



PSOJ MONTHLY ECONOMIC BULLETIN



PRIME ASSET MANAGEMENT LTD • *Focused pension professionals*

The Private Sector Organisation of Jamaica • 39 Hope Road, Kingston 6 • Tel: 927-6238/6957 •
Fax: 927-5137 • Email: psojinfo@psoj.org • Website: <http://www.psoj.org>

Economic Highlights

Statement From the Min. of Finance and Planning: Update on Discussions with the IMF - 28/12/2012

On assuming office, one of the most urgent priorities of this administration was to reopen the line of communication with the IMF and negotiate a new agreement that would satisfy the interest of Jamaica's economic recovery as well as the Board of the IMF. At the outset, my stated objective was to bring these negotiations to a satisfactory conclusion by the end of December 2012 and my negotiating team has worked assiduously to meet this deadline.

With the approach of this deadline I regard it as an obligation to provide the nation with an update. The primary objective of these negotiations with the IMF is to develop a multi-year economic programme that could be supported by the Board of the Fund and other multilateral institutions. This multi-year programme

is intended to address the lack of long-term growth and provide the best options for Jamaica.

Discussions have moved from diagnosis by way of an Article IV consultation, which was concluded in May 2012, to agreement on the key challenges to growth that need to be overcome, the areas of economic policy available to the Government and some broad measures of success over a four to five year period.

Over the past two months discussions have intensified with the visit of senior officials to Washington and while many of us enjoyed the holidays, the negotiating team worked throughout the Christmas period including email and telephone exchanges with Fund staff as recently as 28th December. The Government is working to bring the negotiations to a conclusion that is mutually satisfactory to Jamaica and the Board of the IMF. This agreement must be in the best interest of Jamaica and provide protection for the most vulnerable.

in economic policy.

The discussions have, therefore, required technical studies of the repercussions of policy changes and have meant intensive deliberations to overcome differences of view on appropriate measures, impact, exceptions, timing and significance. The process of arriving at agreement has also had to contend with fairly recent memories among Jamaica's multilateral partners of dishonoured commitments and disappointing performance. Thus, even where we agree in principle about what has to be achieved by the end of the first year of a programme, there is an instinctive insistence on the part of the IMF that as much as possible should be done up front. For example, the implementation of major tax reform was a large down-payment that signaled the commitment of the Government to raise the primary surplus (revenue less non-interest expenditure) by more than 3 per cent of GDP, an unprecedented single year adjustment, even though it meant delaying the budget presentation to allow for time to prepare.

Similarly, up front implementation is being sought for a number of other proposed reforms. The Government has, therefore, invested great effort in advancing pension reform, wage negotiations, reducing the effective size of the public sector establishment, tax administration, introduction of a centralized treasury management system and various pieces of enabling legislation such as the Public Debt Management Act and regulations governing the Fiscal Responsibility Framework.

Remaining Issues

The discussions with the Fund technical staff are virtually at an end. In light of the Fund's negative assessment of the world's economy, Jamaica needs to programme steeper debt reduction and buffers to maintain a robust downward trajectory in the debt ratio through to 2020. (Cont'd on Page 10.)

Inside this issue:

Economic Highlights	1
Net International Reserve	2
Foreign Currency Deposits	2
Foreign Exchange Rates	2
Interest Rates	3
Base Money & Money Supply ★	3
Inflation	4
Bauxite & Alumina	4
Tourism	5
External Trade	5
Balance of Payments	7
Fiscal Accounts ★	8
Stock Market	9
Economic Highlights (contd)	10
Appendix	11
Statistical Index	14
Key of Acronyms	15
Subscription Form	16

The final stage of the discussion centered on the challenges of halting the debt accumulation process, raising economic efficiency in both the private and public sectors and creating the conditions for self-sustaining growth. Consequently, there has been extensive and thorough exploration of the size, range and scope of the public sector and all the elements that contribute to the persistent fiscal deficits. These include, a) tax policy (which activities are taxed, at what rate and which are exempted); b) staff costs (wage rates, pension obligations and staff size); c) interest costs (borrowing terms, sources and management); d) efficiency in procurement and cash management; e) capital expenditure (prioritization, partnership, divestment); and f) how best to protect the most vulnerable in the face of the changes to prices and incomes that flow from every adjustment in economic policy.



PRIME ASSET MANAGEMENT LTD • Focused pension professionals • 7-9 Harbour Street, Kingston • Tel: 922-6670-9 • Fax: 922-0256 • www.primerpensions.com

Pension Management

Pension Administration

Trustee Training

Net International Reserves (NIR)

During November 2012, Net International Reserves declined by an additional -US\$54.6 million to US\$1,078.15 million compared to US\$1,132.8 million at the end of October 2012. This is the twentieth consecutive monthly decline of NIR since April 2011. Year to date (Jan-Nov 2012), the NIR has declined by US\$883.59 million. This is largely due to continued net selling of the USD since May 2011 by the BOJ to support the J\$ and also the fact that earners of foreign exchange have been holding rather than selling into and replenishing the private market for foreign currency.

At the end of November 2012, gross reserves were adequate to finance 17.23 weeks of "goods" imports or 12.88 weeks of "goods and services" imports, just slightly above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During August 2012, foreign currency deposits (FCD's) in the local financial system increased by US\$76.0 million or 3.12% to US\$2.44 billion compared to US\$2.36 billion at the end of July 2012. The increase in August 2012 is the sixth increase over the past seven months and likely reflects the current bias to hold foreign currency due to uncertainty over the stalled GOJ/IMF Arrangement and the weakening of the Jamaican dollar. YOY, FCD's are up US\$183.30 million.

Foreign Exchange Rate

US DOLLAR: During November 2012, the Jamaican dollar depreciated by an additional J\$0.80 to J\$91.89 per USD. After several months of testing, the J\$ finally breached key psychological resistance of US\$1 = J\$90 in October 2012 and has experienced accelerated decline since then. Year to date, the J\$ is down -J\$5.29 or -6.11%. By comparison, for all of 2011, the J\$ declined by J\$0.74 or 0.86%. This retreat into the safe haven USD is largely driven by uncertainty about when and what will be the terms of a new GOJ/IMF agreement.

Table 1b: Changes in the NIR

	US\$M	Change US\$M			Imports
	NIR	Mthly	12 Mth	YTD	(Weeks)
Nov-12	1078.15	-54.64	-883.59	-888.86	17.23
Nov-11	1961.74	-70.43	43.26	-209.67	26.19

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000	Change (US\$000)		% Change	
	Aug '12	mtly	12 mth	mtly	12 mth
Commercial Banks	1,836,211	70,424	171,593	3.84	10.31
Building Societies	559,910	5,091	14,398	0.91	2.64
Merchant Banks	42,624	512	-2,684	1.20	-5.92
Total Deposits	2,438,745	76,027	183,307	3.12	8.13

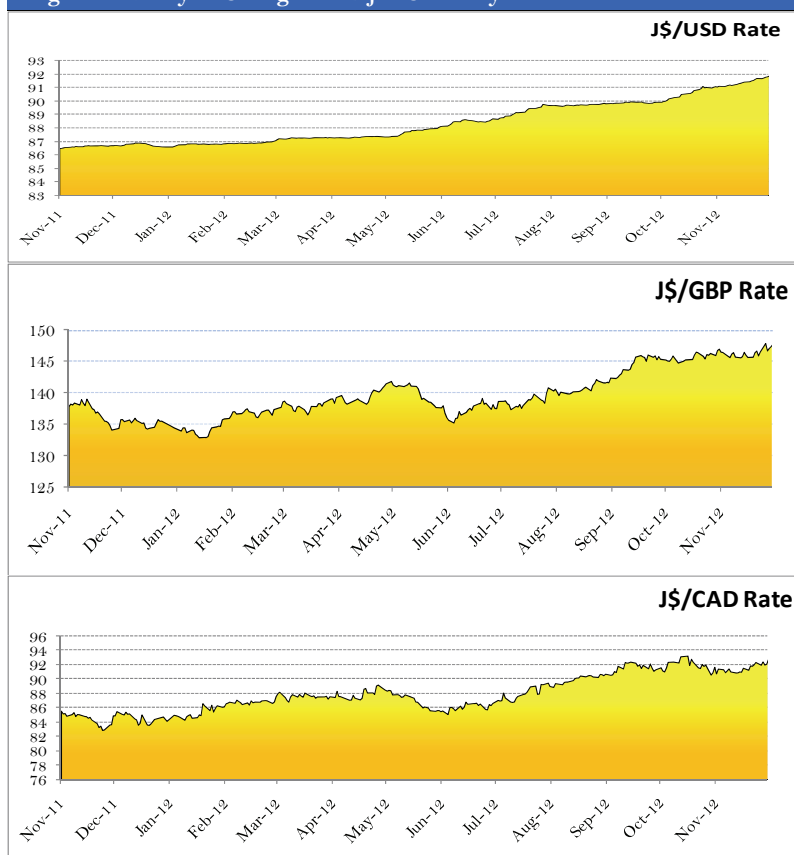
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2011—11/30/12) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2012	-5.29	-6.11	-13.30	-9.89	-8.66	10.29
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
	MOM Nov - 2012					
Actual Rate	91.89	0.88	147.74	0.50	92.86	1.18
Mth Change	0.80	0.88	0.74	0.50	1.09	1.18

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

POUND & CANADIAN DOLLAR:

During November 2012, the J\$ depreciated by an additional J\$0.74 or -0.50% against the GBP to J\$147.74 from J\$147.0 in October 2012. Against the CAD, the J\$ also depreciated in November 2012 - by J\$1.09 or -1.18% to sell for J\$92.86 compared to J\$91.77 in October 2012. As in 2011, there have been sharp up and down movements of the J\$ against GBP and CAD during 2012, mirroring the rise and fall of these currencies against the USD on international currency exchanges in response to risk sentiment. But now the appreciation of CAD and GBP appears part of the broader retreat from the J\$ because of uncertainty regarding when a new agreement with the IMF will be signed. Year to date, the Jamaican \$ is down J\$13.30 or -9.89% against GBP, and by J\$8.66 or -10.29% against the CAD.

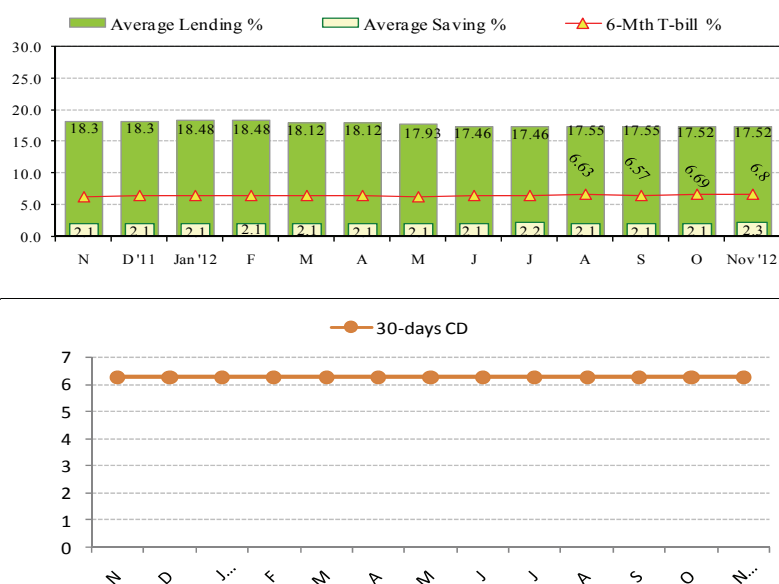
Interest Rates

Continuing the steadiness observed since the beginning of the year, during November 2012, there were only modest movement on two benchmark rates.

The bell-weather 6-month Treasury Bill increased by another 11 bps to 6.80%. After dipping to a multi-decade low of 6.27% in November 2011 from levels as high as 24% in 2009, the 6 month T-Bill has been struggling higher since the beginning of 2012. Since November 2011 the 6-month T-Bill is up 53 bps while year to date it has increased by 34 bps.

The average saving rate (ASR) which held steady at historic lows of 2.10% for six months from January 2012, and then ticked up to 2.24% in July 2012, and was unchanged since August 2012 at 2.07% jumped by 18 bps in November to 2.25%. If the steadiness since August 2012 possibly reflected people saving more because of uncertainty about the future, the increase in the saving rate in November could be due to persons and businesses drawing down their deposits and spending more in anticipation of the Christmas holidays causing the banks to increase their rates to attract deposits. The average lending rate (ALR) for its

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Nov-12	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.25%	0.00%	-0.50%	0.00%
60-days CD*	11.00%	0.00%	0.00%	0.00%
90-days CD*	13.50%	0.00%	0.00%	0.00%
120-days CD*	13.70%	0.00%	0.00%	0.00%
180-days CD*	15.00%	0.00%	0.00%	0.00%
Avg Savings Rate	2.25%	0.18%	0.12%	0.12%
Avg Loan Rate	17.52%	0.00%	-0.78%	-0.78%
6-Month T-Bill	6.80%	0.11%	0.53%	0.34%

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

part, held steady (month over month) in November at 17.52%. The ALR which has been the slowest declining rate over the past three years, but the fastest in 2012, hit a multi-year low of 17.46% in June and July 2012, but has been inching upward since. Year to date, the average lending rate is down 78 bps.

Base Money & Money Supply

During September 2012, M1 contracted sharply by -4.78% to J\$114,914.46 million reflecting

equally sharp month over month contractions of -4.0% in 'currency with the public' and -5.3% in 'demand deposits'. These sharp contractions likely reflects currency redemptions by the BOJ in the case of the former and payouts by consumers in the case of the latter following the expansion of the money supply and spending during Jamaica's Independence holiday in August 2012. Quasi money also contracted (by -1.05%) in September 2012 to J\$236,102.6 million. This also likely reflects post-holiday seasonal adjustments in saving and spending with 'Time' deposits contracting by 8.9% while 'Savings' deposits were



C&WJ Broadband Telephone System for Business: Need efficient and economical telephony system across multiple locations? C&WJ Broadband Telephone system for Business is the perfect Solution.

Includes traditional PBX system capabilities with call transfer, call forwarding, voicemail, extension-to-extension dialing, central computer storage for email, voice, fax messages and more.
Call: 1-888-225-5295

NCB Receivables Financing: Give your business an unsecured line of credit that makes available up to 75% of invoiced goods and services up to a maximum of \$10m



Provide immediate cash to fill cash flow gaps and access to much needed working capital. Both NCB customers and those supplying goods and service to approved customers are eligible to apply.

rebuilt by 1.76%. Given the contractions in M1 and Quasi money, M2—the broadest measure of money supply - also contracted by (-2.30%) to J\$351,014.6 million.

In November 2012, the monetary base expanded by 1.49% to J\$87,775.2 million as the run-up to the Christmas holidays began.

Inflation

The rate of inflation increased by 0.63% during November 2012 the fourth highest rate for 2012, but well below the 1.9% and the 0.96% recorded the previous two months.

The highest increase (1.2%) was recorded in the most heavily weighted **“Food and Non-Alcoholic Beverages”** division. The two groups that make up this division - ‘Food’ and ‘Non-Alcoholic Beverages’ rose by 1.3% and 0.4% respectively. The classes that contributed to the increase within the ‘Food’ group were: ‘Vegetable and Starchy Foods’ - up 3.2% due to the disruptions in the agricultural sector by Hurricane Sandy; ‘Meat’ - up 1.9%; and ‘Milk, Cheese and Eggs’ - up 0.8%. ‘Oils and Fats’ also increased by 1.0%. The largest increases within the group ‘Non-Alcoholic Beverages’ were: ‘Coffee, Tea and Cocoa’ - up 0.6%; and ‘Mineral Waters, Soft Drinks, Fruit and Vegetable Juices’ going up by 0.2%.

The other key contributors to the rise in the CPI were 0.5% increases in **“Clothing and Footwear”** and in **“Recreation and Culture”** probably reflecting rises in pre-Christmas seasonal demand. **“Housing, Water, Electricity, Gas and Other Fuels”** rose by 0.4% largely reflecting increased cost for water.

Four divisions: **“Clothing and Footwear”**, **“Furnishings, Household Equipment and Routine Household Maintenance”**; **“Education”**;

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Sep-12	Mthly	12 Mth
M1	114,912.46	-4.78	2.85
Quasi Money	236,102.16	-1.05	4.11
M2	351,014.61	-2.30	3.70
	Nov -'12	Mthly	12 Mth
Base Money	87,775.21	1.49	7.97

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Nov	12-Mth	YTD	Fiscal
2012	0.63	7.38	6.96	5.19
2011	0.45	7.12	5.59	5.49

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

Table 7: Mining Production

	000 tonnes			YTD	
	Nov-12	Nov-11	%	Nov-12	10/11 %
Production					
Alumina	149.2	115.4	-6.4	1,602.3	-10.8
C. Bauxite	397.0	377.2	5.26	4,666.7	-6.69
Export					
Alumina	137.4	205.3	-33.1	1,602.3	-11.7
C. Bauxite	363.8	449.6	-19.1	4,310.0	-8.09

Source: Jamaica Bauxite Institute (JBI)

“Restaurants and Accommodation Services”; and **“Miscellaneous Goods and Services”** each recorded increases of 0.4%. **“Health”** and **“Alcoholic Beverages and Tobacco”** both recorded increases of 0.2%. **“Transport”** was the only division recording a decline (-0.6%) during the month reflecting falling prices for crude oil and airfares.

For the calendar year to date, the inflation rate was 6.9%, compared to 5.1% during Jan-Nov 2011. The fiscal year to date rate was 5.2%; while the point to point rate was 7.4%.

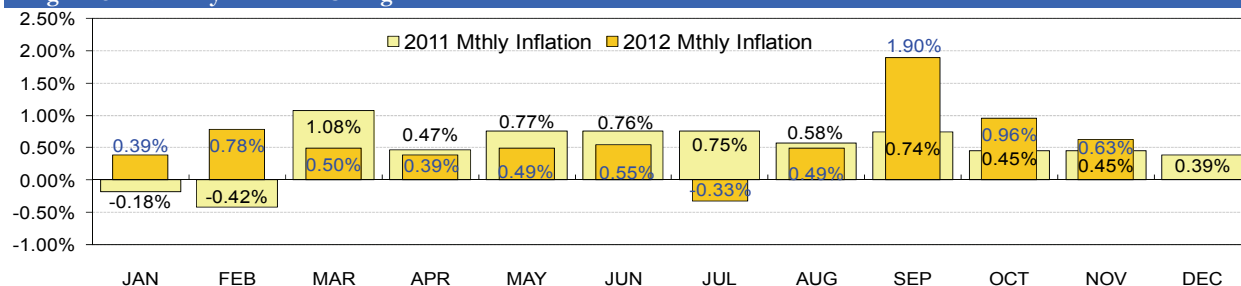
Production of alumina in November 2012 declined by -6.41% to 149,212 tons compared to 159,440 tons in November 2011. For its part, production of crude bauxite in November 2012 increased by 5.26% to 397,041 tons relative to 377,214 tons in November 2011.

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

However, the soft conditions in the global economy during 2012 has seen

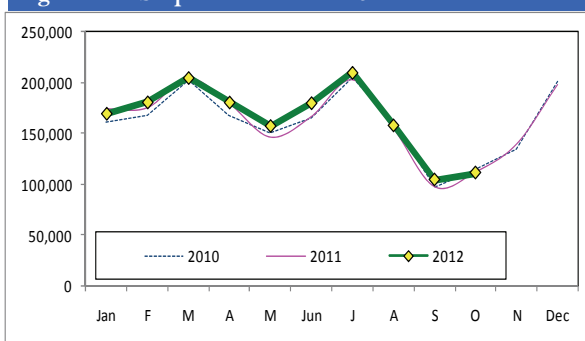
Bauxite & Alumina

Figure 3: Monthly Inflation Changes



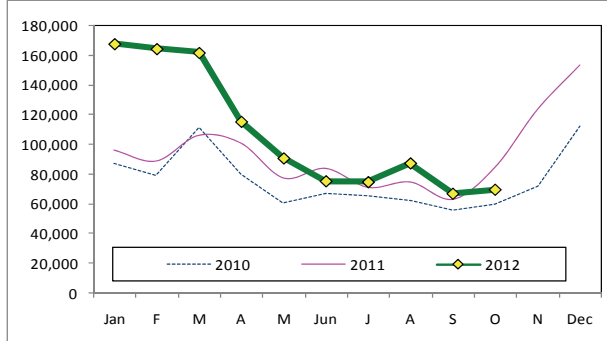
Source: STATIN and PSJOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

during 2012 has seen Jamaica's production of alumina fall by -10.86% over the past 11 months to 1,602,346 tons compared to 1,602,346 tons during the corresponding period of 2011. Production of crude bauxite is also down -6.69% to 4,354,336 million tons relative to 4,666,763 million tons for the corresponding period of 2011.

Tourism

Stopover arrivals in October 2012 were 111,253 - a decrease of -1.1% over the 112,536 stopovers recorded in September 2011. The number of cruise passengers also decreased in October 2012 by 18.0% to 69,582 visitors, compared to 84,888 in October 2011.

Regionally, stopovers from the US declined by -0.9% in October 2012 to 70,772 compared to 71,441 in October 2011. This is the first month over month decline in stopovers from the US after four consecutive monthly increases. Year to date, stopovers from the US are up by 3.4% with 1,060,576 arrivals compared to 1,025,924 in Jan-Oct 2011. From the Canadian market, stopovers increased by 9.7% in October 2012 with 17,511 arrivals compared to 15,968 in October 2011. Year to date, the number of visitors from Canada are up 8.5% to 327,584 visitors compared to 301,902 visitors during the corresponding period of 2011.

Visitors from Europe, including the UK, declined by -16.1% in October 2012 to 15,453 visitors compared to 18,426 arrivals in October 2011. Year to date, visitors from Europe are down -12.4% to 182,693 compared to 208,568 in Jan-Aug 2011. This continues the decline recorded in calendar year 2011 in which stopovers from Europe declined by -6.7% to 253,049 compared to 271,315 in 2010. Stopover arrivals from the Caribbean recorded a 13.6% increase in 2011 to

Tourist Arrivals

	2011	2012	%Change	
	YTD (JAN-OCT)		YOY	MOM
Stopover	1,614,318	1,655,529	2.6%	6.6%
Foreign	1,495,342	1,533,565	2.6%	-7.4%
Non-Resident	118,976	121,964	2.5%	-2.0%
Cruise	848,237	1,073,794	26.6%	4.1%
Total Arrivals	2,462,555	2,729,323	10.8%	5.6%

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

66,216 reversing a -10.8% decline in 2010. For the Jan-Oct 2012 however, stopovers from the Caribbean are down -2.9% to 53,290 compared to 54,668 in Jan-Oct 2011. On the other hand, stopovers from Latin America were up by 53.1% to 21,219 in Jan-Oct 2012 compared to 13,863 visitors in Jan-Oct 2011 extending their 23.4% rise during 2011.

During calendar year 2011, cruise visitors to the Island increased by 23.7% to 1,125,481 visitors. During Jan-Oct 2012, cruise arrivals are up by 26.6% to 1,073,794 visitors reflecting the impact of the opening of the Falmouth Port. Total Visitors to Jamaica for Jan-Oct 2012 were 2,729,323 marking a 10.8% increase relative to 2,462,555 visitors during Jan-Oct 2011.

External Trade

During January to August 2012, Jamaica's exports were basically flat, increasing marginally by US\$1.32 million or 0.1% to US\$1,110.83 million, compared to US\$1,109.51 million during January - August 2011. Imports for the period were also flat, inching up slightly by US\$12.64 million to US\$4,336.85 million compared to US\$4,324.2 million during the corresponding period of 2011. Given the modestly larger expansion of imports

compared to exports, the traditional negative imbalance in Jamaica's merchandise trade worsened in Jan-Aug 2012 by -US\$11.32 million or 0.4% to (US\$3,226.02 million) compared to (US\$3,214.7 million) in January - Aug 2011.

Traditional Exports: During the first eight months of 2012, traditional domestic exports earned US\$547.96 million, a decrease of -US\$39.17 million or -6.7% relative to the US\$587.13 million earned during the corresponding period of 2011. The share of traditional exports in total domestic exports also decreased 49.3% in Jan-Aug 2012 from 52.9% during the Jan-Aug 2011.

The decreased earnings from traditional exports were mainly due to a US\$54.7 million or -11.7% contraction in Mining and Quarrying to US\$414.9 million relative to US\$469.7 million in Jan-Aug 2011. This was only partially offset by a US\$17.8 million rise (17.9%) in Manufacturing exports to US\$117.17 million. The decreased earnings from Mining and Quarrying, largely resulted from a decline of US\$51.4 million (or -13.7%) in alumina earnings to US\$323.4 million and a smaller drop of US\$3.27 million in bauxite earnings to US\$91.5 million.

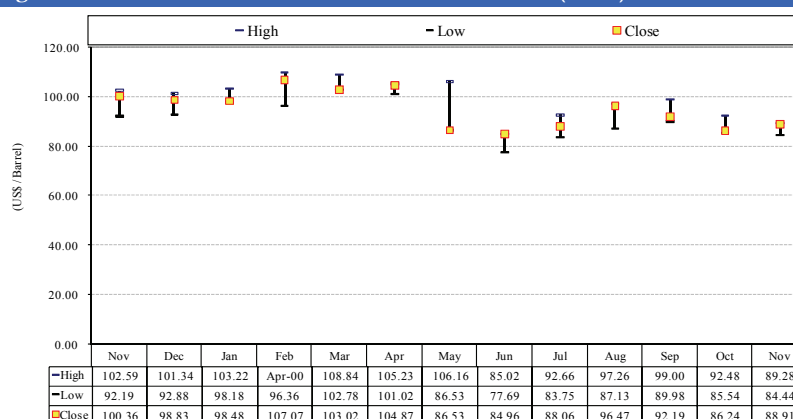
Also contributing to the decline in traditional exports was a substantial – US\$14.6 million or –42.2% decline in ‘Rum’ exports to US\$20.05 million from US\$34.67 million during the corresponding period in 2011. Adding to these declines, there was also a US\$2.22 million or –12.3% decline in ‘Agriculture’ exports to US\$18.07 million compared to US\$15.85 million in Jan-Aug 2012. This was greatly due to a decline of –18.4% in Coffee exports to US\$12.3 million compared to US\$15.1 million during the corresponding period of 2011. As noted, partly off-setting these declines, was a significant US\$27.6 million increase in ‘Manufacturing’ exports to US\$117.17 million from US\$99.38 million one year earlier. This largely reflected a US\$31.5 million or 68% increase in ‘Sugar’ exports to US\$93.69 million from US\$62.16 million during Jan-Aug 2011.

Non-traditional exports continued to grow during Jan-Aug 2012, expanding by 9.6% to US\$519.07 million, compared to US\$473.34 million in Jan-Aug 2011. Three of four categories of non-traditional exports recorded growth during the period and one declined.

In the category “**Food**”, there was a 3.3% increase in earnings to US\$96.01 million relative to US\$92.9 million in Jan-Aug 2011. Ten of seventeen groups recorded increases and seven declined. Among the groups recording increased earnings were: ‘Papaya’ – up 120.2% to US\$3.39 million from US\$1.54 million; ‘Other Fruits and Fruit Preparations’ – up 41.8% to US\$5.2 million from US\$3.69 million; and ‘Animal Feed’ – up 25.2% to US\$5.77 million from US\$4.61 million. Notable increases were also recorded for ‘Juices excl. Citrus’ – up 21.2% to US\$5.75 million from US\$4.75 million; ‘Ackee’ – up 13.4% to US\$8.68 million from US\$7.66 million; and ‘Sauces’ – up 14.9% to US\$9.8 million.

There were however, notable decreases in earnings from some ‘Food’ groups in Jan-Aug 2012 relative to the corresponding period of 2011. Earnings from ‘Yams’ were down –15.7% to US\$14.09 million from US\$11.87 million; ‘Baked Products’ were down –11.9% to US\$8.5 million from US\$9.67 million; and exports of ‘Other Vegetables & Preparations thereof’ were down –28.7% to US\$1.53 million from US\$2.15 million in Jan-Aug 2011. Exports of ‘Dairy Products and Bird

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-Aug '11	Jan-Aug '12	Change	% Change
TOTAL EXPORTS (fob)	1,109.51	1,110.83	1.32	0.1%
Major Traditional Exports	587.13	547.96	-39.17	-6.7%
<i>by Sector:-</i>				
Agriculture	18.07	15.85	-2.22	-12.3%
Mining & Quarrying	469.68	414.93	-54.75	-11.7%
Manufacturing	99.38	117.17	17.80	17.9%
<i>by Industry:-</i>				
Bauxite	94.81	91.54	-3.27	-3.4%
Alumina	374.76	323.39	-51.37	-13.7%
Sugar	62.16	93.69	31.52	68.0%
Rum	34.67	20.05	-14.62	-42.2%
Bananas	0.03	0.10	0.07	0.0%
Coffee	15.11	12.33	-2.78	-18.4%
Other	5.58	6.86	1.28	22.9%
Non-Traditional Exports	473.34	519.00	45.67	9.6%
Re-exports	49.04	43.87	-5.18	-10.6%
TOTAL IMPORTS	4,324.21	4,336.85	12.64	0.3%
Food	596.65	636.35	39.70	6.7%
Beverages & Tobacco	52.75	54.51	1.76	3.3%
Crude Materials (excl. Fuels)	45.04	32.48	-12.56	-27.9%
Mineral Fuels, etcetera	1,670.09	1,611.10	-59.00	-3.5%
Animal & Vegetable Oils & Fats	44.53	40.97	-3.56	-8.0%
Chemicals	521.39	525.86	4.47	0.9%
Manufactured Goods	436.77	430.03	-6.74	-1.5%
Machinery and Transport Equip.	630.90	619.01	-11.89	-1.9%
Misc. Manufactured Articles	297.57	311.14	13.57	4.6%
Other	28.52	75.41	46.90	164.5%
TRADE BALANCE	(3,214.70)	(3,226.02)	-11.32	0.4%

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

Eggs’ declined by –7.5% to US\$5.8 million compared to US\$5.37 million in Jan-Aug 2011, while ‘Other Food Exports’ declined by –5.7% to US\$15.16 million compared to US\$16.07 million during the corresponding period of 2011.

“**Beverages & Tobacco (excl. Rum)**” was another one of the three Non-Traditional export categories that re-

corded growth in Jan-Aug 2012. This category grew by 15.3% to US\$53.79 million, due largely to a 21.1% increase in ‘Alcoholic Beverages (excl. Rum)’ to US\$47.12 million from US\$38.9 million in Jan-Aug 2011.

In addition, “**Other**” non-traditional exports, generally, the largest category of non-traditional exports, increased by 15.9% to US\$349.5 million

relative to US\$301.5 million in Jan-Aug 2011. This mainly resulted from a 200% increase in 'Chemicals (incl. Ethanol)' to US\$78.35 million compared to US\$26.14 million in Jan-Aug 2011; plus a smaller rise of 9.3% in 'Other Domestic Exports' to US\$16.08 million from US\$5.3 million during the corresponding period of 2011. However, six of the eight groups in 'Other' non-traditional exports recorded declines ranging from -1.0% to -50%.

"Crude Materials", which has been the fastest growing group of non-traditional exports in recent years, was down -39.0% during Jan-Aug 2012. This decline was largely due to a 41.4% drop in exports of 'Waste and Scrap Metals' from US\$28.08 million to US\$16.44 million during Jan-Aug 2012. This was compounded by declines of -30.0% and -15.6% in exports of 'Limestone' and 'Other' crude materials respectively.

Imports. Reflecting more buoyant conditions in the local and global economy, during 2011, imports surged by 24.2% to US\$6.6 billion. This growth slowed during the first eight months of 2012 reflecting the tightening grip of the global slowdown on the local economy. For the period Jan-Aug 2012, imports were flat growing marginally by US\$12.6 million (0.3%) to US\$4.336 billion compared to US\$4.324 billion in Jan-Aug 2011.

Largely responsible for the slower growth of imports in Jan-Aug 2012 was a -5.2% drop in imports of **Raw Materials/Intermediate Goods** to US\$2.67 billion compared to US\$2.82 billion in Jan-Aug 2011. This was due to declines in all but one category of intermediate goods led by 'Parts and Accessories of Capital Goods'. Imports of 'Parts and Accessories of Capital Goods' fell by -28.2% to US\$179.23 million compared to US\$251.4 million in Jan-Aug 2011. Imports of 'Other Fuels and Lubricants' was down -6.7% to US\$1.009 billion from US\$1.082 billion though the value of 'Crude Oil' imports rose by 2.3% to US\$600 million on price increases. 'Industrial Supplies' were also down -1.7% to US\$692.4 million from US\$704.3 million; while imports of intermediate 'Food (incl. Beverages)' dipped by -1.5% to US\$189 million from US\$192.98 million.

Imports of **'Capital Goods (excl. Motor Cars)'** declined (by -3.1%) to

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

	Jan-Jun 2011	Jan-Jun 2012	Change
1. Current Account	-790.7	-639.3	151.5
A. Goods	-1952.1	-1933.9	18.1
Exports	879.8	866.1	-13.8
Imports	2831.9	2800	-31.9
B. Services	450.4	447.5	-2.9
C. Income	-269.1	-156.4	112.7
D. Current Transfers	979.9	1003.6	23.6
2. Capital & Financial Account	790.7	639.3	-151.5
A. Capital Account	-10	-17.1	-7
B. Financial Account	800.8	656.3	-144.4
Official Investment	177.5	353.4	175.9
Private Investment	719	-122.7	-841.8
Reserves	-95.8	425.7	

Source: BOJ & Statistical Update:

US\$326.5 million during Jan-Aug 2012 from US\$336.8 million in Jan-Aug 2011. 'Other Industrial Transport Equipment' fell by -11.1% to US\$66.6 million compared to US\$74.92 million in Jan-Aug 2011; while 'Construction Materials' declined by -13.5% to US\$75.5 million relative to US\$87.3 million one year earlier. These declines were partially offset by increases of 5.6% in imports of 'Machinery and Equipment' to US\$180.15 million relative to US\$170.59 million for the corresponding period of 2011 and a 4.4% increase in imports of 'Other Capital Goods' to US\$4.2 million compared to US\$4.04 million in Jan-Aug 2011.

Defying the fall in the other categories of imports, imports of **Consumer Goods (excl. Motor Cars)** were up 8.9% to US\$1.19 billion compared to US\$1.09 billion in 2011. The largest areas of increase were 'Non-Durable Goods' - up 15.9% to US\$364.8 million relative to US\$314.75 million in Jan-Aug 2011; and 'Food (incl. Beverages)' - up 7.9% to US\$502.95 million relative to US\$466.2 million one year ago. 'Other Durable Goods (excl. Motor Cars)' also increased by 4.2% to US\$214.3 million, while imports of 'Semi-Durable Goods' increased by 1.6% to US\$105.85 million. During Jan-Aug 2012, imports of **'Passenger Motor Cars'** in-

creased by 90.8% to US\$151.31 million compared to US\$79.29 million in Jan-Aug 2011.

Oil: At the end of November 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$88.91 per 42 gallon barrel - an increase in price of US\$2.67 relative to the closing price of US\$86.24 the previous month. During November 2012 the price ranged between a high of US\$89.28 and a low of US\$84.44.

Balance of Payments

During the first half of 2012, Jamaica ran a **Current Account** deficit of US\$639.3 million on the external accounts, which represented an improvement of US\$151.5 million relative to the first half of 2011. The improvement in the Current Account emanated from all sub-accounts except the Services sub-account

During the period, the **Goods balance** recorded a deficit of US\$1 933.9 million, an improvement of US\$18.1 million when compared to the corresponding period in 2011. This resulted primarily from a US\$31.9 million decrease in imports, which was significantly influenced by a decrease in chemicals of US\$48.2 million and a US\$43.3 million decrease in mineral

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Oct (Fiscal—2012/13)				Apr-Oct (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	181,899.2	191,818.6	-9,919.4	-5.17	1,701.3	0.9
Tax Revenue	170,814.7	178,469.8	-7,655.1	-4.29	10,323.9	6.4
Non-Tax Revenue	9,160.6	9,581.3	-420.7	-4.39	-1,307.4	-12.5
Bauxite Levy	714.3	931.8	-217.5	-23.34	-199.4	-21.8
Capital Revenue	275.7	519.4	-243.7	-46.92	-5,422.9	-95.2
Grants	933.9	2,316.2	-1,382.3	-59.68	-1,546.1	-59.0
Expenditure	223,892.2	229,904.8	-6,012.6	-2.62	-2,361.8	-1.0
Recurrent Expenditure	205,065.7	211,662.8	-6,597.1	-3.12	11,502.5	5.9
Programmes	49,630.1	52,344.7	-2,714.6	-5.19	1,737.9	3.6
Wages & Salaries	89,563.0	89,722.7	-159.7	-0.18	8,961.1	11.1
Interest	65,872.6	69,595.4	-3,722.8	-5.35	803.4	1.2
Domestic	42,308.3	43,666.5	-1,358.2	-3.11	1,921.2	4.8
External	23,564.4	25,928.9	-2,364.5	-9.12	-1,118.0	-4.5
Capital Expenditure	18,826.5	18,242.0	584.5	3.20	-13,864.2	-42.4
Capital Programmes	18,826.5	18,242.0	584.5	3.20	-13,864.2	-42.4
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-41,993.0	-38,086.2	-3,906.8	-10.26	4,062.8	8.8
Loan Receipts	86,894.4	90,914.5	-4,020.1	-4.42	-13,099.4	-13.1
Domestic	82,546.6	84,660.9	-2,114.3	-2.50	-974.4	-1.2
External	4,347.7	6,253.7	-1,906.0	-30.48	-12,125.0	-73.6
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	62,111.6	63,330.1	-1,218.5	-1.92	-8,816.3	-12.4
Domestic	22,729.1	22,865.1	-136.0	-0.59	-173.5	-0.8
External	39,382.5	40,465.0	-1,082.5	-2.68	-8,642.6	-18.0
Overall Balance (Surplus [+ve])	-17,210.3	-10,501.8	-6,708.5	-63.88	21,494.0	126.5
Primary Balance (Surplus [+ve])	23,879.6	31,509.2	-7,629.6	-24.21	4,866.3	25.6

Source: Ministry of Finance and Planning

fuels. The decrease in exports of US\$13.8 million stemmed mainly from a decrease in alumina exports of US\$41.5 million.

In relation to the **Services balance**, there was a decline of US\$2.9 million in its surplus position. This was primarily attributed to an increase in estimated freight cost associated with imports. The **Income sub-account** improved by US\$112.7 million during the review period. This increase emanated primarily from a decrease of US\$74.4 million in profits remitted by foreign direct investment companies.

During the review period, Current Transfers increased by US\$23.6 million to US\$1 003.6 million. This improvement resulted primarily from an increase in net private transfers of US\$30.0 million.

Flows from official and private sources were insufficient to finance the Current Account deficit. Consequently, the NIR declined by **US\$425.7 million** during the period.

Fiscal Accounts

During the seven month period (Apr-Oct) of fiscal year 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$42 billion. This fiscal deficit was J\$3.9 billion worse than the -J\$38.09 billion budgeted but was J\$4.06 billion or 8.8% better than the -J\$46.06 billion deficit recorded during the corresponding period of FY2011/12. The worse than expected out-turn on the fiscal deficit largely resulted from a J\$10 billion shortfall in collected Revenues and Grants which was only partially offset by expenditure cutbacks of J\$6 billion.

REVENUE: Total Revenues & Grants to the GOJ during Apr-Oct 2012/13 was J\$181.9 billion. This was -J\$9.92 billion or -5.17% short of the budgetary target of J\$191.82 billion though it was modestly greater by J\$1.7 billion or 0.9%

greater than Revenues and Grants collected during Apr-Oct 2011/12.

Of 25 revenue heads, only 4 came in (modestly) above target during the first seven months of FY2012/13. This largely reflects the recession in the Jamaican economy. The four outperformers were: 'Stamp Duty (Local)' - up J\$412.1 million above budget; 'Tax on Dividend' - up J\$228.5 million; 'Tax on Interest' - up J\$76.0 million and 'Motor Vehicle Licenses' - up J\$44.9 million.

Among the main underperformers on the revenue account were: 'PAYE' - down -J\$1,760 million below budget; 'SCT (Imports)' down -J\$1,647.7 million; and 'Custom Duty' - down -J\$1,191.6 million. 'GCT (Imports)' also underperformed budget to the tune of J\$1,049.5 million, while 'Other Individual Taxes' came in at US\$603.2 million below budget.

EXPENDITURE: The expenditure budget for 2012/13 is J\$612 billion. For the first seven months of FY2012/13 total expenditure was J\$223.9 billion. This was -J\$6.01 billion or -2.62% less than the J\$229.9 billion budgeted, and -J\$2.36 billion or 1.0% less than expenditures for the first seven months of FY2011/12. The main areas of under expenditure were: 'Recurrent Programmes' which was under-spent by -J\$2,714.6 billion or 5.9% below the J\$52.3 billion budgeted and by J\$2.4 billion below 2011/12 levels. The GOJ also achieved significant savings of 9.12% on 'External Interest', paying out J\$23.56 billion relative to the J\$25.93 billion budgeted. Savings of J\$1.36 billion or 3.11% on 'Domestic Interest' (J\$42.3 billion) were also realized. Expenditures on 'Wages and Salaries' (J\$89.56 billion) also came in modestly below budget with savings of J\$159.7 million. The GOJ is clearly making an effort to hew to its budgetary targets, to possibly impress the IMF that it can run a tight ship, but it seems also that expenditure curtailment is being driven by falling revenues.

FISCAL OUTTURN

The fiscal deficit for FY2011/12 (Apr-Mar 2011) was -J\$80.74 billion. For FY2012/13, the GOJ is projecting a fiscal deficit of J\$48.0 million or 4.2% of GDP implying an average monthly deficit of about J\$4.00 billion. As noted, the fiscal deficit for the first seven months of 2012/13 was -J\$42 billion or J\$6.0 billion per month which is well above the projected monthly average.

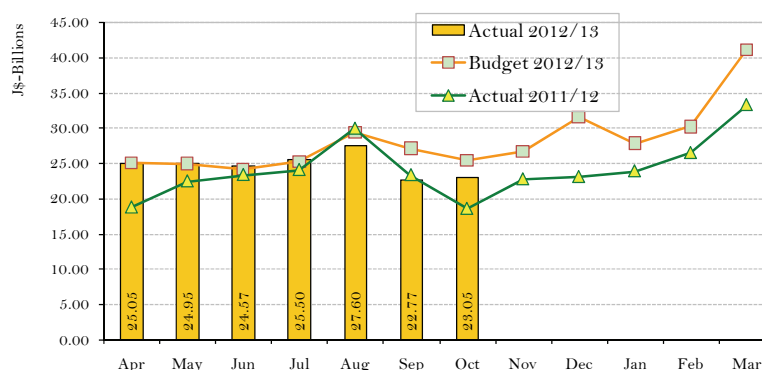
The Primary Surplus - a measure of the country's ability to service its debt from revenues, was J\$39.97 billion in 2011/12. For FY2012/13, the GOJ is targeting a primary surplus of J\$60 billion. For Apr-Sep 2012/13, the primary surplus was J\$23.88 billion which was J\$7.63 billion below the J\$31.5 billion budgeted.

PUBLIC DEBT

At the end of September 2012 the total public debt stood at J\$1,712.67 trillion - an increase of J\$50.1 billion over the J\$1,662.3 trillion recorded at the start of FY 2012/13. For the first seven months of FY2012/13, the domestic debt has increased by J\$63.5 billion to J\$976.86 billion or 57.0% of the total, while the external debt has declined by J\$13.4 billion to J\$736.23 billion (US\$8,186.7 billion).

Stock Market

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



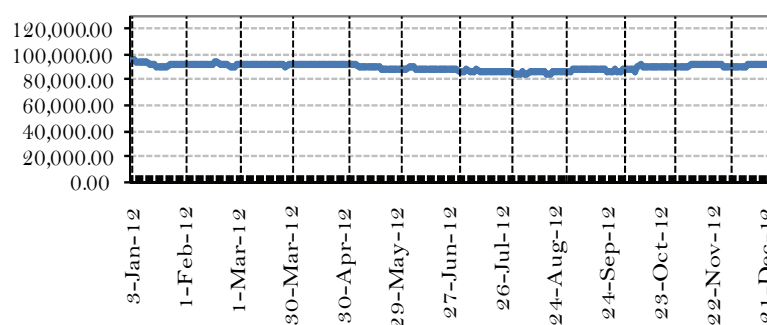
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Oct 2012/13
Revenue Surpluses	
Stamp Duty (Local)	412.1
Tax on Dividend	228.5
Tax on Interest	76.0
Motor Vehicle Licenses	44.9
Revenue Shortfalls	
PAYE	-1,760.9
SCT (Imports)	-1,647.7
Customs Duty	-1,191.6
GCT (Imports)	-1,049.5
Other Individual	-603.2
Expenditure Changes	
Recurrent Programmes	-2,714.6
External Interest	-2,364.5
Domestic Interest	-1,358.2
Wages and Salaries	-159.7
Capital Programmes	584.5

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSOJ

During 2012, market capitalization decreased by J\$6.35 billion or -1.028% to close at J\$611.45 billion. Five of six indices on the Jamaican Stock Exchange declined and one advanced. The main

JSE Market Index declined by 3,195.98 points or -3.47% to close at 92,101 points. The **JSE Combined Index** declined by 3,630 points or -3.88% to close at 93,504 points. The

JSE All Jamaican Composite Index declined by 11,017 points or (-10.78%) to close at 91,162 points and the **JSE Select Index** declined by 384.3 points or (-13.37%) to close at 2,489.7 points. Also declining were the **Junior Market Index** - down 101.1 points or 13.5% to close at 647.8 points and the **JSE USD Equities Index** which declined by 10.7 points or -13.6% to close at 67.9 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica was the only Index advancing in 2012, gaining 79.4 points or 9.99% to close at 873.9 points.

Market volume was moderate in 2012 with just over 2.0 billion million units valued at J\$23.5 billion changing hands compared with 1.55 billion units valued at J\$18.10 billion in 2011.

Overall market activity resulted from trading in 59 stocks of which 11 advanced, 42 declined and 6 traded firm. Sagicor Life Jamaica Ltd. was the market leader with 358.05 million units or 17.89% of market volume;

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

	2012 Jan 1	2012 Dec 31	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Guardian Holdings Ltd	165.00	277.00	112.00	67.88%
Access Financial Services	4.60	6.20	1.60	34.78%
Lascelles deMercado & Co	292.50	390.00	97.50	33.33%
Palace Amusement Co.	50.00	60.00	10.00	20.00%
JSE. Variable Preference	1.70	1.97	0.27	15.88%
Bottom Five (unadjusted for dividends or transact. Costs)				
Montego Freeport Ltd.	1.50	0.00	(1.50)	-100.0%
Caribbean Cement Co	3.00	1.00	(2.00)	-66.67%
Jamaica Livestock Assn	1.60	0.57	(1.03)	-64.38%
Pulse Investments Ltd	2.45	1.00	(1.45)	-42.33%
Hardware & Lumber	5.90	3.40	(2.50)	-40.37%

Source: Compiled from the JSE

followed by Lasco Manufacturing Ltd. with 210.2 million units or 10.5% of market volume; while LIME was third with 198.55 million units or 9.92% of market volume.

The leading advancers in 2012 were: Guardian Holdings Ltd; Access Financial Services; Lascelles deMercado Ltd;

Palace Amusement Company and JSE Variable Preference. The leading decliners were: Montego Freeport; Caribbean Cement Company; Jamaica Livestock association; Pulse Investments; Barita Investments Ltd; and Hardware & Lumber.

Economic Highlights

(contd. from page 1.)

The last issues on which we are now actively focused include; 1) the approach and timetable for a comprehensive policy on tax waivers and incentives, and 2) safeguards against fiscal slippage in this fiscal year and the examination of even higher primary surpluses in the medium term to underpin targets for debt reduction.

Following conclusion of the negotiations, there will be prior actions to be undertaken subject to the approval the Cabinet and the necessary consultations with local stakeholders. The completion of these will determine the timing of the IMF Board's approval.

The time that is being taken to reach agreement is not unusual and there are complex and weighty issues at stake which will determine the future prospects of our country. There is no doubt also that the continued implementation of economic reform is going to require commitment and sacrifice by all Jamaicans. Progress along this pathway will require fundamental changes in our normal operational patterns. We will have to be more efficient and more diligent in

how the state operates and how we facilitate investors in order to create the better jobs and higher levels of economic growth which together promise a better future for Jamaica and its people.

The Global Picture

Recent data and other news points to a lessening of the deterioration in the global economy. A major source of relief for market watchers is that United States lawmakers were able at the last minute to avoid the "fiscal cliff" of automatic tax increases and expenditure cuts had they failed to agree on a package of fiscal measures that would extend tax cuts for a majority of Americans while increasing tax rates for wealthier citizens. While that much was achieved, the consensus is that US lawmakers mainly 'kicked the can down the road' on the expenditure cuts that are required to reduced the US fiscal deficit, and the matter of raising the US debt ceiling is again due to come before lawmakers in two months with a great deal of potential for market rattling drama and suspense.

Beyond these political economic issues, data over the past month showed that the US recovery was continuing, if in an unspectacular fashion. US Non-farm Payroll was in line with expectations for the creation of 155,000 jobs in De-

cember 2012, while unemployment remained at 7.8% of the workforce. What was encouraging about the NFP figures is that many of the jobs were created in manufacturing and construction and in high paying technical areas. In addition, the ISM Index of US Services industries showed continuing expansion; and while retail sales over the Christmas season was muted, domestic auto sales were generally better than expected.

In China, the Purchasing Manager's Index for Services (56.1) and Manufacturing (50.6) came in better than expected and analysts have raised their outlook for Chinese growth to 8.1% in 2013 compared to 7.7% in 2012.

Even in Europe there were signs of improvement in both the Central and Peripheral economies. In Germany the numbers of unemployed persons came in less than expected. France Q3 GDP was a little less than expected, but still expanding; while Britain's Q3 GDP of 0.0% suggest a tenuous halt to the contraction in her economy. Even in debt ravaged Greece and Spain, bond yields have been falling and there is increasing expectations that the economic contraction in these countries will lessen in 2013. Jamaica needs to carry through structural reforms but could benefit from this rising global tide.

INFLATION (NOV- 2012) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.63%	0.634		
FOOD AND NON-ALCOHOLIC BEVERAGES	1.22%	0.459	1	
Food	1.30%			
Bread and Cereals	1.89%			
Meat	0.44%			
Fish and Seafood	0.38%			
Milk, Cheese and eggs	0.77%			
Oils and Fats	0.54%			
Fruit	0.04%			
Vegetables and Starchy Foods	3.22%			
Vegetables	4.12%			
Starchy Foods	1.00%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.13%			
Food Products n.e.c.	0.37%			
Non-Alcoholic Beverages	0.37%			
Coffee, tea and Cocoa	0.60%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.27%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.17%	0.002	10	
CLOTHING AND FOOTWEAR	0.47%	0.016	7	
Clothing	0.77%			
Footwear	0.10%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.34%	0.043	2	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	0.16%			
Water Supply and Misc. Serv Related to the Dwelling	2.13%			
Electricity, Gas and Other Fuels and Routine	0.24%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.32%	0.016	6	
Furniture and Furnishings (including Floor Coverings)	0.15%			
Household Textiles	0.63%			
Household Appliances	5916.13%			
Glassware, Tableware and Household Utensils	0.48%			
Tools and Equipment for House and Garden	0.43%			
Goods and Serv. for Routine Household Maint	0.22%			
HEALTH	0.16%	0.005	9	
Medical Products, Appliances and Equipment	0.30%			
Health Services	0.16%			
TRANSPORT	-0.54%	-0.069	12	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.50%	0.017	5	
EDUCATION	0.31%	0.007	8	
RESTAURANTS AND ACCOMMODATION SERVICES	0.31%	0.019	4	
MISCELLANEOUS GOODS AND SERVICES	0.28%	0.024	3	

INFLATION YTD (JAN - NOV 2012) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	6.96%	6.958		
FOOD AND NON-ALCOHOLIC BEVERAGES	12.22%	4.577	Jan-00	
Food	12.52%			
Bread and Cereals	7.82%			
Meat	11.19%			
Fish and Seafood	12.60%			
Milk, Cheese and eggs	15.03%			
Oils and Fats	8.48%			
Fruit	15.15%			
Vegetables and Starchy Foods	19.90%			
Vegetables	22.55%			
Starchy Foods	13.61%			
Sugar, Jam, Honey, Chocolate and Confectionery	6.85%			
Food Products n.e.c.	9.15%			
Non-Alcoholic Beverages	7.43%			
Coffee, tea and Cocoa	11.54%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	5.79%			
ALCOHOLIC BEVERAGES AND TOBACCO	5.58%	0.077	Jan-00	
CLOTHING AND FOOTWEAR	10.76%	0.358	Jan-00	
Clothing	11.44%			
Footwear	9.74%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	5.00%	0.638	Jan-00	
Rentals for Housing	1.57%			
Maint and Repair of Dwelling	8.77%			
Water Supply and Misc. Serv Related to the Dwelling	5.86%			
Electricity, Gas and Other Fuels and Routine	6.22%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	8.04%	0.396	Jan-00	
Furniture and Furnishings (including Floor Coverings)	8.59%			
Household Textiles	8.88%			
Household Appliances	9.90%			
Glassware, Tableware and Household Utensils	9.93%			
Tools and Equipment for House and Garden	3.98%			
Goods and Serv. for Routine Household Maint	7.57%			
HEALTH	2.83%	0.093	Jan-00	
Medical Products, Appliances and Equipment	3.83%			
Health Services	2.31%			
TRANSPORT	2.47%	0.317	Jan-00	
COMMUNICATION	-39.41%	-1.572	Jan-00	
RECREATION AND CULTURE	6.48%	0.218	Jan-00	
EDUCATION	3.76%	0.080	Jan-00	
RESTAURANTS AND ACCOMMODATION SERVICES	5.01%	0.310	Jan-00	
MISCELLANEOUS GOODS AND SERVICES	5.68%	0.475	Jan-00	

FISCAL ACCOUNTS (APR-OCT 2012/13)

REV. & EXPEN. (APR-OCT '12/13)	JSm	PROVISIONAL RESULTS	JSm	BUDGET DEVIATION	JSm	YOY - CHANGE
Revenue & Grants	181,899.2		-9,919.4		1,701.30	
Tax Revenue	170,814.7		-7,655.1		10,323.90	
Non-Tax Revenue	9,160.6		-420.7		-1,307.40	
Bauxite Levy	714.3		-217.5		-199.40	
Capital Revenue	275.7		-243.7		-5,422.90	
Grants	933.9		-1,382.3		-1,546.10	
Expenditure	223,892.2		-6,012.6		-2,361.80	
Recurrent Expenditure	205,063.7		-6,597.1		11,502.50	
Programmes	49,630.1		-2,714.6		1,737.90	
Wages & Salaries	89,563.0		-159.7		8,961.10	
Interest	65,872.6		-3,722.8		803.40	
Domestic	42,308.3		-1,358.2		1,921.20	
External	23,564.4		-2,364.5		-1,118.00	
Capital Expenditure	18,826.5		584.5		-13,864.20	
Capital Programmes	18,826.5		584.5		-13,864.20	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus +ve)	-41,993.0		-3,906.8		4,062.80	
Loan Receipts	86,894.4		-4,020.1		-13,099.40	
Domestic	82,546.6		-2,114.3		-974.40	
External	4,347.7		-1,906.0		-12,125.00	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	62,111.6		-1,218.5		-8,816.30	
Domestic	22,729.1		-136.0		-173.50	
External	39,382.5		-1,082.5		-8,642.60	
Overall Balance (Surplus +ve)	-17,210.3		-6,708.5		21,494.00	
Primary Balance (Surplus +ve)	23,879.6		-7,629.6		4,866.30	

REV. & EXPEN. (APR-OCT '12/13)	JSm	PROVISIONAL RESULTS	JSm	BUDGET DEVIATION	JSm	YOY - CHANGE
Revenue & Grants	181,899.2		-9,919.4		1900.4	
Tax Revenue	170,814.7		-7,655.1		7310.3	
Income and profits	56,584.5		-2,505.1		3140.8	
Bauxite/alumina	0.0		-38.6		0	
Other companies	13,926.9		-407.0		-289.2	
PAYE	34,891.9		-1,760.9		1444.5	
Tax on dividend	896.1		228.5		107.8	
Other individuals	1,230.8		-603.2		-6.3	
Tax on interest	5,638.8		76.0		1883.9	
Environmental Levy	1,111.8		-211.8		-93.8	
Production and consumption	54,219.8		-621.2		3593	
SCT	5,962.4		-36.8		1540.2	
Motor vehicle licenses	1,361.5		44.9		23.4	
Other Licenses	193.3		-36.8		-31.8	
Betting, gaming and lottery	1,090.3		-130.0		155.9	
Education Tax	8,454.0		-273.2		317.2	
Contractors levy	722.1		-0.6		91.1	
GCT (Local)	30,552.9		-337.1		924.4	
Stamp Duty (Local)	4,477.4		412.1		572.7	
International Trade	58,898.5		-4,317.2		670.2	
Custom Duty	13,324.9		-1,191.6		482.2	
Stamp Duty	909.2		-56.6		1.3	
Travel Tax	2,401.2		-371.8		-150.4	
GCT (Imports)	25,776.6		-1,049.5		659.2	
SCT (Imports)	16,486.6		-1,647.7		-321.8	
Non-Tax Revenue	9,160.6		-420.7		-322.6	
Bauxite Levy	714.3		-217.5		-106.9	
Capital Revenue	275.7		-243.7		-2332.9	
Grants	933.9		-1,382.3		-395.8	

Statistical Index

Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur- Dep	Inflation		Tourism	J\$/US\$	T-bill	Loan	Sav	Dom Debt	Fgn Debt
	M	P	M	P	US\$M	US\$M	M	P	P		%	%	%	J\$M	US\$M
Jan '11	78,380	-7.89	n/a	n/a	2,088.97	n/a	-0.18	-0.2	8.5	85.69	7.46	18.52	2.4	813,805.6	8,436.2
Feb	77,963	-0.53	340,301	1.23	2,471.40	2,245.9	-0.42	-0.6	6.3	85.84	6.75	18.52	2.4	760,227.2	8,856.7
Mar	78,919	1.23	332,828	2.20	2,553.16	n/a	1.04	0.5	n/a	85.75	6.70	18.52	2.34	760,997.9	8,874.8
Apr	81,399	3.14	342,336	n/a	2,602.40	2,336.53	0.47	1.0	7.5	85.73	6.74	18.43	2.24	763,624.7	8,907.5
May	79,357	-2.51	342,497	n/a	2,334.38	n/a	0.77	1.7	n/a	85.78	6.58	17.98	2.24	836,417.3	8,521.1
Jun	80,560	1.52	341,652	-0.25	2,267.13	2,275.4	0.76	2.5	1.4	85.91	6.61	17.98	2.24	839,103.7	8,587.5
Jul	81,443.4	1.10	338,018.	1.06	2,156.37	n/a	0.75	2.8	-1.0	86.15	6.44	18.07	2.24	842,200.0	8,590.0
Aug	82,207.2	0.94	n/a	n/a	2,126.32	2,255.48	0.58	3.3	2.7	86.12	6.51	n/a	n/a	868,318.9	8,575.0
Sep	80,479.2	-2.10	338,501.	-0.73	2,080.6	2,308,044	0.74	4.1	5.9	86.30	6.56	18.54	2.27	868,990	8,550.0
Oct	80,597.7	0.15	342,310.	1.15	2,032.17	2,240,633	0.45	5.1	1.8	86.49	6.29	18.32	2.13	868,936	8,674.6
Nov.	81,296.7	0.87	346,348.	1.18	1,961.74	2,285,800	0.45	5.1	4.0	86.70	6.27	18.3	2.1	880,569	8,625.5
Dec	91,710.2	12.81	361,211	n/a	1,967.01	2,306,539	0.40	6.0	-1.6	86.60	6.46	18.3	2.1	883,388.6	8,626.1
Jan '12	83,564.3	-8.8	353,939.	-2.01	1,882.63	2,357,286	0.40	6.6	-2.8	86.83	6.53	18.48	2.10	888,486.9	8,626.4
Feb	84,950.7	1.66	n/a	n/a	1,874.65	2,379,213	0.8	6.7	3.1	87.06	6.57	18.48	2.10	875,211.40	8,605.4
Mar	83,696.6	-1.48	356,099	0.19	1,777.13	2,409,355	0.50	1.68	0.3	87.30	6.47	18.12	2.10	912,642.4	8,586.8
Apr	84,966.6	1.52	348,580	n/a	1,771.8	2,414,159	0.4	2.1	0.6	87.35	6.44	18.12	2.10	930,025.4	8,578.8
May	83,738.1	-1.45	352,407	1.10	1,718.8	2,441,863	0.5	2.6	1.5	88.12	6.39	17.93	2.10	935,140.9	8,506.5
Jun	84,337.4	0.72	351,410.	n/a	1,540.4	2,553,943	0.6	3.2	8.0	88.70	6.51	17.46	2.10	940,368.6	8,526.2
Jul	87,157.8	3.34	359,205.	0.69	1,483.82	n/a	-0.33	2.8	n/a	89.69	6.52	17.46	2.24	973,858.5	8,226.2
Aug	86,275.1	-1.01	359,293.9	n/a	1,428.60	2,438,745	0.5	3.3	1.8	89.82	6.63	17.55	2.07	976,159.2	8,200.5
Sep	85,193.8	-1.25	351,014.6	-2.30	1,257.8		1.85	5.3	n/a	89.93	6.57	17.55	2.07	976,126.3	8,186.8
Oct	86,488.1	n/a	n/a	n/a	1,132.8	n/a	0.9	6.3	n/a	91.09	6.69	17.52	2.07	n/a	n/a
Nov	87,775.2	1.49	n/a	n/a	1,078.2	n/a	0.63	6.9	-1.1	91.89	6.80	17.52	2.24	n/a	n/a

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

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

The contents of this bulletin are only for use by the addressee. The information is provided on a strictly confidential basis to subscribers.

All **opinions and estimates** constitute the PSOJ's judgement as of the date of the bulletin and are subject to change without notice.

Copyright Reserved © 2003.

The Private Sector Organisation of Jamaica, 39 Hope Road, Kingston 6
Tel: 927-6238/6958 Fax: 927-5137 Email: Web site: <http://www.psoj.org>

SUBSCRIBE TO THE ECONOMIC BULLETIN

Please **complete form** and return to PSOJ by fax as soon as possible. Thank you.
(Complete form in **Capital Letters** and make a **mark** where appropriate)

FAX # : (876) 927-5137

Subscriber: _____ (Company / Individual)

Address: _____

Contact Person Information (Matters pertaining to Subscription)

Name: _____ (Mr. / Mrs. / Miss. / Dr. / Hon)

Position: _____

Telephone: (_____) _____

Fax: (_____) _____

Email: _____

Annual Subscription (Jan-Dec)

PSOJ Members:
\$7,000.00
(Plus G.C.T.)

Non-members:
\$10,000.00
(Plus G.C.T.)

Payment Options

**Cheque
Money Order**
(No Cash Payment)

(Payment must be in-
cluded with your order
form)

Bulletin Recipients (additional recipients) [*first then last name*]

NAME 1: _____ (Mr. / Mrs. / Miss. / Dr. / Hon)

Position: _____

Email: _____

NAME 2: _____ (Mr. / Mrs. / Miss. / Dr. / Hon)

Position: _____

Email: _____

The Economic Bulletin is a monthly synopsis of the major developments impacting the Jamaican economy. It covers a wide range of areas including inflation, the financial markets, fiscal accounts, tourism, the productive sectors and external trade. In addition to tracking changes in the main indicators, it also goes behind the numbers to examine the underlying factors driving those changes. The Bulletin also provides insight into how current trends may shape developments going forward in order to help inform your business decisions.

Bring to the Attention of EARL BARTLEY