



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

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

Jamaica's Economic Growth Slows in Q3 2011

The Planning Institute of Jamaica (PIOJ) reported recently that Jamaica's economy grew at a slower rate of 0.5% in the third quarter (Jul-Sep) of 2011 compared to upwardly revised rates of 1.6% in the Jan-Mar 2011 quarter (Q1) and 2.1% during Apr-June 2011 (Q2). In Q3 2011, the **Goods Producing Industries** grew by 1.8% but the combined **Services** industries contracted by -0.2%. Overall, eight of twelve industrial sectors performed at lower levels than in the previous quarter. (See Table 1a)

The PIOJ alluded to the long-running European sovereign debt crisis that has been weakening confidence and output across the globe as being largely responsible for the slowdown in Jamaica's growth in Q3 2011. These international influences led to a postponement of the

Industrial Sectors	Jan-Dec 2010	Q1 2011	Q2 2011	Q3 2011
Total GDP	-1.1	1.6	2.1	0.5
Goods Producing Industries	-1.6	5.9	5.4	1.8
Agric, Forestry & Fishing	0.6	13.7	10.7	2.5
Mining & Quarrying	-3.5	37.5	31.8	7.5
Manufacture	-2.0	-0.6	-0.7	-0.2
Construction & Installation	-2.3	-0.2	1.4	1.8
Services Industries	-1.4	-0.2	0.8	-0.2
Electricity & Water Supply	-4.3	1.6	0.3	1.5
Trans, Storage & Communication	-1.9	-1.1	2.4	-3.0
Wholesale & Retail Trade etc.	-1.8	0.0	0.2	0.3
Finance & Insurance Services	-3.9	-3.0	-0.1	-1.0
Real Estate, Renting & Business Services	-1.0	0.0	0.6	0.6
Producers of Government Services	-0.1	-0.4	0.3	0.5
Hotels & Restaurants	3.3	4.3	2.6	0.2
Other Services	0.1	0.6	0.8	0.5

Source: PIOJ

reopening of the Kirkvine Alumina plant and a slowdown in tourists arrivals from Europe and the United States which contributed to retarding economic activity in Jamaica.

starts. **Manufacturing** declined by -0.2% as noted, due largely to a 3.0% decline in 'Food, Beverage and Tobacco' which outweighed a 3.2% rise in 'Other Manufacturing'. Contributing to the 'Food and Beverage' were declines in Sugar and Poultry production of 13.6% and 5.9% respectively; as well as, declines in Rum and Alcohol of 8.2% and 14.5% for Beer and Stout. The increase in 'Other Manufacturing' mainly reflected a 35.7% increase in cement production.

Services

The -0.2% decline in **Services** in Q3 2011 resulted largely from contractions of -3.0% in **Transport, Storage and Communication** and -1.0% in **Finance and Insurance Services**. The flat-lining of growth in **Hotels and Restaurants** also contributed significantly to the decline. Regarding the decline in **Transport**, though cargo volumes though the nation's seaports increased by 8.9% the rise in value-added in this area was outweighed by a 3.8% decline in air passenger movements. (Contd on Page 10)

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Goods Producing Sector

Within the **Goods Producing sector**, three of the four industrial groups recorded growth. The largest increase of 7.5% was recorded by **Mining & Quarrying**; followed by a 2.5% increase in **Agriculture, Forestry & Fishing** and 1.8% rise for **Construction**. **Manufacturing** however declined by -0.2%.

The growth in **Mining and Quarrying** reflected the continued impact of the reopening of the Windalco Ewarton Alumina Plant and increased bauxite production by Noranda Bauxite Company. The growth in **Agriculture** was contributed by a 5.2% increase in 'Traditional Export Crops'; a 4.1% rise in 'Other Agricultural Crops' and a 4.7% rise in 'Post-Harvest Activities'. The 1.8% increase in **Construction** largely resulted from J\$3.0 billion increased expenditure on JDIP and a 27.1% increase in housing



Net International Reserves (NIR)

During October 2011, Net International Reserves decreased by a further US\$48.40 million to US\$2,032.17 million compared to US\$2,080 million at the end of September 2011. This is the sixth consecutive monthly decline of the NIR which has declined by US\$139.24 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 27.44 weeks of “goods” imports or 20.41 weeks of “goods and services” imports, well above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During August 2011, foreign currency deposits (FCD's) in the local financial system decreased modestly by US\$8.37 million or -0.37% to US\$2.255 billion compared to US\$2.263 billion at the end of July 2011. The decrease in August 2011 probably reflects moderate safe haven withdrawals of the USD due to the hiatus in the GOJ/IMF Agreement noted above.

August 2011 decrease marks a reversal of trend and sentiment, because as the BOJ explained in Q4 2010, FCD's increased during 2010 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. Now sentiment regarding prospects for the Jamaican economy appears to have become more cautious.

Foreign Exchange Rate

US DOLLAR: During October 2011, there was a 18 cents or 0.21% depreciation of the J\$ dollar to J\$86.49 from J\$86.30 in September 2011. Apart from August 2011, when there was a small 3 cent month over month gain, the J\$ has declined steadily over the past six months against the USD from

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Oct-11	2,032.17	-48.40	48.50	-139.24	27.44
Oct-10	1983.67	9.97	74.31	254.32	29.73

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Aug '11	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,664,618	-7,101	-27,883	-0.43	-1.65
Building Societies.	545,512	441	32,594	0.08	6.35
Merchant Banks	45,308	-1,711	-38,679	-3.78	-46.05
Total Deposits	2,255,438	-8,371	-33,968	-0.37	-1.48

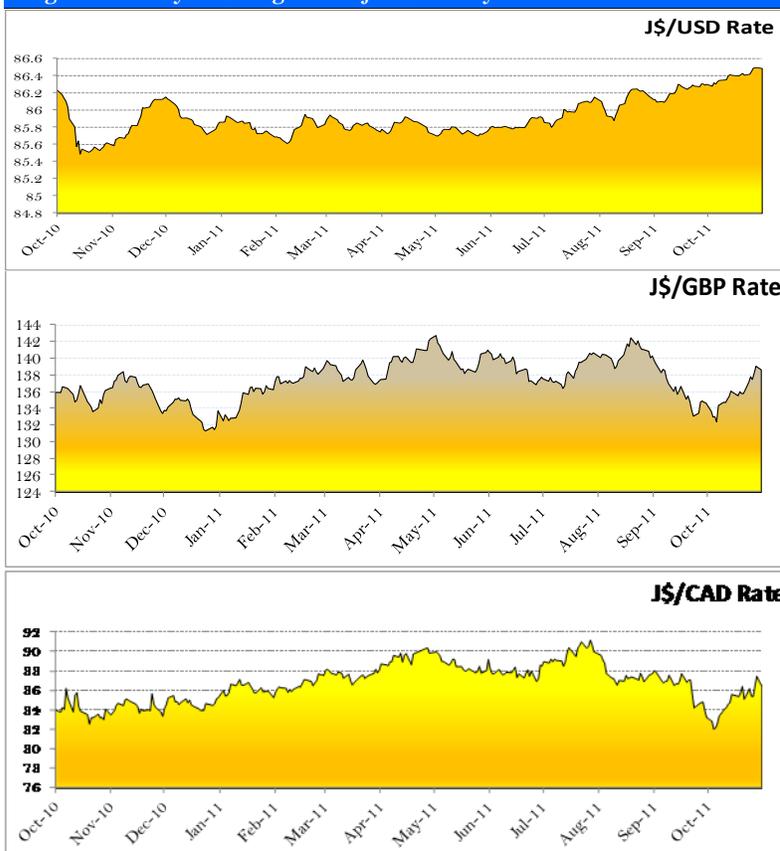
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2010—10/31/11) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2011	0.63	0.73	4.90	3.66	1.14	1.34
2010	-3.98	-4.44	-7.37	-5.13	-0.40	-0.48
2009	8.77	10.90	30.13	25.79	17.37	26.51
	Oct - 2011					
Actual Rate	86.49	0.21	138.63	2.92	86.48	3.80
Mth Change	0.18	0.21	3.94	2.92	3.17	3.80

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

J\$85.72 at the end of April to J\$86.49 at the end of October 2011. Year to date, the J\$ is down 63 cents or 0.71% against the USD, and is about to breach 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 during 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 three quarterly tests.

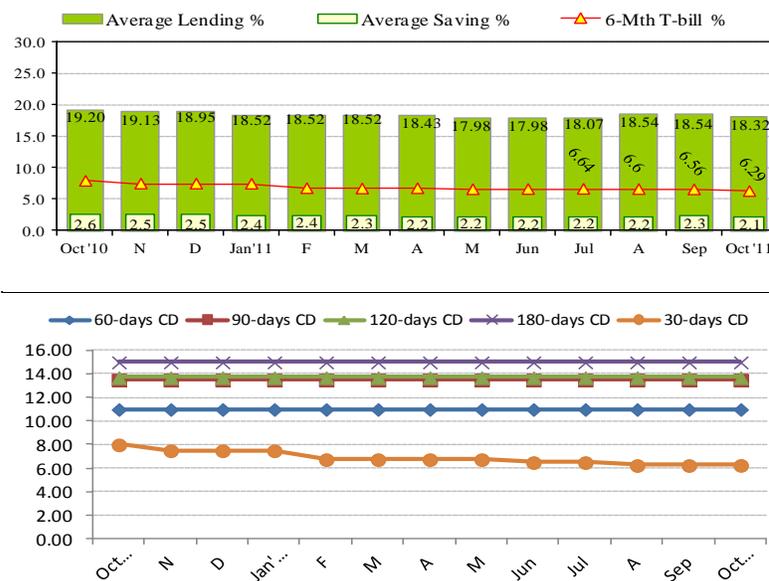
POUND & CANADIAN DOLLAR: During October 2011, GBP appreciated by J\$3.94 or 2.92% against the J\$ to J\$138.63 from J\$134.69 in September 2011 - marking a 70% retracement of its J\$5.60 drop against the J\$ in August 2011. Against the CAD, the J\$ also depreciated sharply in October 2011 - by J\$3.17 or 3.80% to sell for J\$86.48 compared to J\$83.31 in September 2011. The sharp up and down moves of the J\$ against GBP and CAD in September and October 2011 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\$4.90 cents or 3.66% against the Jamaican dollar, while the CAD is up J\$1.14 or 1.34%.

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-

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	11.00%	0.00%	0.00%	0.00%
90-days CD	13.50%	0.00%	0.00%	0.00%
120-days CD	13.70%	0.00%	0.00%	0.00%
180-days CD	15.00%	0.00%	0.00%	0.00%
Avg Savings Deposit	2.13%	-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)

-month T-Bill has been struggling to achieve further reductions in recent 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 depos-



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its. The decline in the review quarter was in contrast to average growth of 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 October 2011 the monetary base expanded slightly by J\$118.2 million or 0.15%. This largely resulted from a J\$226.85 million increase in demand deposits plus a J\$35.0 million increase in currency in circulation which more than offset a J\$143.6 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%

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
		Oct -'11	Mthly	12 Mth
Base Money	80,597.65		0.15	7.37

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Oct	12-Mth	YTD	Fiscal
2011	0.45	7.74	5.12	4.62
2010	0.74	11.19	9.04	4.73

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

Table 7: Mining Production

	000 tonnes			YTD	
	Oct-11	Oct-10	%	Oct-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)

decline for ‘Vegetables and Starchy Foods’. 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 in ‘Non-alcoholic Beverages’.

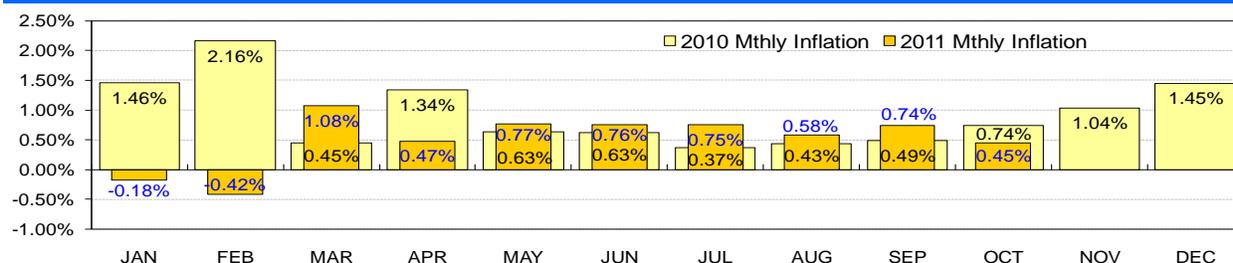
For the second consecutive month “**Transport**” was the only division within the CPI recording a decline (-0.9%) due to lower prices for petrol and air-fares. Three divisions - “**Communication**”, “**Education**” and “**Restaurants and Accommodation Services**” were flat on the month, while the other 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

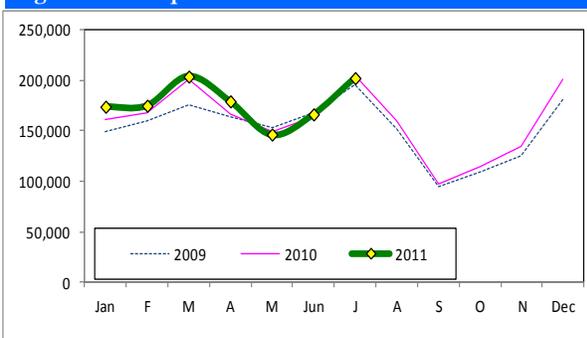
Production of alumina in October 2011 amounted to 168,605 tons compared to 146,783 tons in October 2010 - an increase of 14.87%. For its part, production of crude bauxite in October 2011 increased by 4.9% to 406,000 tons compared to 386,767 tons in October 2010.

Figure 3: Monthly Inflation Changes



Source: STATIN and PSQJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

During calendar year 2010, alumina production fell by -10.3% to 1.59 million tons and alumina exports by -16.4% to 1.56 million tons compared to the same period of 2009. But this was much lower than the -60% contraction in 2009 relative to 2008.

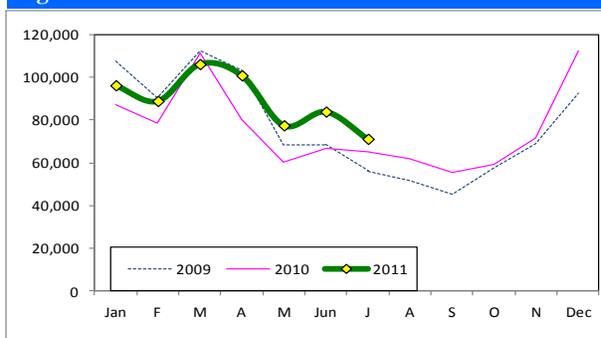
Reflecting the upturn in the industry, production of crude bauxite was up 35% to 4.32 million tons during 2010, compared to 3.2 million tons for 2009. Bauxite exports were also up by 34.6% to 4.3 million tons. For the ten months of 2011, alumina production is up by 28.3% to 1.64 million tons, while production of crude bauxite is up by 15.3% to 4.29 million tons.

Tourism

Stopover arrivals in July 2011 were 202,493—a decrease of 1.0% over the 204,526 recorded in July 2010. For the period - Jan-July 2011, stopovers increased by 2.7% to 1,248,369 compared to 1,215,395 arrivals in 2010. The number of cruise passengers also increased in July 2011 by 9.7% to 71,228 visitors compared to 64,904 in July 2010 which reflected the impact of the disturbance in Western Kingston two 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 2.4% in July 2011 to 144,855 compared to 148,366 in July 2010. Year to date (Jan-July 2011), stopovers from the United States are down by -1.5% to 790,459 visitors compared to 802,599 during Jan-July 2010. From the Canadian market, stopovers increased by 8.5% in July 2011 with 22,106 arrivals, compared to 20,370 in July 2010. Year

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Tourist Arrivals

	2010	2011	%Change	
	YTD (JUL)		YTD - YOY	MOM
Stopover	1,215,395	1,248,369	2.7%	21.6%
Foreign	1,130,132	1,161,104	2.7%	19.6%
Non-Resident	85,263	87,265	2.3%	43.7%
Cruise	549,134	625,334	13.9%	-15.2%
Total Arrivals	1,764,529	1,873,703	6.2%	9.3%

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

to date, stopovers from Canada are up 21.2% with 255,177 visitors compared to 210,474 visitors in Jan-July 2010. Visitors from Europe, including the UK, decreased by 9.0% in July 2011 to 24,469 compared to 26,877 arrivals in July 2010. Year to date, stopovers from Europe are down 4.9% to 148,569 compared to 156,269 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 seven months of 2011, stopovers from the Caribbean are up 20.1% to 38,942 visitors compared to 32,438 for the corresponding period of 2010. Stopovers from Latin America were also down 7.2% to 13,442 in 2010. But for the seven months of 2011, stopovers from Latin America are up by 12.3% to 8,474 visitors.

During calendar year 2010, cruise visitors to the Island decreased slightly – by 1.4% to 909,619 visitors. For the seven months of 2011 however, cruise arrivals are up by 13.9% to 625,333 visitors. Total Visitors to Jamaica for Jan-July 2011 were 1.87 million marking a 6.2% increase relative to the 1.76 million during Jan-July 2010.

External Trade

During January - June 2011, Jamaica's

exports increased by US\$170.9 million or 25.5% to US\$841.6 million, compared to US\$670.7 million in January - June 2010. Imports for their part, grew by US\$674.4 million or 27.3%, to US\$3.14 billion compared to US\$2.47 billion during January - June 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-June 2011 by $-US\$503.5$ million or 28.0% to $-US\$2.3$ billion compared to $-US\$1.8$ billion in January - June 2010.

Traditional Exports: For the first half (H1) of 2011, traditional domestic exports earned US\$452.8 million, an increase of US\$141.6 million or 45.5% over the US\$311.15 million recorded in Jan-June 2010. The share of traditional exports in total domestic exports also increased from 46.4% in Jan-June 2010 to 53.8% during Jan-June 2011.

The increase earnings from traditional exports largely resulted from strong recovery in bauxite/alumina exports, supported by strong performances from sugar and rum exports. Regarding the former, alumina exports were up by 72.9% or US\$123.6 million to US\$293.2 million compared to US\$169.6 million in Jan-June 2010; while bauxite exports

rose by 10.3% to US\$68.5 million. Earnings from sugar exports also increased significantly by 37.7% to US\$50.3 million and so did rum - up 9.7% to US\$26.3 million compared to US\$23.96 million in Jan-June 2010.

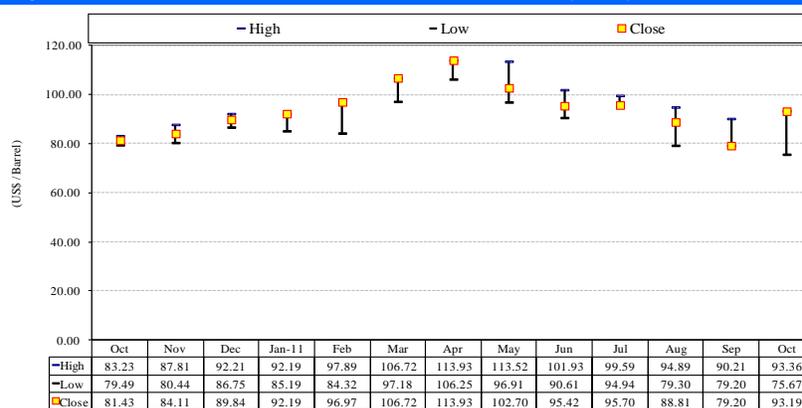
There were however, notable declines in some traditional agricultural exports and in particular coffee. Compared to earnings of US\$11.54 million in Jan-June 2010, earnings from Coffee exports fell by -12.5% to US\$10.09 million during the first half of 2011. The decline in earnings from Coffee reflects 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 notably during Jan-June 2011 by -40.0% to US\$4.49 million.

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-June 2011, earnings from non-traditional exports rebounded by 10.9% to US\$354.16 million relative to US\$319.25 million during the first half of 2010 but accounted for only 44.2% of exports.

Several groups of non-traditional exports contributed to the expansion in Jan-June 2011. In the category "Food", there was a 11.8% increase in earnings to US\$67.9 million compared to US\$60.7 million in Jan-June 2010. Among the main contributors to the increase in 'Food' earnings were: a 36.6% increase in 'Dairy Products & Birds Eggs' to US\$5.2 million; a 26% increase in 'Baked Products' to US\$5.9 million and a 35.5% increase in 'Meat and Meat Preparations to US\$1.71 million. Earnings from 'Malt Extract & Preparations thereof' were also up by 39.8% to US\$2.59 million while 'Yam' exports, which continues to be Jamaica's leading non-traditional export, were up by 10.5% to US\$9.93 million from US\$8.98 million in H1 2010.

There were however, notable decreases in earnings from some 'Food' categories in Jan-June 2011 relative to H1 2010. Earnings from 'Sweet Potatoes' fell by -34.65 to US\$1.2 million from

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-Jun '10	Jan-Jun '11	Change	% Change
TOTAL EXPORTS (fob)	670.70	841.57	170.88	25.5%
Major Traditional Exports	311.15	452.79	141.64	45.5%
by Sector:-				
Agriculture	15.31	12.66	-2.65	-17.3%
Mining & Quarrying	232.00	361.78	129.77	55.9%
Manufacturing	63.84	78.36	14.52	22.7%
by Industry:-				
Bauxite	62.08	68.46	6.39	10.3%
Alumina	169.59	293.21	123.61	72.9%
Sugar	36.51	50.26	13.75	37.7%
Rum	23.96	26.28	2.32	9.7%
Bananas	0.00	0.01	0.00	0.0%
Coffee	11.54	10.09	-1.45	-12.5%
Other	7.48	4.49	-2.99	-40.0%
Non-Traditional Exports	319.25	354.16	34.91	10.9%
Re-exports	40.30	34.63	-5.68	-14.1%
TOTAL IMPORTS	2,468.87	3,143.28	674.41	27.3%
Food	402.31	446.70	44.39	11.0%
Beverages & Tobacco	35.92	39.37	3.45	9.6%
Crude Materials (excl. Fuels)	31.33	36.02	4.69	15.0%
Mineral Fuels, etcetera	788.33	1,231.08	442.75	56.2%
Animal & Vegetable Oils & Fats	10.10	33.86	23.76	235.2%
Chemicals	286.51	377.89	91.38	31.9%
Manufactured Goods	272.63	318.63	46.00	16.9%
Machinery and Transport Equip.	367.93	430.65	62.73	17.0%
Misc. Manufactured Articles	234.03	208.10	-25.93	-11.1%
Other	39.80	20.98	-18.81	-47.3%
TRADE BALANCE	(1,798.17)	(2,301.71)	-503.54	28.0%

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

US\$1.9 million in H1 2011; 'Papaya' exports were down -28.4% to US\$1.08 million from US\$1.5 million; 'Ackee' exports were down 28.9% to US\$4.6 million from US\$5.09 million and 'Juices excl. Citrus' were down by -17.2% to US\$3.35 million from US\$4.04 million.

The three other categories of non-

traditional exports also recorded increases during Jan-April 2011. "Crude Materials" were up by 136.5% largely driven by a 196% increase in (the now outlawed) 'Waste and Scrap Metals' trade from US\$7.6 million in Jan-June 2010 to US\$22.5 million in H1 2011 and a 127% increase in 'Limestone' exports to US\$2.10 million from US\$924,000.

Exports of 'Other' crude materials however declined by -37.4% to US\$1.57 million from US\$2.5 million in H1 2011.

There was also a 23.5% increase in the category "**Beverages & Tobacco (excl. Rum)**" from US\$29.4 million to US\$36.3 million during Jan-June 2011. This mainly reflected a 23.5% increase in 'Alcoholic Beverages (excl. Rum)' to US\$30.5 million from US\$24.7 million and a 24.8% increase in 'Non-Alcoholic Beverages' from US\$4.7 million to US\$5.8 million.

"**Other**" non-traditional exports, generally, the largest category of non-traditional exports, increased modestly by 2.6% to US\$223.8 million from US\$218.04 million in H1 2010. This mainly reflected a significant 18.5% increase in 'Mineral Fuels etc' to US\$197.8 million from US\$166.8 million. This increase was nearly canceled by declines of -53.5% in 'Chemicals (incl. Ethanol)' from US\$38.4 million in Jan-June 2010 to US\$17.85 million in H1 2011; and a -67.8% reduction in exports of 'Manufactured Goods' to US\$2.68 million from US\$8.3 million in Jan-June 2011.

Imports. The 39.4% decline in Jamaica's imports observed in 2009 due to depressed domestic demand brought on by the global recession, appears to have abated in 2010 with the onset of the global recovery growing modestly by 2.7%. During the first six months of 2011, imports surged by 19.4% to US\$1.94 million relative to US\$1.63 million in Jan-April 2010.

Apart from imports of '**Miscellaneous. Manufactured Articles**' which declined by -23.0% to US\$125.8 million, all other categories of imports recorded increases during the Jan-June 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 40.0% to US\$1.99 billion from US\$1.43 billion in H1 2010. The greatest contributors to that increase were imports of 'Other Fuels and Lubricants' - up 91.6% to US\$825.5 million and 'Crude Oil' - up 13.4% to US\$405.14 million from US\$357.24 million in H1 2011. Imports of 'Food' for intermediate use surged by 22.2% to US\$143.9 million; while 'Industrial Supplies' grew by 22.4% to US\$475.09 million. 'Parts & Accessories of Capital Goods' grew by 12.0% to US\$149.9 million.

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

	Jan-Jun 2010	Jan-Jun 2011	\$ Change	% Change
Current Account	(261.6)	(805.4)	(543.8)	-207.9%
Goods Balance	(1,498.3)	1,953.3	3,451.6	230.4%
Exports	687.9	862.3	174.4	25.4%
Imports	2,186.1	2,815.6	629.5	28.8%
Services Balance	505.1	482.9	(22.2)	-4.4%
Transportation	(187.3)	(231.6)	(44.3)	-23.7%
Travel	988.1	1,017.4	29.3	3.0%
Other Services	(295.7)	(302.9)	(7.2)	-2.4%
Income	(247.4)	(345.4)	(98.0)	-39.6%
Compensation of empl	12.5	9.9	(2.6)	-20.8%
Investment Income	(259.9)	(355.3)	(95.4)	-36.7%
Current Transfers	979.0	1,010.4	31.4	3.2%
Official	87.8	70.7	(17.1)	-19.5%
Private	891.2	939.8	48.6	5.5%
Capital & Financial Account	261.6	805.4	543.8	207.9%
Capital Account	(10.1)	(11.5)	(1.4)	-13.9%
Capital Transfers	(10.1)	(11.5)	(1.4)	-13.9%
Official	4.0	2.7	(1.3)	-32.5%
Private	(14.2)	(14.2)	-	0.0%
Acq/disp.	-	-	-	0.0%
Financial Account	271.7	816.9	545.2	200.7%
Other Official Invst	530.8	125.6	(405.2)	-76.3%
Other Private Invst	(192.7)	787.0	979.7	508.4%
Reserves	(66.4)	(95.7)		

Source: BOJ & Statistical Update:

Possibly reflecting expansion or re-tooling by Jamaican firms, imports of '**Capital Goods (excl. Motor Cars)**', grew significantly by 25.1% to US\$258.6 million in Jan-June 2011. All categories of Capital Goods imports registered increases. 'Other Industrial Transport Equipment' was up 62.2% to US\$64.4 million compared to US\$39.7 million a year earlier; 'Machinery and Equipment' was up by 15.7% to US\$125.09 million from US\$108.1 million and 'Construction Materials' increased by 16.9% to US\$66.12 million from US\$56.6 million in Jan-June 2010.

Imports of **Consumer Goods (excl. Motor Cars)** also increased in Jan-June 2011, though more moderately by 5.7% to US\$831.21 million compared to US\$786.6 million in the first six months of 2010. Imports of 'Food (incl. Beverages)' were up 23.7% to US\$387.4 million, and 'Other Durable Goods (excl. Motor cars)' increased by 3.9% to US\$148.7 million, but 'Non-durable Goods' declined by -13.5% to US\$224.8 million. Imports of '**Passenger Motor Cars**' also increased by 13.2% to US\$53.9 million from US\$47.6 million in H1

2011.

Oil: At the end of October 2011, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$93.19 per 42 gallon barrel - an increase in price of US\$13.99 relative to the closing price of US\$79.20 the previous month. During October 2011 the price ranged between a high of US\$93.36 and a low of US\$75.67. (See Fig. 5)

Balance of Payments

During the first six months of 2011, Jamaica ran a **current account deficit** of US\$805.4 million, which represented a deterioration of US\$543.8 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\$1,953.3 million, a deterioration of US\$455.0 million when compared to the corresponding period in 2010. This resulted primarily from an increase in imports of US\$629.5 million, which was significantly influenced by an increase in mineral fuel imports of US\$442.8 million. The deterioration in the goods

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Sep (Fiscal—2011/12)				Apr-Sep (YOY)	
	J\$ million		Deviation		10/11 - 11/12	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	159,894.4	163,745.2	-3,850.8	-2.35	10,050.8	6.8
Tax Revenue	141,906.9	145,519.6	-3,612.7	-2.48	11,081.0	8.5
Non-Tax Revenue	10,465.3	10,844.8	-379.5	-3.50	-1,738.0	-15.8
Bauxite Levy	794.0	781.5	12.5	1.60	775.4	4146.5
Capital Revenue	4,724.9	4,732.9	-8.0	-0.17	2,478.1	144.2
Grants	2,003.3	1,866.3	137.0	7.34	-2,546.2	-56.0
Expenditure	201,135.9	201,218.7	-82.8	-0.04	10,565.6	5.5
Recurrent Expenditure	170,880.2	171,116.2	-236.0	-0.14	6,778.3	4.1
Programmes	41,126.2	41,244.3	-118.1	-0.29	4,947.4	13.7
Wages & Salaries	69,325.9	69,637.8	-311.9	-0.45	5,087.8	7.9
Interest	60,428.0	60,234.0	194.0	0.32	-3,256.5	-5.1
Domestic	39,712.8	39,729.3	-16.5	-0.04	-5,245.0	-11.7
External	20,715.2	20,504.7	210.5	1.03	1,988.4	10.6
Capital Expenditure	30,255.7	30,102.5	153.2	0.51	3,787.3	14.1
Capital Programmes	30,255.7	30,102.5	153.2	0.51	3,787.3	14.1
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-41,241.5	-37,473.5	-3,768.0	-10.06	-514.8	-1.2
Loan Receipts	82,310.6	84,912.4	-2,601.8	-3.06	-18,884.0	-17.5
Domestic	75,528.2	77,213.7	-1,685.5	-2.18	675.7	0.8
External	6,782.4	7,698.7	-916.3	-11.90	-19,559.6	-74.3
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	67,255.8	67,562.8	-307.0	-0.45	-769.1	-1.1
Domestic	21,555.9	21,740.8	-184.9	-0.85	-34,999.2	-61.9
External	45,699.9	45,822.0	-122.1	-0.27	34,229.9	298.4
Overall Balance (Surplus [+ve])	-26,186.7	-20,123.9	-6,062.8	-30.13	-18,629.5	-643.1
Primary Balance (Surplus [+ve])	19,186.5	22,760.5	-3,574.0	-15.70	-3,771.5	-18.1

Source: Ministry of Finance and Planning

sub-account was partially offset by a US\$174.5 million increase in exports, stemming mainly from an increase in alumina exports of US\$123.6million.

In relation to the **Services Balance**, there was a decline of US\$22.3 million in its surplus to US\$482.9 million. This resulted from an increase in estimated freight cost associated with imports. The **Income Sub-account** deteriorated by US\$98.0 million during the review period. This reduction primarily emanated from an increase in both official interest payments on external debt and profits remitted by foreign direct investment companies of US\$18.6 million and US\$68.7 million respectively.

During the review period, **Current Transfers** increased by US\$31.5 million to US\$1,010.4 million. The improvement resulted primarily from a US\$48.6 million increase in remittances to US\$938.9 million.

Flows from official and private sources were more than sufficient to finance the

current account deficit. Consequently, the NIR increased by US\$95.7 million during the period.

Fiscal Accounts

During the first six months of FY 2011/12 (Apr-Sep), the GOJ ran a fiscal deficit of -J\$37.5 billion. This deficit was J\$3.8 billion less than the -J\$41.2 billion budgeted and mainly resulted from the GOJ holding expenditures in line at J\$201.23 billion relative to the J\$201.16 billion budgeted despite a modest shortfall of J\$3.8 billion in Revenues and Grants to J\$159.9 billion. (Of special note, at the end of August 2011, the GOJ took the somewhat unusual step of taking the out-turn to date as a new starting base for FY2011/12. Ostensibly, this was done to incorporate the new estimates contained in the August 2011 Supplementary Estimates. Whatever the reason, the

effect has been to break the pattern and trends of some of the figures over the previous months, at least in the short-term).

REVENUE: Total Revenues & Grants to the GOJ during Apr-Sep 2011/12 was J\$159.9 billion as noted. This was -J\$3.9 billion or 2.4% below budget, but J\$10.1 billion higher than the J\$149.8 billion collected in Apr-Sep 2010. The main outperformers on the revenue accounts were 'Contractor's Levy' which came in J\$209.9 million above budget; 'Bauxite Levy' which was J\$12.5 million above budget and 'Other Individuals' taxes which were J\$10.0 million above budget. Among the main underperformers on the revenue accounts were: 'Other Companies' taxes which registered a shortfall of -J\$960 million; 'Tax on Interest' - down -J\$982.9 million; 'GCT (Local)' down - J\$574.6 million and 'Customs Duty'

- down J\$481.0 million. Notable shortfalls were also recorded by 'GCT (Imports)' which came in -J\$427.0 million below budget and 'SCT (imports)' - down -J\$379.5 million.

EXPENDITURE: As noted, total expenditure for the first half of fiscal year 2011/12, was J\$201.14 billion. This was J\$10.6 billion more than the out-turn for the corresponding period of FY2010/11, but slightly less (-J\$82.8 million or -0.04%) than the revised target set in August 2011. Among the heads showing notable deviations from the revised targets: Wages and Salaries amounting to J\$69.33 billion were under-spent by -J\$311.9 million and Recurrent Programmes by -J\$118.1 million. But debt service of J\$60.43 billion exceeded the new target by J\$194.0 million due entirely to a J\$210 million above budget expenditure on external interest payments amounting to J\$20.72 billion. Domestic interest payments for their part contracted slightly by -J\$16.5 million to J\$39.7 billion. Still, period over period, debt service in 2011/12 was J\$3.25 billion or -5.1% less than in 2010/11. Expenditure on 'Capital Programmes' were also slightly (J\$153 million) ahead of the revised target at J\$30.25 billion, but 14.1% or J\$3.79 billion higher than for the corresponding period of 2010/11.

FISCAL OUTTURN

During the first half of FY2011/12 (Apr-Sep 2011), the Budget recorded a fiscal deficit of J\$41.24 billion. This was J\$3.77 billion more than budgeted, and slightly worse (-1.2%) than the deficit for Apr-Sep 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 half - averaging J\$6.8 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 six months of FY2011/12, the primary surplus was J\$19.18 billion which was J\$3.57 billion or 15.7% less than J\$22.76 billion targeted.

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

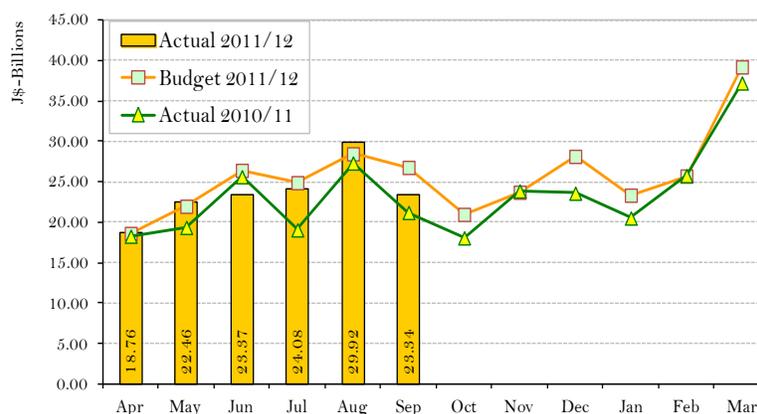
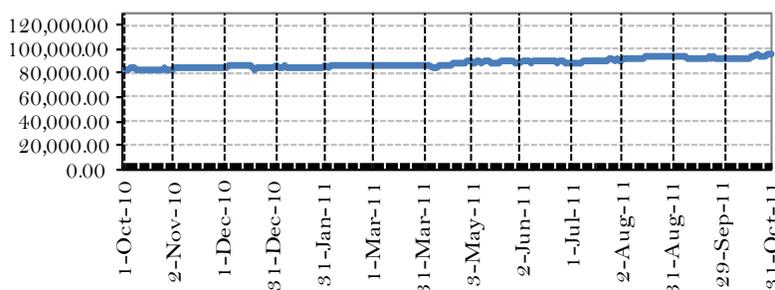


Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Sep 2011/12
Revenue (Revenue Surpluses)		
Contractor's Levy		209.9
Grants		137.0
Bauxite Levy		12.5
Other Individuals		10.0
Bauxite/alumina		0.0
Revenue (Revenue Shortfalls)		
Other Companies		-960.0
GCT (local)		-574.6
Customs Duty		-481.0
GCT (Imports)		-427.0
SCT (Imports)		-379.5
Expenditure (Changes)		
Capital Programmes	(over-spend)	153.2
External Interest	(over-spend)	210.5
Domestic Interest	(under-spend)	-16.5
Recurrent Programmes	(under-spend)	-118.1
Wages & Salaries	(under-spend)	-311.9

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSOJ

PUBLIC DEBT

At the end of August 2011 the total public debt stood at J\$1.606 trillion—an increase of J\$24.5 billion over the J\$1.58 trillion recorded at the end of July 2011.

The domestic debt is estimated at J\$868.3 billion or 54.0% of the total, while the external debt stood at J\$738.5 billion (US\$8.56 billion) or 46.0% of the total debt stock.

Stock Market

During October 2011, market capitalization increased by J\$22,874.9 billion or 3.8% to close at J\$619.1 billion. All five indices on the Jamaica Stock Exchange advanced. The main **JSE Market Index** advanced by **3,538.9** points or 3.8% to close at 95,270.7 points. The **JSE Select Index** advanced by 177.7 points or 6.6% to close at 2,890.7 points; and the **JSE All Jamaican Composite** advanced by 5,873.8 points or 6.11% to close at 101,997.9 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica also advanced by 0.12 points or 0.02% to close at 796.4 points; and the **JSE Junior** advanced - by 120.9 points or 19.78% to close at 731.84 points.

Market volume was moderate in October 2011 with 105.56 million units valued at J\$1.428 billion changing hands, compared to 187.8 million units valued at \$2.075 billion in September 2011.

Economic Highlights

(contd. from page 1.)

The decline in **Financial Services** was due to a reduction in net interest income, fees and commissions; while **Hotels** experienced a 0.4% decrease in stopovers compounded by a 0.5% decrease in tourists expenditure. The **Wholesale & Retail** trade experienced modest growth of 0.3% driven largely by spending in construction and agriculture helped by a 9.1% increase in remittance inflows. **Real Estate, Renting and Business Services** - up 0.6% - showed moderate buoyancy reflecting the underlying expansion in residential construction.

Though Standard & Poor downgraded the outlook for Jamaica in October 2011 from 'stable' to 'negative', and the **Doing Business and Global Competitiveness Report** recorded further deterioration in the island's competitive position, the PIOJ outlook for the Jamaican economy in Q4 2011 is mixed. The PIOJ believes that election spending and second tranche salary payments to public sector workers could boost aggregate demand in Q4 2011. But slower growth in the economies of our main trading partners will likely weaken demand for Jamaica's exports, though cooling commodity

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

	31- Dec '10	29- Oct '11	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
JMMB	4.00	10.99	6.99	175%
Pegasus Hotel	12.01	22.49	12.48	87.3%
Barita Investments	1.99	3.66	1.67	53.9%
Berger Paints (Ja.)	2.01	3.45	1.44	71.6%
Ciboney Group	0.03	0.05	0.02	66.7%
Bottom Five (unadjusted for dividends or transact. Costs)				
Trinidad Cement Ltd.	53.00	18.31	(23.00)	-62.3%
First Caribbean Bank	13.19	6.50	(6.69)	-50.7%
Cable & Wireless (Ja.)	0.33	0.18	(0.15)	-45.6%
Salada Foods Jamaica	13.00	9.00	(4.00)	-30.8%
Caribbean Cement Co.	3.07	2.26	(0.81)	-26.4%

Source: Compiled from the JSE

Overall market activity resulted from trading in 52 stocks of which 38 advanced, 8 declined and 6 traded firm. Pegasus Hotels was the market leader with 37.04 million units or 25.4% of market volume, followed by General Accident Insurance Co. (Ja.) Ltd. with 24.6 million units or 16.8% of market volume; while Cable & Wireless

(Jamaica) was third with 8.5% or 12.4 million units changing hands. The leading advancers year to date are: Jamaica Money Market Brokers (JMMB), Pegasus Hotels, Barita Investments, Berger Paints, and the Ciboney Group. The leading decliners are Trinidad Cement Ltd., First Caribbean Bank, and Cable & Wireless.

prices will constrain domestic inflation and the import bill.

Global Picture –Euro-zone Troubles continue to roil Markets

The European sovereign debt crisis appears to be worsening rather than stabilizing despite the many efforts by European Union leaders and the European Central Bank to deal with the issue.

The country in the immediate cross-hairs of the 'bond vigilantes' - investors who by demanding higher returns force Governments and corporations to cut deficits and pursue more prudent policies - is Italy - the third largest economy in Europe. From mid-October 2011 to November 2011, Italy's borrowing costs have doubled on certain instruments. Italy paid 7.48% in November on 2-year bonds compared to 4.6% in October and 6.5% on 6-month bonds compared to 3.5% in October 2011.

But Italy is not the only European country feeling the pressure. Over the past few weeks:

- Yields on Spain's 3-month bonds doubled from 2.3% to 5.02%
- Greece's 3-year bond yields approached 172%.
- France was warned by Moody's of a loss of its prized AAA rating.

- Portugal's credit rating followed by Hungary's was downgraded to junk.
- Bids on Germany's bunds covered only 70% of the offer at a November 2011 auction as investors shy away from even these previous benchmarks of stability.

Some of the global third quarter data are not as weak as the nervousness over the Euro-zone sovereign debt crisis indicate. Both Britain and Germany recorded Q3 GDP growth of 0.5%; and Japan's GDP expanded by 1.5% in Q3 2011. And while US GDP growth of 2.0% was lower than the 2.5% expected, US Retail Sales of 0.7% was better than the 0.2% expected; so was Existing Home Sales; and for four weeks in a row, New jobless Claims came in below 400,000 suggesting that the US labour market was achieving some tenuous stability. Nonetheless global equity markets have continued to fall and the OECD has lowered its 2012 forecasts for US and Eurozone growth to 1.8% and 0.3% respectively.

Many analysts believe that only an unlimited undertaking by the ECB to purchase European Sovereign bonds will reassure markets. But this move is stoutly resisted by Germany on moral hazard grounds and that it amounts to inflationary money printing.

INFLATION (OCT - 2011) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.45%	0.455		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.67%	0.249	2	
Food	0.66%			
Bread and Cereals	0.42%			
Meat	1.37%			
Fish and Seafood	0.71%			
Milk, Cheese and eggs	0.47%			
Oils and Fats	0.18%			
Fruit	0.90%			
Vegetables and Starchy Foods	-0.88%			
Vegetables	0.75%			
Starchy Foods	-4.80%			
Sugar, Jam, Honey, Chocolate and Confectionery	5.78%			
Food Products n.e.c.	0.61%			
Non-Alcoholic Beverages	0.87%			
Coffee, tea and Cocoa	2.12%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.41%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.09%	0.001	8	
CLOTHING AND FOOTWEAR	28.07%	0.935	1	
Clothing	0.56%			
Footwear	0.22%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	1.60%	0.204	3	
Rentals for Housing	3.17%			
Maint and Repair of Dwelling	0.30%			
Water Supply and Misc. Serv Related to the Dwelling	1.95%			
Electricity, Gas and Other Fuels and Routine	0.87%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.30%	0.015	5	
Furniture and Furnishings (including Floor Coverings)	0.44%			
Household Textiles	0.32%			
Household Appliances	0.48%			
Glassware, Tableware and Household Utensils	0.47%			
Tools and Equipment for House and Garden	0.26%			
Goods and Serv. for Routine Household Maint	0.18%			
HEALTH	0.00%	0.000	9	
Medical Products, Appliances and Equipment	0.00%			
Health Services	0.08%			
TRANSPORT	-0.98%	-0.126	12	
COMMUNICATION	0.00%	0.000	9	
RECREATION AND CULTURE	0.20%	0.007	6	
EDUCATION	0.00%	0.000	9	
RESTAURANTS AND ACCOMMODATION SERVICES	0.07%	0.004	7	
MISCELLANEOUS GOODS AND SERVICES	0.30%	0.025	4	

INFLATION YTD (JAN- OCT 2011) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	5.12%	5.116		
FOOD AND NON-ALCOHOLIC BEVERAGES	4.24%	1.589	1	
Food	3.99%			
Bread and Cereals	7.80%			
Meat	8.06%			
Fish and Seafood	6.67%			
Milk, Cheese and eggs	8.35%			
Oils and Fats	5.84%			
Fruit	13.15%			
Vegetables and Starchy Foods	-9.82%			
Vegetables	-13.59%			
Starchy Foods	1.39%			
Sugar, Jam, Honey, Chocolate and Confectionery	16.14%			
Food Products n.e.c.	5.41%			
Non-Alcoholic Beverages	8.07%			
Coffee, tea and Cocoa	15.03%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	5.50%			
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-SEP 2011)

REV. & EXPEN. (APR-AUG '11)	J\$m	PROVISIONAL RESULTS	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	159,894.4		-3,850.8		10,050.80	
Tax Revenue	141,906.9		-3,612.7		11,081.00	
Non-Tax Revenue	10,465.3		-379.5		-1,738.00	
Bauxite Levy	794.0		12.5		775.40	
Capital Revenue	4,724.9		-8.0		2,478.10	
Grants	2,003.3		137.0		-2,546.20	
Expenditure	201,135.9		-82.8		10,565.60	
Recurrent Expenditure	170,880.2		-236.0		6,778.30	
Programmes	41,126.2		-118.1		4,947.40	
Wages & Salaries	69,325.9		-311.9		5,087.80	
Interest	60,428.0		194.0		-3,256.50	
Domestic	39,712.8		-16.5		-5,245.00	
External	20,715.2		210.5		1,988.40	
Capital Expenditure	30,255.7		153.2		3,787.30	
Capital Programmes	30,255.7		153.2		3,787.30	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-41,241.5		-3,768.0		-514.80	
Loan Receipts	82,310.6		-2,601.8		-18,884.00	
Domestic	75,528.2		-1,685.5		675.70	
External	6,782.4		-916.3		-19,559.60	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	67,255.8		-307.0		-769.10	
Domestic	21,555.9		-184.9		-34,999.20	
External	45,699.9		-122.1		34,229.90	
Overall Balance (Surplus [+ve])	-26,186.7		-6,062.8		-18,629.50	
Primary Balance (Surplus [+ve])	19,186.5		-3,574.0		-3,771.50	

REV. & EXPEN. (APR-AUG '11)	J\$m	PROVISIONAL RESULTS	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	159,894.4		-3,850.8		32,762.8	
Tax Revenue	141,906.9		-3,612.7		32,285.39	
Income and profits	47,895.4		-1,596.8		9216.5	
Bauxite/alumina	0.0		0.0		-866.3	
Other companies	11,148.5		-960.0		4209.9	
PAYE	29,876.0		-279.6		9346.1	
Tax on dividend	493.6		-60.3		4.7	
Other individuals	1,173.8		10.0		156	
Tax on interest	5,203.4		-306.9		-3633.9	
Environmental Levy	1,144.8		-35.0		320.3	
Production and consumption	42,971.7		-539.5		9710.7	
SCT	3,934.1		-85.0		-119.8	
Motor vehicle licenses	864.9		-8.2		151.8	
Other Licenses	196.4		-6.2		87.8	
Betting, gaming and lotter	752.2		-3.1		114.2	
Education Tax	7,516.6		-20.8		2334.5	
Contractors levy	596.7		209.9		217.9	
GCT (Local)	24,730.8		-574.6		4896.2	
Stamp Duty (Local)	4,379.9		-51.7		2027.4	
International Trade	49,895.1		-1,441.3		13038.3	
Custom Duty	10,309.4		-481.0		2429	
Stamp Duty	704.2		-14.8		193.7	
Travel Tax	3,429.0		-135.6		1663.4	
GCT (Imports)	20,870.3		-383.2		5751.7	
SCT (Imports)	14,582.0		-427.0		3000.2	
Non-Tax Revenue	10,465.3		-379.5		-682.4	
Bauxite Levy	794.0		12.5		775.9	
Capital Revenue	4,724.9		-8.0		2497.3	
Grants	2,003.3		137.0		-2113.8	

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 '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	n/a	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	n/a	0.74	4.1	n/a	86.30	6.56	18.54	2.27	n/a	n/a
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

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—Kingston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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