



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Comparing the Parties Manifestos

Jamaica's two major political parties—the People's National Party (PNP) and the governing Jamaica Labour Party (JLP) have both released manifestos outlining the policies, plans and programs they intend to implement if elected at national elections set for December 29th, 2011.

There is no great ideological chasm between the parties. Both are agreed on a private sector-led economy. They both agree that increasing economic growth is the topmost priority, and they are agreed on a number of fundamental challenges and issues that need to be addressed. Among them: restoring a functional relationship with the International Monetary Fund; carrying out tax reform and reforming the public sector pension system; greater energy efficiency, fuel diversification and conservation. The Parties also agree on an important place for ICT in job

creation and in improving processes and operations in the public and private sectors; and on the role and importance of small business, agriculture, and the creative industries in Jamaica's development.

Though there is broad concurrence on what the major challenges are, there are some differences on approaches and emphasis and it is useful to examine some of these, as well as, certain similarities.

Relationship with the IMF

The JLP Government rarely admits that the IMF Program has gone off-track, despite the nearly one year that has passed without any quarterly assessment. Nonetheless, the JLP claims in its Manifesto that it is "better positioned" to work out a new arrangement with the Fund when the current 27-month Stand-by Arrangement comes to an end in March 2012, because it has the "respect, credibility and trust" of international financial markets and the multi-laterals.

The PNP for its part has frequently insisted that it could have worked out a more favourable agreement with the IMF and that the Government should have gone for an Extended Fund Facility, rather than a Stand-by Agreement, which would have lengthened the period of adjustment and reduced the contractionary effects of the IMF pro-cyclical policies. In its' Manifesto, the PNP pledges to "negotiate a new IMF Agreement to be in place only as long as necessary". What is more certain than the competing claims of competence by the Parties in negotiating and managing relations with the IMF, is, as the JLP says—"the road to a new arrangement with the IMF by any Government will include tax reform, pension reform and public sector reform."

Tax Reform

Both major parties are agreed on the need for making the tax system more efficient and equitable. Several months ago the JLP Government tabled a Green

Paper on Tax Reform which proposes among other things to lower GCT rates and reduce the numbers of exempt items; as well as, to drastically reduce many waivers and concessions granted to businesses. The PNP in its Manifesto seems to agree with this approach, noting that "broadening of the tax net and revamping of the incentives regime" was a tool to stimulate growth".

Public Sector Reform

The buzzword 'rightsizing', the public sector appears nowhere in the Manifestos of either political party or in their recent pronouncements. The JLP Government developed a Public Sector Rationalization Plan in July 2010 which recommended among other things that 10,000 positions be eliminated from the public sector over 5 years. In its' Manifesto however, the JLP emphasized merging and restructuring of government agencies and re-engineering of processes rather than "blunt" elimination of public sector jobs. In its' Manifesto, the PNP acknowledged the need to reduce public sector wages as a percentage of GDP, but observed the reduction could be achieved "through frank dialogue with workers and their representatives, as was done in the Memorandum of Understanding (MOU) in 2003-2004".

Public Sector Pension Reform

The governing JLP has developed a reform plan outlining a number of reform options including employee contributory schemes. While acknowledging the burden of pension obligations on the budget, the PNP did not discuss the specifics of reform in its' Manifesto, only that "reform will result from genuine dialogue with workers and their representatives".

Job Creation

The PNP devotes a section of its' manifesto to job creation and the Jamaica Emergency Employment Programme (JEEP). **Contd. Page 10.**

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Net International Reserves (NIR)

During November 2011, Net International Reserves decreased by a further US\$70.4 million to US\$1,962 million compared to US\$2,032 million at the end of October 2011. This marks the seventh consecutive monthly decline of the NIR which has declined by US\$209.7 million year to date. The decline, mainly reflects net selling of the USD since May by the BOJ to support the J\$ which has been under moderate pressure, possibly, because of the hiatus in the GOJ/IMF Agreement.

At current levels, gross reserves are adequate to finance 26.19 weeks of "goods" imports or 19.57 weeks of "goods and services" imports, well above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During September 2011, foreign currency deposits (FCD's) in the local financial system increased by US\$52.6 million or 2.28% to US\$2.308 billion compared to US\$2.255 billion at the end of August 2011. The increase in September 2011 reverses three consecutive monthly declines reflecting moderate safe haven withdrawals of the USD due to the hiatus in the GOJ/IMF Agreement.

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

Foreign Exchange Rate

US DOLLAR: During November 2011, there was a 21 cents or 0.24% depreciation of the J\$ dollar to J\$86.70 from J\$86.49 in October 2011. Apart from August 2011, when there was a small 3 cent month over month gain, the J\$ has declined steadily over the past seven months against the USD. From J\$85.72 at the end of April

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Nov-11	1,961.74	-70.43	43.26	-209.67	26.19
Nov-10	1918.48	-65.19	113.31	189.13	29.06

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Sep '11	Change (US\$000)		% Change	
		mtly	12 mth	mtly	12 mth
Commercial Banks	1,725,967	61,349	24,146	3.55	1.42
Building Societies.	537,646	-7,866	14,150	-1.46	2.70
Merchant Banks	44,431	-877	-35,492	-1.97	-44.41
Total Deposits	2,308,044	52,606	2,804	2.28	0.12

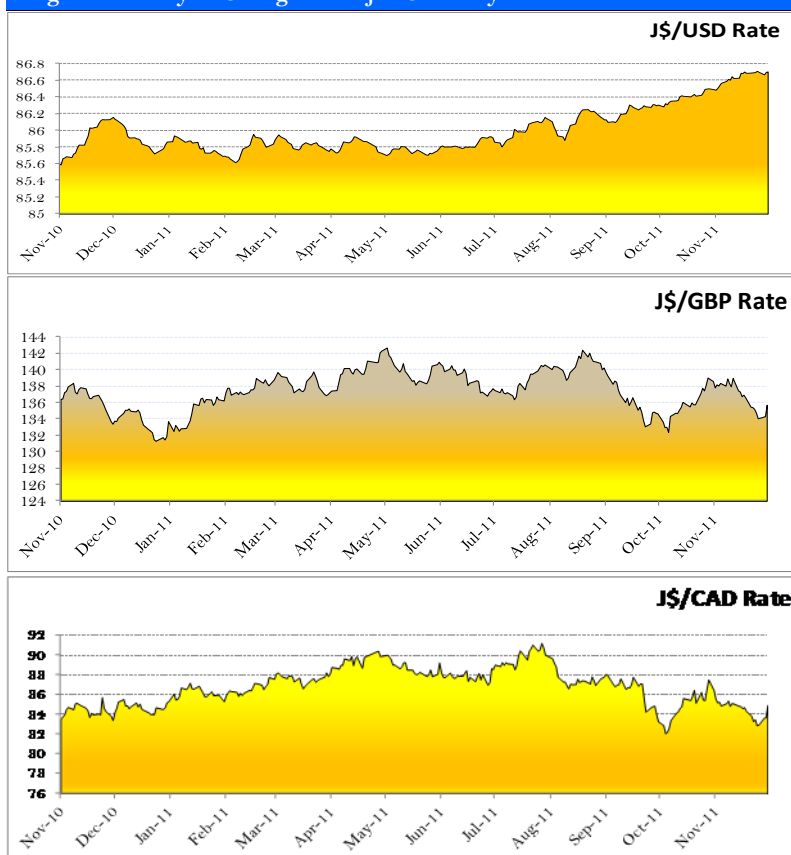
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2010—11/31/11) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2011	0.84	0.98	2.01	1.50	-0.37	-0.43
2010	-3.46	-3.86	-10.13	-7.05	-1.15	-1.36
2009	9.12	11.34	30.20	25.85	18.84	28.75
	Nov - 2011					
Actual Rate	86.70	0.24	135.74	-2.08	84.97	-1.75
Mth Change	0.21	0.24	-2.89	-2.08	-1.51	-1.75

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

it has fallen to J\$86.70 at the end of November 2011. Year to date, the J\$ is down 84 cents or 0.98% against the USD, and has now breached the upper regions of the J\$85.25 - J\$86.50 trading range in which it has traded since June 2010. The depreciation of the J\$ over the past seven months is in marked contrast to its sharp appreciation of J\$3.35 from May 2009 to June 2010 following the successful implementation of the Jamaica Debt Exchange. The J\$ is quite likely being pressured by concerns about the implications of the IMF's delayed assessment of Jamaica's performance under the last four quarterly tests.

POUND & CANADIAN DOLLAR:

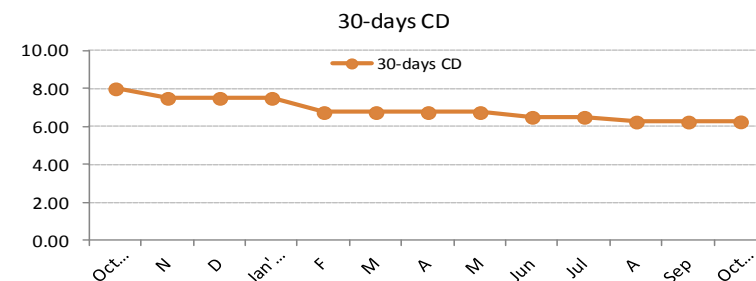
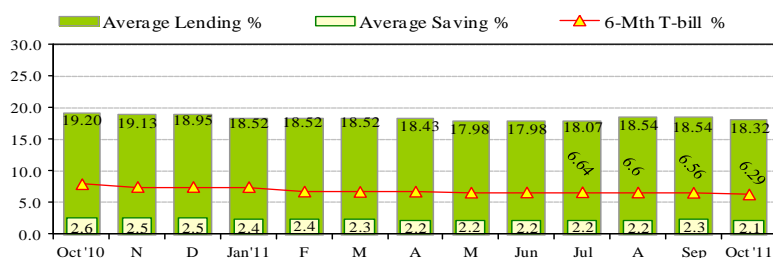
During November 2011, the J\$ appreciated by J\$2.89 or 2.08% against the GBP to J\$135.74 from J\$138.63 in October 2011. Against the CAD, the J\$ also appreciated in November 2011 - by J\$1.51 or 1.75% to sell for J\$84.97 compared to J\$86.45 in October 2011. The sharp up and down moves of the J\$ against GBP and CAD over the past three months mirrors the rise and fall of these currencies against the USD on international exchanges in response to risk sentiment due to European sovereign debt concerns. Year to date, GBP is up J\$2.01 cents or 1.50% against the Jamaican dollar, but the CAD is down J\$0.37 or 0.43% against J\$.

Interest Rates

In October 2011, three of Jamaica's most watched interest rates appeared to resume their decline after several recent months of consolidation with only slight up or down movements. Average saving rates declined by 14 bps to 2.13% after rising slightly by 3 bps in September 2011 and holding steady at 2.24% for 5 months from April 2011.

The 6-Month Treasury Bill for its part declined by 27 bps to 6.29%, the largest monthly drop since February 2011. After being the stalking horse for rate reductions in FY 2009/2010 with dramatic declines of 9.32% or 932 bps, the 6-month T-Bill has been struggling to achieve further reductions in recent

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Oct -11	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.26%	0.01%	-1.74%	-1.24%
60-days CD*	n/a	0.00%	0.00%	0.00%
90-days CD*	n/a	0.00%	0.00%	0.00%
120-days CD*	n/a	0.00%	0.00%	0.00%
180-days CD*	n/a	0.00%	0.00%	0.00%
Avg Savings Deposit	2.13%	-0.14%	-0.50%	-0.37%
Avg Loan Rate	18.32%	-0.22%	-0.88%	-0.63%
6-Month T-Bill	6.29%	-0.27%	-1.63%	-1.19%

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

months slightly reversing direction in two of the last 9 months. Year to date, the 6-month T-bill is down 1.19%.

The rate of most concern to many Jamaicans, the average lending rate (ALR), also fell by a modest but significant 22 bps in October 2011. The rate of decline of the ALR was the slowest in 2010 declining by 267 bps. Having hit a low point of 17.98% in May and June 2011, it increased to 18.07% in July and jumped 47 bps in August to 18.54% also holding at that level in September 2011. For the downtrend in the

ALR to be confirmed, it not only has to retest, but decidedly break below the May 2011 lows. Year to date, the ALR is down 63 bps; the BOJ 30-day CD is down 124 bps; and the average saving rate is down 37 bps.

Base Money & Money Supply

During the September 2011 quarter, broad Jamaica Dollar money supply (M3J) decreased by 1.5%, reflecting reductions in all categories of deposits. The decline in the review quarter was in contrast to average growth of



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1.9% recorded for the last five September quarters.

The measure of money supply that includes foreign currency deposits (M3*) decreased by 2.0%, relative to a reduction of 0.4% in the corresponding quarter of 2010. Within M3*, foreign currency deposits declined by 3.7%, relative to a contraction of 5.7% for the September 2010 quarter. As at end-September 2011, the ratio of foreign currency deposits to total deposits was 27.2% compared to 28.4% at end of September 2010.

During November 2011 the monetary base expanded slightly by J\$699.1 million or 0.87% to J\$81.296 billion. This largely resulted from a J\$1.33 billion increase in net currency issue which more than offset a -J\$664.0 million decline in Commercial Banks statutory reserves.

Inflation

The rate of inflation increased by 0.45% in October 2011 roughly in line with the 0.5% monthly average for 2011. Within the Consumer Price Index (CPI), the division recording the highest increase (1.6%) was “**Housing, Water, Electricity, Gas and Other Fuels**”. This was largely due to a 3.2% rise in the group ‘Rentals for Housing’; a 1.9% rise in the group ‘Water Supply and Miscellaneous Services Related to Dwellings’ and a 0.9% rise in the group ‘Electricity, Gas, and other Fuels’.

The second largest increase (0.7%) was recorded in the most heavily weighted division within the CPI - “**Food and Non-Alcoholic Beverages**”. Within this division, the ‘Food’ group rose by 0.7% and ‘Non-alcoholic Beverages’ by 0.9%. The increase for ‘Food’ largely reflected increases of 5.8% in the class ‘Sugar, Jam, Honey, Chocolate and Confectionery’ and a 1.4% rise for ‘Meat’. These increases contrasted with a -0.9% decline for ‘Vegetables and Starchy Foods’. Within the ‘Non-alcoholic Bev-

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Sep -11	Mthly	12 Mth
M1	111,723.32	-0.70	6.31
Quasi Money	226,778.52	-0.74	1.34
M2	338,501.84	-0.73	2.93
	Nov -'11	Mthly	12 Mth
Base Money	81,296.70	0.87	8.58

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Nov	12-Mth	YTD	Fiscal
2011	0.45	7.12	5.59	5.09
2010	1.04	11.43	10.17	5.81

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

Table 7: Mining Production

	000 tonnes			YTD	
	Nov-11	Nov-10	%	Nov-11	10/11 %
Production					
Alumina	168.6	146.8	14.9	1,638.2	28.3
C. Bauxite	406.0	386.8	4.97	4,289.5	15.3
Export					
Alumina	131.7	215.9	-38.9	1,608.5	28.3
C. Bauxite	367.5	378.3	-2.87	4,239.6	14.9

Source: Jamaica Bauxite Institute (JBI)

erages’ group, a 2.1% rise for ‘Coffee, Tea and Cocoa’ and a 0.4% rise for ‘Mineral Waters, Soft Drinks, Fruit and Vegetable Juices’ were largely responsible for the 0.9% rise.

For the second consecutive month “**Transport**” was the only division within the CPI recording a decline (-0.9%) due to lower prices for petrol and air-fares. Three divisions: “**Communication**”, “**Education**” and “**Restaurants and Accommodation Services**” were flat on the month, while the other six divisions within the CPI rose by less than 0.4%. The rate of inflation, year to date (Jan - Oct 2011) was 5.1%, which was 3.9 percentage points lower than the

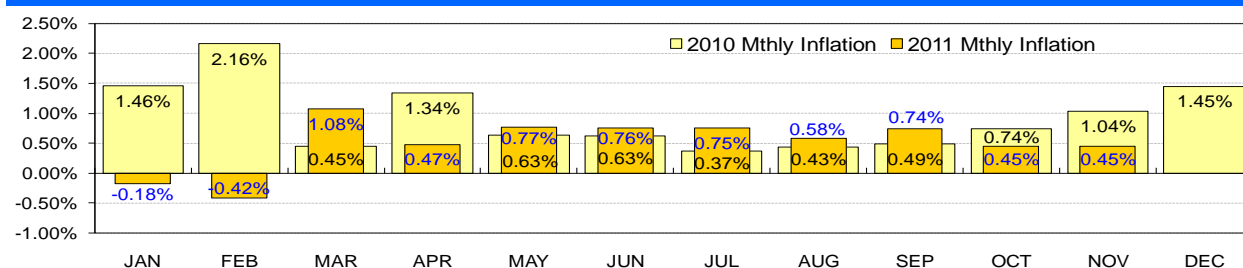
9.0% recorded for the corresponding period of 2010. The point to point rate was 7.7%, while for the fiscal year to date, the rate of inflation is 4.6%.

Bauxite & Alumina

Production of alumina in November 2011 amounted to 159,440 tons compared to 155,192 tons in November 2010 - an increase of 2.74%. For its part, production of crude bauxite in November 2011 increased by 28.1% to 377,214 tons compared to 294,579 tons in November 2010.

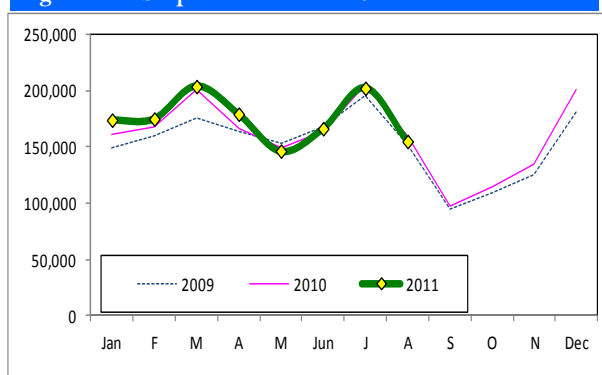
During calendar year 2010, alumina production fell by -10.3% to 1.59

Figure 3: Monthly Inflation Changes



Source: STATIN and PSQJ compilation

Figure 4A: Stopover Arrivals to Jamaica



million tons and alumina exports by – 16.4% to 1.56 million tons compared to the same period of 2009. But this was much lower than the -60% contraction in 2009 relative to 2008.

Reflecting the continuing upturn in the industry, for the eleven months of 2011, alumina production is up by 25.5% to 1.79 million tons, while production of crude bauxite is up by 16.3% to 4.67 million tons.

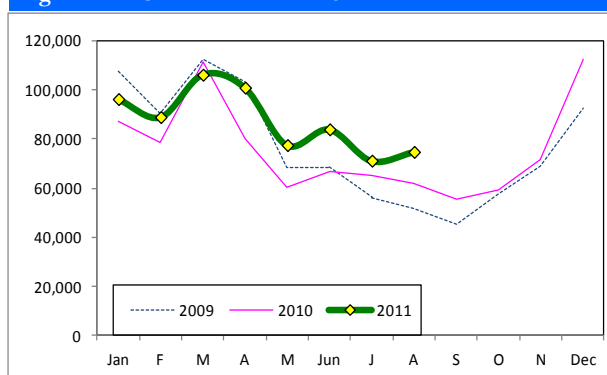
Tourism

Stopover arrivals in August 2011 were 155,133—a decrease of 2.7% below the 159,408 recorded in August 2010. For the period - Jan-August 2011, stopovers increased by 2.1% to 1,403,502 compared to 1,374,803 arrivals in 2010. The number of cruise passengers also increased in August 2011 by 21.0% to 74,803 visitors compared to 61,843 in August 2010 which reflected the impact of the disturbance in Western Kingston three months earlier. During calendar year 2010, stopovers increased by 4.9% to 1,921,678 compared to 1,831,097 in 2009. However, this fell 4% short of the 2 million stopovers the GOJ had targeted for 2010. For 2011, the GOJ is targeting a 6% to 8% rise to 2,030,000.

Regionally, stopovers from the US decreased by 5.0% in August 2011 to 102,119 compared to 107,480 in August 2010. Year to date (Jan-Aug 2011), stopovers from the United States are down by -1.9% to 892,578 visitors compared to 910,079 during Jan-August 2010. From the Canadian market, stopovers increased by 10.7% in August 2011 with 18,550 arrivals, compared to 16,763 in August 2010. Year to date, stopovers from Canada are up 20.5% with 273,727 visitors compared to 227,237 visitors in Jan-August 2010.

Visitors from Europe, including the UK, decreased by 11.6% in August 2011 to

Figure 4B: Cruise Arrivals to Jamaica



Tourist Arrivals

	2010	2011	%Change	
	YTD (AUG)	YTD (AUG)	YTD - YOY	MOM
Stopover	1,374,803	1,403,502	2.1%	-23.4%
Foreign	1,274,725	1,302,293	2.2%	-22.9%
Non-Resident	100,078	101,209	1.1%	-28.3%
Cruise	610,977	700,137	14.6%	5.0%
Total Arrivals	1,985,780	2,103,639	5.9%	-16.0%

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

23,987 compared to 27,127 arrivals in August 2010. Year to date, stopovers from Europe are down 5.9% to 172,556 compared to 183,396 in 2010.

Stopover arrivals from the Caribbean decreased during 2010 by a significant 10.8% to 58,299 compared to 65,333 in 2009. But for the eight months of 2011, stopovers from the Caribbean are up 19.8% to 45,607 visitors compared to 38,072 for the corresponding period of 2010. Stopovers from Latin America were also down 7.2% to 13,442 in 2010. But for the eight months of 2011, stopovers from Latin America are up by 29.5% to 11,352 visitors.

During calendar year 2010, cruise visitors to the Island decreased slightly by 1.4% to 909,619 visitors. For the eight months of 2011 however, cruise arrivals are up by 14.6% to 700,137 visitors. Total Visitors to Jamaica for Jan-August 2011 were 2.103 million marking a 5.9% increase relative to 1.95 million visitors during Jan-August 2010.

External Trade

During January - July 2011, Jamaica's exports increased by US\$197.6 million or 25.6% to US\$968.8 million, compared to US\$771.3 million in January - July 2010. Imports for their part, grew

by US\$772.5 million or 26.6%, to US\$3.68 billion compared to US\$2.91 billion during January - July 2010. As is usually the case when economic conditions are picking up globally and in Jamaica, the negative imbalance in Jamaica's trade worsened in Jan-Jul 2011 by -US\$574.9 million or 26.9% to -US\$2.711 billion compared to -US\$2.136 billion in January - July 2010.

Traditional Exports: For the first seven months of 2011, traditional domestic exports earned US\$508.8 million, an increase of US\$156.2 million or 44.3% over the US\$352.6 million recorded in Jan-July 2010. The share of traditional exports in total domestic exports also increased from 45.7% in Jan-July 2010 to 52.5% during Jan-July 2011.

The increase earnings from traditional exports largely resulted from strong recovery growth of 75.3% in alumina exports to US\$331.3 million compared to US\$188.9 million in Jan-Jul 2010. This was supported by a strong 37.7% increase in sugar exports to US\$50.3 million relative to US\$36.5 million during the same period a year earlier. Notable contributions to the growth in traditional exports were also made by a 19.3% rise in 'Manufacturing' exports to US\$82.5 million compared to

US\$69.2 million one year ago; with smaller increases in 'Rum' exports - up 4.8% to US\$30.1 million; and 'Bauxite' -up 3.6% to US\$79.8 million.

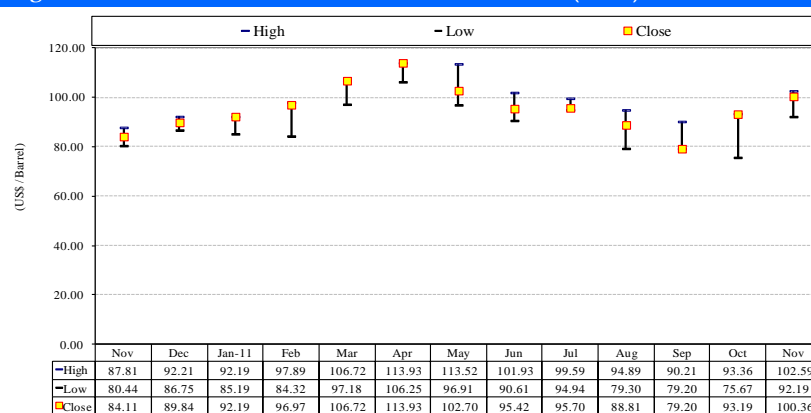
There were however, notable declines in some traditional agricultural exports and in particular coffee. Compared to earnings of US\$13.10 million in Jan-July 2010, earnings from Coffee exports fell by -4.7% to US\$12.5 million during the first seven months of 2011. The decline in earnings from Coffee reflects the continuing contraction in demand for Jamaican coffee since the global recession as the premium prices normally paid for Jamaican coffee have not been forthcoming from price conscious consumers. Earnings from 'Other' Traditional exports also decreased significantly during Jan-July 2011 by -41.2% to US\$4.92 million compared to US\$8.4 million during Jan-July 2010.

Non-traditional exports accounted for 50.4% of exports by value in calendar year 2009 surpassing earnings from traditional exports. But due to the recovery in the Bauxite/ Alumina industry in 2010 and significant declines in several non-traditional exports groups, traditional exports again moved to the top in 2010. During Jan-July 2011, earnings from non-traditional exports rebounded by 12.1% to US\$416.9 million relative to US\$371.8 million during the corresponding period of 2010 but accounted for only 43.0% of exports.

Several groups of non-traditional exports contributed to the expansion in Jan-July 2011. In the category **"Food"**, there was a 13.8% increase in earnings to US\$80.9 million compared to US\$71.2 million in Jan-July 2010 as eleven of seventeen categories recorded increases. Among the main contributors to the increase in 'Food' earnings were: a 72.1% increase in 'Fish, Crustaceans and Molluscs' to US\$4.2 million; a 43.6% increase in 'Malt Extract & Preparations thereof' to US\$2.9 million; and a 41.5% increase in 'Meat and Meat Preparations' to US\$2.13 million. Earnings were also up by 30% to US\$5.5 million for 'Dairy Products & Birds Eggs'; by 21.4% to US\$8.7 million for 'Baked Products'; while 'Yam' exports, which continues to be Jamaica's leading non-traditional export, were up by 18.4% to US\$12.4 million from US\$10.5 million during Jan-July of 2010.

There were however, notable decreases in earnings from some 'Food' categories

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-Jul '10	Jan-Jul '11	Change	% Change
TOTAL EXPORTS (fob)	771.27	968.82	197.55	25.6%
Major Traditional Exports	352.60	508.81	156.21	44.3%
<i>by Sector:-</i>				
Agriculture	17.16	15.13	-2.03	-11.8%
Mining & Quarrying	266.26	411.17	144.91	54.4%
Manufacturing	69.18	82.51	13.33	19.3%
<i>by Industry:-</i>				
Bauxite	76.99	79.76	2.77	3.6%
Alumina	188.94	331.31	142.37	75.3%
Sugar	36.51	50.26	13.75	37.7%
Rum	28.70	30.07	1.37	4.8%
Bananas	0.00	0.02	0.02	0.0%
Coffee	13.10	12.48	-0.62	-4.7%
Other	8.37	4.92	-3.44	-41.2%
Non-Traditional Exports	371.78	416.93	45.15	12.1%
Re-exports	46.89	43.08	-3.81	-8.1%
TOTAL IMPORTS	2,908.09	3,680.56	772.47	26.6%
Food	480.46	507.61	27.15	5.7%
Beverages & Tobacco	44.45	44.69	0.24	0.5%
Crude Materials (excl. Fuels)	36.65	39.82	3.17	8.7%
Mineral Fuels, etcetera	921.22	1,484.01	562.79	61.1%
Animal & Vegetable Oils & Fats	10.46	40.62	30.16	288.5%
Chemicals	343.31	430.79	87.47	25.5%
Manufactured Goods	322.78	367.99	45.22	14.0%
Machinery and Transport Equip.	429.47	494.00	64.53	15.0%
Misc. Manufactured Articles	271.93	249.93	-21.99	-8.1%
Other	47.37	21.08	-26.29	-55.5%
TRADE BALANCE	(2,136.82)	(2,711.73)	-574.92	26.9%

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

ries in Jan-July 2011 relative to the corresponding period of 2010. Earnings from 'Sweet Potatoes' fell by -29.7% to US\$1.4 million from US\$2.03 million in 2010; 'Papaya' exports were down -27.5% to US\$1.34 million from US\$1.8 million; 'Ackee' exports were down 10.6% to US\$5.6 million from US\$6.2 million; and 'Juices excl. Citrus' were down by -10.1% to US\$4.14 mil-

lion from US\$4.0 million.

The three other categories of non-traditional exports also recorded increases during Jan-July 2011. **"Crude Materials"** were up by 139.7% largely driven by a 196% increase in (the now outlawed) 'Waste and Scrap Metals' trade from US\$9.04 million in Jan-July 2010 to US\$26.74 million in

the current period and a 123% increase in 'Limestone' exports to US\$2.10 million from US\$924,000. But exports of 'Other' crude materials declined by – 36.0% to US\$1.79 million from US\$2.79 million in Jan-July 2010.

There was also a 21.4% increase in the category **"Beverages & Tobacco (excl. Rum)"** from US\$34.9 million to US\$42.4 million during Jan-July 2011. This mainly reflected a 21.8% increase in 'Alcoholic Beverages (excl. Rum)' to US\$35.6 million from US\$29.3 million and a 19.2% increase in 'Non-Alcoholic Beverages' from US\$5.6 million to US\$6.7 million.

"Other" non-traditional exports, generally, the largest category of non-traditional exports, increased moderately by 4.0% to US\$262.9 million from US\$252.9 million in Jan-July 2010. This mainly reflected a significant 18.4% increase in 'Mineral Fuels etc' to US\$231 million from US\$195.4 million. This increase was nearly canceled by large declines of –44.4% in 'Chemicals (incl. Ethanol)' from US\$43.0 million in Jan-July 2010 to US\$23.9 million; and a –80.5% reduction in exports of 'Manufactured Goods' to US\$1.8 million from US\$9.1 million in Jan-July 2010–

Imports. Continuing the upturn from 2010, during the first seven months of 2011, imports surged by 26.6% to US\$3.68 billion relative to US\$2.91 billion in Jan-July 2010.

Apart from **'Other'** imports which declined by –55.5% to US\$21.1 million; and imports of **'Miscellaneous Manufactured Articles'** which declined by – 8.1% to US\$249.9 million, all other categories of imports recorded increases during the Jan-July 2011 period.

The largest increase was recorded in **Raw Materials/Intermediate Goods** which typically accounts for the bulk of imports. In this category, imports increased by 40.4% to US\$2.36 billion from US\$1.68 billion for the corresponding period of 2010. The greatest contributors to that increase were imports of 'Other Fuels and Lubricants' – up 97.2% to US\$967.4 million and 'Crude Oil' – up 19.9% to US\$516.1 million from US\$430.6 million during Jan-July 2010. Imports of 'Food' for intermediate use surged by 18.3% to US\$163.7 million; while 'Industrial Supplies' grew by 15.3% to US\$542.7 million. 'Parts & Accessories of Capital

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

	Jan-Jul 2010	Jan-Jul 2011	\$ Change	% Change
Current Account	(329.6)	(943.3)	(613.7)	-186.2%
Goods Balance	1,781.7	(2,307.6)	(4,089.3)	-229.5%
Exports	791.4	994.1	202.7	25.6%
Imports	2,573.1	3,301.7	728.6	28.3%
Services Balance	615.0	582.1	(32.9)	-5.3%
Transportation	(221.1)	(275.1)	(54.0)	-24.4%
Travel	1,186.0	1,214.7	28.7	2.4%
Other Services	(349.9)	(357.6)	(7.7)	-2.2%
Income	(306.7)	(412.1)	(105.4)	-34.4%
Compensation of empl	19.6	16.8	(2.8)	-14.3%
Investment Income	(326.4)	(429.0)	(102.6)	-31.4%
Current Transfers	1,143.8	1,194.3	50.5	4.4%
Official	104.9	91.7	(13.2)	-12.6%
Private	1,038.9	1,102.6	63.7	6.1%
Capital & Financial Account	329.6	943.3	613.7	186.2%
Capital Account	(11.9)	(13.3)	(1.4)	-11.8%
Capital Transfers	(11.9)	(13.3)	(1.4)	-11.8%
Official	4.1	2.7	(1.4)	-34.1%
Private	(16.0)	(16.0)	-	0.0%
Acq/disp.	-	-	-	0.0%
Financial Account	341.5	956.6	615.1	180.1%
Other Official Invst	520.6	109.9	(410.7)	-78.9%
Other Private Invst	(175.9)	831.8	1,007.7	572.9%
Reserves	(3.2)	15.0	18.2	568.8%

Source: BOJ & Statistical Update:

Goods' grew by 12.7% to US\$171.6 million.

Possibly reflecting expansion or re-tooling by Jamaican firms, imports of **'Capital Goods (excl. Motor Cars)'** grew significantly by 19.3% to US\$289.6 million in Jan-July 2011. All categories of Capital Goods imports registered increases. 'Other Industrial Transport Equipment' was up 62.2% to US\$69.1 million compared to US\$43.3 million a year earlier; 'Machinery and Equipment' was up by 11.0% to US\$143.2 million from US\$129.0 million and 'Construction Materials' increased by 9.1% to US\$73.6 million from US\$67.5 million in Jan-July 2010.

Imports of **Consumer Goods (excl. Motor Cars)** also increased in Jan-July 2011, though more moderately by 4.1% to US\$963.7 million compared to US\$925.9 million in the corresponding seven months of 2010. Imports of 'Food (incl. Beverages)' were up 16.5% to US\$435.9 million, and 'Other Durable Goods (excl. Motor cars)' increased by 2.6% to US\$172.7 million, but 'Non-durable Goods' declined by –9% to US\$269.8 million. Imports of **'Passenger Motor Cars'** also increased by 14.9% to

US\$65.7 million from US\$57.2 million in Jan-July 2010.

Oil: At the end of November 2011, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$100.36 per 42 gallon barrel – an increase in price of US\$7.17 relative to the closing price of US\$93.19 the previous month. During November 2011 the price ranged between a high of US\$102.59 and a low of US\$92.19. (See Fig. 5)

Balance of Payments

For the first seven months of 2011, there was a **current account deficit** of US\$943.3 million, which represented a deterioration of US\$613.7 million relative to the corresponding period in 2010. The deterioration in the current account resulted primarily from the **Goods Sub-account**.

During the period, the **Goods Balance** recorded a deficit of US\$2,307.6 million, a deterioration of US\$525.9 million when compared to the corresponding period in 2010. This resulted primarily from an increase in imports of US\$728.5 million, which was significantly influenced by an increase in mineral fuel imports of US\$562.8 mil-

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Oct (Fiscal—2011/12)				Apr-Oct (YOY)	
	J\$ million		Deviation		10/11 - 11/12	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	181,888.2	188,920.5	-7,032.3	-3.72	11,930.1	7.1
Tax Revenue	160,459.1	167,028.2	-6,569.1	-3.93	11,586.5	7.8
Non-Tax Revenue	11,666.7	12,127.6	-460.9	-3.80	-2,533.8	-19.5
Bauxite Levy	913.8	909.2	4.6	0.51	894.6	4659.4
Capital Revenue	6,226.9	6,732.0	-505.1	-7.50	3,932.0	222.6
Grants	2,621.7	2,123.4	498.3	23.47	-1,949.9	-42.7
Expenditure	225,806.7	228,234.2	-2,427.5	-1.06	12,936.7	6.1
Recurrent Expenditure	193,564.2	194,789.8	-1,225.6	-0.63	8,948.4	4.8
Programmes	47,892.1	48,267.4	-375.3	-0.78	6,811.6	16.6
Wages & Salaries	80,601.7	81,254.8	-653.1	-0.80	5,168.8	6.9
Interest	65,070.3	65,267.6	-197.3	-0.30	-3,031.6	-4.5
Domestic	40,388.0	40,530.1	-142.1	-0.35	-5,239.3	-11.5
External	24,682.3	24,737.6	-55.3	-0.22	2,207.6	9.8
Capital Expenditure	32,242.5	33,444.5	-1,202.0	-3.59	3,988.3	13.9
Capital Programmes	32,242.5	33,444.5	-1,202.0	-3.59	3,988.3	13.9
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-43,918.5	-39,313.8	-4,604.7	-11.71	-1,006.6	-2.2
Loan Receipts	93,182.1	95,936.6	-2,754.5	-2.87	-18,511.8	-15.6
Domestic	76,709.2	78,393.2	-1,684.0	-2.15	-7,065.6	-7.8
External	16,472.9	17,543.4	-1,070.5	-6.10	-11,446.0	-41.0
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	70,927.8	71,443.4	-515.6	-0.72	1,171.9	1.7
Domestic	22,902.7	23,193.1	-290.4	-1.25	-33,907.5	-59.7
External	48,025.1	48,250.3	-225.2	-0.47	35,079.2	271.0
Overall Balance (Surplus [+ve])	-21,664.2	-14,820.5	-6,843.7	-46.18	-20,690.0	-559.9
Primary Balance (Surplus [+ve])	21,151.9	25,953.9	-4,802.0	-18.50	-4,038.4	-17.5

Source: Ministry of Finance and Planning

lion. The deterioration in the goods sub-account was partially offset by a US\$202.7 million increase in exports, stemming mainly from an increase in alumina exports of US\$142.4 million.

In relation to the **Services Balance**, there was a decline of US\$32.9 million in its surplus position. This resulted from an increase in estimated freight cost associated with imports. The **Income Sub-account** deteriorated by US\$105.4 million during the review period. This deterioration primarily emanated from an increase in both official interest payments on external debt and profits remitted by foreign direct investment companies of US\$16.7 million and US\$77.3 million respectively. During the review period, Current Transfers increased by US\$50.5 million to US\$1,194.3 million. The improvement resulted primarily from an increase in net private transfers of US\$63.6 million. Flows from official and private sources were insufficient to finance the current account deficit. Consequently, the NIR

declined by US\$15.0 million during the period.

Fiscal Accounts

During the first seven months of FY 2011/12 (Apr-Oct), the GOJ ran a fiscal deficit of -J\$43.9 billion. This deficit was -J\$4.6 billion more than the -J\$39.3 billion budgeted and mainly resulted from a significant J\$7.03 billion or -3.72% shortfall in Revenues which overwhelmed expenditure reductions of -J\$2.43 billion or 1.06%.

REVENUE: Total Revenues & Grants to the GOJ during Apr- Oct 2011/12 was J\$181.89 billion. This was, as noted, -J\$7.03 billion or 3.72% below the J\$188.92 billion budgeted, but J\$11.9 billion higher than the J\$170 billion collected in Apr-Oct 2010. The main outperformers on the revenue accounts were

'Grants' which were J\$493.3 million above budget; 'Contractor's Levy' which was J\$227.0 million above budget; and 'Tax on Dividends' which was J\$48.6 million above budget. 'Bauxite Levy' also came in above budget by J\$4.6 million while direct taxes on 'Bauxite/Alumina' was flat. Returns on all other revenue heads were negative.

Among the main underperformers on the revenue accounts were: 'GCT (local)' which registered a shortfall of -J\$1.41 billion; 'Other Companies' taxes was down -J\$1.08 billion; and 'Customs Duty' - down -J\$936.2 million. Notable shortfalls were also recorded by 'SCT (Imports)' which came in -J\$785.6 million below budget and 'GCT (Imports)' - down -J\$779.2 million.

EXPENDITURE: Total expenditure for the first seven months of fiscal year 2011/12, was J\$225.8

billion. This was -J\$2.4 billion less than budgeted, but J\$12.94 billion more than the J\$213.32 billion expended for the corresponding period of FY2010/11. Among the heads showing notable deviations from budget were: 'Capital Programmes' - under-spent by -J\$1.20 billion; 'Wages and Salaries' - under-spent by -J\$653.1 million; and Recurrent Programmes by -J\$375.3 million. Debt service of J\$65.07 billion was slightly below the J\$65.27 billion budgeted with reduced payments of J\$197.3 million on 'Domestic Interest' and J\$142.1 million for 'External Interest' contributing to the short-fall.

FISCAL OUTTURN

As noted, for the first seven months of FY2011/12 (Apr-Oct 2011), the Budget recorded a fiscal deficit of J\$43.92 billion. This was -J\$4.6 billion or -11.7% worse than budgeted, and about J\$1.00 billion or -2.2% worse than the deficit for Apr-Oct 2010/11.

During FY2010/11, there was a fiscal deficit of -J\$74.2 billion amounting to 6.1% of GDP which represented a 40.2% improvement on the deficit of -J\$123 billion recorded in 2009/10. For FY2011/12, the GOJ is projecting a deficit of -J\$61.8 billion or 4.7% of GDP. The out-turn for the first seven months - averaging -J\$6.27 billion per month, is therefore running well ahead of the -J\$5.2 billion projected.

The Primary Surplus - the difference between total revenues and non-interest expenditures for FY2010/11 was J\$54.1 billion or 5.6% of GDP. This fell short of budget by J\$7.15 billion or 11.7% relative to the J\$61.3 billion originally budgeted. For the first seven months of FY2011/12, the primary surplus was J\$21.15 billion which was J\$4.8 billion or 18.5% less than J\$25.95 billion targeted.

PUBLIC DEBT

At the end of September 2011 the total public debt stood at J\$1.606 trillion - almost unchanged (a slight decrease of J\$215 million was recorded) from the J\$1.606 trillion recorded at the end of August 2011. The domestic debt is estimated at J\$868.99 billion or 54.0% of the total, while the external debt stood at J\$737.64 billion (US\$8.55 billion) or 46.0% of the total debt stock.

Stock Market

During November 2011, market capitalization increased by J\$5.7 billion or

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

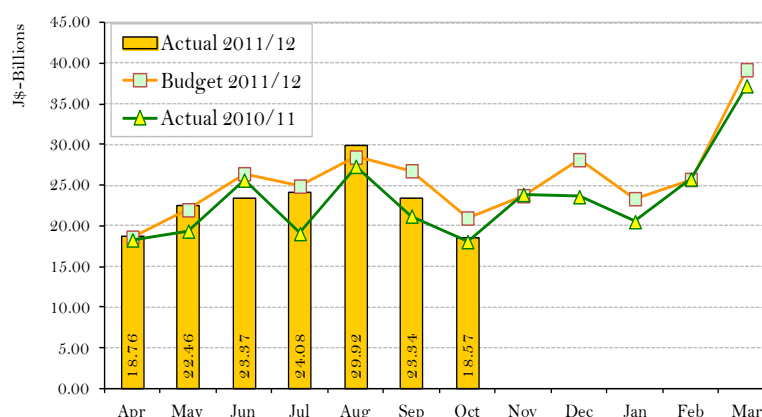
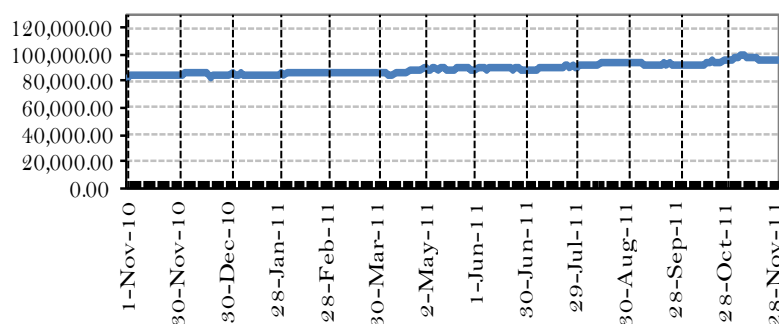


Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions	Apr-Oct 2011/12
Revenue (Revenue Surpluses)	
Grants	493.3
Contractor's Levy	227.0
Tax on Dividends	48.6
Bauxite Levy	4.6
Bauxite/alumina	0.0
Revenue (Revenue Shortfalls)	
GCT (local)	-1,412.8
Other Companies	-1,081.9
Customs Duty	-936.2
SCT (Imports)	-785.6
GCT (Imports)	-779.2
Expenditure (Changes)	
Capital Programmes (under-spend)	-1,202.0
Wages & Salaries (under-spend)	-653.1
Recurrent Programmes (under-spend)	-375.3
Domestic Interest (under-spend)	-142.1
External Interest (under-spend)	-55.3

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index Nov '10 - Nov '11



Source: Jamaica Stock Exchange (Online Database) and PSQJ

0.92% to close at J\$624.8 billion. Four of six indices declined, one advanced and one was unchanged on the month. The main **JSE Market Index** declined by **60.0** points or 0.06% to close at 96,126

points. The **JSE All Jamaican Composite** declined by 99.8 points or 0.10% to close at 103,427 points. The **JSE Junior Market Index** declined by 13.8 points or 1.79% to close at 756.2

points; and the JSE Combined declined by 124.7 points or 0.13% to close at 97,983 points. The **JSE Select Index** was the **only** advancer by 1.94 points or 0.07% to close at 2,925 points; while the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica was unchanged month over month at 796.4 points. Market volume was thin in November 2011 with 25.6 million units valued at J\$457.8 million changing hands, compared to 105.6 million units valued at \$1.425 billion in October 2011. Overall market activity resulted from trading in 37 stocks of which 10 advanced, 19 declined and 8 traded firm. Supreme Ventures Ltd. was the market leader with 12.07 million units or 47.04% of market volume, followed by National Commercial Bank Ltd. with 5.38 million units or 21% of market volume; while Cable & Wireless (Jamaica) was third with 11.7% or 3.0 million units changing hands. The leading advancers year to date are: Jamaica Money Market Brokers (JMMB), Barita Investments Ltd, Ciboney Group, Pegasus Hotels and

less lasting value.

Energy

The PNP Manifesto places Energy at the forefront as one of two “overarching” sectors to reposition the economy for growth. The JLP’s does not place Energy at the forefront of its’ Manifesto, but the four key strategies that it outlines: modernizing the electricity generation infra-structure; diversifying the fuel mix; strengthening regulations and institutions; and promoting energy efficiency and conservation are also intertwined within the many policies and thrust of the PNP. The PNP also explicitly mentions “seeking to alter, to the extent possible, the terms of the JPS electricity supply arrangements”. But the JLP can credibly claim that it has done so to some extent in renegotiating aspects of the JPS license to include provisions for net billing, and power wheeling.

Industrial Policy

Central to the JLP’ industrial policy is an extensive and coherent set of policies to attract investment, open access to markets, and make it easier to do business in Jamaica. The nature of this policy thrust suggests a hope for and an expanded role for foreign investment in Jamaica. The PNP’s industrial policy is not as structurally coherent, but its sectoral strategies are in many instances more richly detailed than JLP’s policies.

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

	31- Dec '10	29- Nov '11	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
JMMB	4.00	12.55	8.55	213.8%
Barita Investments Ltd.	1.99	4.95	2.96	148.7%
Ciboney Group	0.03	0.06	0.03	100%
Pegasus Hotels of Jamaica	12.01	22.00	9.99	83.2%
Berger Paints (Jamaica)	2.01	3.28	1.27	63.2%
Bottom Five (unadjusted for dividends or transact. Costs)				
Trinidad Cement Ltd.	53.00	18.31	(34.69)	-65.5%
First Caribbean Bank	13.19	6.50	(6.69)	-50.7%
Cable & Wireless (Ja.)	0.33	0.20	(0.13)	-39.4%
Salada Foods Jamaica	13.00	8.60	(3.40)	-33.9%
Guardian Holdings Ltd.	220.00	165.00	(55.00)	-25.0%

Source: Compiled from the JSE

Berger Paints. The leading decliners are Trinidad Cement Ltd, First Caribbean Bank, Cable & Wireless, Salada Foods and Guardian Holdings Ltd.

Economic Highlights

(contd. from page 1.)

JEEP is to be financed by diverting 15-25% of the funds in the Jamaica Development Infrastructural Programme (JDIP) and the Tourism Enhancement Fund (TEF). To the extent that JEEP could put money in the hands of workers/consumers, it could be more stimulative of the economy than JDIP, but it could create

• ICT

The PNP’s ICT strategy identifies: awareness; access; diffusion; exploitation and innovation as the trajectory followed by nations to maximize benefits from ICT. The PNP Manifesto then outlines short, medium and long-term strategies for moving the country along that trajectory. The Party also plans to establish one million square feet of ‘plug and play’ facilities in partnership with the private sector. The JLP’s pledge to promote business process outsourcing (BPO) by offering financing, facilities and worker training is similar to the PNP’s ‘plug and play’ idea, but the JLP’s ICT proposals are not as detailed and far-reaching.

• MSME’s

Both parties promise to pay “special attention” to MSME’s given their job creating potential. The PNP’s focus was on encouraging formalization to improve MSME’s access to financing and other benefits. The PNP also promised to provide a 4 year tax holiday for start-ups. The JLP pledged to: develop a MSME Policy by the first quarter of 2012; provide technical assistance in production processes and management, packaging, marketing, and access to concessionary finance. The JLP is also promising to create a “distribution linkage” programme to link market ready producers to established distributors.

• Agriculture

Both parties offer comprehensive strategies to address many of the main issues in agriculture. The JLP’s focus is on applying technology (hydroponics, green houses, tissue culture etc) to increase output and quality. The PNP emphasized, food sufficiency and agro-processing to add value to many agricultural items.

• Tourism

As for agriculture, the parties have quite similar and sound positions on the many issues in the tourism sector. Both support market diversification, improving Jamaica’s tourism product, improving the country’s infrastructure increasing the number of attractions, enhancing the hospitality skills of workers in the industry.

The manifestos of the JLP and PNP confirm the truism that there is no shortage of good ideas in Jamaica on how to move the country forward. Any single set of ideas from one political party, not to mention, combining the best ideas from both parties, would make a tremendous contribution in moving the country forward. As in the past, our main challenge remains—consistency and efficiency in implementation.

INFLATION (NOV - 2011) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.45%	0.453		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.86%	0.324	2	
Food	0.86%			
Bread and Cereals	0.28%			
Meat	0.59%			
Fish and Seafood	1.09%			
Milk, Cheese and eggs	0.52%			
Oils and Fats	0.68%			
Fruit	2.67%			
Vegetables and Starchy Foods	0.79%			
Vegetables	2.37%			
Starchy Foods	-3.18%			
Sugar, Jam, Honey, Chocolate and Confectionery	3.06%			
Food Products n.e.c.	0.97%			
Non-Alcoholic Beverages	0.75%			
Coffee, tea and Cocoa	0.56%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.81%			
ALCOHOLIC BEVERAGES AND TOBACCO	-0.37%	-0.005	6	
CLOTHING AND FOOTWEAR	26.50%	0.882	1	
Clothing	-0.74%			
Footwear	-0.80%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.66%	0.085	3	
Rentals for Housing	-0.54%			
Maint and Repair of Dwelling	-0.53%			
Water Supply and Misc. Serv Related to the Dwelling	-0.40%			
Electricity, Gas and Other Fuels and Routine	1.65%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	-0.59%	-0.029	10	
Furniture and Furnishings (including Floor Coverings)	-0.76%			
Household Textiles	-1.94%			
Household Appliances	-0.24%			
Glassware, Tableware and Household Utensils	-0.41%			
Tools and Equipment for House and Garden	-0.63%			
Goods and Serv. for Routine Household Maint	-0.53%			
HEALTH	-0.16%	-0.005	7	
Medical Products, Appliances and Equipment	-0.39%			
Health Services	0.00%			
TRANSPORT	-0.25%	-0.032	11	
COMMUNICATION	0.00%	0.000	4	
RECREATION AND CULTURE	-0.20%	-0.007	8	
EDUCATION	-0.06%	-0.001	5	
RESTAURANTS AND ACCOMMODATION SERVICES	-0.20%	-0.012	9	
MISCELLANEOUS GOODS AND SERVICES	-0.60%	-0.050	12	

INFLATION YTD (JAN- NOV 2011) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	5.59%	5.592		
FOOD AND NON-ALCOHOLIC BEVERAGES	5.14%	1.927	1	
Food	4.88%			
Bread and Cereals	8.11%			
Meat	8.70%			
Fish and Seafood	7.83%			
Milk, Cheese and eggs	8.92%			
Oils and Fats	6.56%			
Fruit	16.17%			
Vegetables and Starchy Foods	-9.12%			
Vegetables	-11.54%			
Starchy Foods	-1.83%			
Sugar, Jam, Honey, Chocolate and Confectionery	19.69%			
Food Products n.e.c.	6.43%			
Non-Alcoholic Beverages	8.88%			
Coffee, tea and Cocoa	15.68%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	6.36%			
ALCOHOLIC BEVERAGES AND TOBACCO	4.52%	0.062	12	
CLOTHING AND FOOTWEAR	36.52%	1.216	3	
Clothing	8.46%			
Footwear	5.15%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	11.63%	1.484	2	
Rentals for Housing	4.51%			
Maint and Repair of Dwelling	6.25%			
Water Supply and Misc. Serv Related to the Dwelling	12.19%			
Electricity, Gas and Other Fuels and Routine	16.14%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	6.19%	0.305	6	
Furniture and Furnishings (including Floor Coverings)	7.56%			
Household Textiles	6.18%			
Household Appliances	4.08%			
Glassware, Tableware and Household Utensils	6.07%			
Tools and Equipment for House and Garden	3.16%			
Goods and Serv. for Routine Household Maint	6.36%			
HEALTH	1.90%	0.063	11	
Medical Products, Appliances and Equipment	2.33%			
Health Services	1.68%			
TRANSPORT	3.27%	0.419	4	
COMMUNICATION	3.13%	0.125	9	
RECREATION AND CULTURE	2.20%	0.074	10	
EDUCATION	8.51%	0.182	7	
RESTAURANTS AND ACCOMMODATION SERVICES	2.02%	0.125	8	
MISCELLANEOUS GOODS AND SERVICES	4.54%	0.380	5	

FISCAL ACCOUNT (APR-OCT 2011)

REV. & EXPEN. (APR-AUG '11)	J\$m	PROVISIONAL RESULTS	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	181,888.2		-7,032.3		11,930.10	
Tax Revenue	160,459.1		-6,569.1		11,586.50	
Non-Tax Revenue	11,666.7		-460.9		-2,533.80	
Bauxite Levy	913.8		4.6		894.60	
Capital Revenue	6,226.9		-505.1		3,932.00	
Grants	2,621.7		498.3		-1,949.90	
Expenditure	225,806.7		-2,427.5		12,936.70	
Recurrent Expenditure	193,564.2		-1,225.6		8,948.40	
Programmes	47,892.1		-375.3		6,811.60	
Wages & Salaries	80,601.7		-653.1		5,168.80	
Interest	65,070.3		-197.3		-3,031.60	
Domestic	40,388.0		-142.1		-5,239.30	
External	24,682.3		-55.3		2,207.60	
Capital Expenditure	32,242.5		-1,202.0		3,988.30	
Capital Programmes	32,242.5		-1,202.0		3,988.30	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+]/ve)	-43,918.5		-4,604.7		-1,006.60	
Loan Receipts	93,182.1		-2,754.5		-18,511.80	
Domestic	76,709.2		-1,684.0		-7,065.60	
External	16,472.9		-1,070.5		-11,446.00	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	70,927.8		-515.6		1,171.90	
Domestic	22,902.7		-290.4		-33,907.50	
External	48,025.1		-225.2		35,079.20	
Overall Balance (Surplus [+]/ve)	-21,664.2		-6,843.7		-20,690.00	
Primary Balance (Surplus [+]/ve)	21,151.9		-4,802.0		-4,038.40	

REV. & EXPEN. (APR-AUG '11)	J\$m	PROVISIONAL RESULTS	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	181,888.2		-7,032.3		11,930.1	
Tax Revenue	160,459.1		-6,569.1		11,586.49	
Income and profits	53,182.3		-2,114.6		2314.6	
Bauxite/alumina	0.0		0.0		-866.3	
Other companies	11,491.0		-1,081.9		-699.7	
PAYE	34,400.0		-645.5		5840.5	
Tax on dividend	684.8		48.6		-10.6	
Other individuals	1,306.8		-81.1		-123.9	
Tax on interest	5,299.6		-354.8		-1825.1	
Environmental Levy	1,297.6		-57.1		125.1	
Production and consumption	49,048.5		-1,644.5		4457.7	
SCT	4,355.5		-230.7		-950.8	
Motor vehicle licenses	995.5		-28.8		5	
Other Licenses	220.4		-9.9		72.8	
Betting, gaming and lottery	864.8		-23.8		-4.2	
Education Tax	8,640.5		-92.6		1418.8	
Contractors levy	687.3		227.0		195.9	
GCT (Local)	28,386.0		-1,412.8		2285.9	
Stamp Duty (Local)	4,898.5		-73.0		1433.6	
International Trade	56,930.9		-2,752.8		4689.7	
Custom Duty	11,805.6		-936.2		499.8	
Stamp Duty	788.7		-45.8		87.6	
Travel Tax	3,641.9		-206.1		1264	
GCT (Imports)	24,062.6		-779.2		2404	
SCT (Imports)	16,632.0		-785.6		434.1	
Non-Tax Revenue	11,666.7		-460.9		-2533.8	
Bauxite Levy	913.8		4.6		894.6	
Capital Revenue	6,226.9		-505.1		3932	
Grants	2,621.7		498.3		-1949.9	

Statistical Index

Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur- Dep	Inflation		Tourism	J\$/US\$	T-bill	Loan	Sav	Dom Debt	Fgn Debt
	M	P	M	P	US\$M	US\$M	M	P	P		%	%	%	J\$M	US\$M
Jan '10	75,972.	9.94	n/a	n/a	1,566	2,331.5	1.46	12.21	n/a	89.70	12.50	21.62	4.61	774.116.9	6,564.60
Feb	76,862	1.17	336,882	n/a	1,559	2,362.2	2.16	12.8	n/a	89.72	11.01	21.40	4.13	800,675.8	7,586.80
Mar	77,322	0.60	325,963 1		1,7519	2,332.28	0.45	4.1	-1.8	89.51	10.49	21.40	4.09	758,700.3	7,553.0
Apr	77,652	8.6	332,696.	2.07	1,736	2,321.3	1.34	5.5	14.5	89.07	9.99	21.51	4.03	759,420.5	7,729.3
May	81,011	10.9	334,179	3.06	1,675.6	2,325	0.63	6.2	-2.4	88.48	9.91	21.08	4.03	757,750.4	7,692.40
Jun	77,754	-4.02	319,480	-4.40	1,795.8	2,335.2	0.63	6.8	-2.6	86.02	8.52	20.72	3.90	773,311.5	7,711.26
Jul	74,477	-4.22	n/a	n/a	1,732.6	2,335.4	0.37	7.2	-0.5	86.09	8.73	20.22	3.36	787,795.1	7,847.25
Aug	75,121	2.80	336,171	0.96	1,956.93	2,289.4	0.43	7.7	4.5	85.58	8.24	19.44	3.23	780,506.4	8,032.83
Sep	74,230	-1.18	n/a	n/a	1,973.70	2,305.2	0.49	8.2	1.8	86.25	7.99	19.24	3.12	n/a	n/a
Oct	75,065	1.12	n/a	n/a	1,983.67	2,293.2	0.74	9.0	5.4	85.62	7.92	19.20	2.63	n/a	n/a
Nov	74,872	-0.26	330,349	0.88	1,918.48	2,245.4	1.04	10.2	7.0	86.14	n/a	n/a	n/a	n/a	n/a
Dec	85,093	4.90	n/a	n/a	2,171.41	2,238.2	1.45	11.7	2.8	85.86	7.48	18.95	2.5	799,900.0	8,375.58
Jan '11	78,380	-7.89	n/a	n/a	2,088.97	n/a	-0.18	-0.2	8.5	85.69	7.46	18.52	2.4	813,805.6	8,436.2
Feb	77,963	-0.53	340,301	1.23	2,471.40	2,245.9	-0.42	-0.6	6.3	85.84	6.75	18.52	2.4	760,227.2	8,856.7
Mar	78,919	1.23	332,828	2.20	2,553.16	n/a	1.04	0.5	n/a	85.75	6.70	18.52	2.34	760,997.9	8,874.8
Apr	81,399	3.14	342,336	n/a	2,602.40	2,336.53	0.47	1.0	7.5	85.73	6.74	18.43	2.24	763,624.7	8,907.5
May	79,357	-2.51	342,497	n/a	2,334.38	n/a	0.77	1.7	n/a	85.78	6.58	17.98	2.24	836,417.3	8,521.1
Jun	80,560	1.52	341,652	-0.25	2267.13	2,275.4	0.76	2.5	1.4	85.91	6.61	17.98	2.24	839,103.7	8,587.5
Jul	81,443.4	1.10	338,018.	1.06	2,156.37	n/a	0.75	2.8	-1.0	86.15	6.44	18.07	2.24	842,200.0	8,590.0
Aug	82,207.2	0.94	n/a	n/a	2,126.32	2,255.48	0.58	3.3	2.7	86.12	6.51	n/a	n/a	868,318.9	8,575.0
Sep	80,479.2	-2.10	338,501.	-0.73	2,080.6	2,308,044	0.74	4.1	n/a	86.30	6.56	18.54	2.27	868,990	8,550.0
Oct	80,597.7	0.15	n/a	n/a	2,032.17	n/a	0.45	5.1	n/a	86.49	6.29	18.32	2.13	n/a	n/a
Nov.	81,296.7	0.87	n/a	n/a	1,961.74	n/a	0.45	5.1	n/a	86.70	n/a	n/a	n/a	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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