



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Political Winds Blowing in Economic Uncertainty

Jamaica Labour Party (JLP) officials and delegates recently nominated Hon. Andrew Holness to replace Hon. Bruce Golding as Party Leader and Prime Minister of Jamaica. Though elections are not constitutionally due in Jamaica until December 2012, it is almost a foregone conclusion, that to capitalize on a favourable bump up in the public opinion polls, the governing JLP might call early elections before the end of 2011 or in early 2012.

Though few expect any sharp breaks in fundamental policy whatever the electoral outcome, or any major departure from the current medium-term economic framework agreed with the International Monetary Fund, the prospects of elections is causing (at least) a moderate increase in uncertainty. And while neither of the two

major parties have yet released manifestos with details of their policies and programs, it may be helpful to review some of the current public statements and policy documents of the parties to try to obtain some insights into their future plans and emphasis.

The JLP Government has emphasized stabilizing the macro-economy over the past four years as a necessary precondition for promoting investment, economic growth and job creation. The Government has achieved some measure of success in fiscal consolidation as regards lower interest rates, falling inflation and stable exchange rates. In his inaugural address, Prime Minister Holness laid great stress on maintaining fiscal discipline and underscored that reducing the national debt and the levels of public borrowing would remain key strategic priorities of his administration.

The PM noted that the “first strategy in borrowing less was getting more revenues...by increasing the efficiency and simplicity of our tax administration and waiver systems”. Another strategy in borrowing less, the PM continued, “is managing our expenditure”, adding that “public sector wages is a large and growing part of public expenditure”.

These broad hints indicate that tax reform and public sector reform will remain high priorities in a JLP Administration. Other key areas emphasized in the PM's address were: increasing the productivity of the labour force through education and training; reducing the high cost of energy; more aggressive investment promotion and “greater utilization of public-private partnerships for certain viable investment projects in which the Government cannot be financially involved in upfront capital” in light of current fiscal constraints.

This last, seems to imply that many of the big projects that were part of the

JLP's 2006 Manifesto, such as: expansion of the Port of Kingston on the North side of Marcus Garvey Drive; the establishment of an air transshipment hub at Vernamfield and a large Freeport facility on the Fort Augusta peninsula; and the construction of a modern Dry-dock facility at Salt River - are possibly still in the contemplation of the JLP and could be reiterated in their next Manifesto, and that they may try to implement these if they were returned to power.

The People's National Party (PNP) though supportive of the broad objectives of the IMF Program, has often said the JLP Government should renegotiate the Agreement because the timeframe and the targets are too tight and too pro-cyclical resulting in severe demand depression in the Jamaican economy. But if the PNP accepts the IMF Program, it is questionable whether they would be allowed much greater flexibility on these matters than the current JLP Administration.

Again, both in its “Progressive Agenda” and the recently announced Jamaica Emergency Employment Program (JEEP), which is a repackaging of parts of the former, the PNP seems to have a yen for more expansionist policies than are currently being pursued. Under both statements it has highlighted six areas that it would emphasize in a new PNP Administration. These are: agro-processing; cultural and creative industries - including sports; micro and small business development; manufacturing; community transformation projects and information technology. The PNP says it would offer tax incentives for SME's that create jobs regardless of the sectors of the economy; and that it would give 5-year tax holidays to all start-ups to encourage entrepreneurship. Information technology would come in for special support under a new PNP Administration. **(Con'td 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



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Net International Reserves (NIR)

During September 2011, Net International Reserves decreased by further US\$45.75 million to US\$2,080 million compared to US\$2,126 million at the end of August 2011. Year to date, the NIR has declined by US\$90.84 million. This 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 27.51 weeks of “goods” imports or 20.44 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 September 2011, there was a 18 cents or 0.21% depreciation of the J\$ dollar to J\$86.30 from J\$86.12 in August 2011. This resumes three months of depreciation of the J\$ relative to the USD prior to the slight 3 cents rise in August 2011. In July 2011, the J\$ had depreciated by 24 cents, then by 15 cents in June 2011 and 5 cents in May 2011. Year to date, the J\$ is down 44

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Sep-11	2,080.57	-45.75	106.87	-90.84	27.51
Sep-10	1973.7	16.77	40.46	244.35	29.55

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

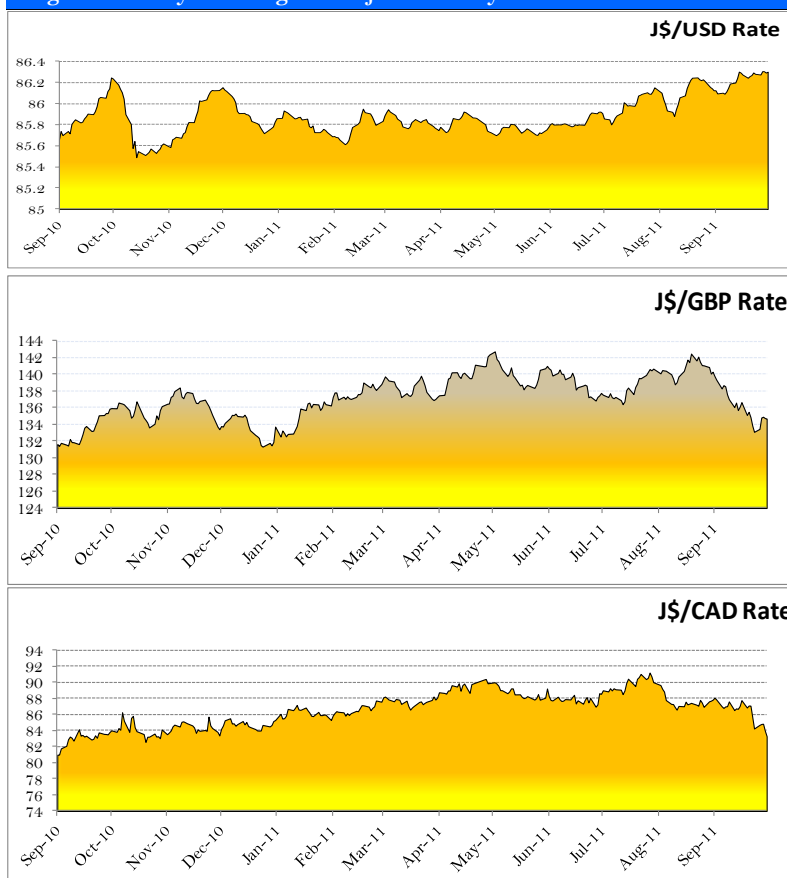
	US\$000 Aug '11	Change (US\$000)		% Change	
		mtly	12 mth	mtly	12 mth
Commercial Banks	1,664,618	-7,101	-27,883	-0.43	-1.65
Building Societies.	545,512	441	32,594	0.08	6.35
Merchant Banks	45,308	-1,711	-38,679	-3.78	-46.05
Total Deposits	2,255,438	-8,371	-33,968	-0.37	-1.48

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2010—09/30/11) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2011	0.44	0.51	0.96	0.72	-2.03	-2.37
2010	-3.35	-3.74	-7.68	-5.35	-0.73	-0.86
2009	8.53	10.60	27.92	23.90	15.31	23.36
	Sep - 2011					
Actual Rate	86.30	0.21	134.69	-3.99	83.31	-5.20
Mth Change	0.18	0.21	-5.60	-3.99	-4.57	-5.20

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

cents or 0.51% against the USD, which is in marked contrast to its appreciation of J\$3.35 during the same period last year following the successful implementation of the Jamaica Debt Exchange. Nonetheless, the J\$ is still range trading within a narrow J\$1.25 band between J\$85.25 and J\$86.50 per US dollar established since June 2010. It is been pressured however by concerns about the implications of the IMF's delayed assessment of Jamaica's performance under the last three quarterly tests and could break out of range soon.

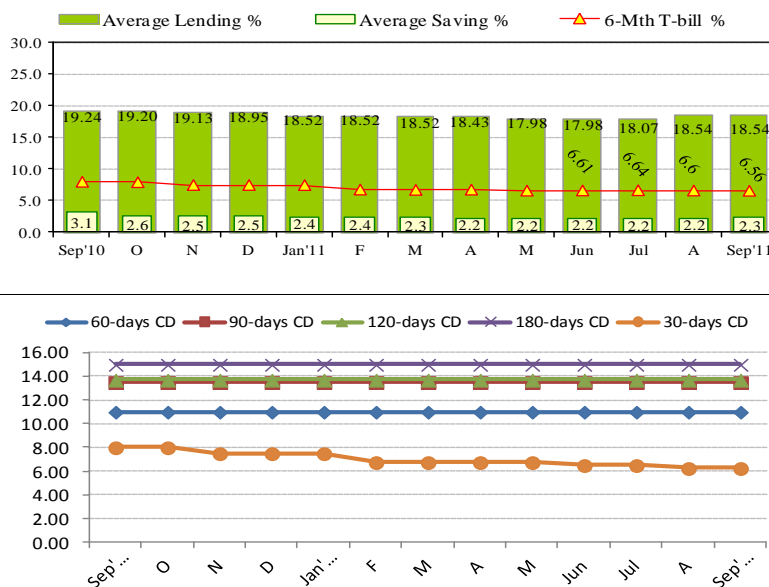
POUND & CANADIAN DOLLAR: During September 2011, the J\$ appreciated notably by -\$5.60 or 3.99% against GBP to J\$134.69 compared to J\$140.30 at the end of August 2011. Against the CAD, the J\$ also appreciated significantly in September 2011 - by J\$4.57 or 5.20% to sell for J\$83.31 compared to J\$87.88 in August 2011. The sharp appreciation of the J\$ against GBP and CAD in September 2011 greatly mirrors the decline of these currencies against the USD on risk aversion plays on international exchanges due to European sovereign debt concerns. Year to date, GBP is still up 96 cents or 0.72% against the Jamaican dollar, but the J\$ is up J\$2.03 or 2.37% on the CAD largely as result of September 2011 rise.

Interest Rates

In September 2011, Jamaica's interest rates appeared to continue their consolidation of recent months with only slight movements on two rates. Average saving rates inched up by 3 bps to 2.27% after holding steady at 2.24% for 5 months from April 2011. The other interest rate movement occurred on the 6-Month Treasury Bill which declined by 4 bps to 6.56%. There were no other interest rate movements in September 2011, though to recall, the Bank of Jamaica lowered the rate on its' 30-day CD in August 2011 by 25 bps to 6.25%.

After being the stalking horse for rate reductions in FY 2009/2010 with dramatic declines of 9.32% or 932 bps, the 6-month T-Bill has been struggling to achieve further reductions in recent

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Sep -11	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.25%	0.00%	-1.75%	-1.25%
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	2.27%	0.03%	-0.85%	-0.23%
Avg Loan Rate	18.54%	0.00%	-0.70%	-0.41%
6-Month T-Bill	6.56%	-0.04%	-1.43%	-0.92%

Source: Bank of Jamaica (BOJ Preliminary)

months slightly reversing direction in two of the last 9 months. Year to date, the 6-month T-bill is down - 92 bps.

The rate of most concern to many Jamaicans is the average lending rate (ALR). 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.

Year to date the ALR is down 92 bps; the BOJ 30-day CD is down

125 bps; and the average saving rate is down 23 bps. This suggest that despite the slowdown in the rate of decline in recent months the trajectory of Jamaica's interest rates remains on the downside.

Base Money & Money Supply

During the June 2011 quarter, broad Jamaica Dollar money supply (M3J), increased by 3.1 per cent, compared to an expansion of 3.9% for the June 2010 quarter. The expansion in the review quarter was also at a slower



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rate than the average growth of 3.5% recorded for the last five June quarters. The measure of money supply that includes foreign currency deposits (M3*) increased by 2.7% relative to a reduction of 2.0% in the corresponding quarter of 2010. Within M3*, foreign currency deposits grew by 1.5%, in contrast to a decline of 2.7% for the June 2010 quarter. As at end-June 2011, the ratio of foreign currency deposits to total deposits was 27.6% compared to 29.9% at end-June 2010.

During September 2011 the monetary base contracted by -J\$1,727.8 million or 2.10%. This largely resulted from a decrease in currency issue of -J\$2.04 billion and current account deposits of J\$370.2 million which exceeded a J\$682.4 million increase in commercial banks statutory reserves.

Inflation

The rate of inflation increased by 0.74% in September 2011 which is well above the 0.5% average for 2011. Within the Consumer Price Index (CPI), the division recording the highest increase (8.0%) was “**Education**”. This was due to a rise in tuition fees at the beginning of the school year.

The division recording the second highest increase (1.5%) for the month was “**Housing, Water, Electricity, Gas and Other Fuels**”. This was largely due to a 2.1% rise in the group ‘Electricity, Gas, and other Fuels’.

The third largest increase (1.3%) occurred for the division “**Clothing and Footwear**” reflecting 1.3% and 1.2% rises for the groups ‘Clothing’ and ‘Footwear’ respectively.

The most heavily weighted division within the CPI - “**Food and Non-Alcoholic Beverages**” rose by 0.9% representing a decline of 0.4% compared to 1.3% recorded during August 2011. The most significant contributors to that rise occurred in the classes- ‘Sugar,

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Jul -11	Mthly	12 Mth
M1	111,100.43	0.01	6.85
Quasi Money	226,918.08	-1.58	-0.91
M2	338,018.51	-1.06	1.51
	Sep -'11	Mthly	12 Mth
Base Money	80,479.41	-2.10	8.42

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Sep	12-Mth	YTD	Fiscal
2011	0.74	8.05	4.64	4.14
2010	0.49	11.28	8.24	3.96

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

Table 7: Mining Production

	000 tonnes			YTD	
	Sep-11	Sep-10	%	Sep-11	10/11 %
Production					
Alumina	161.1	164.0	-1.80	1,469.6	30.1
C. Bauxite	446.3	307.3	45.2	3,883.5	16.5
Export					
Alumina	179.2	123.9	44.6	1,476.8	42.6
C. Bauxite	450.9	316.2	42.6	3,872.2	16.9

Source: Jamaica Bauxite Institute (JBI)

Jam, Honey, Chocolate and Confectionery’ which rose by 3.2%; ‘Vegetables and Starchy Foods’ rose by 1.8%; while ‘Fruits’ and ‘Oil and Fats’ rose by 1.0% and 0.8% respectively.

All eight other divisions within the CPI rose by less than 0.4% with “**Transport**” being the only division recording a decline (-0.5%) for the month. This was due to lower prices for petrol and air-fares.

The rate of inflation, year to date (Jan - Sep 2011) was 4.6%, which was 3.6 percentage points lower than the 8.2% recorded for the corresponding period of 2010. The point to point

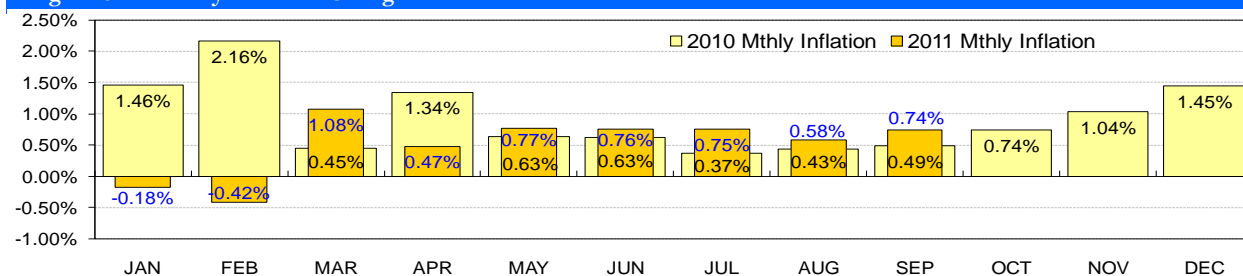
rate was 8.1%, while for the fiscal year to date, the rate of inflation is 4.1%.

Bauxite & Alumina

Production of alumina in September 2011 amounted to 161,074 tons compared to 164,025 tons in September 2010 - a decrease of -1.80%. For its part, production of crude bauxite in September 2011 increased by 45.2% to 446,297 tons compared to 307,292 tons in September 2010.

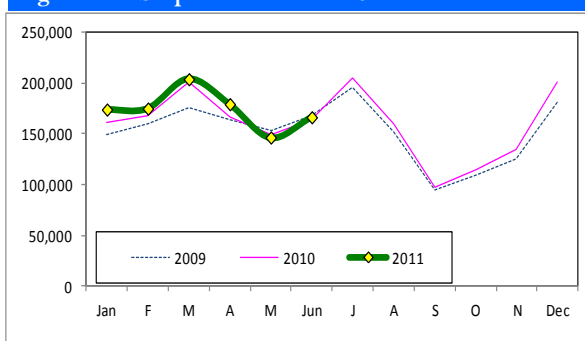
During calendar year 2010, alumina production fell by -10.3% to 1.59 million tons and alumina exports by -16.4% to 1.56 million tons compared

Figure 3: Monthly Inflation Changes



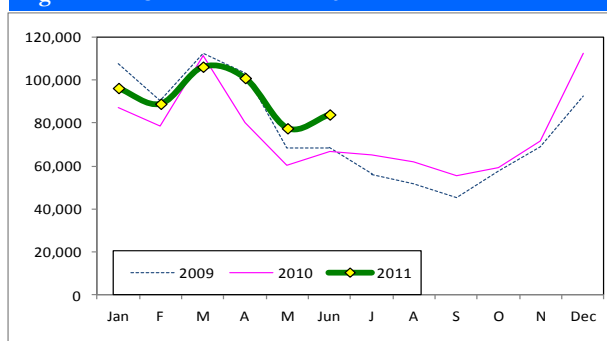
Source: STATIN and PSJO compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

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 eight months of 2011, alumina production is up by 30.1% to 1.469.6 million tons, while production of crude bauxite is up by 16.5% to 3.88 million tons.

Tourism

Stopover arrivals in June 2011 were 166,545—an increase of 1.4% over the 164,205 recorded in June 2010. For the first half - Jan-June 2011, stopovers increased by 3.5% to 1,045,876 compared to 1,010,869 arrivals in 2010. The number of cruise passengers also increased in June 2011 by 26.3% to 83,997 visitors compared to 66,517 in June 2010 which reflected the impact of the disturbance in Western Kingston a month earlier. During calendar year 2010, stopovers increased by 4.9% to 1,921,678 compared to 1,831,097 in 2009, but 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 marginally by 0.4% in June 2011 to 122,338 compared to 122,793 in June 2010. Year to date (Jan-June 2011), stopovers from the United States are down slightly by -1.3% to 645,604 visitors compared to 654,233 during Jan-June 2010. From the Canadian market, stopovers increased significantly by 21.2% in June 2011 with 15,551 arrivals, compared to 12,829 in June 2010. Year to date, stopovers from Canada are up 22.6% with 233,071 visitors compared to 190,104 visitors in Jan-June 2010. Visitors from Europe, including the UK,

Tourist Arrivals

	2010	2011	%Change	
	YTD (JUN)		YTD - YOY	MOM
Stopover	1,010,869	1,045,876	3.5%	13.6%
Foreign	945,044	978,053	3.5%	11.7%
Non-Resident	65,825	67,823	3.0%	41.3%
Cruise	484,230	554,106	14.4%	8.3%
Total Arrivals	1,495,099	1,599,982	7.0%	11.8%

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

decreased by 6.0% in June 2011 to 20,875 compared to 22,209 arrivals in June 2010. Year to date, stopovers from Europe are down 4.1% to 124,100 compared to 129,392 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 first six months of 2011, stopovers from the Caribbean are up 19.7% to 30,751 visitors compared to 25,680 for the corresponding period of 2010. Stopovers from Latin America were also down 7.2% to 13,442 in 2010. But for the first six months of 2011, stopovers from Latin America are up by 7.1% to 6,673 visitors.

During calendar year 2010, cruise visitors to the Island decreased slightly – by 1.4% to 909,619 visitors. For the first half of 2011 however, cruise arrivals are up by 14.4% to 554,106 visitors. Total Visitors to Jamaica for Jan-June 2011 were 1.60 million marking a 7% increase relative to the 1.495 million during Jan-June 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-Jun 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.

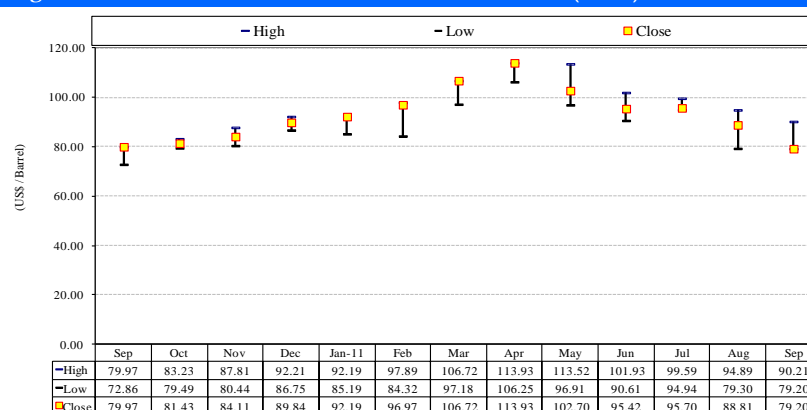
There were however, notable declines in some traditional agricultural exports and in particular coffee. Compared to earnings of US\$11.54 million in Jan-June 2010, earnings from Coffee exports fell by -12.5% to US\$10.09 million during the first half of 2011. The decline in earnings from Coffee reflects 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 -34.6% to US\$1.2 million from 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

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%
<i>by Sector:-</i>				
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%
<i>by Industry:-</i>				
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)

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.

Possibly reflecting expansion or retooling by Jamaican firms, imports of ‘**Capital Goods (excl. Motor Cars)**’, grew significantly by 25.1% to

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

	Jan-May 2010	Jan-May 2011	\$ Change	% Change
Current Account	(163.6)	(509.3)	(345.7)	-211.3%
Goods Balance	(1,213.2)	(1,510.9)	(297.7)	-24.5%
Exports	569.6	725.7	156.1	27.4%
Imports	1,782.8	2,236.6	453.8	25.5%
Services Balance	441.1	426.4	(14.7)	-3.3%
Transportation	(142.9)	(181.2)	(38.3)	-26.8%
Travel	831.8	860.8	29.0	3.5%
Other Services	(247.9)	(253.3)	(5.4)	-2.2%
Income	(180.9)	(262.9)	(82.0)	-45.3%
Compensation of empl	7.5	5.4	(2.1)	-28.0%
Investment Income	(188.5)	(268.3)	(79.8)	-42.3%
Current Transfers	789.5	838.1	48.6	6.2%
Official	47.5	56.5	9.0	18.9%
Private	742.0	781.5	39.5	5.3%
Capital & Financial Account	163.6	509.3	345.7	211.3%
Capital Account	(7.9)	(9.2)	(1.3)	-16.5%
Capital Transfers	(7.9)	(9.2)	(1.3)	-16.5%
Official	4.0	2.7	(1.3)	-32.5%
Private	(11.9)	(11.9)	-	0.0%
Acq/disp.	-	-	-	0.0%
Financial Account	171.5	518.6	347.1	202.4%
Other Official Invst	542.6	72.9	(469.7)	-86.6%
Other Private Invst	(424.9)	608.7	1,033.6	243.3%
Reserves	53.8	(163.0)		

Source: BOJ & Statistical Update:

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 September 2011, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$79.20

per 42 gallon barrel - a decrease in price of US\$9.61 compared to the closing price of US\$88.81 the previous month. During September 2011 the price ranged between a high of US\$90.21 and the low of US\$79.20 where it closed. (See Fig. 5)

Balance of Payments

For the first five months -Jan-May 2011, there was a **current account deficit** of US\$509.3 million, which represented a deterioration of US\$345.7 million relative to the corresponding period in 2010. The deterioration in the current account resulted primarily from the goods sub-account.

During the period, the **Goods Balance** recorded a deficit of US\$1,510.9 million, a deterioration of US\$297.6 million when compared to the corresponding period in 2010. This resulted primarily from an increase in imports of US\$453.8 million, which was significantly influenced by an increase in mineral fuel imports of US\$262.6 million. The deterioration in the Goods sub-account was partially offset by a US\$156.2 million increase in exports,

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Aug (Fiscal—2011/12)				Apr-Aug (YOY)	
	J\$ million		Deviation		10/11 - 11/12	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	134,378.5	136,253.1	-1,874.6	-1.38	7,781.1	6.2
Tax Revenue	118,563.7	120,348.9	-1,785.2	-1.48	8,942.2	8.2
Non-Tax Revenue	9,452.3	7,243.7	2,208.6	30.49	-1,695.4	-17.0
Bauxite Levy	650.9	764.5	-113.6	-14.86	632.8	3476.9
Capital Revenue	4,087.0	4,447.1	-360.1	-8.10	2,393.7	140.9
Grants	1,624.6	3,448.9	-1,824.3	-52.90	-2,492.5	-60.5
Expenditure	172,006.2	188,144.6	-16,138.4	-8.58	5,766.9	3.5
Recurrent Expenditure	148,432.9	156,950.1	-8,517.2	-5.43	4,273.3	3.0
Programmes	33,702.2	35,943.3	-2,241.1	-6.24	3,280.1	10.8
Wages & Salaries	57,262.5	57,924.2	-661.7	-1.14	4,023.2	7.6
Interest	57,468.1	63,082.5	-5,614.4	-8.90	-3,029.6	-5.0
Domestic	39,209.8	43,512.3	-4,302.5	-9.89	-4,858.6	-11.0
External	18,258.3	19,570.2	-1,311.9	-6.70	1,828.9	11.1
Capital Expenditure	23,573.4	31,194.6	-7,621.2	-24.43	1,493.6	6.6
Capital Programmes	23,573.4	31,194.6	-7,621.2	-24.43	1,493.6	6.6
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-37,627.8	-51,891.5	14,263.7	27.49	46,977.9	113.9
Loan Receipts	77,563.6	43,462.0	34,101.6	78.46	-19,832.5	-19.0
Domestic	74,035.8	39,948.4	34,087.4	85.33	2,811.7	3.6
External	3,527.7	3,513.6	14.1	0.40	-22,644.1	-86.5
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	62,795.5	61,537.5	1,258.0	2.04	-1,877.8	-2.9
Domestic	19,373.2	18,143.9	1,229.3	6.78	-36,233.6	-65.2
External	43,422.3	43,393.5	28.8	0.07	34,355.6	378.9
Overall Balance (Surplus [+ve])	-22,859.7	-69,967.0	47,107.3	67.33	-15,940.3	-924.2
Primary Balance (Surplus [+ve])	19,840.3	15,549.0	4,291.3	27.60	-1,015.5	-5.3

Source: Ministry of Finance and Planning

stemming mainly from an increase in alumina exports of US\$105.6 million.

In relation to the **Services Balance**, there was a decline of US\$14.7 million in its surplus position. This resulted from an increase in estimated freight cost associated with imports. The **Income Sub-account** deteriorated by US\$81.9 million during the review period. This deterioration emanated primarily from an increase in profits remitted by foreign companies.

During the review period, **Current Transfers** increased by US\$48.5 million to US\$838.1 million. The improvement resulted primarily from an increase in remittances of US\$39.5 million.

Flows from official and private sources were more than sufficient to finance the current account deficit. Consequently, the NIR increased by US\$163.0 million during Jan– May 2011, but as noted, as since reversed directions.

Fiscal Accounts

During the first five months of FY 2011/12, (Apr-Aug) the GOJ ran a fiscal deficit of -J\$37.6 billion. This deficit was J\$14.3 billion less than the -J\$51.9 billion budgeted and mainly resulted from a large J\$16.14 billion or -8.58% cutback in expenditures to J\$172.0 billion relative to the J\$188.14 billion that was budgeted. A modest shortfall in Revenues and Grants of -J\$1.87 billion (-1.38%) also contributed to the fiscal deficit for the period.

REVENUE: Total Revenues & Grants to the GOJ during Apr-Aug 2011/12 was J\$134.4 billion. This was -J\$1.87 billion below budget as noted, but J\$7.78 billion higher than the J\$126.2 billion collected in Apr-Aug 2010. The main outperformers on the revenue accounts were 'Non-Tax Revenue' which came in J\$2.21

billion above budget; Stamp Duty (Local) up J\$1.02 billion; and PAYE which came in J\$1,006.7 million above budget. Other notable outperformers on the revenue accounts were 'Travel Tax' - up J\$165.8 million and 'Environmental Levy' which exceeded budget by J\$106.5 million.

Among the main underperformers on the revenue accounts were: 'Customs Duty' which registered a shortfall of -J\$1.23 billion; Tax on Interest' - down -J\$982.9 million; and GCT (Local) down -J\$607.6 billion. Notable shortfalls were also recorded by 'SCT' which came in - J\$461.4 million below budget and 'Capital Revenues' - down -J\$360.1 million.

EXPENDITURE: During the first five months of fiscal year 2011/12, there was a large -J\$16.14 billion or 8.6% cutback in planned expenditures to J\$172.0 billion relative to

the J\$188.14 billion budgeted. This reduced expenditure resulted from across the board reductions on all heads of expenditure. Expenditure on 'Capital Programmes' were down J\$7.62 billion; 'Domestic Interest' payments were down -J\$4.30 billion, and 'Recurrent Programmes' were under-spent by -J\$2.24 billion. Outlays on 'Wages and Salaries' were also reduced by -J\$661.7 million while 'External Interest' payments were reduced by -J\$1.3 billion.

FISCAL OUTTURN

As noted, during the first five months of FY2011/12 (Apr-Aug 2011), the Budget recorded a fiscal deficit of J\$37.63 billion due largely to expenditure curtailments of -J\$16.14 billion which was reinforced by a small decline in expected revenues of J\$1.87 billion. Still, this fiscal deficit represented a 27.5% improvement on the -J\$51.9 billion budgeted. 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 current average monthly deficit of J\$7.5 billion is therefore well above the J\$5.0 billion average targeted, but could even out over the remainder of FY2011/12 as revenue flows tend to be lumpy.

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 five months of FY2011/12, the primary surplus was J\$19.8 billion which was J\$4.3 billion or 27.6% greater than J\$15.5 billion targeted.

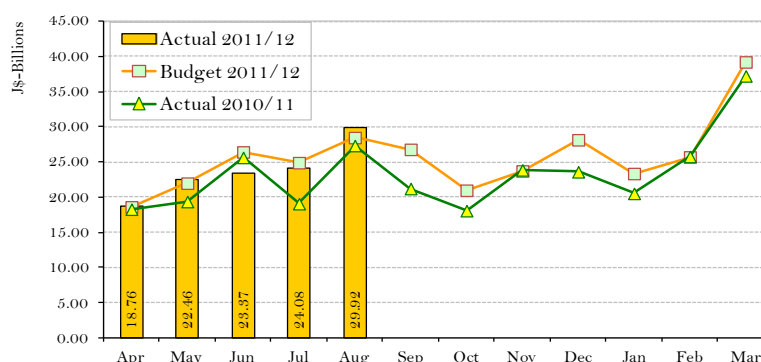
PUBLIC DEBT

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 September 2011, market capitalization decreased by J\$11.34 billion or 1.87% to close at J\$596.23 billion. Four of five indices on the Jamaica

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



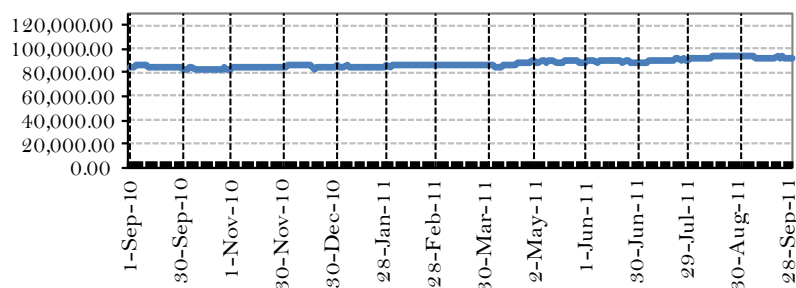
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions		Apr-Aug 2011/12
Revenue (Revenue Surpluses)		
Non-Tax Revenue		2,208.6
Stamp Duty (Local)		1,022.2
PAYE		1,006.7
Travel Tax		165.8
Environmental Levy		106.5
Revenue (Revenue Shortfalls)		
Customs Duty		-1,233.0
Tax on Interest		-982.9
GCT (local)		-607.6
SCT		-461.4
Capital Revenues		-360.1
Expenditure (Changes)		
Capital Programmes	(under-spend)	-7,621.2
Domestic Interest	(under-spend)	-4,302.5
Recurrent Programmes	(under-spend)	-2,241.1
External Interest	(under-spend)	-1,311.9
Wages & Salaries	(under-spend)	-661.7

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSQJ

Stock Exchange declined and one advanced. The main **JSE Market Index** declined by 1,800 points or 1.92% to close at 91,732 points. The **JSE Select Index** declined by 58.7 points or 2.12%

to close at 2,713 points; and the **JSE All Jamaican Composite** declined by 2,883 points or 2.9% to close at 96,124 points. The **JSE Cross Listed Index** of mostly foreign companies

operating in Jamaica, also declined by 1.53 points or 0.19% to close at 796.4 points. But the **JSE Junior** advanced - by 27.1 points or 4.64% to close at 611 points.

Market volume was fairly heavy in September 2011 with 187.8 million units valued at J\$2.075 billion changing hands, compared to 106.2 million units valued at \$898.12 million in August 2011.

Overall market activity resulted from trading in 40 stocks of which 12 advanced, 23 declined and 5 traded firm. Supreme Ventures was the market leader with 54.5 million units or 29% of market volume, followed by The Gleaner Company with 21.08 million units or 11.23% of market volume; while Cable & Wireless (Jamaica) was third with 11.1% or 20.8 million units changing hands.

The leading advancers year to date are: Jamaica Money Market Brokers (JMMB), Ciboney Group, Berger Paints, Barita Investments and Na-

sons. At J\$300- \$500 per square foot, the 1 million feet of IT space the PNP's hopes to construct works out at J\$3-\$5 billion - not a budget busting figure. Also, to the extent that many of the PNP proposals are to be encouraged by incentives, it will not call for much upfront capital from the State. However, some of incentives being proposed would seem to run counter to tax reform sentiment demanding a reduction of tax incentives and waivers.

The Global Picture

As the global economy moves into the last quarter of 2011, the real economy seems to be continuing its' slow recovery despite taking a battering from roller-coaster economic sentiment. Much of the last two quarters have been dominated by worries about European sovereign debt and the possible spread of this contagion from peripheral European economies like Greece and Portugal to more central European economies such as Italy, Spain and France. The various efforts made by European leaders and the European Central Bank over the past eight months to contain the problem have fallen short of market expectations for being too limited in scope and funding.

In their latest efforts to contain the crisis and assure markets, European Leaders and officials agreed on October 23rd, 2011 to 'encourage' the private holders

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

	31- Dec '10	29- Sep '11	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
JMMB	4.00	9.40	5.40	135%
Ciboney Group	0.03	0.05	0.02	66.7%
Berger Paints Ltd	2.01	3.20	1.19	59.2%
Barita Investments	1.99	3.00	1.01	50.7%
NCB	19.32	27.29	7.97	41.3%
Bottom Five (unadjusted for dividends or transact. Costs)				
Trinidad Cement Ltd.	53.00	18.31	(23.00)	-62.3%
First Caribbean Bank	13.19	7.56	(5.63)	-42.7%
Cable & Wireless (Ja.)	0.33	0.19	(0.14)	-42.4%
Pulse Investments	2.30	1.40	(0.90)	39.1%
Caribbean Cement Co.	3.07	1.89	(1.18)	-38.4%

Source: Compiled from the JSE

tional Commercial Bank. The leading decliners are Trinidad Cement Ltd., First Caribbean Bank, Cable & Wireless (Ja) Ltd, Pulse Investments, and Caribbean Cement Company.

Economic Highlights

(contd. from page 1.)

of Greece debt to accept a 50% haircut; to mandate banks across Europe to increase their capital by a combined €100 billion; and the leaders agreed to expand the size of the European Financial Stability Fund (EFSF) from €440 billion to €1.2trillion which was considered sufficient to underwrite the public debt of Italy and Spain to prevent the contagion from undermining those countries.

Well, the calm and assurance bought by those moves appeared to last for all of seven days. Because, the decision of Greece's Government to hold a referendum on painful austerity measures demanded by the EU which have already resulted in fierce street protests in Greece, have plunged pessimism to fresh lows, and renewed fears of a disorderly Greek default spreading panic throughout the rest of Europe and plunging the world economy into another deep recession.

Despite these wild swings in sentiment, and deep structural impediments, the real economy in many countries seems to be continuing in its' slow, unspectacular recovery.

In the United States, Q3 GDP was in line with expectations for a 2.5% rise. But this was better than the 1.6% re-

The PNP is promising to construct 1.0 million feet of space for IT establishments using the PetroCaribe Fund; and to offer incentives to private owners offering "plug and play" office space. It has also promised to offer Government owned broadband frequencies at a discount to private operators employing disabled per-

corded in Q2 2011. US Retail Sales (1.1%); Industrial Production (0.2%); Durables Goods ex. Transportation (1.7%); New Home Sales (5.7%) and Pending Home Sales (7.9%) were generally better than expected or still quite positive. But likely reflecting the uncertainty emanating from Europe, the Conference Board Consumer Confidence plunged to 39.8 relative to expectations of 46.0; while CEO Confidence plunged 13 points from the previous reading to 42. (To recall, readings under 50 means pessimists out-number optimists).

Not unexpectedly, many of the real as well as sentiment indicators out of Europe were on the downside, but there was a 0.4% rise in Germany Q3 2011 GDP even as the ZEW Current Sentiment indicator fell to 38.4.







































In China, nearly all the real indicators continued to perform as expected. Real GDP (YTD) grew 9.4%; Fixed Assets Investment grew 24.9%; Industrial Production by 14.2% and Retail Sales by 17.0% in Q3 2011. But October 2011 Purchasing Managers Index (PMI), a sentiment indicator reflecting future expectations fell to 50.4 from 51.8. The question is how long can the global recovery continue in the face of such uncertainty and downbeat sentiments.

INFLATION (SEP - 2011) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.74%	0.745		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.88%	0.329	1	
Food	0.92%			
Bread and Cereals	0.42%			
Meat	0.50%			
Fish and Seafood	0.55%			
Milk, Cheese and eggs	0.47%			
Oils and Fats	0.78%			
Fruit	0.96%			
Vegetables and Starchy Foods	1.78%			
Vegetables	2.79%			
Starchy Foods	-0.57%			
Sugar, Jam, Honey, Chocolate and Confectionery	3.19%			
Food Products n.e.c.	0.41%			
Non-Alcoholic Beverages	0.70%			
Coffee, tea and Cocoa	1.22%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.41%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.23%	0.003	10	
CLOTHING AND FOOTWEAR	1.25%	0.042	4	
Clothing	1.39%			
Footwear	1.15%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	1.52%	0.194	2	
Rentals for Housing	1.24%			
Maint and Repair of Dwelling	0.24%			
Water Supply and Misc. Serv Related to the Dwelling	-1.32%			
Electricity, Gas and Other Fuels and Routine	2.36%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.42%	0.020	5	
Furniture and Furnishings (including Floor Coverings)	1.05%			
Household Textiles	0.19%			
Household Appliances	0.18%			
Glassware, Tableware and Household Utensils	1.08%			
Tools and Equipment for House and Garden	0.45%			
Goods and Serv. for Routine Household Maint	0.36%			
HEALTH	0.33%	0.011	7	
Medical Products, Appliances and Equipment	0.47%			
Health Services	0.25%			
TRANSPORT	-0.49%	-0.063	12	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.14%	0.005	9	
EDUCATION	8.05%	0.172	3	
RESTAURANTS AND ACCOMMODATION SERVICES	0.13%	0.008	8	
MISCELLANEOUS GOODS AND SERVICES	0.24%	0.020	6	

INFLATION YTD (JAN– SEP 2011) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	4.64%	4.640		
FOOD AND NON-ALCOHOLIC BEVERAGES	3.55%	1.331	1	
Food	3.31%			
Bread and Cereals	7.35%			
Meat	6.60%			
Fish and Seafood	5.91%			
Milk, Cheese and eggs	7.84%			
Oils and Fats	5.65%			
Fruit	12.14%			
Vegetables and Starchy Foods	-9.03%			
Vegetables	-14.23%			
Starchy Foods	6.50%			
Sugar, Jam, Honey, Chocolate and Confectionery	9.79%			
Food Products n.e.c.	4.77%			
Non-Alcoholic Beverages	7.14%			
Coffee, tea and Cocoa	12.65%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	5.08%			
ALCOHOLIC BEVERAGES AND TOBACCO	4.43%	0.061	12	
CLOTHING AND FOOTWEAR	6.60%	0.220	6	
Clothing	7.86%			
Footwear	4.92%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	9.87%	1.259	2	
Rentals for Housing	1.29%			
Maint and Repair of Dwelling	5.93%			
Water Supply and Misc. Serv Related to the Dwelling	10.05%			
Electricity, Gas and Other Fuels and Routine	15.14%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	5.88%	0.290	5	
Furniture and Furnishings (including Floor Coverings)	7.09%			
Household Textiles	5.84%			
Household Appliances	3.58%			
Glassware, Tableware and Household Utensils	5.57%			
Tools and Equipment for House and Garden	2.89%			
Goods and Serv. for Routine Household Maint	6.17%			
HEALTH	1.90%	0.063	11	
Medical Products, Appliances and Equipment	2.33%			
Health Services	1.60%			
TRANSPORT	4.29%	0.550	3	
COMMUNICATION	3.13%	0.125	8	
RECREATION AND CULTURE	2.00%	0.067	10	
EDUCATION	8.51%	0.182	7	
RESTAURANTS AND ACCOMMODATION SERVICES	1.96%	0.121	9	
MISCELLANEOUS GOODS AND SERVICES	4.22%	0.354	4	

FISCAL ACCOUNT (APR-AUG 2011)

REV. & EXPEN. (APR-AUG '11)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	134,378.5		-1,874.6		7,781.10	
Tax Revenue	118,563.7		-1,785.2		8,942.20	
Non-Tax Revenue	9,452.3		2,208.6		-1,695.40	
Bauxite Levy	650.9		-113.6		632.80	
Capital Revenue	4,087.0		-360.1		2,393.70	
Grants	1,624.6		-1,824.3		-2,492.50	
Expenditure	172,006.2		-16,138.4		5,766.90	
Recurrent Expenditure	148,432.9		-8,517.2		4,273.30	
Programmes	33,702.2		-2,241.1		3,280.10	
Wages & Salaries	57,262.5		-661.7		4,023.20	
Interest	57,468.1		-5,614.4		-3,029.60	
Domestic	39,209.8		-4,302.5		-4,858.60	
External	18,258.3		-1,311.9		1,828.90	
Capital Expenditure	23,573.4		-7,621.2		1,493.60	
Capital Programmes	23,573.4		-7,621.2		1,493.60	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-37,627.8		14,263.7		46,977.90	
Loan Receipts	77,563.6		34,101.6		-19,832.50	
Domestic	74,035.8		34,087.4		2,811.70	
External	3,527.7		14.1		-22,644.10	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	62,795.5		1,258.0		-1,877.80	
Domestic	19,373.2		1,229.3		-36,233.60	
External	43,422.3		28.8		34,355.60	
Overall Balance (Surplus [+ve])	-22,859.7		47,107.3		-15,940.30	
Primary Balance (Surplus [+ve])	19,840.3		4,291.3		-1,015.50	

REV. & EXPEN. (APR-AUG '11)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	134,378.5		-1,874.6		7,781.1	
Tax Revenue	118,563.7		-1,785.2		8,942.19	
Income and profits	38,683.2		-541.9		6.3	
Bauxite/alumina	0.0		0.0		-866.3	
Other companies	6,667.7		-564.6		-270.9	
PAYE	25,237.0		1,006.7		4,707.1	
Tax on dividend	444.1		24.9		-44.8	
Other individuals	919.5		-25.9		-98.3	
Tax on interest	5,416.8		-982.9		-3,420.5	
Environmental Levy	991.7		106.5		167.2	
Production and consumption	36,409.0		-86.6		3148	
SCT	3,471.6		-461.4		-582.3	
Motor vehicle licenses	716.4		-53.8		3.3	
Other Licenses	175.4		53.0		66.8	
Betting, gaming and lottery	617.7		-48.1		-20.3	
Education Tax	6,351.0		50.3		1168.9	
Contractors levy	318.6		-41.3		-60.2	
GCT (Local)	20,836.0		-607.6		1001.4	
Stamp Duty (Local)	3,922.2		1,022.2		1569.7	
International Trade	42,477.9		-1,263.1		5621.1	
Custom Duty	8,672.5		-1,233.0		792.1	
Stamp Duty	595.6		3.0		85.1	
Travel Tax	3,166.9		165.8		1401.3	
GCT (Imports)	17,476.4		95.4		2357.8	
SCT (Imports)	12,566.3		-294.5		984.5	
Non-Tax Revenue	9,452.3		2,208.6		-1695.4	
Bauxite Levy	650.9		-113.6		632.8	
Capital Revenue	4,087.0		-360.1		2393.7	
Grants	1,624.6		-1,824.3		-2492.5	

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	7,692.46
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	n/a	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	n/a	n/a	2,080.6	n/a	0.74	4.1	n/a	86.30	6.56	18.54	2.27	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—Skinston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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