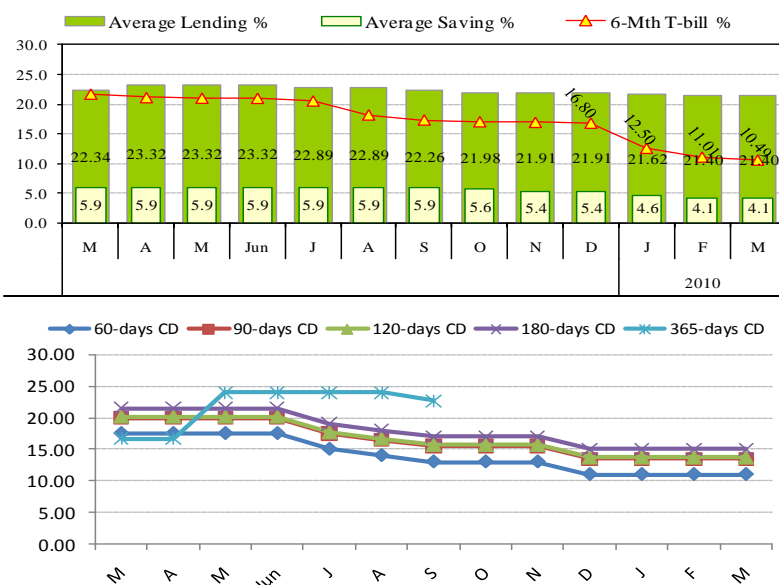
been evident since the first quarter (Q1) of 2009. For while the J\$ depreciated by J\$9.11 or 10.17% against its US counterpart in 2009, much of this decline occurred in the first five weeks of 2009.

During the last quarter of 2009 (Q4), the average weekly trading range of J\$/US\$ had increased to 8 cents from 5 cents in Q3 2009. In February 2010, the average weekly trading range fell back to 6 cents. But in March, the average weekly trading range again increased to 8 cents. The steadiness of the J\$/US\$ exchange rate is likely supported by the recently concluded GOJ-IMF Agreement which fortified the NIR to the tune of US\$640 million; and the continued depression of domestic demand resulting from the global recession. If local and global inflation and interest rates remains moderate as currently forecasted, it is possible that the relative stability observed in the J\$/US\$ exchange rate may continue, especially if Jamaica passes the IMF tests.

**POUND & CANADIAN DOLLAR:** During the month of March 2010, the Jamaican dollar depreciated by 0.69 cents against the British pound going from 1GBP = J\$134.37 to J\$135.07. Year to date however, the J\$ is up J\$5.71 against GBP. Against the Canadian dollar, the J\$ depreciated by a more significant J\$4.17, going from CAD1 = J\$85.36 at the end of February to J\$88.06 at the end of March 2010.

This appreciation of the J\$ against the GBP and its depreciation against the CAD in March 2010, probably reflects the movement of each currency against the US\$ on international foreign exchange markets, linked to expectations regarding economic growth and interest rates in these countries. The British economy is expected to continue to lag the global recovery and that yields will be lower in the UK for longer relative to the US, and thus GBP has been falling against US\$. Exactly reverse expectations are lifting the CAD.

Figure 2A &amp; 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Mar-10	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	10.00%	0.00%	-7.00%	-0.50%
60-days CD	11.00%	0.00%	-6.50%	0.00%
90-days CD	13.50%	0.00%	-6.50%	0.00%
120-days CD	13.70%	0.00%	-6.50%	0.00%
180-days CD	15.00%	0.00%	-6.50%	0.00%
Avg Savings Deposit	4.09%	-0.04%	-1.80%	-1.26%
Avg Loan Rate	21.40%	0.00%	-0.94%	-0.51%
6-Month T-Bill	10.49%	-0.52%	-11.28%	-6.31%

Source: Bank of Jamaica (BOJ Preliminary)

## Interest Rates

Though most rates were stable, the downward inclination of Jamaica's interest rates continued to be manifested on a few key instruments in March 2010. As was noted in February's Bulletin, there were concerns that the extension of maturities and lowering of interests rates that domestic holders of GOJ bonds had been asked to accept, under the Jamaica Debt Exchange, would inhibit the Government's ability to raise future loans on the domestic market. But the results of the Feb-

ruary 2010 treasury bill auction seemingly blew away those concerns with both the 3-month and 6-month tenors coming in wildly over-bid at lower rates.

In March 2010, the high take-up of GOJ securities continued. Seeking to raise J\$400 million on each of two tenors, the 3-month was over-bid 2.4:1 with coupon lowered by 45bps from February to 10.18%. The 6-months was over-bid 3.9:1 with coupon lowered by 52bps to 10.49%. These bid to cover ratios are somewhat lower than for February 2010 auction when the 3-month was over-



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bid 3:1 and the 6-month 5.5:1.

At the time of writing, the results for the April 2010 Auction have come in, and these mid-range instruments again witnessed high take-up comparable to February 2010. The 3-month was over-bid 3.6:1 with coupons lowered from March by 25bps to 9.97%. The 6-months was over-bid 5.2:1 with coupons lowered by 50bps to 9.99%. This marks the first time in 24 years that the interest rates on both instruments have fallen to single digits. Since the launching of the JDX, interest rates have fallen by over 600 bps on the 3-months T-bills and by close to 700bps on the 6-month tenor.

Rates on savings deposits were the only other rate to decline in March 2010 inching down 4bps to 4.09%. There was however no movement on the average lending rate which remained at 21.40%.

## Base Money & Money Supply

During Q4 according to the BOJ, M3J, the broadest measure of money supply, expanded by 4.7% relative to a 4.1% expansion in Q4 of 2008. The main source of growth of M3J was an expansion in banking system credit to the public sector and larger than projected build-up in local currency deposits. M3, the measure of money which includes foreign currency deposits, increased by 4.8% relative to the 5.5% in Q4 of 2008, due to a slowdown in the rate of foreign currency deposits. M2, which includes local currency deposits, grew by 2.6% well below the average 4.8% of the last five quarters.

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

**Table 5: Base Money and Money Supply**

	J\$M	Percentage Change (%)	
	Dec-09	Mthly	12 Mth
M1	107,817.96	8.34	7.71
Quasi Money	224,192.24	-0.21	5.23
M2	332,010.20	2.41	6.03
	Mar '10	Mthly	12 Mth
Base Money	77,322.45	0.60	8.60

Source: BOJ Economic Statistics

**Table 6: Inflation Trends**

	% Percent Changes			
	Mar	12-Mth	YTD	Fiscal
2010	0.45	13.31	4.12	13.31
2009	1.62	12.45	1.25	12.45

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

**Table 7: Mining Production**

	000 tonnes			YTD	
	Mar-10	Mar-09	%	Mar-10	10/09 %
<b>Production</b>					
Alumina	116.5	225.4	-48.3	350.8	-50.6
C. Bauxite	394.0	107.1	268.0	1,003.3	35.9
<b>Export</b>					
Alumina	121.4	207.9	-41.6	354.9	-46.8
C. Bauxite	394.0	106.4	270.3	1,016.7	34.7

Source: Jamaica Bauxite Institute (JBI)

14.6% expansion. In March 2010, the monetary base continued its moderate expansion growing by 0.6% over the previous month.

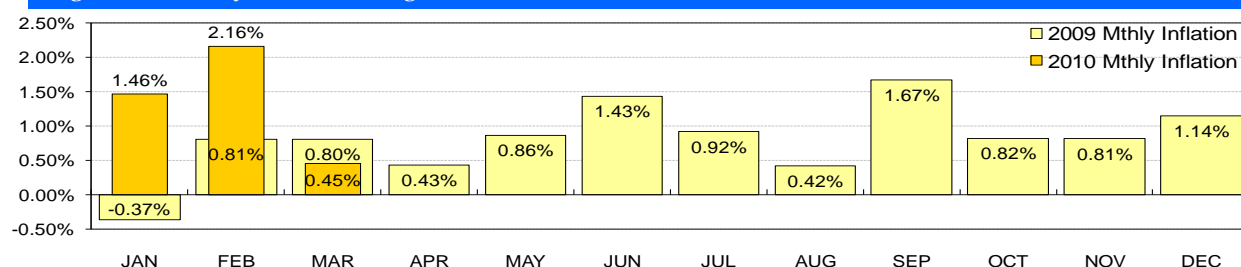
continued stability in the exchange rate, and lower prices for domestic agricultural commodities. Thus far, the BOJ's forecast seems on target.

## Inflation

The inflation out-turn in March 2010 was 0.45%; compared to 2.16% recorded for February 2010; 1.46% in January 2010; and 0.80% one year ago. The BOJ had forecasted that inflation would spike in Q1 2010 due to Government's tax increases in December 2009, but thereafter, inflationary pressures would abate due to continued weak domestic demand,

Within the CPI, the divisions "Education" and "Communication" were flat on the month, and "Housing Water, Electricity, Gas and Other Fuels" actually declined by -0.8% due mainly to a fall in the fuel and IPP charge, which resulted in a decline in electricity costs for customers consuming 200kwh or less monthly. All 7 other divisions within the "All Jamaica Consumer Price Index" recorded modest increases, mostly under 1%. The highest increase for the

**Figure 3: Monthly Inflation Changes**



Source: STATIN and PSQJ compilation

Figure 4A: Stopover Arrivals to Jamaica

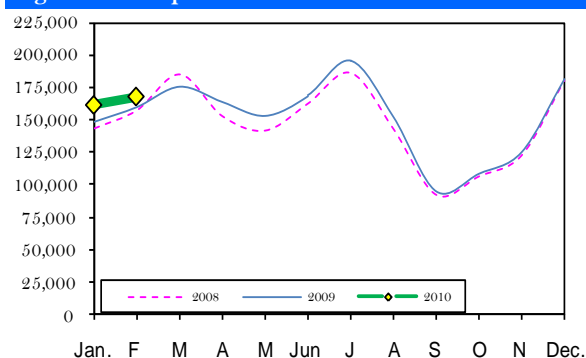
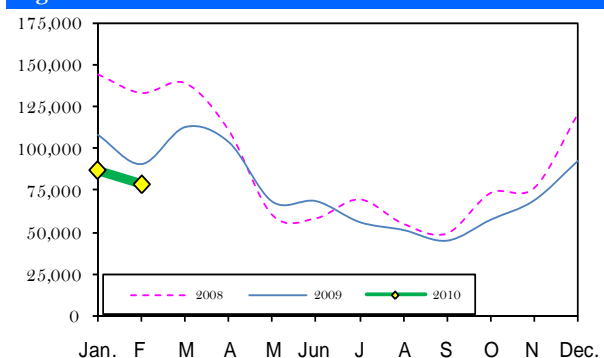


Figure 4B: Cruise Arrivals to Jamaica



month occurred in the division 'Alcoholic Beverages and Tobacco' -up 2.4 per cent; followed by 'Clothing and Footwear'-up 1.1 per cent; and 'Food and Non-Alcoholic Beverages' which carries the highest weight in the index, up by 0.8 per cent.

The rate of inflation for the fiscal year-2009/10 was 13.3% per cent, while the inflation rate for the calendar year to date, which coincides with the first Quarter of 2010, was 4.1%.

## Bauxite & Alumina

Production of alumina in March 2010 amounted to 116,479 tons compared to 225,366 tons in February 2010 - a 48.3% decline. For its part, production of crude bauxite in March 2010 increased by 268% to 393,974 tons compared to 107,051 tons produced in February. For the first three months of 2010 (Q1), alumina production fell by -50.6% to 350,788 tons and alumina exports by -41.6% to 355.0 tons compared to the same period of 2009. Possibly reflecting the beginning of an upturn in the industry, production of crude bauxite is up by 35.9% to 1,003.3 tons and bauxite exports are likewise up by 34.7% to 1,016.7 tons relative to Q1 of 2009.

These tentative signs of turn-around in the industry, though clearly not yet confirmed, are heartening after many months of contraction. It is also heartening to see the Jamaican Authorities moving to revitalize production arrangements with UC RUSAL and to explore deals with China Aluminium (Chalco). Because, as noted in previous Bulletins, the US auto market which has been a key market for Jamaican bauxite, is expected to peak at 12.5 million cars per year for the next several years compared to 16.5 million previously; whereas the Chinese and Indian markets are expected

### Tourist Arrivals

	2009	2010	%Change	
	YTD (Jan -Feb)		YTD - YOY	Feb. 09/10
<b>Stopover</b>	<b>309,168</b>	<b>328,556</b>	<b>6.3%</b>	<b>4.5%</b>
Foreign	290,089	309,924	6.8%	5.1%
Non-Resident	19,079	18,632	-2.3%	-4.7%
<b>Cruise</b>	<b>198,304</b>	<b>165,937</b>	<b>-16.3%</b>	<b>-12.9%</b>
<b>Total Arrivals</b>	<b>507,472</b>	<b>494,493</b>	<b>-2.6%</b>	<b>-1.8%</b>

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

to become bigger end users of bauxite as their auto industries grow.

Stopover arrivals in February 2010 were 167,462—an increase of 4.5% over the 160,282 recorded in February 2009. However, the number of cruise passengers visiting the island in February 2010 declined by 12.9% to 78,805 compared to 90,477 in February 2009. For the first two months of calendar year 2010, stopover arrivals are up by 19,388 to 328,556 visitors marking a 6.3% increase over the same period for 2009 when there were 309,168 stopover visitors to the island. For 2010, the GOJ is targeting 2 million stopovers.

## Tourism

For the January to February period, stopovers from the United States increased by 5.4% to 182,836 compared to 173,492 in 2009. Nonetheless, this marked a 1% decrease to 55.6% in the share of visitors to Jamaica from the US for the period.

The Canadian market continued on a growth trend, recording an increase of 14.1% for the first two months of 2010 with 90,387 stopovers, compared to 79,204 in 2009. This amounted to a 1% increase in the market share of visitors

from Canada. Visitors from Europe, including the UK, increased by 3.4% to 43,440 compared to 41,997 for the same period last year, reflecting a 0.6% percentage point increase in their market share to 13.2%. Stopover visitors from the Caribbean however, decreased by 18.4% to 7,839, compared to 9,609 for the first two months of 2009; but there was a 1.4% increase in visitors from Latin America to 2,406.

Cruise visitors to the Island for the first two months of 2010 was down 16.3% to 165,937 visitors compared to 198,304 for the same period in 2009. Total Visitors to the island for January to February 2010 was 494,493—a 2.6% reduction from the 507,472 visitors in January to February 2009 and is wholly due to the fall-off in cruise visitors.

## External Trade

For the period January to December 2009, the total value of exports was US\$1.24 billion representing a 52.6% decline from the US\$2.62 billion recorded for same period in 2008. Imports for the review period also declined substantially by 39.4% to US\$5.06 billion compared to US\$8.36 billion for the corresponding period of 2008. Given the continuing wide gap



between the country's imports and exports, the resultant trade deficit was US\$3.82 billion compared to US\$5.74 billion for the January to December period of 2008.

**Traditional Exports:** Agriculture, which earned US\$39.06 million and grew by 22.9%, was the only group among Jamaica's traditional exports to grow during January to December 2009 compared to the same period of 2008. Coffee, which has become our dominant agricultural export commodity in recent years, accounted for 86.6% of those earnings growing by 26.3% and earning US\$33.82 million. Among the smaller export crops, cocoa grew by 52.9% adding a modest US\$1.8 million to earnings. But earnings from pimento and citrus declined to US\$1.8 million and US\$1.7 million respectively, while banana exports were minimal.

Exports from the Mining and Quarrying group, persisted in unrelenting downturn, declining by a massive 66.4% to US\$453.59 million when compared to the US\$1,348.13 million earned by the sector in 2008. Despite the massive contraction in the Mining and Quarrying sector, the sector is still the largest 'traditional' export earner accounting for approximately 73.6% of traditional export earnings for calendar year 2009 while alumina remains Jamaica's largest commodity export earner.

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. All of this decline was contributed to by sugar which fell by US\$32.0 million as all the other commodities within this group recorded increases. Rum, and 'coffee products' increased to US\$48.6 million and US\$1.5 million respectively, and earnings from Cocoa products also increased.

**Non-traditional exports** accounted for 50.4% of exports by value in calendar year 2009 surpassing earnings from traditional exports. Nonetheless, earnings in this segment decreased substantially by US\$463.8 million or 42.8% to US\$626.9 million compared to the US\$1,090.7 million earned in 2008.

Earnings from non-traditional

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

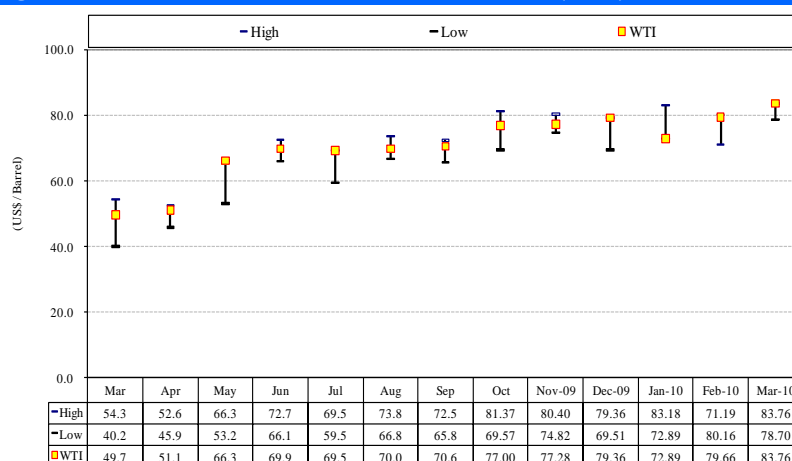


Table 9: External Trade (US\$M)

	Jan-Dec '08	Jan-Dec '09	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>2,620.70</b>	<b>1,243.27</b>	<b>-1377.42</b>	<b>-52.6%</b>
Major Traditional Exports	1,529.92	616.28	-913.64	-59.7%
<i>by Sector:-</i>				
Agriculture	31.79	39.06	7.27	22.9%
Mining & Quarrying	1,348.13	453.59	-894.54	-66.4%
Manufacturing	150.01	123.63	-26.38	-17.6%
<i>by Industry:-</i>				
Bauxite	114.50	85.41	-29.10	-25.4%
Alumina	1,230.49	368.00	-862.50	-70.1%
Sugar	104.25	72.33	-31.92	-30.6%
Rum	43.66	48.60	4.94	11.3%
Bananas	0.04	0.01	-0.03	-83.8%
Coffee	26.78	33.82	7.04	26.3%
Other	10.20	8.12	-2.07	-20.3%
Non-Traditional Exports	1,090.72	626.92	-463.79	-42.5%
Re-exports	0.06	0.08	0.01	23.8%
<b>TOTAL IMPORTS</b>	<b>8,360.98</b>	<b>5,065.70</b>	<b>-3295.28</b>	<b>-39.4%</b>
Food	886.31	802.33	-83.98	-9.5%
Beverages & Tobacco	93.49	79.86	-13.62	-14.6%
Crude Materials (excl. Fuels)	73.43	54.87	-18.56	-25.3%
Mineral Fuels, etcetera	3,354.79	1,396.60	-1958.19	-58.4%
Animal & Vegetable Oils & Fats	53.95	33.86	-20.09	-37.2%
Chemicals	950.98	740.26	-210.72	-22.2%
Manufactured Goods	883.56	555.82	-327.73	-37.1%
Machinery and Transport Equip.	1,264.25	820.22	-444.03	-35.1%
Misc. Manufactured Articles	681.97	461.56	-220.41	-32.3%
Other	118.25	120.31	2.06	1.7%
<b>TRADE BALANCE</b>	<b>(5,740.29)</b>	<b>(3,822.43)</b>	<b>1917.86</b>	<b>-33.4%</b>

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

"Food" items improved marginally from US\$118.7 million in 2008 to US\$119.5 million in 2009. Of this amount, Yams (the leading non-traditional food item), earned US\$18.2 million, a 10.8% reduction below the US\$20.4 million earned in 2008; 'Juices excluding Citrus' declined by 18.2% to US\$6.9 million, while 'Sauces declined

marginally to US\$10.6 million. But "Ackee" exports increased by 52.5% to US\$13.6 million while 'Baked Products' increased marginally to US\$10.8 million.

The category "Beverages and Tobacco" increased by 7% to US\$53 million in 2009. This was wholly due

to a 12.1% increase in exports of “Alcoholic Beverages (excl. rum)” to US\$44.5 million as exports of “Non-alcoholic Beverages” declined by 12.4% to US\$8.6 million and “Tobacco” to a mere US\$56,000.

Earnings from “Crude Materials” declined by 33.8% to US\$16.7 million due mainly to a sharp fall in exports of ‘Waste and Scrap Metals’ from US\$21.13 million in 2008 to US\$12.6 million in 2009.

The category “Other” non-traditional domestic exports also declined by a substantial 51.2% to US\$437.7 million from US\$897.2 million a year earlier. Leading the declines in this sub-group were: “Ethanol”—down 56.9% to US\$170.45 million; “Mineral Fuels etc” down 50.8% to US\$213.6 million and “Chemicals (excluding alcohol)” down 43.7% to US\$28.9 million.

**Jamaica's Imports** were slashed by a substantial 39.4% to US\$3.306 billion in 2009 from US\$8.36 billion in 2008. If the sharp fall in our exports reveals the severity of the recession externally, then the equally sharp fall in our imports reveals the severity of the downturn within Jamaica given the high dependence of our consumption and production on imports. Apart from a 1.7% increase in “Other” imports all other nine categories of imports were down, some by very wide margins. Reflecting the sharp drop in oil prices and the contraction in bauxite/alumina production, imports of “Mineral Fuels and similar items” was down US\$1.96 billion or 58.4%; “Machinery & Transport Equipment” (down US\$444 million or 35.1%); “Manufactured Goods” (down US\$327.7 million or 37.1%); “Miscellaneous Manufactured Goods” (down US\$220.4 million or 32.3%); and “Chemicals” (down US\$210.7 million or 22.2%). (see Total Imports section of Table 9).

**Oil:** At the end of March 2010, the West Texas Intermediate (WTI) Crude Oil price stood at US\$83.76 per 42 gallon barrel marking a \$4.10 increase in price over the previous end of month price of US\$79.66. During March 2010 the price ranged between a low of US\$78.70 and a high of US\$83.76 per barrel at which it closed. ( See Figure 5)

## Balance of Payments

Jamaica's current account deficit for the calendar year 2009 was US\$912.4

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

	Jan-Dec 2008	Jan-Dec 2009	\$ Change	% Change
<b>Current Account</b>	<b>(2,793.9)</b>	<b>(912.4)</b>	<b>1,880.9</b>	<b>67.3%</b>
<b>Goods Balance</b>	<b>(4,802.9)</b>	<b>(3,123.4)</b>	<b>1,679.5</b>	<b>35.0%</b>
Exports	2,743.9	1,386.1	(1,357.8)	-49.5%
Imports	7,546.8	4,509.5	(3,037.2)	-40.2%
<b>Services Balance</b>	<b>428.1</b>	<b>751.9</b>	<b>323.8</b>	<b>75.6%</b>
Transportation	(644.7)	(373.5)	271.2	42.1%
Travel	1,707.7	1,721.7	14.0	0.8%
Other Services	(634.9)	(596.4)	38.5	6.1%
<b>Income</b>	<b>(568.3)</b>	<b>(586.3)</b>	<b>(18.0)</b>	<b>-3.2%</b>
Compensation of empl	83.7	58.6	(25.1)	-30.0%
Investment Income	(651.9)	(644.9)	7.0	1.1%
<b>Current Transfers</b>	<b>2,149.8</b>	<b>2,045.5</b>	<b>(104.3)</b>	<b>-4.9%</b>
Official	100.7	148.7	48.1	47.8%
Private	2,049.0	1,896.8	(152.3)	-7.4%
<b>Capital &amp; Financial Account</b>	<b>2,793.9</b>	<b>912.4</b>	<b>(1,880.9)</b>	<b>-67.3%</b>
<b>Capital Account</b>	<b>18.1</b>	<b>10.4</b>	<b>(7.7)</b>	<b>-42.5%</b>
Capital Transfers	18.1	10.4	(7.7)	-42.5%
Official	48.6	45.3	(3.3)	-6.8%
Private	(30.5)	(34.9)	(4.4)	-14.4%
Acq/disposal	-	-	-	0.0%
<b>Financial Account</b>	<b>2,775.2</b>	<b>902.0</b>	<b>(1,873.2)</b>	<b>-67.5%</b>
Other Official Invst	518.6	249.4	(269.2)	-51.9%
Other Private Invst	2,152.8	609.0	(1,542.8)	-71.7%
Reserves	104.8	43.6		

Source: BOJ & Statistical Update:

million. This represented an improvement of US\$1.881 billion compared to the deficit of US\$2.794 billion for calendar year 2008. The improved performance in the current account was mainly due to a substantial US\$3.037 billion reduction in imports, reflecting the continuing impact of the global recession, which had positive effects on the outturn in the **Goods Sub-account** and the **Services Sub-account**.

The **Goods Sub-account** recorded a deficit of US\$3.123 billion, an improvement of US\$1.679 billion over the corresponding period of 2008. This mainly resulted from a reduction in fuel imports of US\$1.958 billion. The improvement in the **Goods sub-account** was however partially offset by a decline of US\$1.357 billion in exports, due mainly to a reduction in alumina exports of US\$822 million.

The surplus on the **Services Sub-account** increased by US\$322.8 million. This primarily resulted from a decline in freight costs associated with reduced imports.

The balance on the **Income Sub-**

**account** declined by US\$18.0 million during 2009. This resulted primarily from decline in compensation of employees.

In 2009, there was a decline in the **Current Transfers Sub-account** of US\$104.6 million to US\$1.852 billion. This was largely the result of a decline of US\$152.3 million in remittances. Flows from official and private sources were insufficient to finance the current account deficit. Accordingly the NIR decreased by US\$43.3 million during the year.

## Fiscal Accounts

For fiscal year 2009/10 (Apr'09 - Mar'10) the Government of Jamaica (GOJ) accumulated a fiscal deficit of \$121.7 billion—or about 11% of GDP. This was \$186.7 billion (or 285.5%) below the planned surplus of \$65 billion for the period. The main contributor to the fiscal deficit was a \$39.06 billion shortfall in projected tax revenues compounded by \$16.8 billion of net over-expenditures.

**REVENUE:** Total Revenues to the GOJ for the fiscal year was \$300.2 billion. This was, as noted, \$39 bil-

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Mar (Fiscal—2009/10)				Apr-Mar (YOY)	
	J\$ million		Deviation		08/09 - 09/10	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
<b>Revenue &amp; Grants</b>	<b>300,193.3</b>	<b>339,253.7</b>	<b>-39,060.4</b>	<b>-11.51</b>	<b>47,180.3</b>	<b>18.8</b>
Tax Revenue	265,860.2	291,674.5	-25,814.3	-8.85	43,188.6	19.4
Non-Tax Revenue	21,245.5	16,857.2	4,388.3	26.03	3,021.6	18.8
Bauxite Levy	1,582.1	139.4	1,442.7	1034.94	-2,857.8	-64.3
Capital Revenue	5,208.8	20,336.8	-15,128.0	-74.39	3,032.8	161.5
Grants	6,296.7	10,245.8	-3,949.1	-38.54	-1,269.6	-16.8
<b>Expenditure</b>	<b>421,458.5</b>	<b>404,642.6</b>	<b>16,815.9</b>	<b>4.16</b>	<b>110,409.0</b>	<b>35.6</b>
Recurrent Expenditure	387,044.2	363,788.2	23,256.0	6.39	113,979.3	42.0
Programmes	72,042.2	79,026.5	-6,984.3	-8.84	-2,052.9	-2.8
Wages & Salaries	126,286.4	125,754.2	532.2	0.42	14,077.9	12.6
Interest	188,715.6	159,007.4	29,708.2	18.68	78,853.7	71.8
Domestic	144,869.1	112,512.2	32,356.9	28.76	55,346.5	61.8
External	43,846.5	46,495.2	-2,648.7	-5.70	8,066.7	22.5
Capital Expenditure	34,414.3	40,854.4	-6,440.1	-15.76	-6,067.3	-14.7
Capital Programmes	34,414.3	40,854.4	-6,440.1	-15.76	-6,067.3	-14.7
IMF #1 Account	0.0	0.0	0.0		0.0	
<b>Fiscal Balance (Surplus [+ve])</b>	<b>-121,265.2</b>	<b>65,388.9</b>	<b>-186,654.1</b>	<b>-285.45</b>	<b>-47,835.2</b>	<b>-63.5</b>
Loan Receipts	299,599.6	215,786.4	83,813.2	38.84	107,620.4	56.3
Domestic	248,781.5	186,378.5	62,403.0	33.48	106,542.6	104.1
External	50,818.1	29,407.9	21,410.2	72.80	-6,938.6	-12.3
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	0.0
Amortization	169,514.0	150,397.5	19,116.5	12.71	25,593.4	17.2
Domestic	143,980.9	120,163.0	23,817.9	19.82	48,820.0	49.4
External	25,533.1	30,234.5	-4,701.4	-15.55	-23,226.7	-46.6
<b>Overall Balance (Surplus [+ve])</b>	<b>8,820.4</b>	<b>0.0</b>	<b>8,820.4</b>	<b>0.0</b>	<b>13,224.3</b>	<b>111.1</b>
<b>Primary Balance (Surplus [+ve])</b>	<b>67,450.3</b>	<b>93,618.5</b>	<b>-26,168.2</b>	<b>-27.95</b>	<b>15,577.7</b>	<b>31.2</b>

Source: Ministry of Finance and Planning

lion (or 11.5%) lower than the \$339.3 billion targeted for the period. The six (6) largest contributors to revenue accounting for \$207.56 billion were: PAYE (\$55.97 billion), local GCT (\$41.45 billion), Company Taxes (\$29.84 billion), tax on interest income (\$28.02 billion), GCT on Imports (\$28.81 billion), and SCT on Imports (\$23.48 billion). Apart from a 11.7% increase above budget for tax on interest, and a 2.6% increase in company taxes, four of these headings came in substantially less than expected contributing a combined -\$18.3 billion to the deficit.

In general, possibly reflecting the weak conditions in the economy brought on by the recession, taxes on 'Production and Consumption' came in \$10.36 billion or 12.7% below projection; while the intake from 'International Trade' (custom duties, STC etc) came in \$14.5 billion below projections.

The large shortfalls on major revenue heads more than offset the better than expected gains of \$587.60 million by the few outperformers on the revenue accounts such as "Travel Tax", "Other Licenses", "Betting, Gaming & Lottery", and "Bauxite & Alumina" (see table 12).

It is worthy of note however, that despite the below budget performance, revenues were up \$47 billion relative to 2008/09. (see *Fiscal Account chart in Appendix, pg.14 for further details*).

**EXPENDITURE:** During fiscal 2009/10, actual expenditure amounted to \$421.5 billion. This exceeded the budgeted level by approximately \$16.8 billion (or 4.1%). This mainly reflected an increase of \$32.3 billion in domestic interest payments and a more modest J\$532.2 million increase in 'Wages and Salaries'. But both 'Recurrent Pro-

grammes and 'Capital Programmes' were severely cutback by 8.4% and 15.8% respectively.

#### FISCAL OUTTURN & THE IMF

The accumulated fiscal deficit of \$121.3 billion for fiscal year 2009/10 was not only well below expectations for a surplus, but was also below the levels in the Standby Agreement (SBA) with the IMF. Under the SBA, the end of year fiscal deficit was targeted at \$106.7 billion or 9.6% of GDP. However the out-turn was \$14.6 billion above target and closer to 11% of GDP. The Government has said it has passed the IMF first round tests, so it is assumed that a waiver was granted on that target.

**The Primary Surplus** for fiscal 2009/10 was \$67.5 billion. This was \$26.2 billion less than the \$93.6 billion originally budgeted, but above the \$66.9 billion agreed with



the IMF under the SBA.

The accumulated fiscal deficit was financed by loans amounting to \$299.6 billion, which exceeded the budgeted levels by \$83.8 billion or 39%. Eighty-three percent of loan receipts or \$248.8 billion were sourced from the domestic market, while external borrowing, which were 72% above budget provided the remaining 16% or \$50.8 billion of loans.

Total amortization was \$169.5 billion for fiscal 2009/10 or 12.7% above the \$150.4 billion originally budgeted. \$144 billion or 85% went to domestic creditors of the GOJ and the remaining \$25.5 billion to external creditors.

**PUBLIC DEBT:** Total public debt as of November 2009 stood at \$1.333 trillion. This represents an additional \$10.65 billion added to the debt stock over the previous month. Since January 2009, the stock of public debt has increased by J\$168.78 billion or 12.6%. The domestic debt currently stands at \$735.61 billion or 55.15% of the total, while the external debt amounts to \$598.19 billion or 44.85% of the total debt stock.

## Stock Market

During the month of March 2010, market capitalization increased from J\$518.565 billion to J\$564.14 billion. All five indices on the Jamaica Stock Exchange advanced. The main **JSE Market Index** advanced by **6,915** points or 8.7% to close at 86,010 points. The **JSE Select** advanced by 298 points or 15.3% to close at 2,248 points; and the **JSE All Jamaican Composite** advanced by 11,167 points, or 15.7%, to close at 82,387 points. Even the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, which had declined the previous two months managed to eke out a small gain advancing by 1.13% to close at 858.2 points. The **Jamaica Stock Exchange Junior** also advanced strongly by 14.4% to close at 177.79 points.

Market volume was moderate in March with some 249 million units changing hands, compared to the light volume in February 2010 when only 64 million units were traded.

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

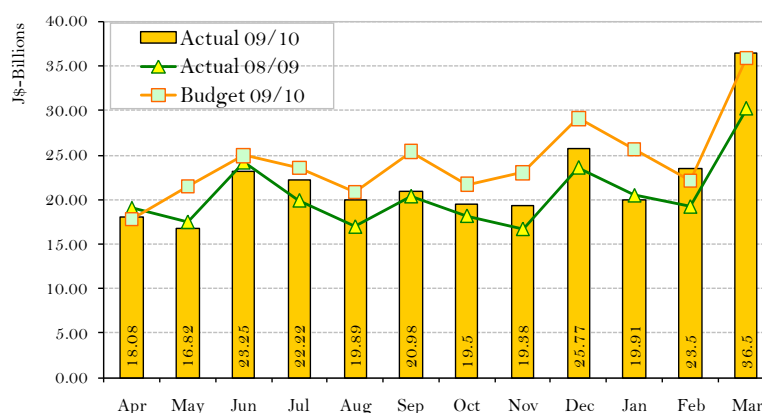
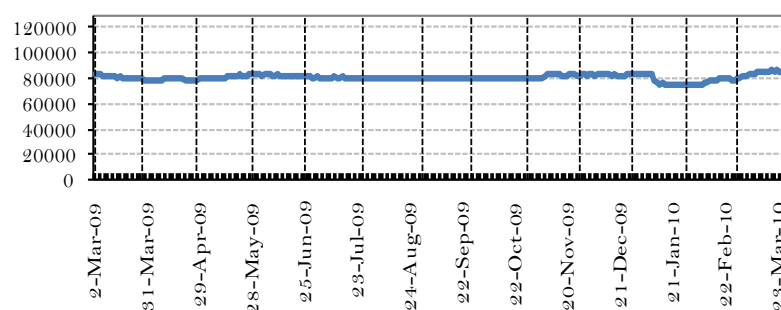


Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Mar 2009/10
<b>Revenue (Revenue Surpluses)</b>		
Travel Tax		415.80
Betting Gaming and Lottery		97.80
Other Licenses		42.50
Stamp Duty		20.20
Bauxite Levy		10.80
<b>Revenue (Revenue Shortfalls)</b>		
GCT (imports)		-7,167.20
GCT (local)		-5,749.80
Custom Duty		-4,976.90
Grants		-3,949.10
SCT (imports)		-1,804.70
<b>Expenditure (Changes)</b>		
Programmes	(under-spend)	-6,984.30
Capital Programmes	(under-spend)	-6,440.10
External - Interest	(under-spend)	-1,297.40
Wages & Salaries	(over-spend)	532.20
Domestic - Interest	(over-spend)	32,356.90

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Jan - Mar 2010



Source: Jamaica Stock Exchange (Online Database) and PSOJ

Overall market activity resulted from trading in 41 stocks of which 31 advanced, 9 declined and 1 traded firm. Supreme Ventures Limited was the volume leader accounting for 32.4% of

traded shares; followed by JMMB with 12.3% of market volume. The leading advancers up to March 2010 were: Berger Paints, GraceKennedy, Radio Jamaica, Seprod Ltd and

Hardware & Lumber. The leading decliners were Ciboney Group, Guardian Holdings, Salada Foods, Pegasus Hotel, and Kingston Properties Limited. (See Table 13)

## Economic Highlights (contd.)

**Contd from P1.** But the Ministry of Agriculture 'Production and Productivity Programme' aimed at introducing best practices in the production of selected domestic crops; other programs to improve marketing, irrigation and extension services; and the employment of 10,500 more persons in agriculture in 2009 relative to 2008 are also credited with the improved performance of agriculture.

However, for agriculture to play an expanded role in employment and income generation there needs to be a more thorough-going plan to modernize technologies and scale-up produc-

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

	31- Dec-09	31- Mar 10	\$ change	% change
<b>Top Five (unadjusted for dividends or transact. Costs)</b>				
Berger Paints (Jamaica)	1.20	2.68	1.48	123.3%
GraceKennedy Ltd.	40.50	65.86	25.36	62.58%
Radio Jamaica	2.01	3.15	1.14	56.72%
Seprod Ltd	18.00	26.00	8.00	44.44%
Hardware & Lumber	3.50	4.95	1.45	41.43%
<b>Bottom Five (unadjusted for dividends or transact. Costs)</b>				
Ciboney Group	0.10	0.05	(0.05)	-50.00
Guardian Holdings Ltd	299.50	175.0	(125.50)	-41.57%
Salada Foods	15.50	11.50	(4.00)	-25.81%
.Pegasus Hotel	19.99	15.00	(4.99)	-24.96%
Kingston Properties	5.00	4.00	(1.00)	-20.00%

*Source: Compiled from the JSE*

tion at the level of the individual farm. This might require providing more land to farmers and greater levels of financing, reviving tractor service programmes, and the introduction of new production techniques such as hydroponics. Still with many of the so-called 'easy' ways to make money,

such as from high yielding Government paper, becoming more constrained, maybe more investment funds will go into agriculture which tends to attract less than 2% of investment funds annually.

**Construction** activity is generally a barometer of broader economic activ-

ity. Over the past two years construction activity in Jamaica declined by -6.7% in 2008 and by another -4.5% in 2009 and its contribution to GDP declined from 8.7% in 2007; to 8.2% in 2008; and to 7.8% in 2009. Employment in the sector also declined from 118,000 in 2007 to 96,000 last year.

Prospects for the sector can be gleaned from plans for residential construction, other commercial construction, and public works. Though the value of private sector projects are unknown at this time, there are plans and identifiable funding for public sector projects valued at US\$465 million (J\$41.4 billion) over the next three years. The National Housing Trust—a key player in the residential market—hopes to start and complete 6,800 residential units over the same period. Planned GOJ expenditures seems below the annual average of the past three years (about J\$15 billion), but NHT housing construction appears in line with its annual average completions of 2,500 units. Hopefully, private sector expenditure will fill the gap and staunch the decline in the construction sector.

**Financial services** is one of the sectors that potentially can provide

substantial numbers of well-paying jobs for Jamaica's thousands of university graduates who are now migrating out of frustration from their inability to find work. From about 15% of GDP in the mid-1990's, the share of financial services in national output has consolidated at around 11.5% annually over the last decade even as the types of businesses within that sector have become more diverse.

In 1996 the financial services sector recorded over 180 institutions with 11 commercial banks, 30 merchant banks, 25 building societies, 88 credit unions and 29 insurance companies. Twenty-three years later, following the winnowing out associated with FINSAC, there are now only 7 commercial banks, 3 merchant banks, 4 building societies, 45 credit unions and 17 insurance companies. Securities dealers, who were not even mentioned in 1996, now have the largest presence within the sector, with 48 firms. What is also of interest, is that in 2009, funds under management (FUM) of non-deposit-taking institutions amounted to J\$859.9 billion—exceeding the total assets of deposit-taking institutions which amounted to J\$758.3 billion.

Many observers believe, that Jamaican securities firms, who came of age trading high-yielding GOJ bonds, have peaked within the local environment and may need to become more engaged in the 24-hour global equities, bonds, and commodities markets if they are to continue to grow and increase their benefits to the local economy. This may indeed be the next stage for these firms, as through stepped-up global engagement, Jamaica can leverage its savings with the potential for creating large numbers of jobs for analysts, brokers and traders.

**Information technology** is another area in which Jamaica could create masses of entry-level jobs in call-centers and higher level jobs for software developers. But a well-promoted plan to attract more entrepreneurs into that sector does not seem to be in place.

In the 1980's, rapid expansion of 807 garment manufacturing which at its peak employed 40,000 persons; vigorous revival of construction and the burgeoning growth of financial services - powered Jamaica's recovery. the upcoming decade, greater reliance may need to be placed on wider range of industries, especially in the newer technology driven areas.

INFLATION (MARCH 2010) - CPI**APPENDIX**

<b>All Groups</b>	<b>0.45%</b>	<b>0.449</b>		
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>0.76%</b>	<b>0.286</b>	<b>1</b>	
Food	0.76%			
Bread and Cereals	0.21%			
Meat	0.68%			
Fish and Seafood	0.94%			
Milk, Cheese and eggs	1.15%			
Oils and Fats	0.47%			
Fruit	0.34%			
<b>Vegetables and Starchy Foods</b>	<b>1.02%</b>			
Vegetables	1.56%			
Starchy Foods	-0.39%			
Sugar, Jam, Honey, Chocolate and Confectionery	1.57%			
Food Products n.e.c.	1.24%			
<b>Non-Alcoholic Beverages</b>	<b>0.79%</b>			
Coffee, tea and Cocoa	1.18%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.72%			
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>2.39%</b>	<b>0.033</b>	<b>5</b>	
<b>CLOTHING AND FOOTWEAR</b>	<b>1.21%</b>	<b>0.040</b>	<b>4</b>	
Clothing	1.16%			
Footwear	1.07%			
<b>HOUSING, WATER, ELECT., GAS AND OTHER FUELS</b>	<b>-0.76%</b>	<b>-0.097</b>	<b>12</b>	
Rentals for Housing	0.34%			
Maint and Repair of Dwelling	0.59%			
Water Supply and Misc. Serv Related to the Dwelling	2.00%			
Electricity, Gas and Other Fuels and Routine	-1.94%			
<b>FURNISH, HSHOLD EQUIP &amp; HSHOLD MAINT.</b>	<b>0.46%</b>	<b>0.023</b>	<b>6</b>	
Furniture and Furnishings (including Floor Coverings)	0.50%			
Household Textiles	0.36%			
Household Appliances	1.45%			
Glassware, Tableware and Household Utensils	0.53%			
Tools and Equipment for House and Garden	0.55%			
Goods and Serv. for Routine Household Maint	0.33%			
<b>HEALTH</b>	<b>0.34%</b>	<b>0.011</b>	<b>9</b>	
Medical Products, Appliances and Equipment	0.16%			
Health Services	0.43%			
<b>TRANSPORT</b>	<b>0.50%</b>	<b>0.064</b>	<b>2</b>	
<b>COMMUNICATION</b>	<b>0.09%</b>	<b>0.004</b>	<b>10</b>	
<b>RECREATION AND CULTURE</b>	<b>0.43%</b>	<b>0.014</b>	<b>7</b>	
<b>EDUCATION</b>	<b>0.00%</b>	<b>0.000</b>	<b>11</b>	
<b>RESTAURANTS AND ACCOMMODATION SERVICES</b>	<b>0.21%</b>	<b>0.013</b>	<b>8</b>	
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>0.54%</b>	<b>0.045</b>	<b>3</b>	

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

<b>All Groups</b>	<b>4.12%</b>	<b>4.122</b>		
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>2.51%</b>	<b>0.941</b>	<b>2</b>	
Food	2.49%			
Bread and Cereals	1.18%			
Meat	3.99%			
Fish and Seafood	3.39%			
Milk, Cheese and eggs	3.85%			
Oils and Fats	3.15%			
Fruit	-0.80%			
<b>Vegetables and Starchy Foods</b>	<b>0.34%</b>			
Vegetables	2.56%			
Starchy Foods	-4.97%			
Sugar, Jam, Honey, Chocolate and Confectionery	5.50%			
Food Products n.e.c.	4.18%			
<b>Non-Alcoholic Beverages</b>	<b>3.12%</b>			
Coffee, tea and Cocoa	4.43%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	2.65%			
<b>ALCOHOLIC BEVERAGES AND TOBACCO</b>	<b>10.68%</b>	<b>0.147</b>	<b>5</b>	
<b>CLOTHING AND FOOTWEAR</b>	<b>3.08%</b>	<b>0.103</b>	<b>10</b>	
Clothing	3.26%			
Footwear	2.79%			
<b>HOUSING, WATER, ELECT., GAS AND OTHER FUELS</b>	<b>4.06%</b>	<b>0.518</b>	<b>3</b>	
Rentals for Housing	10.10%			
Maint and Repair of Dwelling	6.73%			
Water Supply and Misc. Serv Related to the Dwelling	6.39%			
Electricity, Gas and Other Fuels and Routine	0.48%			
<b>FURNISH, HSHOLD EQUIP &amp; HSHOLD MAINT.</b>	<b>2.14%</b>	<b>0.106</b>	<b>9</b>	
Furniture and Furnishings (including Floor Coverings)	3.65%			
Household Textiles	2.20%			
Household Appliances	4.98%			
Glassware, Tableware and Household Utensils	1.82%			
Tools and Equipment for House and Garden	2.54%			
Goods and Serv. for Routine Household Maint	1.27%			
<b>HEALTH</b>	<b>0.94%</b>	<b>0.031</b>	<b>12</b>	
Medical Products, Appliances and Equipment	0.58%			
Health Services	1.22%			
<b>TRANSPORT</b>	<b>13.92%</b>	<b>1.784</b>	<b>1</b>	
<b>COMMUNICATION</b>	<b>3.02%</b>	<b>0.120</b>	<b>7</b>	
<b>RECREATION AND CULTURE</b>	<b>3.31%</b>	<b>0.111</b>	<b>8</b>	
<b>EDUCATION</b>	<b>1.75%</b>	<b>0.037</b>	<b>11</b>	
<b>RESTAURANTS AND ACCOMMODATION SERVICES</b>	<b>2.20%</b>	<b>0.136</b>	<b>6</b>	
<b>MISCELLANEOUS GOODS AND SERVICES</b>	<b>2.95%</b>	<b>0.247</b>	<b>4</b>	

## FISCAL ACCOUNT (APR '09 - MAR'10)

REV. & EXPEN. (APR '09 - JAN'10)	J\$m	PROVISIONAL Results	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
<b>Revenue &amp; Grants</b>	300,193.3		-39,060.4		47,180.30	
Tax Revenue	265,860.2		-25,814.3		43,188.60	
Non-Tax Revenue	21,245.5		4,388.3		3,021.60	
Bauxite Levy	1,582.1		1,442.7		-2,857.80	
Capital Revenue	5,208.8		-15,128.0		3,032.80	
Grants	6,296.7		-3,949.1		-1,269.60	
<b>Expenditure</b>	421,458.5		16,815.9		110,409.00	
Recurrent Expenditure	387,044.2		23,256.0		113,979.30	
Programmes	72,042.2		-6,984.3		-2,052.90	
Wages & Salaries	126,286.4		532.2		14,077.90	
Interest	188,715.6		29,708.2		78,853.70	
Domestic	144,869.1		32,356.9		55,346.50	
External	43,846.5		-2,648.7		8,066.70	
Capital Expenditure	34,414.3		-6,440.1		-6,067.30	
Capital Programmes	34,414.3		-6,440.1		-6,067.30	
IMF #1 Account	0.0		0.0		0.00	
<b>Fiscal Balance (Surplus [+ve])</b>	-121,265.2		-186,654.1		-47,835.20	
Loan Receipts	299,599.6		83,813.2		107,620.40	
Domestic	248,781.5		62,403.0		106,542.60	
External	50,818.1		21,410.2		-6,938.60	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	169,514.0		19,116.5		25,593.40	
Domestic	143,980.9		23,817.9		48,820.00	
External	25,533.1		-4,701.4		-23,226.70	
<b>Overall Balance (Surplus [+ve])</b>	8,820.4		8,820.4		13,224.30	
<b>Primary Balance (Surplus [+ve])</b>	67,450.3		-26,168.2		15,577.70	

REV. & EXPEN. (APR '09 - JAN'10)	J\$m	PROVISIONAL Results	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
<b>Revenue &amp; Grants</b>	300,193.3		-39,060.4		21,535.7	
Tax Revenue	265,860.3		-25,814.2		19,608.7	
Income and profits	118,295.7		-945.4		10,842.4	
Bauxite/alumina	19.3		19.3		19	
Other companies	29,842.3		755.9		2,938.7	
PAYE	55,969.6		-2,745.8		-1,503.3	
Tax on dividend	550.0		-967.3		386.4	
Other individuals	3,893.7		-942.0		-262.1	
Tax on interest	28,020.8		2,934.6		9,263.7	
Environmental Levy	2,082.2		-2.4		-193.6	
Production and consumption	70,996.7		-10,369.2		17,58.2	
SCT	6,678.3		-1,804.7		2,066.4	
Motor vehicle licenses	1,722.2		-93.6		-6.8	
Other Licenses	452.5		42.5		93.7	
Betting, gaming and lottery	1,485.5		97.8		213.9	
Education Tax	12,285.7		-515.8		512.1	
Contractors levy	754.5		-93.5		-51.2	
GCT (Local)	41,452.1		-5,749.8		1043.5	
Stamp Duty (Local)	6,165.9		-2,252.1		-2,113.5	
International Trade	74,485.7		-14,497.3		7,201.7	
Custom Duty	18,993.4		-4,976.9		-1,830.3	
Stamp Duty	1,274.3		-116.2		8.1	
Travel Tax	1,935.4		415.8		349.7	
GCT (Imports)	28,805.0		-7,167.2		-547.6	
SCT (Imports)	23,477.6		-2,652.8		9,222.4	
Non-Tax Revenue	21,245.5		4,388.3		3,021.6	
Bauxite Levy	1,582.1		1,442.7		-2,857.8	
Capital Revenue	5,208.8		-15,128.0		3,032.8	
Grants	6,296.7		-3,949.1		-1,269.6	



### 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
<b>Jan '08</b>	-11.73	12.95	n/a	14.01	1,819.08	2,454.38	2.23	18.21	5.1	71.74	13.33	21.64	4.88	560,278.86	6,123.21
Feb	0.34	11.22	1.61	16.77	1,956.20	2,436.13	1.76	19.90	13.3	71.37	14.22	22.39	4.88	562,555.18	6,159.34
Mar	1.81	13.54	-3.46	12.21	2,083.40	2,450.52	1.15	19.90	4.6	71.09	14.23	22.47	4.88	562,108.09	6,169.29
Apr	-2.17	11.27	2.81	13.79	2,162.86	2,451.16	1.55	21.18	-0.4	71.35	14.20	22.39	4.50	564,723.82	6,138.83
May	-6.63	9.33	0.62	12.21	2,259.21	2,462.11	2.40	22.51	-10.70	71.53	14.28	21.46	4.59	565,053.60	6,125.23
Jun	0.77	8.79	-1.22	9.24	2,228.80	2,321.04	1.96	23.98	-3.5	71.89	14.43	21.46	5.05	569,140.39	6,456.52
Jul	2.82	9.04	3.78	11.01	2,244.85	2,598.44	2.84	26.22	-6.2	72.04	14.90	21.83	5.48	571,400.77	6,431.84
Aug	4.06	12.09	-1.91	6.83	2,287.84	2,417.72	1.19	26.49	-5.39	72.07	15.08	22.00	5.48	577,570.80	6,363.02
Sep	-6.66	5.69	-1.14	4.35	2,251.08	2,327.84	0.66	25.34	-6.3	72.68	15.35	23.18	5.54	578,372.40	6,304.28
Oct	0.67	5.14	0.89	2.30	1,802.59	2,309.94	0.29	24.00	4.4	76.29	16.96	22.58	5.54	591,982.54	6,163.79
Nov	2.79	6.27	1.51	3.60	1,794.03	2,332.70	-0.37	19.65	-11.3	77.76	19.26	23.17	5.54	595,251.21	6,164.05
Dec	20.01	9.56	4.38	4.41	1,772.94	2,191.04	0.07	16.87	0.6	80.47	24.45	23.17	5.33	608,915.52	6,343.72
<b>Jan'09</b>	-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
<b>Nov</b>	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
<b>Dec</b>	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	n/a	n/a
<b>Jan '10</b>	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	n/a	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	n/a	n/a	1,7519	n/a	0.45	4.1	-1.8	89.51	10.49	21.40	4.09	n/a	n/a

Sources: Bank of Jamaica, Statistical Institute of Jamaica, Ministry of Finance and Planning, Jamaica Tourist Board and the PIOJ.  
Revised periodically when necessary.

<u>Key:</u>	
ACP— Africa Caribbean Pacific States	Loan – Average Loan Rate
BM – Base Money	M – Monthly Percentage Change
BP — Basis Points	M2 – Money Supply
CaPRI— Caribbean Policy and Research Institute	MT – Million tonnes
CARICOM— Caribbean Community & Common Market	N/A – Not Available
CARIFORUM— CARICOM and Dominican Republic	NIR – Net International Reserves
CPI – Consumer Price Index	OMO – Open Market Operation
CSME— Caribbean Single Market & Economy	P – Point-to-Point Percentage Change
EC— European Commission	R – Revised
EPA—Economic Partnership Agreement	S – Stopover
EU—European Union	Save – Average Savings Deposit Rate
FX Dep – Foreign Exchange Deposit	Tbill – 6-month Treasury Bill Yield
JCB – Jamaica Conference Board	Tourism – Total Tourist Arrivals
JCC – Jamaica Chamber of Commerce	WATBY- weighted average Treasury bill yield
KMA — Kingston and Metropolitan Area	WTO—World Trade Organization
KSA—Skinston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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