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PRESIDENT'S MESSAGE



Douglas Orane

During the past year your organisation continued to promote the principles of private enterprise and production through personal initiative and endeavour. We sought through our ongoing activities and programmes to encourage the establishment of a society, based on the principles of equality of opportunity, freedom from prejudice, and reward for personal initiative.

The PSOJ continues to act as the umbrella organisation for the Jamaican private sector and seeks to ensure a vibrant democracy free of corruption, a stable and free society and consensus on issues of macro-economic policy.

In order to create a wider public understanding of the key policy issues facing the country, we continue to speak out in public thereby spreading the views of the organisation and its constituents. We have maintained our support of the present policies of economic liberalization and continue to engage in dialogue with both the Government and the Opposition.

While the country is still struggling to come to grips with the wider indications of the liberalization of exchange controls, the past year has been a good one for your organisation. Our financial position has been strengthened and we have had satisfaction of seeing the National Action Plan become a reality.

We are encouraged by the growing political consensus on the issue of crime and violence which resulted in the appointment of an independent Commissioner of Police and there signs that this consensus is slowly extending to matters of economic policy.

The economic portents of the year ahead are not altogether promising and the economy may experience further difficulties before it turns the corner. However, you can be assured that your Executive will continue its strong advocacy of our economic policy framework which we still believe to be the key to the sustained economic development of our country.

EXECUTIVE COMMITTEE



Front Row: Mrs. Beverley Lopez (Jamaica Exporters Association), Mr. Douglas Orane (President), Mr. Aulous Madden (Honorary Secretary).

Back Row: Mr. Chalres Ross (Executive Director), Mr. Lionel Reid (Jamaica Hotel and Tourist Association), Major Anthony Robinson (Jamaica Manufacturers Association); Mr. Albert Gray (Small Businesses Association of Jamaica).



William McConnell
Vice-President



Joseph M. Matalon
Vice-President



Delroy Lindsay
Vice-President



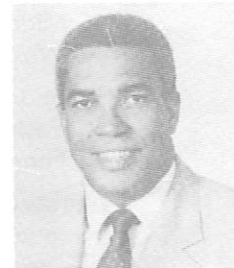
Betty-Ann Jones-Kerr
Honorary Treasurer



Douglas R. Folkes
Jamaica Bankers Assoc.



Philmore Ogle
Jamaica Chamber of Commerce



George J. Phillip
Jamaica Employers Federation

During 1992, the international economic environment continued to be dominated by recession and a number of other negative factors. The main ones were the low growth rates and high unemployment of the OECD countries, trade dispute that resulted between the United States and Europe, the European currency instability, the large fiscal deficits of a number of the industrial countries and problems concerning the Uruguay Round of multilateral trade negotiations and the Maastricht Treaty. These factors and developments combined to restrain aggregate global demand, although some industrial countries experienced significant recovery in their economies.

In statistical terms, the world output is estimated to have grown marginally by 1.1 percent in 1992 (see Table 1), a moderate improvement over the 0.1 percent level of 1991. In 1993, the most optimistic projection of growth is 3.1 percent. Economic growth in the industrial countries fell from 2.4 percent in 1990 to about 1.7 percent in 1992.

Overview of the World's economic prospects in

1993 shows that the main Industrial economies should grow by an average 3.0 percent compared to 6.2 percent for Developing economies. (see Chart 1.0).

This poor performance in world economic growth in 1992 stemmed from a number of factors, namely: high unemployment levels, high interest rates (especially in the United Kingdom and Germany), chronic budget deficits, and low levels of consumer and business confidence. These factors combined to militate against efforts at economic stimulation.

Of major importance was the instability in the European currency markets, particularly in the last quarter of 1992. From the background of outright rejection of the Maastricht Treaty by the Danes and later the French, general uncertainty about the European Monetary Union (EMS), followed by the British government's suspension of the Sterling's participation in the EMS in mid-September of 1992 and in the face of high German interest rates and massive speculative capital flows - a number of currencies in the European Exchange Rate Mechanism experi-

TABLE 1 World Economic Growth, 1990-1993

| | 1990 | 1991 | 1992 | 1993 |
|---------------------------|------|-------|-------|------|
| World | 2.3 | 0.1 | 1.1 | 3.1 |
| Industrial Countries | 2.4 | 0.6 | 1.7 | 2.9 |
| United States of America | 0.8 | -1.2 | 1.9 | 3.1 |
| European Community | 2.8 | 0.8 | 1.4 | 2.3 |
| Germany | 4.5 | 0.9 | 1.8 | 2.6 |
| Japan | 5.2 | 4.4 | 2.0 | 3.8 |
| Developing Countries | 3.6 | 3.2 | 6.2 | 6.2 |
| Africa | 1.0 | 1.5 | 1.9 | 3.3 |
| Asia | 5.5 | 5.7 | 6.9 | 6.6 |
| Middle East & Europe | 5.4 | 0.3 | 9.9 | 8.7 |
| Western Hemisphere | -0.1 | 2.9 | 2.8 | 3.9 |
| Former USSR Economics | -1.5 | -9.7 | -16.8 | -4.5 |
| Eastern Europe | -7.1 | -13.7 | -9.7 | 2.4 |
| Former USSR | -0.4 | -9.0 | -18.2 | -6.5 |
| World Trade Volume | 3.9 | 2.3 | 4.5 | 6.7 |
| Industrial Country Import | 4.5 | 2.4 | 4.1 | 5.1 |
| Developing Country Import | 5.4 | 9.3 | 8.5 | 9.6 |

Source: World Economic Outlook, October 1992.

enced considerable pressure, leading in some cases to depreciation. Among these were the British pound, the Italian lira, and the Portuguese escudo. While other currencies escaped significant depreciation, there was always the threat of speculation. The currency instability in 1992, together with the problems concerning the Maastricht Treaty, forced a rethinking of the form and pace of European economic integration.

Of great significance was the protracted Uruguay Round of trade negotiations, resulting from the complexities of the world trade system and major trade disagreements between countries. Among these was the disagreements among some countries on the scope and degree of liberalization in a number of sensitive sectors, particularly agriculture and the long standing dispute between the United States and the European Community over the issue of farm subsidies. Fortunately, this particular trade dispute was resolved towards the end of 1992, thereby preventing the anticipated trade war.

DEVELOPING COUNTRIES OF THE WESTERN HEMISPHERE - LATIN AMERICA

In the developing countries of the Western Hemisphere, growth reached 2.8 percent in 1992, with a projection of 3.9 percent in 1993 (see Chart 2).

Reforms in macroeconomic policies, trade liberalization, economic deregulation and the privatization of public enterprises have contributed to higher growth in a number of countries. This has been most notable in Chile, Colombia, Venezuela, Mexico and Argentina. This performance is against the background of poor growth in most of the other developing countries of the hemisphere.

Colombia

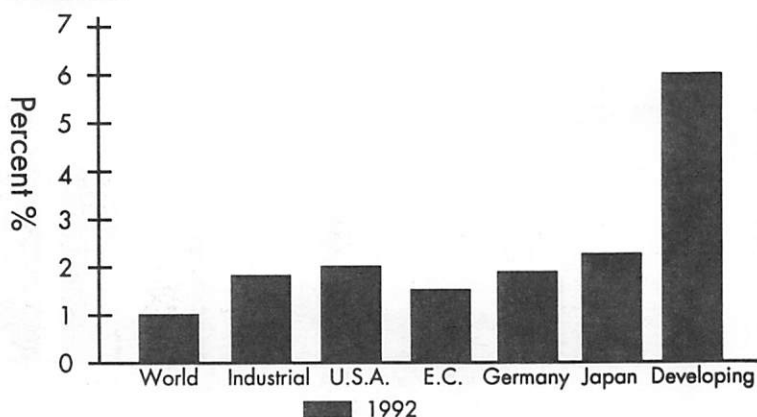
In Colombia, which is considered one of the most dynamic American economies, real GDP grew by 3 percent in 1992. Strong performances by mining, construction and the housing sector, as well as the coffee threshing industry, compensated for the weak performance of the agricultural sector, which was affected by severe drought.

Mexico

Mexico's economy also performed well with a growth rate of about 3.0 percent in 1992. This level of growth was constrained by the recession

CHART 1.0

Overview of World Growth, 1992



of the United States and the efforts of the government to achieve price stability, i.e. low inflation - estimated at about 12 percent in 1992. Net public sector debt was reduced to 24.9 percent of GDP in 1992 from 36.7 percent in 1991. Also, there was a slight increase in foreign reserves during the year. With the imminent implementation of NAFTA, there is growing optimism and confidence in the future of the Mexican economy.

Venezuela

The Venezuelan economy showed remarkable performance in 1992, growing more than 8 percent in 1992. This performance is attributed to an expansion in the non-oil sectors. Currency appreciation and trade liberalization led to increased imports, which contributed to a deterioration of the balance of payments. Notwithstanding this development, international reserves remained high, exceeding ten month's worth of imports.

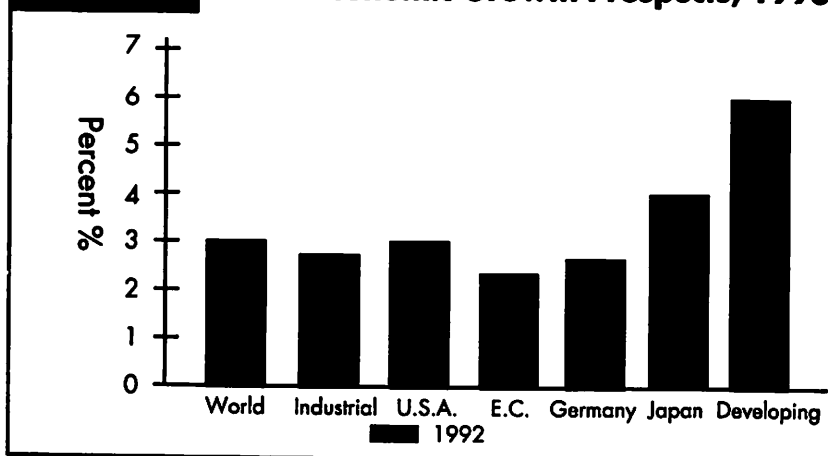
Other Latin American Countries

The weakest growth performances were reported by Paraguay, where output grew by only 1.5 percent, and Brazil where output fell by 1.5 percent in 1992.

NEWLY INDUSTRIALIZING ECONOMIES (NIEs)

During 1992, the NIEs in Asia (Korea, Taiwan, Hong Kong, Singapore, Thailand and Malaysia) achieved an average growth rate of 6.5 percent. This high level of outstanding economic growth

CHART 2.0 World Economic Growth Prospects, 1993



was attained in conjunction with low inflation and unemployment. Comparatively, the growth performance of the NIEs economies was more than three times that of the OECD group, to which they export.

However, the average growth rate in 1992 was approximately one percentage point lower than 1991. It can be concluded that the strong economic performance of these countries are a reflection of effective economic management, competitive strength in export markets and, very importantly, increasing economic integration.

The international political situation remains somewhat volatile as the world continues to adapt to the post cold war era. The major focus on international conflicts has shifted from the developing world to ethnic conflicts in the former communist countries of Eastern Europe. The disintegration of Yugoslavia and the civil war associated with it continued throughout 1993 and conflicts escalated in some of the former states of the Soviet Union such as Georgia, Moldova, and Azerbaijan. The ethnic conflicts in some of these states are further complicated by the severe difficulty which they are encountering in transforming their economies from centrally controlled state ownership to the free market model. The Ukraine is beset by hyper inflation and the Russian economy is plagued by both higher inflation and falling output.

In the second half of 1993, the conflicts between the Russian President, Boris Yeltsin and the Parliament came to a head in a military confrontation which saw President Yeltsin emerging victorious. However, the ultimate success of the transforma-

tion of the Russian economy and the establishment of a working democracy is by no means assured as the forces of revision are strong and the problems facing the Government are extremely complex.

The fall of communism in Eastern Europe continues to have a direct impact on developments in Western Europe. The high cost of German reunification has led to the recession in Germany and in a number of other European Community countries and has also contributed to the collapse of the European exchange rate mechanism.

The rise of nationalist and ethnic sentiment in Eastern Europe has also spilled over into Western Europe and led to an upsurge of racism in Western Europe.

1993 saw increased attention focused on Somalia as the American-led United Nations intervention became increasingly involved in an urban guerrilla war with factions loyal to the various local clan leaders.

The year also saw further progress being made in South Africa's transition to black majority rule and there was a gradual lifting of international sanctions as this process unfolded. There was also a dramatic breakthrough in the middle east conflict between Israel and the Palestinian Liberalization Organisation when the leaders of both groups signed a peace agreement which was brokered by the Norwegians. Here in the Caribbean region, the Haitian crisis continued unresolved and the stand-off between Cuba and the USA persisted. The Cuban economy has been reeling from the collapse of its trading arrangements with the former countries of the Soviet Union and the government has been reaching out to the countries of the Caribbean Basin in an effort to make up some of the shortfall. The United States is no doubt watching closely to see how far and how fast the Caribbean responds to these overtures.

During the course of this year, the implications for Jamaica of the end of the cold war became more and more clear as aid inflows to the region were diverted to Eastern Europe. Jamaica and the rest of the Caribbean region have lost a lot of strategic importance to the United States and Western Europe, as our support is no longer vital in international fora such as the United Nations in an era where there is only one super power and where the United States has little difficulty in

garnering support for its policies and actions. The bottom line of all of this is that we must stand on our own two feet and take full responsibility for our destiny.

THE SECRETARIAT



Front Row: (from left) Dawn Battick (HSIP Coordinator), Hugh Perrin (Director, Finance & Membership), Carol Bailey (Office Attendant), Winsome Virgo (Secretary), Marlene Fraser (Secretary, National Action Plan).

Middle Row: (from left) Ann Marie Hendriks (Accountant), Novelette Samuels (Receptionist), Lester Facey (Bearer), Cynthia Hutchinson (Senior Research Economist), Dawn Fisher (Senior Secretary), Margaret Nash (Communications Assistant), Cecil Lindo (Caretaker), Marcia Ormsby (Communications Officer).

Back Row: (from left) Evett Evans-Coombs (Executive Assistant), Michael Nash (Bearer), Johnetta Johnson (Senior Secretary, HSIP), Kirk Chang (Accounting Clerk), Charles Ross (Executive Director), and Robert Chambers (Economic Consultant, National Action Plan).

Missing from Photo: Diana Housen (Computer Operator), Glen Millin (Research Economist), Frank Lopez (Executive Director, National Action Plan), Jennifer Owen-Williams (Sector Advisor, NAP) and Paula Baugh (JAMAC Co-ordinator).

1993 was another year in which we saw sharp reversals in economic policy and major swings in economic fortunes. The year started with a burst of optimism about the future, as the stock market boom of 1992 continued and the exchange rate in the official system continued to hold. However, the imminent general election caused some uncertainty to set in and the advance of the stock market halted in mid February and began a slow fall which has continued throughout the year.

The month of February also saw the unfolding of what has come to be called the Bank of Jamaica scandal in which agents and even employees of the Bank of Jamaica were found to have been operating a parallel market in foreign exchange within the bank itself. The scandal led the Bank of Jamaica to cease purchasing foreign exchange through its agents and to confine its purchases of foreign exchange to the inter-bank system or through direct arrangements made with large earners of foreign exchange such as the bauxite companies and the sugar and banana industries.

The general elections were called for the end of March and although it was a very short election campaign, the spectre of violence nevertheless raised its head. The elections themselves were marred by low voter turnout and considerable abuse of the electoral system. The Government was returned to power with an increased majority but the opposition boycotted Parliament for a number of months in protest at the way the elections were conducted. After the elections, the upsurge in crime and violence continued and there was an increasing public outcry calling for a radical reform of the police force which had come to be viewed as part of the problem of crime and violence, rather than a part of the solution. The public agitation on this issue bore fruit when the Prime Minister announced that the outgoing Commission of Police would be replaced by Colonel Trevor MacMillan and that the Wolfe and Hirst Reports on the police force would be implemented.

Despite its return to power with an increased majority, the Government came under almost immediate pressure as it faced the difficult task of formulating a budget which would accommodate

the significant salary increases which were given to the teachers, policemen and other civil servants during the course of 1992 and at the same time provide for the repayment of the Bank of Jamaica losses, while achieving a surplus in keeping with the present IMF programme. Even before this problem was satisfactorily dealt with, the Government was faced with the task of finding a new Governor of the Bank of Jamaica, as the incumbent the Hon. Roderick Rainford had resigned from that position in early June. He was succeeded by Mr. Jacques Bussieres, a Canadian Consultant at the Bank who was assisting with the restructuring of the organisation.

In late June, a large budget was presented projecting expenditure of some J\$40 billion and revenue of some J\$43 billion accounting for 52% and 56% of gross domestic product respectively. The budget also proposed a package of new taxation of approximately J\$3.5 billion. The tax package immediately came under fire from special interest groups and an extended period of negotiation ensued with some of those groups, while some of the tax measures were reversed before the budget was eventually passed. In the budget, the Minister of Finance, the Hon. Hugh Small, also indicated a shift in economic policy with the return to the floating of the Jamaican dollar on the inter-bank system and increasing interest rates and tighter liquidity control being used to temper the fall in the value of the local currency.

The present economic difficulties had their roots in a number of developments which began in 1992 which was essentially an election year and political considerations relating to this event must have figured significantly in the relaxation of monetary and fiscal policy which took place during that year.

In the first instance, the Jamaican dollar was revalued to too high a level, thus allowing aggregate demand to recover too quickly. However despite this, the country recorded a large increase in the net international reserves of the central bank which grew by US\$337.2 million in 1992 versus a decline of US\$105.2 million in 1991. During 1992 and into the early part of 1993, the

money supply continued to grow at rates well in excess of the programmed targets.

Credit to the private sector grew particularly fast in the last quarter of 1992 and the first half of 1993 and was a major factor behind the growth in money supply. The expansion of credit to private sector was facilitated by falling interest rates as government relaxed its monetary policy in the run up to the election. Another major factor behind the growth of the money supply in 1992 was the growth in net foreign assets of the financial system which came about as a result of the substantial inflows of foreign currency. Government borrowing from the Bank of Jamaica was also a major factor behind the expansion of the money supply in 1992, but its contribution had declined significantly by early 1993.

The relaxation of monetary policy was accompanied by a relaxation of fiscal policy in early 1993 when personal income tax rates were reduced from 33 $\frac{1}{3}$ % to 25% and customs duties on motor cars were reduced considerably. In addition, the licencing regime for motor vehicle importation was liberalized to make it much easier for individuals to import vehicles. Consequently, in the first six months of the year imports of motor vehicles soared to more than twice the level which obtained in 1992.

In fact, motor vehicle imports contributed significantly to the US\$203 million or 81% increase in the trade deficit for the first six months of 1993 compared to a similar period in 1992. Imports grew by 26% while exports grew by a mere 2.2% over this period. The net international reserves have improved only marginally over the first three quarters of 1993 and this performance has been achieved due to substantial inflows of foreign loans and grants.

The latter half of 1993 has seen an effort to correct the shortfalls in economic performance which have occurred since mid 1992. Interest rates have risen sharply and the Bank of Jamaica is maintaining a tight control of liquidity in the financial system. The money supply growth has slowed considerably in August and September and the Jamaican dollar has lost some 21% of its value on the inter-bank market since the rate was floated again in June. This action was accompanied by some controversy as in mid August the

then Minister of Finance, the Hon. Hugh Small resigned his portfolio over alleged differences with his Cabinet colleagues with regard to the rate-setting mechanism for the Jamaican dollar.

Dr. Omar Davies is now Minister without portfolio in the Finance Ministry and is now the de facto Minister of Finance. Although there have been a number of revisions to the budget which Mr. Small presented, there has been little change to the monetary policies which he left in place and little likelihood of change in the very short term. In July, inflation took a sharp upturn with prices increasing by 4% in that month, and by a further 3% in August. Inflation in the latter part of the year is likely to be considerably higher than the first half of the year as the exchange rate adjustments feed through the economy. Inflation for 1993 calendar year may be about 30% and the figures for the fiscal year 93/94 could be somewhat higher. 1993 is likely to be a year of negative economic growth as indicators for the first half of the year suggest that only tourism and apparel manufacturing are expanding while most other sectors are in decline. The high interest rate policy is likely to increase the tendency towards economic contraction in the latter half of the year thus making the economic outlook for 1993 a rather bleak one.

The outlook for 1994 is not at all encouraging as there is every likelihood that economic decline which commenced in 1993 will continue at least through the first half of 1994. While the exchange rate should reach a more sustainable level early in 1994 and inflation should be trending downwards during this period, the continued reliance on monetary policy to achieve economic stability will simply lead to continued contraction in the economy.

Fiscal policy must tighten sufficiently to allow a relaxation of monetary policies and there must be a major improvement in government's cash flow management in order to reduce its reliance on Bank of Jamaica accommodation which has been a major factor behind the uncontrolled growth in the money supply. Coupled with a major improvement in fiscal policy would have to come some trade-off on the exchange rate as the use of an overly stringent monetary policy to protect an unsustainable exchange rate will simply lead to the collapse of the economy.

THE ORGANISATION

At last year's Retreat, much time was spent discussing international developments and their implications for Jamaica. These concerns were well founded as developments in the international arena continued to threaten many of our traditional trading arrangements and export products. The dumping of aluminium on the world market by Russia and the Commonwealth of Independent States (CIS) continued to depress prices for that product and consequently for bauxite and alumina.

The recession in Europe and North America had a negative impact on tourism and the garment sector, although these two sectors performed much better than our traditional exports. Banana and sugar exports were affected by the advent of the Single Market in Europe and the preferential benefits which we enjoy under the Lome Convention are likely to be diluted as the EC grants similar privileges to an increasing number of developing countries.

Finally, we have the NAFTA which will be going to the American Congress within the next few months. While it is by no means certain that this Bill will be passed by the Congress, there is no doubt that if it is passed, it will have an effect on trade and investment in the Caribbean Basin. We must also contend with a new Administration in Washington which has focused on a domestic agenda first and foremost and on Eastern Europe as its major foreign policy concern.

In order to keep on top of these developments, the PSQJ is deepening and widening its contacts with like-minded institutions overseas. To this end we continue to maintain close relations with the Caribbean Council for Europe and have recently signed a Co-operative Agreement with the Beacon Council, a business development organisation based in Miami.

At the Council Meeting in December 1992, the President, Hon. Dennis Lalor, stepped down and Mr. Douglas Orane was elected in his stead. Vice Presidents Joseph M. Matalon and William McConnell were elected to their former positions and Mr. Delroy Lindsay was elected Vice President, replacing Mr. Douglas Orane. Mr. Aulus

Madden was returned as Honorary Secretary and Mrs. Betty-Ann Jones-Kerr was elected Honorary Treasurer, replacing Mr. Delroy Lindsay. The Associations' membership on the Executive Committee remained the same as the previous year:

| | |
|-----------------------|-------------------|
| Mr. Edward Ashenheim | - President, JEF |
| Mr. Desmond Blades | - President, JCC |
| Mjr. Anthony Robinson | - President, JMA |
| Ms. Lucille Lue | - President, JHTA |
| Mr. Albert Gray | - President, SBAJ |
| Mr. Douglas Folkes | - President, JBA |
| Mr. Karl James | - President, JEA |

During the year, the Presidents of a number of Associations changed as follows:

| |
|---|
| Mr. Philmore Ogle replaced Mr. Blades |
| Mr. Lionel Reid replaced Ms. Lue |
| Dr. George Phillip replaced Mr. Ashenheim |

Glowing tributes were paid to outgoing President Hon. Dennis Lalor for his stewardship of the organisation through two difficult yet rewarding years. His successor, Mr. Orane hosted a gala dinner in his honour which was well attended and enjoyed by all.

The Organisation's finances continued to show improvement, although this was primarily due to the redemption of debentures and to a higher than expected return on our short-term investments. To date, only three debenture holders have not participated in the programme and we are still hoping to persuade these companies to do so. It's important to note however that the "surplus" which has been derived from this exercise is really a paper profit and has not really added any cash to the Organisation's resources.

Our finances therefore continue to be a cause for concern, as in the present high inflation environment we must constantly approach our members for increases in subscription rates. In such an environment, it is extremely difficult to maintain the viability of the Organisation as the increases never keep pace with inflation and with lending rates being so high, operational deficits have a compounding effect on the Organisation's resources.

A very novel proposition was mooted recently when Mr. Raf Diaz proposed the establishment of an endowment fund for the Organisation. In essence, this would involve the collection of a substantial sum of money which would be invested to provide the income which would cover the basic recurrent expenses of the Organisation. The sum of money involved would not be insignificant, but should not be beyond the resources of the Jamaican private sector.

Last year was the Organisation's first full year in an environment within which there were no foreign exchange controls. For most of the past year, the country operated with an exchange rate that was effectively fixed at J\$22.20 to US\$1. After the rapid decline in the value of our currency during 1991 and early 1992, this relative stability was welcomed by many.

Unfortunately, however, the period was also a run-up to a general election and the Government obviously relaxed its posture with regard to monetary policy and allowed an overly rapid expansion of the money supply. This had the effect of expanding demand in the economy and this resulted in a gradual expansion of the parallel market for foreign exchange and corresponding

contraction in the official market. This led eventually to the abandonment of the fixed rate and the resumption of the decline in the value of the currency within the official system, as a new inter-bank trading mechanism was established.

Early 1993 also saw the uncovering of what has now come to be described as the "BOJ scandal". The affair concerned the operations of the BOJ foreign exchange agents, some of whom seem to have been operating a foreign exchange market of their own, buying and selling hard currency at rates well above the official exchange rate. The affair led to the cessation of purchases by BOJ through their agents, and reportedly caused substantial losses to be incurred by some individuals and institutions. Some senior members of staff within the BOJ also lost their jobs as a result of the affair.

March 30, 1993 saw the holding of a general election which returned the Government of Prime Minister Patterson to power, with a significantly increased majority. The elections were marked by an increase in crime and violence, substantial confusion regarding the compilation of the voters' list and widespread irregularities and fraud on the election day itself.



Mrs. Carol Orane, wife of the PSOJ President, Douglas Orane presented outgoing President, the Hon. Dennis Lalor, with a gift in appreciation of his sterling service to the Private Sector in general and to the Organisation during his tenure as President. Occasion was the PSOJ's Dinner in honour of Mr. Lalor which was held at the Jamaica Pegasus Hotel in March 1993.

While there was consensus that the PNP would have been returned to power, in any case, the scale of the mal-practices which took place were such that many people feared that the entire democratic process would be threatened if something were not done to prevent such activities from taking place in the future.

The JLP boycotted Parliament in the aftermath of the election, insisting that certain reforms be implemented before they take up their seats in Parliament.

A number of civic organisations, including the PSOJ, are at present examining the electoral system with a view to making recommendations for its improvement. An interesting development which has taken place recently is the nomination of our former President, Mr. Peter John Thwaites, to the Electoral Advisory Committee and his election as Chairman of that Committee. We are sure that he will have a positive impact on the working of that body.

Another issue which rose to national prominence during the year was the issue of crime and violence. An already tense situation was made worse by the holding of a general election which brought with it the usual proliferation of guns and ammunition and escalating violence within certain depressed communities.

The management and deployment of the police force, had become a hot political concern and despite the completion and submission of the Hirst Report on the police force, the Government appeared unwilling to act on the report without reaching an agreement on such action with the Opposition.

After much work behind the scenes by the then President, the Hon. Dennis Lalor, both the Government and the Opposition agreed to the formation of a task force, headed by Mr. Justice Wolfe, which would look at the overall issue of crime and violence and make recommendations as to how the problems should be dealt with. Then Vice President Douglas Orane was appointed to the seven member task force which examined the issues and handed in its report in early April of this year.

Mr. Orane was instrumental in the writing of a minority report which, to the surprise of the country, was implemented when the Government announced that the outgoing Commissioner of

Police, Mr. Roy Thompson, would be replaced by Col. Trevor MacMillan. The Government also committed itself to implementing the Hirst and Wolfe Reports and removing the police from the operational control of the political directorate. This event did not come about as easily as it may sound here, and it required constant pressure from the PSOJ and other civic organisations, both in public and in private, for the Government to be persuaded to follow this course of action.

The reform of the police force will not take place overnight and we must all be prepared to offer Col. MacMillan whatever support we can in the tremendous task he faces.

Although one might have expected the Government's return to power to bring a sense of increasing stability, this has not been the case, as there have been a number of significant developments since that event. The first major shock came when the former BOJ Governor, Mr. Rainford resigned from that position and was replaced by Mr. Jacques Bussieres, a Canadian Consultant within the Bank of Jamaica, who was on secondment to the bank.

There was great public disappointment that the Government could not find a qualified Jamaican who was willing to take up this position, but few people questioned the credentials which Mr. Bussieres brought to the position. His performance since taking office has been quite impressive, but subsequent effects have led some to wonder how long he will remain in that position. While the BOJ has recently improved substantially its management of liquidity in the monetary sector, substantial uncertainty surrounds the Government's handling of its fiscal policy. In June, three months into the financial year, the Government presented a huge budget with a substantial package of increased taxes. The overall objective of the budget, that of achieving a surplus of 2% of GDP while accounting for BOJ losses, was indeed admirable but many people were still concerned that Government had not adequately addressed the question of a reduction in the size of its operation.

As soon as the measures had been announced, the special interest groups which had been affected by many of the new tax measures, began to lobby strongly for the reversal of mitigation of these measures. Many of these lobby efforts are still continuing and already reliefs granted to some of these groups, have resulted in creating a hole in Government's revenue projections. The

uncertainty and confusion concerning the budget has recently been compounded by the sudden resignation of the former Minister of Finance, Mr. Hugh Small.

The Prime Minister has assumed the mantle of Minister of Finance and has appointed Dr. Omar Davies as Minister without portfolio within that Ministry with responsibility for the day-to-day running of the Ministry.

The intention is that one of the sitting Government members of Parliament will step down making way for a by-election to be held and Dr. Davies elected to Parliament so that he may assume the position of Minister of Finance. This plan is not proceeding as smoothly as had been anticipated, but Dr. Davies is nevertheless pressing on with his job. He has indicated that in October, the Government will present supplementary estimates which will reflect whatever modifications there will be to the taxation measures which were proposed in the June budget presentation. He has indicated, however, that there will be little change to the Government's targetted budget surplus and hence any relief granted or any revenue foregone will have to be re-couped elsewhere.

During the year, the infrastructure to facilitate the National Action Plan (NAP) was put in place. A Co-operative Agreement was signed with USAID to provide financing for the activities of the Secretariat and personnel were employed to fill the four positions in the Secretariat. Accommodation for them was also provided here at the PSOJ.

The uncertainty of the pre-election period and the difficulty experienced by Government in putting together the 1993/94 budget, have prevented the National Action Plan from getting the Government's participation which it needs in order to become fully active. However, the tide is shifting in favour of the Organisation and Government at the highest level appears to be more and more committed to working through the Organisation to build a consensus on critical issues of policy.

The members of the NAP Secretariat have not been inactive and have worked with the PSOJ on a number of important research projects. The largest of these has been the Business Behaviour Survey which was conducted recently, and sought to determine the reaction of the local private sector to the liberalisation of foreign exchange controls. The report of the Survey has just been completed and is at present being disseminated. It has important policy implications and these have already begun to be discussed by the staff of the Secretariat and the technocrats in certain key Government agencies.

The members of the Executive Committee continue to attend meetings of the National Planning Council (NPC) and continue to meet regularly with members of Opposition's Shadow Cabinet. There have been a number of interesting developments with regard to our ongoing dialogue with the Government starting in April when the President attended a Cabinet Retreat and made a presentation on our vision for the development of the Jamaican economy. As far as we know, this was quite a novel development for Jamaica and represented a very positive change in the nature of a formal contact between the Government and the private sector. This process was taken a step further when in August, the President and a number of other private sector representatives attended a ministerial roundtable which sought to define the emerging role of the state in the market economy.

The Government appears to be committed to deepening and formalizing its dialogue with the private sector and we expect the PSOJ to continue to play a leading role in this process. Participation in this process will not be without costs, however, as many of our members will be asked to give of their time to participate in the dialogue on the many issues of national importance which must be addressed as we seek to accelerate the development of our country.

ADMINISTRATION

Staff turnover during the year under review was very high. Michael Tharkur, Carline Williams, Jennifer Williams and Gillian Crew all resigned during the year.

| | Resigned | Replacements |
|---|-----------------|---------------------|
| Michael Tharkur (Senior Economist) | 07/12/92 | Offer made |
| Carline Williams (Senior Secretary) | 18/12/92 | Dawn Fisher |
| Jennifer Williams (HSIP Coordinator) | 31/07/93 | Dawn Battick |
| Gillian Crew (Office Attendant) | 1992 | Carol Bailey |

All positions have now been filled and the staff complement stands at 18, plus one (1) temporary clerical worker.

Following the resignation of Jennifer Williams, Dawn Battick who had been employed as Insurance Specialist in the Department has been asked to take up the position. A replacement has been identified for the Senior Economist position and the position expected to be filled in September.

INTERNAL HUMAN RESOURCE DEVELOPMENT

Staff training was restricted to computer orientation. The need still exists for staff to become fully aware of the use of the library system.

Efforts are being made to have in-house desktop publishing in the near future and members of staff will be trained to use this facility. Already, a software package and text books have been purchased and the Computer Operator and one other member of staff have registered to receive the necessary training.

The intended introduction of a study leave and bonding programme for staff members wishing to upgrade their skills is still being investigated.

STAFF BENEFITS

The benefits as provided by Life of Jamaica are

being revised for upgrading and the investment of Pension funds is also being investigated. Finalisation of these should materialise by early September 1993.

Staff continue to express the need for more training opportunities and benefits.

As a contribution to the health of staff members and a healthy environment, efforts continue to insist that no smoking be allowed in the building.

THE BUILDING ENVIRONMENT

The Air conditioning system is still not adequate for the requirements of the building, resulting in frequent malfunctioning and extensive checks and repairs to the units. This situation is being addressed and the recommendation for four (4) mini split units to be installed in the Annex to boost the total system is being dealt with under the NAP.

The Security Service continues to be operated on the reduced daytime service only (7:00 a.m. - 7:00 p.m.) and has been working satisfactorily.

A complete check of the lighting has been made and the necessary upgrading been done. Already, additional lighting has been put in place in the Economic Research Department and the National Action Plan Secretariat. Lighting on the outside of the building needs to be addressed and a pole needs to be planted to accommodate the electricity supply wires from the street, which are now suspended on the premises. The present stanchion is unable to properly hold up the wires to the required height.

Landscaping of the grounds is being maintained as well as the supply of plants in the offices. There is need for landscaping - terracing on the mound at the front, cutting of some of the older trees and reviving of some of the shrubbery at the front of the grounds.

The absence of a restroom continues to be an ongoing concern.

The photocopier which had been purchased to assist with the volume of documents to be reproduced continues to work at a satisfactory level.

However, due to the level of photocopying needs that exist at the Secretariat, it is envisaged that a more efficient machine may have to be secured soon.

RJR SHAREHOLDING

The Honorary Secretary, Aulous Madden, continues to represent the PSOJ at RJR's Annual General Meeting.

MEETINGS AND SEMINARS

Coordination of meetings of Council, Executive Committee, Chairman's Club, Officers, Presidents' Council, Annual General Meeting, Retreat, Standing Committee on National Security, PSOJ (Holdings) Limited Board, Constitution Reform Committee and 'Special' Meetings are carried out by the staff of the Executive Office.

Chairmen's Club continued to meet on an adhoc basis. The Standing Committee on National Security under the chairmanship of Col. Trevor MacMillan met on the 2nd Friday of each month. The Committee continued its effort for the implementation of the Hirst and Wolfe Reports, as well as changes in the Electoral Reform system. A new Chairman to replace Col. Trevor MacMillan, who will be demitting this office to take up his new appointment as Commissioner of Police on September 1, is to be identified.

The Environment Committee embarked on a project to produce six (6) environmental documentaries. Sponsorship had been received from the bauxite companies for the production of three (3) of these. The committee has not been very successful with this project which it considers to be of national importance. This is due mainly, in the first in-

stance, to a breach of the terms of the technical agreement by the person contracted to produce the documentaries. The PSOJ has had to seek legal assistance in an effort to recover the large deposit already paid out, as per the terms of the contract. Consequently, the committee was forced to identify another production house and negotiations are underway.

The committee is now in the process of amending its Environmental Impact Assessment (EIA) proposal in an effort to obtain funding from international lending agencies. The proposal was initially discussed with a number of agencies (international and local). The aim of this project is to help private sector companies to conduct surveys/audits to determine the impact to waste, etc. from their companies on the environment.

Another project being embarked on by the committee is the establishing of an "Energy Farm" in a rural community, to provide residents, etc., with a source of firewood to be used in commercial activities.

The committee worked with NRCA in organising a half-day seminar for PSOJ members in February 1993. The theme of the Seminar was "Industrial Pollution Control" and focussed on (i) the NRCA Pollution Control System and (ii) reducing industrial pollution through environmental audits and voluntary compliance.

The Tree Planting Project continued, and in the first phase of this project trees were planted in schools in the Corporate Area. The second phase is now in progress - that is to encourage private sector companies participating in the Ministry of Education's Adopt-A-School programme to start/continue the planting of trees (fruit and/or ornamental) in their "adopted" school.

FINANCIAL STATEMENTS

PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

31 July 1993

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Price Waterhouse



13 October 1993

To the members of
Private Sector Organisation of
Jamaica
(Formerly Private Sector Organisation of
Jamaica Limited)
Kingston

Auditors' Report

We have examined the financial statements set out on pages 18 to 27 and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

The prior year balances were examined by other independent accountants whose report thereon was unqualified.

In our opinion proper accounting records have been maintained and the financial statements, which are in agreement therewith and have been prepared under the historical cost convention, comply with the provisions of the Companies Act and give a true and fair view of the state of affairs of the company and the group at 31 July 1993 and of the results of operations and cash flows of the group for the year then ended, so far as concerns members of the company.

Price Waterhouse.

Chartered Accountants

B.W. Young R.L. Downer E.L. McDonald F.R. Taffe J.L.M. Bell M.G. Rochester
P.W. Pearson J.A. Robinson E.A. Crawford J.W. Lee C.D.W. Maxwell P.E. Williams
S.J.P. Ermeav (Belize)

PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

GROUP PROFIT AND LOSS ACCOUNT

Year ended 31 July 1993

| | <u>Note</u> | <u>1993</u> <u>\$</u> | <u>1992</u> <u>\$</u> |
|--|-------------|--------------------------|--------------------------|
| GROSS OPERATING REVENUE | 3 | <u>6,025,761</u> | <u>3,285,055</u> |
| PROFIT/(LOSS) BEFORE TAXATION AND EXTRAORDINARY ITEMS | 4 | 1,104,559 | (809,230) |
| Taxation | 5 | <u>40,426</u> | <u>-</u> |
| PROFIT/(LOSS) AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS | | 1,064,133 | (809,230) |
| Extraordinary items | 6 | <u>4,090,490</u> | <u>2,803,876</u> |
| PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS | | 5,154,623 | 1,994,646 |
| Dealt with in the financial statements of: | | | |
| The company | | 4,510,962 | 1,682,743 |
| Subsidiary | | 643,661 | 311,903 |
| Accumulated surplus/(deficit) beginning of year | | <u>1,288,920</u> | <u>(705,726)</u> |
| Transfer to capital reserve | 12 | 6,443,543 (3,471,443) | 1,288,920 - |
| | | <u>2,972,100</u> | <u>1,288,920</u> |
| Reflected in the financial statements of: | | | |
| The company | | 2,313,790 | 1,274,271 |
| Subsidiary | | 658,310 | 14,649 |

PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

GROUP BALANCE SHEET

31 July 1993

| | <u>Note</u> | <u>1993</u> \$ | <u>1992</u> \$ |
|---|-------------|-------------------|-------------------|
| <u>NET ASSETS EMPLOYED</u> | | | |
| FIXED ASSETS | 7 | 3,441,905 | 3,551,062 |
| DISCOUNT ON ISSUE OF DEBENTURES | 8 | 93,722 | 224,484 |
| PREMIUM ON REDEMPTION OF DEBENTURES | 9 | 153,600 | 285,600 |
| INVESTMENTS | 10 | 1,558,340 | 2,057,504 |
| CURRENT ASSETS: | | | |
| Receivables | | 1,182,063 | 957,609 |
| Taxation recoverable | | 92,078 | 99,752 |
| Bank deposits | | 7,382,802 | - |
| Cash | | 1,078,473 | 1,549,916 |
| | | 9,735,416 | 2,607,277 |
| CURRENT LIABILITIES: | | | |
| Payables and accruals | | 1,194,948 | 386,334 |
| Subscriptions received in advance | | 1,857,298 | 1,878,714 |
| Bank overdraft | 11 | 549,703 | - |
| Current portion of long term liabilities | 14 | - | 63,006 |
| | | 3,601,949 | 2,328,054 |
| NET CURRENT ASSETS | | 6,133,467 | 279,223 |
| | | 11,381,034 | 6,397,873 |
| <u>FINANCED BY</u> | | | |
| CAPITAL RESERVES | 12 | 5,085,892 | 1,614,449 |
| ACCUMULATED SURPLUS | | 2,972,100 | 1,288,920 |
| | | 8,057,992 | 2,903,369 |
| SPECIAL PROJECT FUNDS | 13 | 2,387,082 | 1,522,666 |
| LONG TERM LIABILITIES | 14 | 935,960 | 1,971,838 |
| | | 11,381,034 | 6,397,873 |

ON BEHALF OF THE COUNCIL

.....) President
DOUGLAS ORANE)
)
)
.....) Hon. Treasurer
BETTY-ANN JONES

PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

COMPANY BALANCE SHEET

31 July 1993

| | <u>Note</u> | <u>1993</u> <u>\$</u> | <u>1992</u> <u>\$</u> |
|--|-------------|--------------------------|--------------------------|
| <u>NET ASSETS EMPLOYED</u> | | | |
| FIXED ASSETS | 7 | 747,842 | 775,457 |
| INVESTMENTS | 10 | 1,558,340 | 2,057,504 |
| INVESTMENT IN SUBSIDIARY | | 65,000 | 65,000 |
| CURRENT ASSETS: | | | |
| Receivables | | 1,131,838 | 929,023 |
| Due from subsidiary | | - | 32,953 |
| Taxation recoverable | | 97,215 | 91,540 |
| Bank deposits | | 7,382,802 | - |
| Cash | | 1,071,393 | 1,542,836 |
| | | 9,683,248 | 2,596,352 |
| CURRENT LIABILITIES: | | | |
| Payables and accruals | | 1,101,148 | 353,714 |
| Subscriptions received in advance | | 1,857,298 | 1,878,714 |
| Due to subsidiary | | 142,902 | - |
| Bank overdraft | 11 | 549,703 | - |
| Current portion of long term liabilities | 14 | - | 63,006 |
| | | 3,651,051 | 2,295,434 |
| NET CURRENT ASSETS | | <u>6,032,197</u> | <u>300,918</u> |
| | | 8,403,379 | 3,198,879 |
| <u>FINANCED BY</u> | | | |
| CAPITAL RESERVES | 12 | 3,702,507 | 231,064 |
| ACCUMULATED SURPLUS | | <u>2,313,790</u> | <u>1,274,271</u> |
| | | 6,016,297 | 1,505,335 |
| SPECIAL PROJECT FUNDS | 13 | 2,387,082 | 1,522,666 |
| LONG TERM LIABILITIES | 14 | - | 170,878 |
| | | <u>8,403,379</u> | <u>3,198,879</u> |

ON BEHALF OF THE COUNCIL

.....) President
DOUGLAS ORANE)
)
)
.....) Hon. Treasurer
BETTY-ANN JONES)

PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation Of Jamaica Limited)

STATEMENT OF GROUP CASH FLOWS

Year ended 31 July 1993

| | <u>1993</u> <u>\$</u> | <u>1992</u> <u>\$</u> |
|--|--------------------------|--------------------------|
| CASH RESOURCES WERE PROVIDED BY/ (USED IN): | | |
| OPERATIONS - | | |
| Net profit | 5,154,623 | 1,994,646 |
| Items not affecting cash - | | |
| Depreciation | 247,606 | 252,689 |
| Amortisation of discount on issue of debentures | 7,209 | 16,020 |
| Amortisation of premium on redemption of debentures | 9,600 | 16,800 |
| Gain on redemption of debenture | (619,047) | (175,545) |
| Gain on sale of investment | (3,471,443) | - |
| | <u>1,328,548</u> | <u>2,104,610</u> |
| Changes in non-cash working capital components - | | |
| Accounts receivable | (224,454) | (39,097) |
| Taxation | 7,674 | (61,546) |
| Accounts payable | 808,614 | (49,151) |
| Subscriptions received in advance | (21,416) | 629,899 |
| | <u>570,418</u> | <u>480,105</u> |
| Cash provided by operating activities | <u>1,898,966</u> | <u>2,584,715</u> |
| INVESTING ACTIVITIES: | | |
| Purchase of investments | (1,535,665) | (1,900,000) |
| Additions to fixed assets | (138,449) | (78,681) |
| Sale of investments | 5,510,272 | - |
| Cash provided by investing activities | <u>3,832,158</u> | <u>1,978,681</u> |
| FINANCING ACTIVITIES: | | |
| Special project funds | 864,416 | (185,504) |
| Loan repayments | (759,884) | (851,200) |
| Contributions from members | 526,000 | - |
| Cash provided by/(used in) financing activities | <u>630,532</u> | <u>(1,036,704)</u> |
| INCREASE/(DECREASE) IN NET CASH BALANCES | 6,361,656 | (430,670) |
| Net Cash balances at beginning of year | <u>1,549,916</u> | <u>1,980,586</u> |
| NET CASH BALANCES AT END OF YEAR | <u>7,911,572</u> | <u>1,549,916</u> |

THE PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

NOTES TO THE FINANCIAL STATEMENTS

31 July 1993

1. IDENTIFICATION:

The company is incorporated in Jamaica as a company limited by guarantee and not having a share capital. The liability of each member, in the event of a winding up, is limited to \$2.

On 4 March 1993 the company changed its name to Private Sector Organization of Jamaica.

The principal activity of the company is to promote, propagate and encourage the principles of private enterprise in Jamaica. The principal activity of the subsidiary is the rental of property.

These financial statements are presented in Jamaican dollars.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of consolidation -

The consolidated financial statements include the financial statements of the wholly-owned subsidiary, Private Sector Organisation of Jamaica (Holdings) Limited.

(b) Depreciation -

Fixed assets, except for freehold land on which no depreciation is provided, are depreciated on a straight line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:-

| | |
|------------------------|--------|
| Freehold buildings | 2 1/2% |
| Furniture and fixtures | 10% |
| Motor vehicles | 20% |

(c) Special projects funds -

Certain designated income is credited directly to Special Projects Funds. Approved projects expenditures are charged against these funds.

(d) Capital donations -

Fixed assets which are donated are valued at cost at the time of supply and credited to capital reserve.

THE PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

NOTES TO THE FINANCIAL STATEMENTS

31 July 1993

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Foreign currencies -

Foreign currency balances at the balance sheet date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the profit and loss account.

3. GROSS OPERATING REVENUE:

This represents income from membership subscriptions, advertising, seminars, luncheons, sale of directories and diaries etc.

4. PROFIT/(LOSS) BEFORE TAXATION AND EXTRAORDINARY ITEMS:

This is stated after charging/(crediting):

| | <u>1993</u> | <u>1992</u> |
|-------------------------------|--------------------|------------------|
| | <u>\$</u> | <u>\$</u> |
| Depreciation | 247,606 | 252,689 |
| Council members' remuneration | - | - |
| Auditors' remuneration - | | |
| Current year | 180,000 | 127,620 |
| Prior year | 13,950 | 7,468 |
| Loan interest | 23,512 | 157,933 |
| Overdraft interest | 76,973 | 8,228 |
| Bad debts | 280,132 | 72,352 |
| Amortisation of discount on | | |
| issue of debenture (note 8) | 7,209 | 16,020 |
| Amortisation of premium on | | |
| redemption of debenture | | |
| (note 9) | 9,600 | 16,800 |
| Interest income | (469,123) | (659,892) |
| Investment income | <u>(1,127,182)</u> | <u>(56,152)</u> |

5. TAXATION:

Taxation is based on the group's results for the year adjusted for taxation purposes.

THE PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

NOTES TO THE FINANCIAL STATEMENTS

31 July 1993

6. EXTRAORDINARY ITEMS:

| | <u>1993</u> | <u>1992</u> |
|--|------------------|------------------|
| | \$ | \$ |
| Special contributions by members to finance the operations of the company | - | 2,566,836 |
| Gain on redemption of debentures | 619,047 | 175,545 |
| Write back of debenture interest payable forgiven by the debenture holders | - | 61,495 |
| Gain on sale of investments | <u>3,471,443</u> | <u>-</u> |
| | <u>4,090,490</u> | <u>2,803,876</u> |

7. FIXED ASSETS:

| | <u>THE GROUP</u> | | | | |
|------------------------|----------------------|--------------------------|---------------------------------|-----------------------|------------------|
| | <u>Freehold land</u> | <u>Freehold Building</u> | <u>Furniture & fixtures</u> | <u>Motor vehicles</u> | <u>Total</u> |
| | \$ | \$ | \$ | \$ | \$ |
| At cost or valuation - | | | | | |
| At 1 August 1992 | 389,151 | 2,603,837 | 1,004,910 | 425,030 | 4,422,928 |
| Additions | - | - | 94,757 | 43,692 | 138,449 |
| At 31 July 1993 | <u>389,151</u> | <u>2,603,837</u> | <u>1,099,667</u> | <u>468,722</u> | <u>4,561,377</u> |
| Depreciation - | | | | | |
| At 1 August 1992 | - | 312,229 | 415,051 | 144,586 | 871,866 |
| Charge for year | - | 65,294 | 100,559 | 81,753 | 247,606 |
| At 31 July 1993 | <u>-</u> | <u>377,523</u> | <u>515,610</u> | <u>226,339</u> | <u>1,119,472</u> |
| Net book value - | | | | | |
| 31 July 1993 | <u>389,151</u> | <u>2,226,314</u> | <u>584,057</u> | <u>242,383</u> | <u>3,441,905</u> |
| 31 July 1992 | <u>389,151</u> | <u>2,291,608</u> | <u>589,859</u> | <u>280,444</u> | <u>3,551,062</u> |

THE PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

NOTES TO THE FINANCIAL STATEMENTS

31 July 1993

7. FIXED ASSETS: (Continued)

| | THE COMPANY | | |
|------------------------|-------------------------|-------------------|-----------|
| | Furniture & fixtures | Motor vehicles | Total |
| | \$ | \$ | \$ |
| At cost or valuation - | | | |
| At 1 August 1992 | 834,471 | 425,030 | 1,259,501 |
| Additions | 94,757 | 43,692 | 138,449 |
| At 31 July 1993 | 929,228 | 468,722 | 1,397,950 |
| Depreciation - | | | |
| At 1 August 1992 | 339,458 | 144,586 | 484,044 |
| Charge for year | 84,311 | 81,753 | 166,064 |
| At 31 July 1993 | 423,769 | 226,339 | 650,108 |
| Net book value - | | | |
| 31 July 1993 | 505,459 | 242,383 | 747,842 |
| 31 July 1992 | 495,013 | 280,444 | 775,457 |

8. DISCOUNT ON ISSUE OF DEBENTURES:

This represents the discount on the issue of the first mortgage debenture stock, being amortised on a straight line basis at 5% per annum. These debentures were issued at \$58.08 for each \$100.00 face value.

9. PREMIUM ON REDEMPTION OF DEBENTURES:

This represents the premium on redemption of the second mortgage debenture stock, being amortised on a straight line basis at 5% per annum. These debentures are redeemable at a premium of \$48 for each \$100 face value.

10. INVESTMENTS:

| | <u>1993</u> | <u>1992</u> |
|---------------------------|-------------|-------------|
| | \$ | \$ |
| Quoted, at cost | | |
| (market value \$2,219,258 | | |
| 1992 - \$4,365,104) | 1,558,340 | 2,057,504 |

THE PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organisation of Jamaica Limited)

NOTES TO THE FINANCIAL STATEMENTS

31 July 1993

11. BANK OVERDRAFT:

This is secured a charge on the property of the subsidiary and a guarantee of \$1,000,000 by the subsidiary.

12. CAPITAL RESERVES:

| | <u>THE GROUP</u> <u>1993</u> \$ | <u>THE COMPANY</u> <u>1992</u> \$ |
|---|---------------------------------------|---|
| At beginning of year - Capital grants | 1,614,449 | 231,064 |
| Movement during the year - Gain on sale of investment | <u>3,471,443</u> | <u>3,471,443</u> |
| At end of year | <u>5,085,892</u> | <u>3,702,507</u> |
| Consisting of - Capital grants | 1,614,449 | 231,064 |
| Gain on sale of investment | <u>3,471,443</u> | <u>3,471,443</u> |
| | <u>5,085,892</u> | <u>3,702,507</u> |

Capital grants comprise the value at the time of acquisition of assets donated to the group adjusted for any subsequent loss or gain on disposal.

13. SPECIAL PROJECTS FUNDS:

| | <u>1993</u> \$ | <u>1992</u> \$ |
|--|-------------------|-------------------|
| USAID - Health Sector Initiative Project | 23,932 | 312,413 |
| G. Arthur Brown - Scholarship Fund | 125,259 | 97,674 |
| Christmas Eve explosion Fund | 1,765 | 1,765 |
| Peace Fund | 170 | 170 |
| Student Fund | - | 14,550 |
| Farm Fund | 617 | 383 |
| Crime Stop/National Security/ National Crime Prevention Fund | 1,373,309 | 1,095,711 |
| Muirton Boy's Home Fund | 1,817 | - |
| Environment Fund | 270,330 | - |
| National Action Plan | 392,524 | - |
| Legislative Action Fund | <u>197,359</u> | <u>-</u> |
| | <u>2,387,082</u> | <u>1,522,666</u> |

THE PRIVATE SECTOR ORGANISATION OF JAMAICA
(Formerly Private Sector Organization of Jamaica Limited)

NOTES TO THE FINANCIAL STATEMENTS

31 July 1993

14. LONG TERM LIABILITIES:

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|------------------|--------------------|----------------|
| | <u>1993</u> | <u>1992</u> | <u>1993</u> | <u>1992</u> |
| | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| 1% First mortgage debenture stock (1987/2008) | 343,960 | 764,960 | - | - |
| 1% Second mortgage debenture stock (1990/2009) | 592,000 | 1,036,000 | - | - |
| 34% Bank loan (1990/1994) | - | 233,884 | - | 233,884 |
| | <u>935,960</u> | <u>2,034,844</u> | <u>-</u> | <u>233,884</u> |
| Less: current portion | - | (63,006) | - | (63,006) |
| | <u>935,960</u> | <u>1,971,838</u> | <u>-</u> | <u>170,878</u> |

15. PENSION SCHEME:

The company operates a contributory pension scheme for all employees who have satisfied certain minimum service requirements. The scheme which is a defined contribution plan is administered by a life insurance company.

The contributions of the company and the group for the year amounted to \$27,246 (1992 - \$22,698).

16. CONTINGENT LIABILITY:

The company has guaranteed the interest payments and the redemption of the debenture stocks issued by the subsidiary.

17. LEASE COMMITMENTS:

Commitments under non-cancellable operating leases expiring in 1994 amounted to \$212,453 (1992 - \$318,679) for the company and the group.

FINANCE AND MEMBERSHIP

1. NET WORTH

The Organisation closed the financial year with an increase in its Net Worth of 4.983Mn dollars. This was accomplished primarily by the disposal of two hundred and thirty-three thousand four hundred and fifty-one (233,451) Radio Jamaica Shares at a purchase price of 82K dollars which realized a gain of 3.5Mn dollars. The income from our other investments also contributed a significant portion of the increase in our Net Worth. The sum which was realized 1.6Mn dollars.

2. DISCOUNT AND PREMIUM ON DEBENTURES

The total reduction was 262K dollars over prior year as a result of the initiative to redeem the debentures before the maturing dates.

3. BANK DEPOSITS

Our Bank deposits increased significantly over the previous year as a result of item #1 above.

4. CAPITAL RESERVES

Please see Item #1 for the disposal of RJR Shares.

5. OPERATING RESULTS

The year 1992-93 can be considered a very good year for the Organisation in terms of its operating surplus which was achieved by our aggressive approach to the Subscription Receivable. Our Subscription Budget for 1992-93 was 4Mn dollars of which the sum of 3.9Mn was collected or 97% of the budget.

The revenue for 1992-93 is 2.7Mn over 1991-92 Fiscal Year.

6. ACTUAL VS BUDGET 1992-1993

| | Actual | Budget | Variance |
|---------|--------|--------|----------|
| Revenue | 6026 | 6165 | (139) |
| Expense | 4962 | 6051 | 1089 |
| Surplus | 1064 | 114 | 950 |

7. MEMBERSHIP GROWTH 1992-1993

| | July 93 | July 92 | Increase/ Decrease |
|--------------|---------|---------|-----------------------|
| Individuals | 78 | 67 | 11 |
| Companies | 247 | 220 | 27 |
| Associations | 26 | 25 | 1 |
| Total | 351 | 312 | 39 |

The increase of thirty nine members is a net increase as nine delinquent members were deleted from membership of the Organisation.



New member Lloyd Bingham received his PSQJ Membership Certificate from President Douglas Orane at the Membership Luncheon held at the Pegasus on May 20, 1993. In the background is Anthony Bell, Chairman of the PSQJ Membership Committee.

PSOJ & (HOLDINGS) LTD.

PSOJ & (HOLDINGS) LTD.
BUDGET
AUGUST 1, 1993 - JULY 31, 1994
BALANCE SHEET

Current Assets

| | |
|---------------------|-----------|
| Cash and Bank | 7,516,586 |
| Accounts Receivable | 260,302 |

Current Liabilities

| | |
|------------------|------------|
| Accounts Payable | 566,960 |
| Working Capital | 7,209,928 |
| Investments | 1,978,163 |
| Fixed Assets | 3,181,004 |
| | <hr/> |
| | 12,369,095 |
| | <hr/> |

Financed By:

| | |
|-----------------------|------------|
| Capital Reserves | 5,085,892 |
| Endowment Fund | 1,205,283 |
| Special Project Funds | 3,000,000 |
| Surplus BFwd | 3,071,920 |
| Surplus Current Year | 6,000 |
| | <hr/> |
| | 12,369,095 |
| | <hr/> |

BUDGET

1993-94 REVENUE BUDGET

| | Total | Aug 93 | Sept 93 | Oct 93 | Nov 93 | Dec 93 | Jan 94 | Feb 94 | Mar 94 | Apr 94 | May 94 | June 94 | July 94 |
|-------------------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Subscriptions | 5200 | 3730 | 450 | 450 | 170 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Publications: Diary | 620 | | | | 310 | 310 | | | | | | | |
| Enterprise | 80 | 20 | | | 20 | | | 20 | | | 20 | | |
| Viewpoint | 311 | 28 | 28 | 28 | 28 | | 21 | 28 | 30 | 30 | 30 | 30 | 30 |
| Luncheon | 310 | 70 | | 40 | 70 | | | | | | 80 | 50 | |
| Miscellaneous | 376 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 32 | 32 | 32 | 32 |
| Sub Total | 6897 | 3879 | 509 | 549 | 629 | 391 | 102 | 129 | 111 | 112 | 212 | 162 | 112 |
| Income from Investments | 772 | 80 | 80 | 80 | 95 | 88 | 78 | 69 | 59 | 49 | 38 | 33 | 23 |
| Total | 7669 | 3959 | 589 | 629 | 724 | 479 | 180 | 198 | 170 | 161 | 250 | 195 | 135 |

1993-94 CASH FLOW BUDGET

| | Aug 93 | Sept 93 | Oct 93 | Nov 93 | Dec 93 | Jan 94 | Feb 94 | Mar 94 | Apr 94 | May 94 | June 94 | July 94 | Total |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| INFLOW | | | | | | | | | | | | | |
| Subscription | 3730 | 450 | 450 | 170 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 5200 |
| Other Income | 124 | 59 | 99 | 464 | 376 | 52 | 59 | 61 | 62 | 62 | 62 | 62 | 1542 |
| Sub-Total | 3854 | 509 | 549 | 634 | 426 | 102 | 109 | 111 | 112 | 112 | 112 | 112 | 6742 |
| Income from Investments | 80 | 80 | 80 | 95 | 88 | 78 | 69 | 59 | 49 | 38 | 33 | 23 | 772 |
| Total | 3934 | 589 | 629 | 729 | 514 | 180 | 178 | 170 | 161 | 150 | 145 | 135 | 7514 |
| OUTFLOW | | | | | | | | | | | | | |
| Operating Expense | 597 | 477 | 507 | 705 | 799 | 567 | 567 | 674 | 567 | 627 | 607 | 567 | 7261 |
| Net Flow | 3337 | 112 | 112 | 24 | (285) | (387) | (389) | (504) | (406) | (477) | (462) | (432) | 253 |
| Opening Balance | 1500 | 4837 | 4949 | 5071 | 5095 | 4810 | 4423 | 4034 | 3530 | 3124 | 2647 | 2185 | 1500 |
| Closing Balance | 4837 | 4949 | 5071 | 5095 | 4810 | 4423 | 4034 | 3530 | 3124 | 2647 | 2185 | 1753 | 1753 |

1993-94 EXPENSE BUDGET

| | Total | Aug 93 | Sept 93 | Oct 93 | Nov 93 | Dec 93 | Jan 94 | Feb 94 | Mar 94 | Apr 94 | May 94 | June 94 | July 94 |
|----------------------------|-------------|-------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Staffing | 3900 | 260 | 260 | 260 | 260 | 410 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Travelling & Entertainment | 450 | 37 | 37 | 37 | 37 | 37 | 37 | 38 | 38 | 38 | 38 | 38 | 38 |
| Stationery | 180 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Publications: Diaries | 296 | | | | 148 | 148 | | | | | | | |
| Enterprise | 64 | 16 | | | 16 | | | 16 | | | 16 | | |
| Repairs/Maintenance | 300 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Utilities | 648 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| Audit Fee | 144 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Insurance | 221 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 19 | 19 | 19 | 19 | 19 |
| Motor Vehicle | 96 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Legal & Statutory Fees | 48 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Bank charges | | 36 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 3 | | | | | | | | | | | | | |
| Meetings | 96 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Luncheon | 240 | 55 | | 30 | 55 | | | | | | 60 | 40 | |
| Training | 120 | 65 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Viewpoint | 240 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Other General | 144 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Postage | 24 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Property Taxes | 30 | | | | | | | | 30 | | | | |
| Lease Photocopier | 96 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Depreciation | 240 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Refurbishing | 50 | | | 50 | | | | | | | | | |
| Total | 7663 | 642 | 511 | 591 | 730 | 809 | 601 | 618 | 633 | 603 | 679 | 643 | 603 |
| Surplus/Deficit | 6 | 3317 | 78 | 38 | (6) | (330) | (421) | (420) | (463) | (442) | (429) | (448) | (468) |

THE PSOJ IN ACTION



SCHOLARSHIP WINNER: PSOJ President, Dennis Lalor presenting Celia Chambers one of the two recipients of the G. Arthur Brown Scholarship, with her award. The presentation took place at the Quarterly Membership Luncheon which was held in August 1992, at the Jamaica Pegasus Hotel. Looking on are Charles Ross, Executive Director (Left) and Delroy Lindsay, Vice President.

MEDICAL DONATION: JAMAC'S Neville James (left) and Coordinator Paula Baugh (2nd left) look on as Dr. Cherry Bridge-Leake (right), Consultant Anaesthesiologist examines a resuscitaire, part of the medical supplies/equipment donated to the Victoria Jubilee Hospital in January. Also in photo is Mrs. Flo Chambers, Supplies Management Officer in the Ministry of Health.



LUNCHEON ADDRESS: President Douglas Orane gave his PSOJ Luncheon address at the Membership Luncheon held at the Jamaica Pegasus Hotel in March 1993. Listening to the President are (from left) Executive Director, Charles Ross; Membership Committee Member Dotsie Gordon and Vice Presidents Delroy Lindsay and William McConnell.



CO-OPERATIVE AGREEMENT: PSOJ President Douglas Orane (left) and Beacon Council President John Anderson shake hands to signify their satisfaction with the terms of the Technical, Cooperative and Economic Agreement which was signed in August at the offices of the PSOJ.



PSOJ IN THE WEST: The Honourable Dennis Lalor exchanged thoughts with Ripton McPherson who represented Montego Bay Chamber of Commerce at the Membership Luncheon held at the Wexford Court Hotel in November 1992. Mr. Lalor later addressed the gathering on the PSOJ - its history, its objectives and its role.



CARING FOR THE ENVIRONMENT: Executive Director, Charles Ross planted a tree at the Jessie Ripoll Primary School at a tree planting ceremony in October 1992. This followed a talk on the importance of caring for the environment given by Dr. David Smith, Executive Director of the Jamaica Conservation and Development Trust and member of the PSOJ Environment Committee (2nd right). Looking on are students of the school and Marcia Ormsby, Communications Officer at the PSOJ.

INTRODUCTION

The Communications Division continued its efforts to keep PSOJ members informed on important issues as they affect the nation in general and the private sector in particular.

ACTIVITIES

• PSOJ Viewpoint

A total of 45 programmes were broadcast on RJR between July 1992 and August 1993. (N.B. "PSOJ Viewpoint" is not aired in December). Of this number, 24 were chaired by PSOJ's Executive Director and the remaining 21 were chaired by LICA's Executive Director Vivian Rochester. These programmes covered a ranged of economic and social topics including aspects of the Grace Kennedy Foundation Lecture Series (see appendix I for further information on the programmes).

• Private Sector Focus

The PSOJ continues to utilize this column in the Sunday Gleaner. During the period under review, 45 articles were published (see Appendix II for titles and writers of these articles).

• Enterprise

Three issues of the Organisation's newsletter were prepared and distributed to PSOJ members and others including members of Parliament, media houses, policymakers, educational institutions and libraries.

• Other Publications

* The Division in conjunction with the Economic Research and Business Development Division, is currently engaged in the preparation of the 1992 Annual Report on the Economy. It is hoped that this publication will be ready for distribution by the end of September 1993.

* Orders were filled for over 700 1993 PSOJ Executive Diaries and or fillers. Work is in progress on the 1994 Executive Diary which should be available in November 1993.

* The Division has begun research on the format, content and design of an information brochure on the PSOJ. This would provide information on the Organisation, its Officers, members and activities.

• Speeches, Messages, Statements

A total of 12 reports/statements as well as 15 messages (requested by various organisations and associations) were prepared by the Division (see Appendix III).

• Press Releases and Press Advisories

Twelve (12) Press Releases and fourteen (14) Press Advisories were disseminated to the various media houses (see Appendix IV).

• Special Meetings

The Communications Officer represented the PSOJ on the Organizing Committees for the following events:

1. Joint Public/Private Sector Mission to the Far East
2. First National Political Debates
3. Jamaica/Japan Forum on Trade and Investment Opportunities.

The Division had a major role in the organisation of the following PSOJ events:

1. Membership Luncheons islandwide;
2. Dinner to honour the Hon. Dennis Lalor, Immediate Past President, PSOJ
3. Luncheon for the Directors of News and Senior Editors of the various media houses.

ECONOMIC RESEARCH AND BUSINESS DEVELOPMENT

RESEARCH ACTIVITIES

During the year under review, many papers including detailed economic research, occasional papers, economic briefs and articles were completed by the Division. Research work was conducted on the following topics: Taxation, 936 Financing, Jamaican Capital Market, Structural Economic Reform, the North American Free Trade Agreement, Review of the Jamaican Economy, Inflation and reviews and summaries on a number of economic variables.

As is evident from the list of the above research work, many of the research papers were written in response to ad hoc requests. The quality of some of these papers were constrained by the lack of adequate relevant research material.

ECONOMIC RESEARCH AND BUSINESS DEVELOPMENT PROPOSALS

A Business Intention Survey of post-liberalization investment behaviour was carried out in mid-1992. The findings of this survey assisted the PSOJ in the preparation of the more comprehensive survey. Termed the 1993 USAID/PSOJ Business Behaviour Survey, a significant portion of the preliminary work on this Survey was completed during 1993. These activities included: questionnaire design, compiling of a database of companies, determination of financing and human resources requirement. This Survey was conducted between May 20 - June 28, 1993. The report on the findings of the Survey has been completed and the findings will be made public at a seminar to be held in October 1993.

PSOJ ANNUAL ECONOMIC REPORT 1992

The annual Economic Report for 1992 was almost completed at the time of writing this report

and should be published by the end of September, 1993. The timeliness of this report was affected by the absence of adequate personnel with the Division.

LIBRARY

During the review period, the staff library of the PSOJ was only partially functional, the result of poor organization of material, as well as inadequate material, shelving space and personnel.

POLICY COMMITTEES

During the review period the Division had several Economic Policy Committee meetings, under the chairmanship of Mr. Delroy Lindsay. The EPC prepared many economic documents, during the review period, a number of these documents were presented to Government and used in PSOJ's lobby process.

SERVICES

The Division supplied the PSOJ's membership with technical support including the provision of data support, economic summaries, briefs and advice.

MISCELLANEOUS

In an attempt to further the aims of disseminating the philosophy of free enterprise to the Jamaican society, selected articles were prepared and published in the Daily Gleaner, the Financial Gleaner and Enterprise. Members of the Division also participated in selected radio programmes. Numerous interviews were granted to members of the local and international media and trade promotion organizations, bi- and multi-lateral institutions as well as researchers and students.

HUMAN RESOURCE DEVELOPMENT

CO-OPERATIVE AGREEMENT BETWEEN USAID AND PSOJ FOR THE HEALTH SECTOR INITIATIVES PROJECT (HSIP)

A Co-operative Agreement between USAID and PSOJ was signed in August 1990 and is effective for five years, from September 1, 1990 to August 31, 1995. Under the terms of the agreement US\$821,000.00 has been provided to the PSOJ, US\$550,000.00 of which will be used to provide technical support to the private sector health care.

Under the terms of the original Agreement, the focus of the project was to promote private investment in health care. As a result of the management audit conducted in 1992, the focus of the project was shifted to support private voluntary organisations involved in the delivery of health care. Participants at the management review also decided to explore options for increasing the number of persons covered by health insurance. The challenge was to design a "low-cost" insurance package which would attract persons currently uninsured. To this end an insurance specialist was hired to review the current offerings by the local insurance industry. Following consultations with representatives of the local health insurance sector it was determined that there was no such thing as "low-cost health insurance". The price at which health insurance would have to be sold would make it unaffordable to the bulk of the working population.

A survey on health insurance was undertaken by J. A. Young Research Company on behalf of the Private Sector Organisation of Jamaica.

This survey was carried out among the general working and insured population of the Kingston Metropolitan Area and is part one of this study. The results indicate that:

- (1) a large number of uninsured persons are willing to take out health insurance at an

affordable cost; they have indicated a range from \$50.00 - \$100.00 per month.

- (2) current insureds are willing to pay more for health insurance in order to achieve additional or improved benefits;
- (3) there appears to be a significant market for increasing health insurance coverage in Jamaica, with the necessary aggressive marketing by the local carriers.

Part two of this survey will be carried out in the upcoming months and will cover the rest of the island.

Review of the Project - April, 1993

The Health Sector Initiatives Project was reviewed during the week of April 26-30, 1993. During this period the USAID Consultants, Jack Galloway and Dene McGriff met with the Coordinator and Insurance Specialist, representatives of the Insurance Industry, the MAJ as well as the PSOJ's Health Sub-Committee.

During the review, the Coordinator stressed the need for greater flexibility in the criteria for assessing grants, including in particular the funding of limited capital costs for projects start-up. In addition, a streamlining of the approval process for projects was requested. These points were agreed to by USAID.

By letter dated May 3, 1993 the Coordinator requested that the current method of assessing project proposals be varied, i.e. instead of approval by the Projects Sub-Committee and the Health Committee, approval would be by a Technical Review Panel. By letter dated May 10, 1993, USAID agreed to the suggestion of the establishment of the Technical Evaluation Panel which has the following members:

Project Officer USAID -
Mrs. Cheryl Davis-Ivey

Coordinator, GOJ/HSIP -
Dr. Marjorie Holding-Cobham

Representative of Insurance Companies -
Mr. Noel Foster

Chairman, PSOJ Health Committee -
Mr. Leslie Chung

Representative of Medical Profession -
Dr. Robert Parchment

Coordinator, PSOJ/HSIP -
Mrs. Jennifer Williams

CASCADE COMMUNITY

The staff of the Health Sector Initiatives Project (HSIP) have been working with Ruth Brown (Nurse) of Operation Friendship in trying to provide health care for the Community of Cascade, Portland. The leaders of the Community have made available land for the construction of a health centre.

The Community representatives were advised that under the HSIP, funds were not available for construction. However the HSIP staff would be willing to assist in identifying appropriate funding agencies which may be able to offer assistance, and assist in the development of proposals for submission to these agencies.

So far, our efforts have succeeded in gaining interest from Oxfam. The local representative

Valerie Cornwall has toured Operation Friendship's facilities, the Cascade Area and met with various community members. Ms Cornwall plans to invite her Regional Director who will be in Jamaica in August to also tour Cascade. Ms Cornwall will be writing the official grant requests to Oxfam's Head Office. The HSIP Coordinator will continue to monitor the progress of this association as well as try to obtain additional funding from other international agencies.

In addition, we have contacted the Director of Primary Care - Dr. Eva Lewis-Fuller regarding any possible assistance from the Ministry of Health. To date, Dr. Lewis-Fuller has reviewed written proposals from the Cascade Community, but stated that the Ministry will have to obtain additional information from the local representatives in Portland before making any decisions.

ACTIVITIES UNDER HSIP

- i) Preparation of the Investment Climate Report - J\$90,500.00.
- ii) Funding for Workshop of Caribbean College of Family Physicians - J\$60,000.00.
- iii) Funding of Ministry of Health/Blue Cross of Jamaica feasibility study for a National Health Insurance Scheme in St. Ann US\$75,000.00 (payable in J\$) rate used US\$1 = J\$10.15 - J\$761,250.00.

The Hyacinth Lightbourne Memorial Association Ltd. (HMLA) received financial assistance under the PSOJ's Health Sector Initiatives Project (HSIP). This was confirmed in the agreement which was happily signed by Vincent Matross-McIntosh, HMLA Chairman and PSOJ Executive Director Charles Ross. Witnessing the signing were (from left) Mavis Llewellyn-HMLA Director, Fay Petgrave-KPMG Consultant and Jennifer Williams-HSIP Coordinator. HMLA used the funds to finance its Business and Development Plan.



- iv) Signing of contract with Jackson Advertising Ltd. for advertisement and marketing of HSIP - J\$328,336.00.
- v) Funding of the Diabetic Association of Jamaica's "Lifestyle Awareness through the Media" project - J\$405,000.00.
- vi) Recruitment of Insurance Specialist to carry out studies for pro-active private insurance initiatives for low income groups.
- vii) Contracting with J A Young to conduct a Survey of the General Working and Insured Population of the Kingston Metropolitan Area (Pt. I) - J\$75,000.00.
- viii) Negotiation of Agreement with Hyacinth Lightbourne Memorial Association (HLMA) to support their Development Plan (J\$379,506.00).

Total Grant Funds disbursed to date J\$2,099,592.00.

HEALTH COMMITTEE/TECHNICAL EVALUATION PANEL

***Chairman, Leslie Chung, Managing Director,
British Caribbean Insurance Company***

The Committee had been reconstituted to the Technical Evaluation Panel and continues to provide guidance to the Coordinator, HSIP on the projects to be funded under the programme.

The Coordinator, Mrs. Jennifer Williams, resigned effective the end of August, 1993. Miss Dawn Battick, Insurance Specialist has assumed responsibility as Coordinator for the HSIP.

EDUCATION

a) G. Arthur Brown Scholarship (Management Accounting at UWI)

The Trustees have undertaken a fundraising drive to raise additional funds for the provision of scholarships. Letters have been sent to member companies of the PSQJ and we are currently awaiting their response.

The value of the fund currently stands at \$92,000.00

b) Canada/Jamaica Training Project

The project has continued to provide assistance to candidates in the public and private sectors for training in Canadian as well as local and regional institutions.

The Canada/Jamaica Training Project has achieved its full quota of long term academic awards, i.e. students who have been sent to study in Canadian and regional institutions. The project will now be concentrating on local, and overseas short term training.

This first phase of the project was scheduled to end in December 1995, however there has been an extension of one year to December 1996. This is largely as a result of the devaluation of the Jamaican dollar resulting in an excess of local funds vis-a-vis the Canadian dollar.

OTHER ACTIVITIES

Assistance continues to be provided to institutions such as the Scientific Research Council for its annual Conference.

PSQJ is represented on the Boards of the Canada/Jamaica Training Project, Overseas Examination Committee and the Jamaican Foundation of Corporate Donors.

THE NATIONAL CRIME PREVENTION FUND

ADMINISTRATION

During the year under review the business of the National Crime Prevention Fund continued to be directed by the Executive Committee appointed by the Fund's trustees.

In March of this year Lester Spaulding was appointed Chairman of the Board and Mike Hirst was appointed Deputy Chairman.

In July 1993, it was announced that Col. Trevor MacMillan had been appointed as the new Commissioner of Police designate to commence office on the 1st September, 1993. In view of this, Col. MacMillan resigned as a member of the Board, but will continue to keep in close contact with the programme in his new capacity.

The Committee currently comprises the following members:

J.A. Lester Spaulding, Chairman
Michael Hirst, Deputy Chairman
Jennifer Cheeseman, Secretary
Charles Ross, Executive Director, PSOJ
Delroy Lindsay, Vice President, PSOJ
Neville James, KLAS
Earl Patrick, Berger Paints (Ja.) Ltd.
Neville Wheatle, Snr. Supt. of Police

In August 1992, Jennifer Cheeseman resigned as the Co-ordinator for the programme. Prudence Gentles was appointed the new Co-ordinator and took up her post on the 1st December 1992.

The Co-ordinator answers directly to the Executive Committee and her responsibilities include:

- day-to-day administration of all the Fund's activities;
- research into, writing and production of the monthly Crime of the Month programme and news releases, as well as production of corporate advertising and public relations;

- preparation and management of the Fund's budget;
- soliciting support at all levels from major media and related bodies, the private sector, the police and the public.

FUNDING

All costs to the programme, including administration, advertising and payments for rewards, continued to be covered by:-

1. Media and related bodies contributing, on an ongoing and regular basis, free time and space, design and production facilities for advertisements, posters, stickers, among other things;
2. Interest accruing to the million dollar fund donated by private sector bodies;
3. The police, who provide free office space and personnel to man the telephone hotlines;
4. The PSOJ Secretariat, with provision of a recording secretary at the monthly committee meetings and accounting services at a nominal fee of \$1,000.00 per month.

ACCOUNTS

In the month of July, 1993, the National Crime Prevention Fund received donations totaling \$450,000. This figure was added to the one million dollar fund. The PSOJ was reimbursed \$189,000 leaving a balance of 1.261M dollars to be invested on behalf of the Fund.

The balance sheet dated July 31st, 1993, showed a net book worth of \$1,415,229 and an operating deficit of \$136,629.00. This deficit represented a \$92,679.00 reduction of the budgeted deficit.

MEDIA ADVERTISEMENTS

1. Thirty-three (33) television, radio and newspaper "Crime Stop" Crime-of-the-Month advertisements were produced in the period under revision.

The advertisements were broadcast/published free of cost by JBC TV, JBC Radio, Radio Jamaica Ltd., KLAS FM, Irie FM, the Gleaner Company and the Record, in over 4,200 spots including prime time spots.

2. A new media campaign has been produced which will supersede the current Corporate advertising campaign. New radio, television, billboard, and press advertisements have all been produced and will commence placement in the media in early September 1993. The new campaign is designed to encourage the public to be more involved in helping to solve crime in the society.

Guardsman Limited has underwritten the cost of the production of the new television advertisement at a cost of \$35,000.00.

3. Signtex Limited has increased the number of billboards which are placed islandwide to six.



National Crime Prevention Fund Director, Neville James, made an appeal for financial contributions to the Crime Stop Programme. The appeal was made at the PSOJ Membership Luncheon which was held at the Holiday Inn, Montego Bay, in August 1993. Listening to Mr. James' plea for help were (from left) Executive Director Charles Ross, Montego Bay Chamber of Commerce representative Godfrey Dyer and PSOJ President Douglas Orane.

MONTHLY REPORT AND STATISTICS

Twelve monthly reports with "Crime Stop" statistics were submitted to the committee for review.

NEWS RELEASES

Six news releases reporting "Crime Stop's" achievements were issued to and carried in all daily news media over the period. The Executive Committee also held a Press Conference in March, 1993, to bring the media houses up to date on the success of "Crime Stop".

PUBLIC AWARENESS

Speeches were made to the following bodies during the year under review:-

- (i) Senior Officers of the Police Force
- (ii) Several high schools in the Corporate Area
- (iii) PSOJ Quarterly Membership Luncheon of the held in Montego Bay
- (iv) The Jamaica Bankers Association

PUBLIC RESPONSE

Public response resulted in 1,233 calls, bringing the total number of telephone calls made to "Crime Stop" since its inception in September 1989 to 5,010. Police investigations into calls during the period under review led to 116 arrests which included 24 for murder.

REWARDS

The Fund paid out a total of \$42,500.00 over the period under review. This means that the average reward payout was \$366 per arrest made.

OPERATIONAL CONSTRAINTS

1. The present space occupied by the "Crime Stop" office is inadequate.
2. The computer programme that was put in place has not been as effective as it should have been. This is due to the fact that the programme is incomplete and needs additional work done on it.