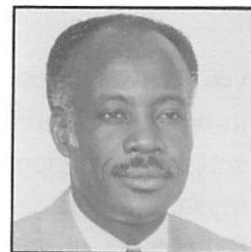


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PRESIDENT'S MESSAGE

CLIFTON CAMERON



We have had a full year of activities. With a negative performance of nearly 2% in 1996, the continuing deterioration in the economy made it even more urgent that our primary focus remain the promotion of sustainable economic growth. We maintained this issue on the national agenda through various public fora and in the National Planning Council. We also paid increasing attention to trade policy issues and to investment policy.

Members were kept abreast of developments in trade and the economy through several seminars hosted by us, starting off with an examination of international trade in February.

We were extremely pleased to co-sponsor the ninth annual private sector conference of the CAIC, which was held in June. With the theme **Caribbean Business in a Borderless World**, the conference offered an opportunity to familiarize Jamaican private sector leaders with developments regarding regional and international trading blocs, including the FTAA. This is an area of critical importance for our economic future and recommendations from the

conference were taken to the CARICOM Heads of Government meeting which was held the following week in Montego Bay.

One of the highlights of the year was, of course, our twentieth Anniversary Banquet at the end of May. This gave us an opportunity to pay tribute to our past presidents for their work in building our organization, and was a fitting climax to a year of special events and promotions which included a national schools' essay competition and the publication of a commemorative journal.

We have been very concerned about the escalation of violent crime and civil disturbances including street demonstrations and also with the way the security forces have reacted in some instances. This led us to establish an Advisory Sub-Committee on crime which includes among its members a former Commissioner of Police and a former Chief of Staff of the Jamaica Defence Force. This committee has reinforced the work of our Standing Committee on National Security.

We have continued to make our voice heard on the issue of electoral reform, which remained high on our agenda.

We have followed developments through our sub-committee on the subject and through meetings between myself and other members of the Executive with the Electoral Advisory Committee. We have remained concerned that there are still many contentious issues to be resolved, even as elections are drawing closer. We are especially concerned about the arrangements for Election Day. We are steadfast in our commitment to see that the reform process is not compromised, because the country cannot afford the consequences of a flawed or violent election.

Indeed, as we end the year we are mindful of the fact that the country is about to participate in what will be a truly historic election. It will, in all probability, be the last for the twentieth century. It will, therefore, decide who will lead the nation into a new century in which the global changes already underway will be taking place on such a scale and at such a pace as to present major challenges for us, for our economy, and for the society as a whole.

We have a lot to do in the year ahead of us. □



PSOJ President Clifton Cameron (left) and his new Officer corps paid a courtesy call on the Honourable Prime Minister (2nd left) in January 1997 at Jamaica House. To the right of the Prime Minister are Vice President William McConnell, CD, Executive Director Charles Ross and Mrs. Charmaine Constantine, Permanent Secretary in the Office of the Prime Minister.

EXECUTIVE COMMITTEE



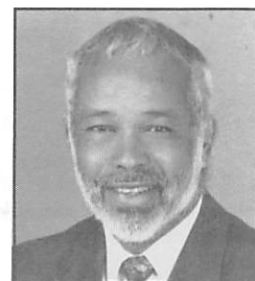
Clifton Cameron
President



Elon Beckford
Vice President



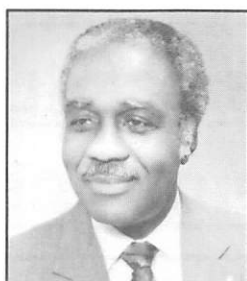
William McConnell, CD
Vice President



Anthony Barnes
Vice President



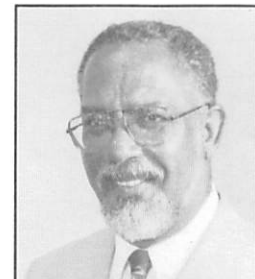
Marlene Sutherland
Hon Secretary



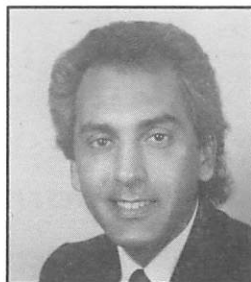
Henry Fullerton
Hon Treasurer



Carl Roberts
President, JEF



Howard Hamilton
President, JCC



Peter Moses
President, JBA



Rita Hilton
President, JEA



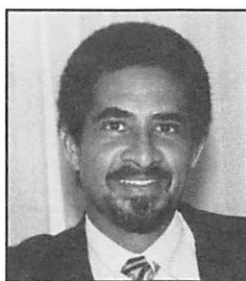
Robert Henriques
President, SMCJ



James Samuels
President, JHTA



Albert Gray
President, SBAJ



Charles Ross
Executive Director



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WORLD ECONOMY REVIEW

World Economic growth quickened during 1996 following widespread declaration of activity in 1995. Economic and financial conditions are generally propitious for the global expansion to continue in 1997 and the medium term at rates at least matching those seen in the past three (3) years. There are few signs of the tensions and imbalances that usually foreshadow significant downturns in the business cycle: global inflation remains subdued, and commitments to reasonable price stability are perhaps stronger than at any other time in the post-war era; fiscal imbalances are being reduced with increasing determination in many countries, which should help contain real long-term interest rates and foster higher investment; and exchange rates among the major currencies appear to be generally consistent with broader policy objectives.

In many countries, structural reforms are enhancing the role of market forces and thereby strengthening the basis for sustained, robust growth. The process of trade integration continues to deepen and is being supported by growing liberalization of external payments. Also, changes in the role of the state through a number of successfully managed economies in all regions.

The favourable global economic conditions are underscored by the continued robust growth performance with low inflation in the United States and the United Kingdom, the pick-up in growth in Japan during 1996, and improved prospects for a strengthening of the recoveries in continental Europe and Canada. In many of the dynamic emerging market countries, there was desirable moderation of growth and inflation in 1996, which should allow their expansions to be sustained in the period ahead. Growth has picked-up in those developing countries in the Western Hemisphere that were particularly affected by the financial crisis in Mexico, in 1995. Activity has also strengthened in the Middle East and Africa, while the transition countries, as a group, are expected to register positive growth in 1997 for the first time since the collapse of central planning.

Nevertheless, despite these grounds for optimism, it is important to recognize that contrasts in economic performance across countries have become starker in recent years. There are also a number of risks to the Central Scenario. First, in much of the European Union (EU), unemployment has risen further to new postwar peaks, and neither

prospective growth nor the progress made with labour market reforms gives reasons to expect any significant decline in joblessness in the near future. High unemployment and weak growth could make it difficult for EU members to fully meet the fiscal deficit target associated with the plan for monetary union. This could affect expectations about the likelihood of the project going ahead on time, and lead to turbulence in financial markets.

Second, the strength of Equity prices in the United States and many other countries in the period up to early March 1997 was a reflection of investors' positive assessment of the business outlook. But some recent declines in equity prices have underscored the risk of a more significant correction, especially if earnings expectations were to be downgraded or a re-emergence of inflationary pressures were to require a marked rise in interest rates. The potential for a market correction large enough to contribute to a cyclical downturn depends partly on the extent to which the rise in stock prices has been an element in a broader buildup of demand pressures. In contrast to the run-up in asset prices in the late 1980's especially in Japan but also in the United States and several other countries, a generalized overvaluation of asset prices, leveraged by increased indebtedness, does not appear to be present in most countries with strong stock markets.

Nevertheless, a significant decline in stock prices could undermine confidence in some countries.

Thirdly, Capital Flows to emerging market countries. The surge in such flows in recent years reflects both the growing shift to a more open global financial system and the successful economic policies of many recipient countries. But caution is warranted since both the global availability of these flows and their cost are vulnerable to higher global interest rates and to adverse developments affecting systematically important capital - importing countries. While the aggregate global flows do not seem excessive, the reliance on capital inflows by some countries and the associated narrowing of their interest rate spreads may not be sustainable.

Finally, fragile banking systems are of concern in a broad spectrum of countries. These problems often stem from excessive credit expansion in the past under conditions of inadequate prudential supervision (HERE JAMAICA IS NOT ALONE). In some emerging market countries, banking sector difficulties linked to significant exposure to foreign exchange risk have become more apparent following the reversal of capital flows from abroad. Among transition countries, bank loans have often allowed enterprises to delay restructuring, and as a result many firms have become

increasingly unable to service their debt. Large portfolios of non-performing loans, the erosion of banks' capital basis, and outright banking crises can affect countries' economic performance by obstructing banks' ability and willingness to lend, by constraining the operation of monetary policy, and because of the budgetary costs of rescuing and restructuring ailing financial institutions.

It is becoming increasingly clear that the benefits of a favourable global economic environment do not accrue automatically to any country. In fact, remarkable differences persist in the degrees of success that countries have had in taking advantage of the opportunities for strengthening their economic performance.

Advanced Economies

Advanced economies are expected to grow by 4.4% in both 1997 and 1998, exports are expected to increase by 6.9% and 6.7% respectively. While consumer prices are expected to increase by 2.5% in both 1997 and 1998. Among the advanced economies, developments have been mixed and cyclical positions differ widely. Prospects for recovery have improved in continental Western Europe following disappointing performances in 1995 and much of 1996. But unemployment is expected to remain at or near record levels in

France, Germany, Italy and several other countries.

In Japan, growth was stronger than expected in 1996, and there is upside potential for activity in 1997 although there remains uncertainty in financial markets, in particular, as to whether the momentum of Japan's recovery will be maintained in the period ahead. The uncertainty of prospects and lack of confidence characteristic of these economies in recent years contrast with the favourable performance of the United States and the United Kingdom as well as a number of smaller countries including Australia, Denmark, Ireland, New Zealand, and the Netherlands. These contrasts reflect both cyclical and structural factors, including policies.

Developing Countries

After growing by 6.5% in 1996, developing countries are expected to grow by 6.6% and 6.5% in 1997 and 1998 respectively. Exports of developing countries are expected to expand by 11% and 8% in 1997 and 1998 respectively. Consumer prices are expected to average 9.7% and 8.5% in 1997 and 1998 respectively. An increasing number of developing countries in all regions are reaping the benefits of the steadfast pursuit of sound financial policies and outward-oriented policies, and market based structural reforms. This is reflected in large inflows of foreign direct

investments, rapid expansion of both exports and imports, and solid growth prospects. But some countries have experienced setbacks and others are vulnerable to changes in investor sentiment. While economic conditions have clearly been improving in a growing number of low-income countries, many of the poorest countries have continued to fall behind, facing the risk of marginalization from the mainstream of global economic progress.

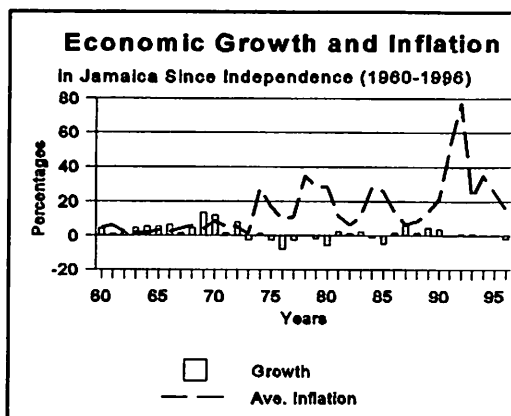
Transition Countries

After growing by 0.1% in 1996, transition countries are expected to grow by 3.0% and 4.8% in 1997 and 1998 respectively. Exports are

expected to expand by 6.9% and 7.0% in 1997 and 1998 respectively, while consumers prices are still relatively high and should average about 30.7% and 11.6% in 1997 and 1998 respectively. Among the transition countries, the contrasts in performance have also widened between some of the early, relatively successful reformers and countries that have started adjustment and reform later and with less determination and consistency. Between these two extremes which, to be sure, also reflect widely different starting conditions, there are wide ranges of policy effort and economic success. □

THE JAMAICAN ECONOMY

For 1996, three (3) sectors, agriculture, mining and tourism showed some growth. However, trading difficulties, some erosion of the country's export competitiveness in regional and extra-regional markets and continued difficulties in the financial and monetary sectors had a dampening effect on the country's overall economic performance. The Jamaican economy, therefore, experienced a 1.7% decline in GDP



and that economic scenario continued into 1997.

1996 was characterised by high interest rates for the most part of the year, tight money supply and liquidity as well as declining inflation and adequate supplies of foreign exchange which fostered some appreciation in the exchange rate and a loss of competitiveness in most exports.

The high interest rate policy saw rates as high as 70% on loans and 45% on deposits which crowded out the private sector and led to a fall in investments and declines in credit to the real sectors. Real overall output also fell. However, credit to consumers rose and this impacted on the Balance of Payments as import levels increased.

The high interest rates also translated into massive business failures as well as loan and mortgage defaults, which had adverse implications for the financial, real estate and construction sectors. Job losses and unemployment rose.

On the other hand, the high interest rates attracted increased arbitrage activity giving rise to significant inflows of foreign exchange which were converted to J\$ to buy high yielding Government paper. The increased supply of foreign exchange led to a revaluation of the J\$, increases in the Net International Reserves (NIR) and a massive increase in Government's debt and debt-servicing obligations.

During the year, broad money, M2, expanded by 12.3% and, compared with 38.5% growth in 1995, represented a 300% contraction in its growth rate. Money supply growth

during the year and continuing into early 1997, was spasmodic with monthly increases followed by declines. In this way, the compounded effect of its expansion was avoided. Consequently, there was tight liquidity in the system. Inflation was kept in check as there was not the proverbial 'too much money chasing too few goods'. However, the tight liquidity situation undermined credit expansion in the financial system and contributed to upheavals in the sector.

A direct outcome of the restrained growth in money supply was a lower level of inflation which for calendar year 1996 was 15.8%. This compares with 26.6% for 1995. The average monthly rate for 1996 was 1.2% with 2.1% for 1995 and has come the closest to achieving the projected 1% monthly target set for the past five years.

The fiscal year rate 1996/97 was 9.5%. The tight monetary policies which included high interest rates, low M2 growth and falling inflation resulted in a softening of demand - which coupled with an appreciating exchange rate, brought some measure of price stability in the economy and overall, lower levels of wage settlements.

The exchange rate of the J\$ to US\$ began at J\$39.86 in January 1996 but by March a 0.65% depreciation moved

that rate to \$40.12. However, by May, a revaluation set in and picked-up pace as the year progressed so that by September the exchange rate was J\$34.88. With BOJ's intervention then, the rate settled at J\$34.80 - \$35.00 at year end. The impact of the high interest rate policy on effecting the currency revaluation has already been stated. As the currency appreciated, its uncompetitiveness to the export sector was evident. The apparel sector lost companies and foreign exchange earnings and local unemployment rose by the attendant job losses. In the tourism sector, there were many closures mainly of small plants, jobs were lost and other plants forced to improve their efficiencies in order to survive. A rescue package was put in place for these sectors to stem their decline. To date, the loss of apparel firms has abated but the earnings of the sector is significantly below that of 1996.

During 1996, the significant inflows of foreign exchange into the country, facilitated an increase in the NIR which moved from US\$421.31 million at December 1995 to US\$692.6 million in December 1996. However, the third quarter of 1996 and continuing into 1997, saw a continuing fall in the interest rates on Government paper which has led to a fall off in arbitrage activity and in the inflows of foreign exchange. This has put pressure on the exchange rate. The BOJ, in its attempt to defend the local rates, used

significant portions of the NIR in this exercise. In May 1997 the NIR stock stood at US\$561.1 million and moved to US\$569.4 million in July.

The acquisition of the NIR in 1996 through early 1997 resulted in the ballooning of the country's local debt and debt-servicing costs. The local debt moved from J\$59.6 billion at December 1995 through J\$77.7 billion at December 1996 to J\$98.0 billion in July 1997 and debt-servicing cost over these periods totalled over J\$45.0 billion.

There was a deterioration in Government's finances during fiscal year 1996/97. Revenue collection showed a J\$18.8 billion shortfall reflecting the decline in economic activity. With the use of high interest rates by Government to garner funds, the internal debt rose and with it the debt-servicing costs. This increase in expenditure against declining revenues, coupled with the extension of financial aid to the troubled financial sector, contributed to the Government running an overall deficit of J\$54.5 billion or 27.0% of GDP. Fiscal GDP is estimated at J\$202.0 billion.

There were serious upheavals in the financial sector during 1996. As the economy deflated quite rapidly under tight monetary policies, the resulting liquidity crunch took its toll on the sector. Century National Bank(CNB) which had been in overdraft with BOJ

since July 1995, ran into liquidity problems and was taken over by the BOJ. The Bank was pronounced insolvent and depositors were faced with the loss of their deposits. However, arrangements are currently being made for the recovery of these deposits without interest.

Insurance companies experienced serious cash flow problems also, due to a mis-match of long term assets with short term liabilities. The failure of and take-over of CNB brought a loss of confidence in the sector which led to the considerable shifting of assets from the totally locally owned banks to the larger and foreign affiliated banks. Rumours of other banks' failures and take-overs prompted runs on Eagle Commercial and Citizens Banks. The sector experienced massive job losses and significant deterioration in their profitability.

The evidence of deep-seated problems in the financial sector prompted the authorities to create FINSAC, to investigate and offer assistance to the sector. Since then, other sectors of the economy have been seeking assistance under the 'bail-out' scheme.

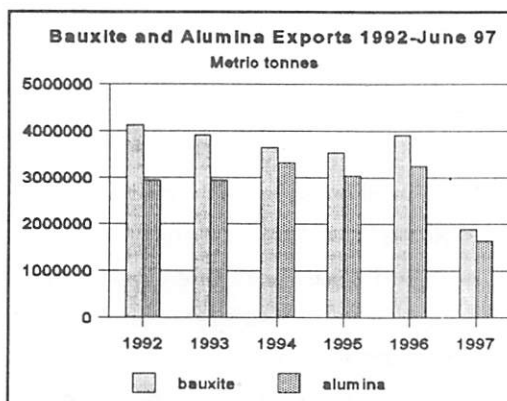
Despite favourable trends experienced in some macro-economic variables - inflation, M2 and an improved NIR position - overall output and sectoral performance in 1996 into 1997 continued to be weak.

Manufacturing

During 1996 and into 1997 this sector continued to record negative performances which were fostered by increased competition from cheap imports and the adverse effects of high interest rates and inefficient operations. There were closures and scaling down of a number of operations.

Mining

The output of bauxite and alumina for 1996 showed mixed results. Bauxite and alumina production rose by 2.53% and 1.11% respectively. However, earnings from the sector fell by 2.8% to US\$695.5 million. This resulted from an over supply of alumina on the



market as a consequence of the December 1995 expiration of a pricing agreement among major producers, together with slow economic growth in the aluminum markets of Japan and Germany. Although there were few industrial disputes occurring over the

period, environmental issues between alumina plants and the surrounding communities surfaced periodically. The first six (6) months 1997 saw increased output in both the production and export of alumina and decline in bauxite production and export.

Tourism

In tourism, total visitor arrivals rose by 3.9% to 1,820,627 during 1996. The number of stop-over visitors increased by 1.3% and cruise passengers by 8.8%. Gross expenditure for the year was US\$1.13 billion, 5.5% more than 1995. Up to mid 1997, visitor arrivals showed a 5.9% increase over the 1996 figures for the same period. Of this, cruise-ship passengers rose by 2.4% and stop-overs by 2.6%.

Agriculture

The sector continued to show favourable performance experiencing a 5.5% growth in 1996. This occurred despite the effects of drought, high cost of inputs, competition from imports and prohibitive interest rates. All major sub-sectors showed growth in output during the year. Earnings from export crops showed increases in 1996; however, with the dismantling of preferential arrangements in the offing the prospects of these exports need reviewing. Agricultural exports earned US\$224.9 million in 1996.

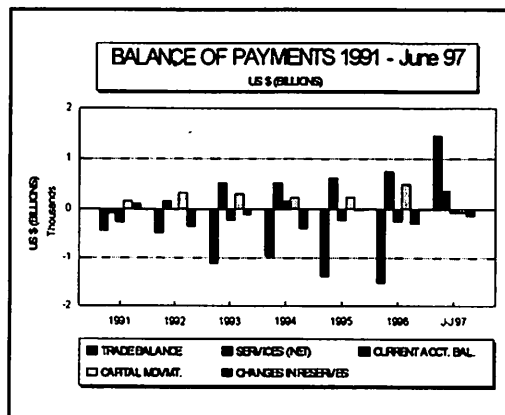
External Trade and Balance of Payments

Balance of Payments developments during 1996 were more favourable than in 1995. Although the year saw a significant rise in imports over exports, the performance of the services sector returned a level of earnings which offset just less than half the merchandise deficit. With lower net transfers in 1996 than in 1995 the current account deficit grew in 1996. However, the extraordinary performance of the capital account netted a 114% increase over 1995, and this offset the negative current account balance and contributed to a significant improvement in the Net International Reserves of the Bank of Jamaica.

The Balance of Payment Accounts up to June 1997 are, however, reflecting a disconcerting dramatic change.

The Merchandise Trade gap has widened significantly to US\$764.2 million which is 109.9% of export earnings. Imports continue to rise reaching US\$1,459.6 million or 209.9% of exports earnings and also 6.1% above the June 1995 figure. The fall in exports reflect lower output and earnings from traditional and non-traditional exports, while consumer goods imports rose to a greater extent than those for capital goods and imports of raw materials have fallen.

Earnings from the services sector are slightly above those at June 1996 and, together with significant increases in the inflows from transfers, have offset the merchandise gap leaving a current account deficit of -US\$59.7 million.



However the economy, since March 1997, continues to experience a significant fall in capital inflows, and at June 1997, the net capital movements was -US\$69.0 million which has resulted in a decrease of US\$128.7 million in the Bank of Jamaica's reserves in order to balance the country's external accounts.

So far, for 1997 total production of goods and services continues to be on the decline, as no significant increase in output is being experienced. Although interest rates are trending down, this is a slow process and commercial rates are still unattractive to investment. The Jamaican dollar is considered uncompetitive to the export sector and the effect of this is being reflected in the decline in export volumes and earnings.

The Government's budgeted lower level of revenue intake is on target and it has made some effort to keep its expenditure within this range. Efforts were also made to reduce debt-servicing costs. However, credit by BoJ to the public sector keeps rising

and coupled with FINSAC's potential infusion of funds into the system, these could be derailing factors in the efforts to control money supply and inflation in the months ahead. □



Dr. Trevor Farrell from Trinidad and Tobago (2nd left) shares a light moment with (from left) PSOJ Past President and Grace, Kennedy & Company Ltd.'s CEO Douglas Orane, PSOJ President Clifton Cameron and Consultant Andree Nembhard. Dr. Farrell addressed PSOJ Members at the May 1997 Membership Luncheon at the Wyndham Kingston Hotel.

THE NATION

The past year has been a very eventful one for the Jamaican nation, the principal feature of which has been the dramatic turn around in the fortunes of the financial sector. The closure of the Century National institutions in July 1996, set off a series of runs on the deposits of other local institutions which weakened them and contributed to the failure of the Eagle group which FINSAC acquired for \$1.00 in early 1997. FINSAC also acquired the Citizens Bank as part of its package of assistance to Life of Jamaica. Three other life insurance companies were given financial assistance by FINSAC, and negotiations have been going on with another insurance company and other banks. The eventual cost to the public purse of the assistance to the financial sector has not yet been tabulated but at last count it was expected to run somewhere between J\$30 and 35 billion. The government has not yet made any shifts in policy which would lower this cost and speed the recovery of the sector.

The contraction in the economy which began in 1996 continued into 1997 and the recession deepened. Down sizing in the financial sector was accompanied by retrenchment in the manufacturing and agricultural sectors and several thousand workers lost

their jobs as firms closed and others shed labour in an effort to reduce their costs. This trend is, unfortunately, continuing and most of the productive sectors of the economy are experiencing some difficulty at present. The exchange rate has slipped slightly over the last few months as the balance of payments problems have grown, and the NIR has fallen somewhat since the beginning of the year.

The big question on everyone's mind is, where does the economy go from here? The future direction of government policy will no doubt be affected by the outcome of the general elections although some change is likely, even if the incumbents are returned to power. Just when these elections will be held is a matter of great conjecture and the key question here is when the new list will be ready. In this regard, a number of deadlines have already been missed and there can be no guarantee that the mid-November deadline will be met either. There is also a considerable debate taking place regarding the feasibility of using electronic safeguards in the upcoming elections. While very few would argue against the desirability of such safeguards, the technical experts seem to be very doubtful about the possibility of

implementing even the most basic measures before the elections are constitutionally due. Unfortunately, the legislative changes that were proposed by the EAC to reduce the abuse of the existing paper-based system have been so watered down in Parliament, that we are likely to go into the elections with very little improvement on the system under which the 1993 elections were conducted.

This past year has also seen the tabling of a range of important new pieces of legislation governing the financial sector, companies in general and labour relations. After the upheavals in the financial sector, the government announced its intention to radically reform the legislation governing the sector to increase the power of the Minister of Finance and the supervisory body, the BOJ. Deposit insurance is also to be introduced and institutions like the building societies have also been brought under the supervisory umbrella of the BOJ. There was also the introduction of legislation on money laundering. A New Companies Act has been drafted and this bill is seeking to modernise our legislation in this regard. The PSOJ has reviewed the section of the bill relating to

Directors' Responsibilities and have made recommendations to the government on the changes which we deemed to be desirable. A set of draft amendments to the Labour Relations and Industrial Disputes Act have just been released, including those implementing the so called "right to strike" provision. The government seems intent on passing these amendments and while we continue to oppose the "right to strike", JEF which has been at the forefront of the private sector's opposition effort, now advises us that our main focus must be on ensuring that adequate safeguards are included in the legislation to prevent the abuse of it.

To conclude on a happy note, the entire country has had its spirits buoyed this year by the performance of the national football squad in the final round of the CONCACAF World Cup qualification playoffs. While we have not yet qualified for France and have two very difficult matches ahead of us, the team's performance has improved steadily throughout the round. We now are second in the group on points and are well poised to successfully complete the Road to France! □

THE ORGANISATION

The PSOJ Council, at its meeting in December 1996, elected Clifton Cameron as the Organisation's new President. He replaced outgoing President Delroy Lindsay who did not seek re-election. Mr William McConnell was elected to join Messrs Anthony Barnes and Elon Beckford as Vice Presidents. Other elections saw Mr Henry Fullerton replacing Mr McConnell as Honorary Treasurer and Mrs Marlene Sutherland replacing Mrs Betty-Ann Jones-Kerr as Honorary Secretary.

There was no change in the Associations which were represented on the Executive Committee, thus the following Associations formed part of that Committee:

Mr Peter Moses	- President, JBA
Mr James Moss-Solomon	- President, JCC
Mr Robert McDonald	- President, JEA
Mr Carl Roberts	- President, JEF
Mr Lionel Reid	- President, JHTA
Mr Albert Gray	- President, SBAJ
Mr Robert Henriques	- President, SMCJ

However, during the year, the following Associations changed Presidents: Mr Howard Hamilton replaced Mr James Moss-Solomon (JCC), Mrs Rita Hilton replaced Mr Robert McDonald (JEA) and Mr James Samuels replaced Mr Lionel Reid, JHTA.

The Executive Committee continues to be the Organisation's active representative at important national fora such as the National Planning Council. The Committee met regularly with government officials and technocrats as well as with the leaders of the major political parties.

The Executive effectively carried out its commitment to be the voice of the private sector on matters critical to our country's development be they economic or social. □

THE SECRETARIAT



FRONT ROW: (From left) Devon Nicholson (Messenger), Paula Bough (JaMAC Coordinator), Margaret Nash (Communications Assistant), Carol Salmon (Director - Finance & Membership), Donna Palmer (Office Attendant), Jacqueline McLeod (Secretary) and Winsome Virgo (Secretary).

BACK ROW: (From left) Charles Ross (Executive Director), Noveletta Samuels (Receptionist), Cynthia Hutchinson (Economist), AnnMarie Hendriks (Accountant), Marcia Ormsby (Communications/Administration Officer), Cecil Lindo (Caretaker) and Evett Evans-Coombs (Executive Assistant).

MISSING FROM PHOTO: George Gayle (Research Economist) and Diana Housen (Network Administrator).

ADMINISTRATION

Staffing

Staff turnover for the year under review was moderate. Glenford Millin, Research Economist, left the organisation in January 1997 and Stacey Crawford, a temporary Clerical Worker, in April 1997. Staff complement now stands at fifteen (15).

The Health Sector Initiatives Project came to an abrupt end in July 1996 and the contracts for the two (2) members of staff were terminated.

There are currently vacancies in the Economic Research and Accounts Departments but there is a hold on filling these positions. The Secretariat needs additional manpower, if it is to be more efficient and effective in carrying out the volume of work required.

Internal Human Resource Development/Training

The organisation is currently working on a programme of phased training for upgrading the skills of the entire staff complement. Desktop publishing is included in these plans.

This programme is part of a thrust for members of staff to upgrade their

skills thus enhancing performance and eventually, the scope for promotion. This is, however, still restricted by the extent of the limited resources of the organisation.

Staff Benefit

The usual benefits provided to staff continue. Upgrades are made periodically to keep up with inflation. The organisation continues to identify creative ways of providing members of staff with increased benefits.

The Building Environment

The organisation continues to explore avenues through which the refurbishing and maintenance needs may be addressed. Despite the efforts made by Immediate Past President Delroy Lindsay to use his office to assist in achieving this long outstanding goal, the target has not been met.

The air-conditioning units serving the building are no longer completely inadequate as, in an effort to maximise their air-conditioning capacity, the external glass areas of most of the building have been tinted. Frequent maintenance continues, thus improving the efficiency in

performance and reducing the frequency of breakdowns.

Security services continue to be provided by Ranger Alarms Limited - 24-hour electronic monitoring system - with arrangements in place for additional security on special occasions.

The lighting in and around the building continues to function. The planting of the pole required to take the wires from the street to the premises remains outstanding. The Main Breaker is now losing its usefulness and indications are that this will have to be replaced in the near future.

The landscaping of the grounds continues to be maintained and gradually upgraded to a level in keeping with the expected image of the PSOJ. Funding restricts the pace at which the Organisation can improve the existing landscaping of the grounds. A section of the grounds was planted with grass, some trees were pruned and a few planted. The remainder of the upgrading programme will be done on a phased basis with the front area taking precedence. Plants are still supplied to the offices.

Pest control to the internal and external premises continues to be done periodically. The termite-eaten areas of the kitchen have been repaired and painted. Cups and

saucers for use at meetings held at the PSOJ were purchased. However, there are other necessary items still to be purchased. Painting of the fence remains outstanding with a few areas of the internal and external building also to be painted. The ceiling lamps in the Economic Research Department, the Library and the Jamaica U-Drive Association Secretariat need to be replaced as they are now worn and are falling apart.

Replacement of the worn carpet in the passage, the Computer Room, Reception, Executive and Finance Director's offices is now critical. The larger area serving the Communications and Accounts Department was carpeted subsequent to our last report. Still to be carpeted is the office previously occupied by the HSIP Coordinator and the Communications Officer's office.

Most of the leaking roof was repaired and other areas are still being monitored.

There is need for Restroom facilities, to be operated as a sick bay for members of staff.

There are still a number of areas to be refurbished - desks and chairs to be replaced, boardroom chairs and table to be repolished and repaired, parquet tiles to be replaced; partitioning in the Economic Research Department to be

erected. The worn alarm system at the front has been replaced, however the outside door is to be repaired. The outside room has been refurbished and is providing much needed additional storage space for the organisation. The Computer Room is currently being considered as a possible expansion of the library. A computer, dedicated for use in the library, was donated during the latter part of 1996.

The kitchen benefitted from a donation of a microwave oven in May 1997. This is greatly appreciated and the staff expresses its gratitude to the donor.

The Organisation purchased a new photocopier early in the year under review as the other copier had to be upgraded to meet the growing needs of the Secretariat. The Gestetner duplicating machine continues to function satisfactorily, with periodic maintenance.

The pump for the water tank was replaced recently and the tank is now operating satisfactorily.

RJR Shareholding

During the period under review, Mr. Hugh Perrin attended the Company's Annual General Meeting. PSOJ holds a total of 1,467,066 units of shares at a purchase price of 9

cents per share; the current value of shares is \$7,766,820.

Meetings and Seminars

The Organisation continues to coordinate Seminars, Dinners and the following Meetings on a regular basis: Council, Executive Committee, Chairman's Club, Officers, Presidents' Council, Annual General Meeting, Annual Retreat, PSOJ Committees and special meetings.

The Chairman's Club meetings, seminars, and dinners are held as necessary, while the other meetings are held as per established schedules, most of them being held monthly.

Computerisation

The PICK System is still with us despite efforts to dispose of same. All User Stations have been disconnected, leaving only the main station still in place. The Organisation is still grappling with its aim to provide adequate computer equipment and software to achieve maximum efficiency and productivity by the system's users. Some units received memory upgrades. At least another multimedia unit is required to serve the Organisation's immediate needs.

Telephone

The existing facilities (switchboard and direct lines) continue to cope with the

volume of calls and fax transmissions into and out of the Secretariat. However, the Organisation now has to look at upgrading the Switchboard facilities to cope with the advanced technology in this area. The continuous maintenance and care of the equipment has contributed significantly to the efficiency of the existing facilities and the reduction in downtime. Telecommunications of Jamaica is continuing its work to expand the cable to the building to facilitate at least twice the number of lines the existing cable can now accommodate.

Recreation

As is customary, members of staff were treated to a nature trip during the Summer. In May of 1996 staff spent a day at "Irie Beach" in St. Ann. This provided an excellent opportunity for staff to relax and interact with each other. This benefit is greatly appreciated, and staff look forward to the trip each year.

The Staff Welfare programme is progressing, though slowly, and a fairly regular schedule of recreational activities is now in place. Recently, staff held its first birthday social in recognition of those members of staff who had celebrated their birthday in the quarter January to March. This was well received.

G.A. Brown Scholarship Fund

The fund which is currently under-capitalised is receiving attention. No awards have been made for the last 2 years 1995/96 and 1996/97. The new Trustees have been meeting and are currently making plans to re-capitalise the fund.

Membership

The Committee has not met for several months, as the Chairman, Mr. Anthony Bell, Managing Director of J. Wray & Nephew Limited, has indicated his intention to resign from the Committee. Efforts are being made to identify a new Chairman as well as to expand the Committee and review its focus.

The Committee, however, has managed to focus on a few areas during the year under review, and continues to assist in organising the membership events of the organisation. These are:

- a. Membership retention.
- b. Membership growth.
- c. Twentieth Anniversary Celebrations.

a. Membership Retention

We have had fifteen (15) resignations this year as a result of the inability on the part of

members to pay their subscription. Some of these have indicated that they will rejoin the Organisation as soon as they are able to do so.

b. Membership Growth

We have had two lunches with prospective new members to try to persuade them to join the PSOJ. We are encouraged by the responses received and have since sent out applications forms to those companies/organisations and are following up for their response.

c. Twentieth Anniversary Celebrations

The PSOJ celebrated its 20th Anniversary this year and activities were organised during the year to commemorate this important milestone. Activities included the publication of a commemorative journal and membership directory, a national essay competition, media activities, and culminated with the Anniversary Banquet which was held on Monday, May 26, 1997.

• **Souvenir Journal**

The commemorative journal and membership directory highlighted the organisation's history, objectives, achievements and activities along with a listing of the PSOJ members. Complimentary

copies of this publication were sent to members of the Organisation, Jamaica's diplomatic representatives overseas, as well as government and international agencies locally.

• **National Essay Competition**

A national essay competition was held with students from high schools across the island participating. The aim was to have young people join the debate and express their thoughts through critical research on *"The Role of the Private Sector in National Development"*. The objectives were to increase the level of awareness among young Jamaicans about the role of the private sector in the development of the country, build awareness and knowledge about the PSOJ itself and the role it plays; and to contribute to the further enhancement and strengthening of the private sector.

Prizes, in the form of cash awards donated by ICWI Group Foundation, were presented to the winners, with a special prize to the institution from which the first prize entry was received. The winners were as follows:

First place:

Ceretsie Row-Campbell

(Garvey Maceo Comprehensive High School)

Second place:

Tamar Ulando Wright
(*Manchester High School*)

Third Place:

Dian Young
(*Manchester High School*)

The awards and certificates were presented at the PSOJ's May 15 Quarterly Luncheon held at the Wyndham Kingston Hotel. Presentation of the prizes were made by Mrs. Jeanne Robinson of ICWI Group Foundation. Certificates were also presented to the Judges of the Competition: Dr. Neville Ying, Mechala Group Jamaica Limited; Mrs. Shelia Bisnott, MRC Learning Centre; Ms. Audrie Frater, Calabar High School. The winning school was Garvey Maceo Comprehensive High School.

- **Anniversary Banquet**

The 20th Anniversary Banquet was held on Monday, May 26, 1997, at the Jamaica Pegasus Hotel. The Organisation took the opportunity to present citations to the past presidents, all of whom were in attendance with the exception of the Hon. Gordon 'Butch' Stewart, O.J. who was unavoidably absent. The Banquet was attended by a wide cross-section of the membership and the evening was a splendid one.

Finance

Subscription Income forms a significant portion of our income but to date only 82% of our budgeted objective has been collected.

Despite the fact that we had only realised 82% of our objective, we will continue to pursue our efforts to have the outstanding subscriptions collected.

A proposed increase of 10% for the new financial year is envisaged.

Communications

There has been some improvement in the internal communication mechanism. General staff meetings are being held at more regular intervals and creative methods are being explored to improve the internal communication mechanism.

Facsimile transmission, via the Computer continues to contribute significantly to the improvement of the timely communication to members and the wider community.

The Organisation has made an initial link to the facilities available on the Internet and E-Mail. These are enhancing the extent of information flow into and out of the Secretariat and as soon as these are fully functional, there should be significant improvement.

General

The Secretariats for the Jamaica U-Drive Association and the Jamaica Bankers' Association are still housed at the PSOJ Secretariat. This arrangement is working quite well and has brought financial and other benefits to all parties.

The Organisation changed President in December 1996 when Immediate Past President Delroy F. Lindsay was replaced by Mr. Clifton Cameron.

Mr. Cameron, among other things, is reviewing the composition and performance of the existing Committees and, at the same time, is working on establishing new ones.

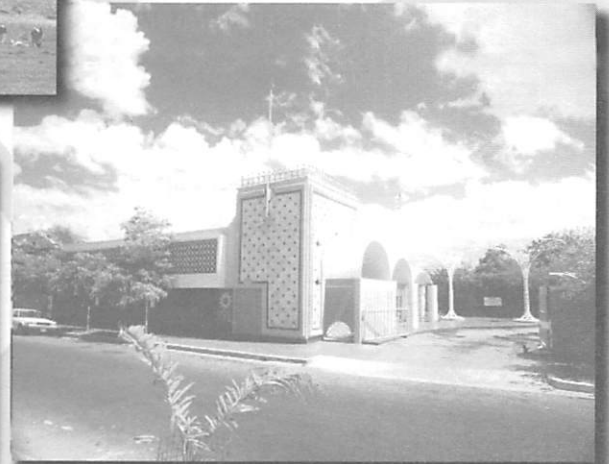
The Secretariat is trying to compile reports of the various Committee Chairmen for inclusion in the Annual Report of the Executive Committee. This would be an added feature to the report. □



PSOJ Executive Director Charles Ross and ICWI Foundation Executive Director Jeanne Robinson at the launch of the Organisation's 20th Anniversary Essay Competition in October 1996 at the Offices of the PSOJ.

MECHALA IS... OPPORTUNITY

Consider that Mechala is the leading conglomerate in Jamaica, with 15 companies and in 1996 had consolidated revenues representing approximately 4.3% of Jamaica's GDP. Consider a diversified corporate entity engaged in 3 major areas of business.



DEVELOPMENT & CONSTRUCTION

Leader of the group is West Indies Home Contractors Ltd.(WIHCON), the largest developer and mass producer of low and middle income housing in the Caribbean.

Their pre-cast system has produced 40,000 homes to date.

Redimix Concrete and Tropicair Jalousies are the largest suppliers of concrete, windows, doorframes and roofing. Conditionedair & Assoc. Contractors is one of the world's oldest distributors of Carrier.



MANUFACTURING & TRADING

Facey Commodity Company Ltd., a leading distributor of hardware and consumer products, represents principals such as Kraft, Goya, Sampco, Pfizer, Roche, Fisons, Black & Decker and Yardley.



Shoppers Fair operates, one of the largest supermarket chains islandwide.

Butterkist world producer of Ovaltine biscuits. Serge Island, one of the Island's largest milk producers.

P.A. Benjamin Manufacturing Co. the oldest drug manufacturer in Jamaica, the famous "Benjamin's" brand is sold in over 30 countries.

FINANCIAL SERVICES

Five companies, each a major player in its field; Prime Life Assurance- has the largest capital base in the history of the life insurance industry in Jamaica.

British Caribbean Insurance - a leading general insurance company. Industrial Finance Limited, offering leases installment loans, and insurance premium financing with combined assets over US\$19m. Sigma Investment Management Systems managers of private, corporate and pension fund portfolios over J\$7 billion. Sigma Unit Trust, a unitised investor in segregated portfolios providing unit holders with outstanding returns.

David I. Salter, Senior Vice President
Steven Marston, Vice President

Errol L.G. Powell, Senior Vice President
Peter Dunn, Assistant Vice President

Colin T. Steele, Senior Vice President
Allan Lewis, Vice President

LET'S TALK ABOUT THE OPPORTUNITIES.



MECHALA

MECHALA GROUP JAMAICA LIMITED

DEDICATED TO BETTER LIVING

7-9 HARBOUR STREET, KINGSTON TEL:(876) 922-6670-9

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website: www.mechala.com

FINANCIAL STATEMENTS

PRIVATE SECTOR ORGANISATION OF JAMAICA LIMITED

Financial Statements

31 July 1997

Private Sector Organisation of Jamaica Limited

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31 July 1997

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Price Waterhouse



11 November 1997

To the Members of
Private Sector Organisation of Jamaica Limited
Kingston

Auditors' Report

We have examined the financial statements set out on pages 1 to 11 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.

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 1997 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

Private Sector Organisation of Jamaica Limited

Group Profit and Loss Account Year ended 31 July 1997

	Note	1997 \$'000	1996 \$'000
Gross Operating Revenue	3	15,688	15,107
Loss before Taxation	4	(3,624)	(489)
Taxation	5	-	8
Net Loss		(3,624)	(497)
Dealt with in the financial statements of:			
The company		(3,579)	(474)
The subsidiary		(45)	(23)
Retaining earnings at beginning of year		3,470	3,967
(ACCUMULATED DEFICIT)/RETAINED EARNINGS		(154)	3,470
Reflected in the financial statements of:			
The company		(841)	2,738
The subsidiary		687	732

Private Sector Organisation of Jamaica Limited

Group Balance Sheet 31 July 1997

	Note	1997 \$'000	1996 \$'000
NET ASSETS EMPLOYED			
Fixed Assets	6	3,815	4,398
Discount on Issue of Debentures	7	63	70
Premium on Redemption of Debentures	8	80	89
Investments	9	8,544	5,547*
Current Assets			
Receivables		3,465	2,632
Taxation recoverable		100	93
Bank and deposit		45	3,692*
Cash		258	1,008
		3,868	7,425
Current Liabilities			
Payables and accruals		2,340	966*
Subscriptions received in advance		1,759	809*
		4,099	1,775
Net Current (Liabilities)/Assets		(231)	5,650
		12,271	15,754
FINANCED BY			
Capital Reserves	10	5,086	5,086
(Accumulated Deficit)/Retained Earnings		(154)	3,470
		4,932	8,556
Special Project Funds	11	6,551	6,410*
Long Term Liabilities	12	788	788
On behalf of the Board			
..... Clifton Cameron	President		
..... Henry Fullerton	Hon. Treasurer		
		12,271	15,754

* Reclassified for comparative purposes

Private Sector Organisation of Jamaica Limited

Statement of Group Cash Flows Year ended 31 July 1997

	1997 \$'000	1996* \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operations		
Net loss	(3,624)	(497)
Items not affecting cash:		
Depreciation	635	579
Amortisation of discount on issue of debentures	7	8
Amortisation of premium on redemption of debentures	9	10
Loss on disposal of fixed assets	7	-
	<u>(2,966)</u>	<u>100</u>
Changes in non-cash working capital components:		
Accounts receivable	(833)	(274)
Taxation	(7)	(141)
Payables and accruals	1,374	59
Subscriptions received in advance	950	(2,207)
	<u>1,484</u>	<u>(2,563)</u>
Cash used in operating activities	<u>(1,482)</u>	<u>(2,463)</u>
Investing Activities		
Investments	(2,997)	(3,989)
Proceeds from disposal of fixed assets	4	-
Additions to fixed assets	(63)	(339)
Cash used in investing activities	<u>(3,056)</u>	<u>(4,328)</u>
Financing Activity		
Special project funds	141	576
Cash provided by financing activity	<u>141</u>	<u>576</u>
Decrease in cash balances	(4,397)	(6,215)
Cash balances at beginning of year	4,700	10,915
CASH BALANCES AT END OF YEAR	<u><u>303</u></u>	<u><u>4,700</u></u>
Represented by:		
Bank deposits	45	3,692
Cash	258	1,008
	<u><u>303</u></u>	<u><u>4,700</u></u>

* Reclassified for comparative purposes

Private Sector Organisation of Jamaica Limited

Company Balance Sheet 31 July 1997

	Note	1997 \$'000	1996 \$'000
NET ASSETS EMPLOYED			
Fixed Assets	6	1,425	1,925
Investments	9	8,544	5,547*
Investment in Subsidiary		65	65
Current Assets			
Receivables		3,465	2,632
Taxation recoverable		86	89
Bank deposits		45	3,692*
Cash		251	1,001
		3,847	7,414
Current Liabilities			
Payables and accruals		2,175	828*
Subscriptions received in advance		1,759	809*
Due to subsidiary		534	463
		4,468	2,100
Net Current (Liabilities)/Assets		(621)	5,314
		9,413	12,851
FINANCED BY			
Capital Reserves	10	3,703	3,703
(Accumulated Deficit)/Retained Earnings		(841)	2,738
		2,862	6,441
Special Project Funds	11	6,551	6,410
On behalf of the Board			
.....			
Clifton Cameron	President		
.....			
Henry Fullerton	Hon. Treasurer		
		9,413	12,851

* Reclassified for comparative purposes

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 1997

1. Identification

The company is incorporated in Jamaica as a company limited by guarantee and not having share capital. The liability of each member, in the event of a winding up, is limited to \$2. At 31 July 1997 the company had 394 members (1996 - 374).

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 company and its wholly-owned Jamaican subsidiary, Private Sector Organisation of Jamaica (Holdings) Limited, made up to 31 July 1997.

(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	2½ %
Furniture and equipment	10%
Motor vehicles	20%

(c) Special Projects Funds

Certain designated income is credited directly to Special Project Funds. Approved project expenses 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 reserves.

(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 date of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the profit and loss account.

(f) Revenue recognition

Income from membership subscription is recognised on the accruals basis and other income on the cash basis. A provision is made against members' subscriptions in arrears in excess of one year.

3. Gross Operating Revenue

This represents income from membership subscriptions, advertising, seminars and other fund-raising activities.

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 1997

4. Loss before Taxation

This is stated after charging/(crediting):

	1997	1996
	\$'000	\$'000
Depreciation	635	579
Auditors' remuneration	592	435
Overdraft interest	290	86
Provision for doubtful debts - Subscriptions and contributions	2,333	1,016
Amortisation of discount on issue of debentures	7	8
Amortisation of premium on redemption of debentures	9	10
Interest income	(1,460)	(2,219)
Investment income	(30)	(252)
Directors' emoluments	-	-

5. Taxation

- (a) Taxation is based on the group's results, excluding membership subscriptions, adjusted for taxation purposes and comprises:

	1997	1996
	\$'000	\$'000
Income tax at 33 1/3%	-	8

- (b) Subject to agreement with the Commissioner of Income Tax, losses of the group available for offset against future taxable profits amount to approximately \$1,001,000 (1996 - \$345,000) and may be carried forward indefinitely.

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 1997

6. Fixed Assets

	The Group				
	Freehold Land	Freehold Building	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost -					
At 1 August 1997	389	2,624	2,241	1,717	6,971
Additions	-	-	63	-	63
Disposal	-	-	-	(37)	(37)
At 31 July 1997	389	2,624	2,304	1,680	6,997
Depreciation -					
At 1 August 1996	-	573	1,070	930	2,573
Charge for the year	-	66	320	249	635
Relieved on disposal	-	-	-	(26)	(26)
At 31 July 1997	-	639	1,390	1,153	3,182
Net Book Value -					
At 31 July 1997	389	1,985	914	527	3,815
At 31 July 1996	389	2,051	1,171	787	4,398

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 1997

6. Fixed Assets (Continued)

	The Company		
	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000
At Cost -			
At 1 August 1996	2,066	1,717	3,783
Additions	63	-	63
Disposal	-	(37)	(37)
At 31 July 1997	2,129	1,680	3,809
Depreciation -			
At 1 August 1996	928	930	1,858
Charge for the year	303	249	552
Relieved on disposal	-	(26)	(26)
At 31 July 1997	1,231	1,153	2,384
Net Book Value -			
At 31 July 1997	898	527	1,425
At 31 July 1996	1,138	787	1,925

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 1997

7. 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 (Note 12 (a)).

8. 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 (Note 12 (b)).

9. Investments

	The Group & The Company	
	1997	1996
	\$'000	\$'000
Government of Jamaica Treasury Bills	6,986	3,989
Quoted stocks at cost (Market value: \$4,287,000; 1996 - \$2,517,000)	1,558	1,558
	<u>8,544</u>	<u>5,547</u>

10. Capital Reserves

	The Group		The Company	
	1997	1996	1997	1996
	\$'000	\$'000	\$'000	\$'000
At beginning and end of year	<u>5,086</u>	<u>5,086</u>	<u>3,703</u>	<u>3,703</u>
Comprising:				
Capital grants	1,614	1,614	231	231
Gain on sale of investment	3,472	3,472	3,472	3,472
	<u>5,086</u>	<u>5,086</u>	<u>3,703</u>	<u>3,703</u>

Capital grants comprise the value of assets at the time they were donated to the group, adjusted for subsequent losses or gains on disposals.

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 1997

11. Special Project Funds

	The Group & The Company	
	1997	1996
	\$'000	\$'000
USAID – Health Sector Initiative Project	125	164
G. Arthur Brown Scholarship Fund	274	274
Christmas Eve Explosion Fund	1	2
Peace Fund	1	1
Farm Fund	1	1
Crime Stop/National Security/ National Crime Prevention Fund	5,932	5,751
Muirton Boy's Home Fund	2	2
Legislative Action Fund	215	215
	<u>6,551</u>	<u>6,410</u>

The Special Project Funds can only be utilised in accordance with the directions from the various funds and are represented by investments and deposits.

12. Long Term Liabilities

	The Group	
	1997	1996
	\$'000	\$'000
1% First mortgage debenture stock (1987/2008)	344	344
1% Second mortgage debenture stock (1990/2009)	444	444
	<u>788</u>	<u>788</u>

- (a) The first mortgage debenture stock is secured by a first charge on the freehold property and a floating charge on all other assets and uncalled capital of the subsidiary. The debenture, which is redeemable in 2008 at par, was issued at \$58.08 for each \$100 face value (Note 7).
- (b) The second mortgage debenture stock is secured in the same manner as described in (i) above. The debenture, which was issued at par, is redeemable in 2009 at a premium of \$48 for each \$100 face value (Note 8).

Private Sector Organisation of Jamaica Limited**Notes to the Financial Statements****31 July 1997**

13. 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 \$112,000 (1996 - \$90,000).

14. Contingent Liability

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



11 November 1997

To the Directors of
Private Sector Organisation of Jamaica Limited
Kingston

Auditors' Report

The supplementary information set out on page 12 taken from the accounting records of the company, has been subjected to the tests and other auditing procedures applied in our examination of the company's financial statements for the year ended 31 July 1997.

In our opinion this information, although not necessary for a fair presentation of the company's state of affairs, results of operations or cash flows is fairly presented in all material respects in relation to the financial statements taken as a whole.

Price Waterhouse

Chartered Accountants

Private Sector Organisation of Jamaica Limited

Company Detailed Profit and Loss Account Year ended 31 July 1997

	1997 \$'000	1996 \$'000
Income		
Management fees	400	374
Subscriptions & contributions	9,185	9,517
Investment	30	252
Interest	1,460	2,219
Other	5,013	3,120
	<u>16,088</u>	<u>15,482</u>
Expenditure		
Audit fee -		
Current year	380	300
Prior year	40	-
Bank interest	290	86
Depreciation	552	498
General expenses	918	638
General Consumption Tax	235	722
Insurance	291	175
Lease expense	231	95
Loss on disposal	7	-
Meetings and luncheon	1,481	723
Motor vehicle expense	39	-
Professional services	56	163
Provision for doubtful debts	2,402	1,016
Publications	1,089	883
Rent	731	608
Repairs and maintenance	449	616
Staff welfare	10	37
Staff costs	8,705	7,153
Stationery	285	316
Travelling and entertainment	570	990
Utilities	812	870
Seminar	94	66
	<u>19,667</u>	<u>15,955</u>
Loss before Taxation	<u>(3,579)</u>	<u>(473)</u>

FINANCE AND MEMBERSHIP

The Organisation ended the Financial Year with a deficit of \$1.567 million dollars. This is due primarily to a decrease in subscription received and a delay in some projected activities such as the PSOJ's Television and Consultancy programmes.

Results of Operation

	Actual	\$'000 Budget	
	<u>96/97</u>	<u>96/97</u>	<u>Variance</u>
REVENUE	14051	16743	(2692)
EXPENSE	15618	16124	506
SURPLUS/DEFICIT	(1567)	619	2186

Membership Growth

	<u>July '97</u>	<u>July '96</u>	<u>Increase/Decrease</u>
INDIVIDUAL	111	113	(2)
COMPANY	235	236	(1)
ASSOCIATION	26	27	(1)
Total	<u>372</u>	<u>376</u>	<u>(4)</u>
	=====	=====	=====

PSOJ & (HOLDINGS) LTD.

BALANCE SHEET

1997 - 1998 BUDGET
BALANCE SHEET
\$000

	1997-1998	Best Estimate 1996-1997	Audited 1995-1996
NET ASSETS EMPLOYED			
Fixed Assets	5,287	3,827	4398
Discount on Issue of Debentures	159	159	159
Investments	0	1,558	1558
CURRENT ASSETS			
Receivables	2,481	3,511	2632
Bank Deposits	9,967	8,443	9441
Cash	3701	428	1008
Taxation Recoverable	101	101	93
	16,250	12,483	13,174
CURRENT LIABILITIES			
Payables and Accruals	3,650	2,312	2450
Deferred Income	1,421	1,421	1180
	5,071	3,733	3,630
NET CURRENT ASSETS			
	11,179	8,750	9,544
	16,625	14,294	15,659
FINANCED BY:			
Capital Reserves	5,086	5,086	5086
Accumulated Surplus	4,234	1,903	3470
Special Projects Funds	6,517	6,517	6315
Long Term Liabilities	788	788	788
	16,625	14,294	15,659

PSOJ EXPENSE BUDGET

EXPENDITURE BUDGET 1997-1998 (\$'000)

	TOTAL	Aug '97	Sept	Oct	Nov	Dec '97	Jan '98	Feb	Mar	Apr	May	Jun	Jul '98
Staffing	8,750	700	700	650	650	940	730	730	730	730	730	730	730
Travelling & Entertainment	570	27	27	27	150	27	27	150	27	27	27	27	27
Stationary	250	20	20	20	30	20	20	20	20	20	20	20	20
Repairs/Maintenance	300	25	25	25	25	25	25	25	25	25	25	25	25
Utilities	780	65	65	65	65	65	65	65	65	65	65	65	65
Audit Fee	380	31	31	31	31	31	31	32	32	32	32	33	33
Insurance	240							45	45	40	30	40	40
Motor Vehicle	50	4	4	4	4	4	4	4	4	4	4	5	5
Bank Charges	60	5	5	5	5	5	5	5	5	5	5	5	5
Meetings	120	10	10	10	10	10	10	10	10	10	10	10	10
Training	20							10					
Office & General	270	22	22	22	22	22	22	23	23	23	23	23	23
Postage	40	3	3	3	5	5	3	3	3	3	3	3	3
Professional Services	50	10	10	10	10	10							
Lease Photocopier	220	19	19	19	19	18	18	18	18	18	18	18	18
Property Tax	35							35					
Depreciation	540	45	45	45	45	45	45	45	45	45	45	45	45
Amortization of Debenture	16												16
Bad Debt	0												0
GCT	98	30	30	30	8								
TOTAL	12,789	1,016	1,016	966	1,078	1,227	1,018	1,189	1,087	1,047	1,037	1,049	1,065
Surplus/Deficit Before Endowment Income	(679)	2,155	485	228	418	312	(221)	(221)	(383)	(748)	(888)	(809)	(1,005)
Income from Investment now transferred to Endowment Fund	855	45	45	45	45	45	90	90	90	90	90	90	90
Gain on Disposal of Shares	2155					2155							
TOTAL SURPLUS	2331	2200	530	271	463	2,812	(131)	(131)	(283)	(658)	(798)	(719)	(915)

PSOJ REVENUE BUDGET

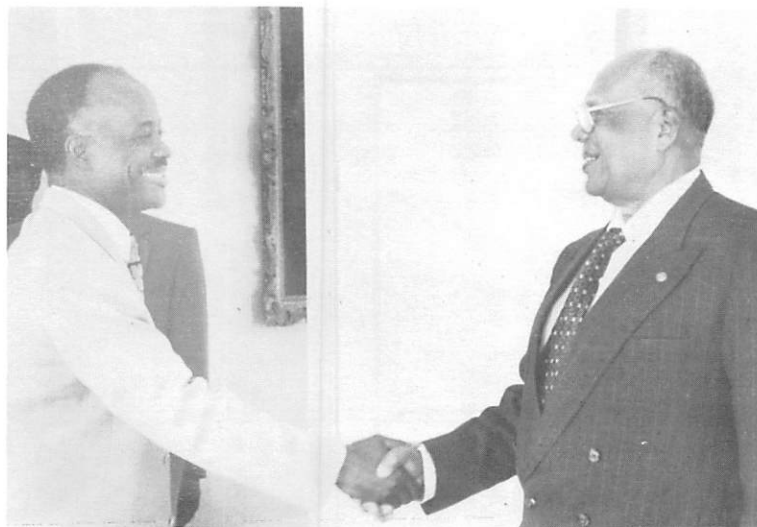
REVENUE BUDGET 1997 - 1998													
\$'000													
	TOTAL	AUG '97	SEPT '97	OCT '97	NOV '97	DEC '97	JAN '98	FEB '98	MAR '98	APR '98	MAY '98	JUN '98	JUL '98
Subscription	8500	3000	1300	1000	1000	700	500	500	500				
Publication	850	25	25		25	725			25	25			
Monthly Economic Report	240	20	20	20	20	20	20	20	20	20	20	20	20
Viewpoint	550		100	90	90		90	90	90				
Luncheon/Hall of Fame	450	90			90		90	90			90		
Seminar	740				180			180		200		180	
Miscellaneous	110	9	9	9	9	9	9	9	9	9	9	10	10
Dividends													
Rental Income	350	27	27	28	28	30	30	30	30	30	30	30	30
Investment Income	320		20	45	55	55	55	45	30	15	0	0	0
TOTAL	13110	3371	1801	1192	1497	1538	784	824	754	298	148	348	90

PSOJ CASH FLOW BUDGET

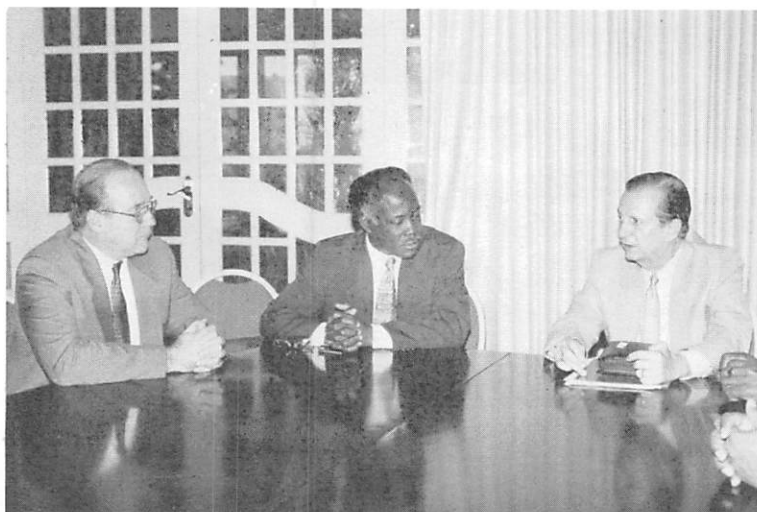
1997-1998 (\$'000)													
	Aug '97	Sept	Oct	Nov	Dec '97	Jan '98	Feb	Mar	Apr	May	Jun	Jul '98	TOTAL
INFLOW													
Subscription	3,000	1,300	1,000	1,000	700	500	500	500					8,500
Other Income	400	367	352	302	567	817	300	200	355	300	305	55	4,320
Income from disposal of Shares					2,155								
Investment Income	0	20	45	55	55	55	45	30	15	0	0	0	320
TOTAL	3,400	1,687	1,397	1,357	3,477	1,372	845	730	370	300	305	55	15,295
OUTFLOW													
Accounts Payable	500					15	15	15	15	15	15	15	605
Investment					2,155								
Operating Expense	1,016	1,016	966	1,079	1,237	935	1,155	1,107	1,087	1,057	1,069	1,085	12,789
TOTAL	1,516	1,016	966	1,079	3,392	950	1,170	1,122	1,082	1,072	1,084	1,100	13,394
NET FLOW	1,884	671	431	278	85	422	(325)	(392)	(712)	(772)	(779)	(1,045)	(254)
Opening Cash Balance	3,100	4,984	5,655	6,066	6,364	6,449	6,871	6,546	6,154	5,442	4,670	3,891	3,100
Closing Cash Balance	4,984	5,655	6,066	6,364	6,449	6,871	6,546	6,154	5,442	4,670	3,891	2,846	2,846
Add Endowment Income	45	45	45	45	45	90	90	90	90	90	90	90	855
Closing Cash Balance	5,029	5,745	6,221	6,544	6,674	7,166	6,951	6,649	6,027	5,345	4,656	3,701	3,701

THE PSOJ IN ACTION

His Excellency, the Most Honourable Sir Howard Cooke, O.N., G.C.M.G., G.C.V.O., C.D., welcomes PSOJ President Clifton Cameron to King's House. Occasion was a courtesy call paid on the Governor General by the new Officers of the PSOJ in January 1997.



PSOJ's new President Clifton Cameron (centre) paying a courtesy call on the Rt. Hon. Edward Seaga, Leader of the Jamaica Labour Party at the Jamaica Pegasus Hotel in January 1997. Vice President William McConnell, C.D., shares in the discussion.



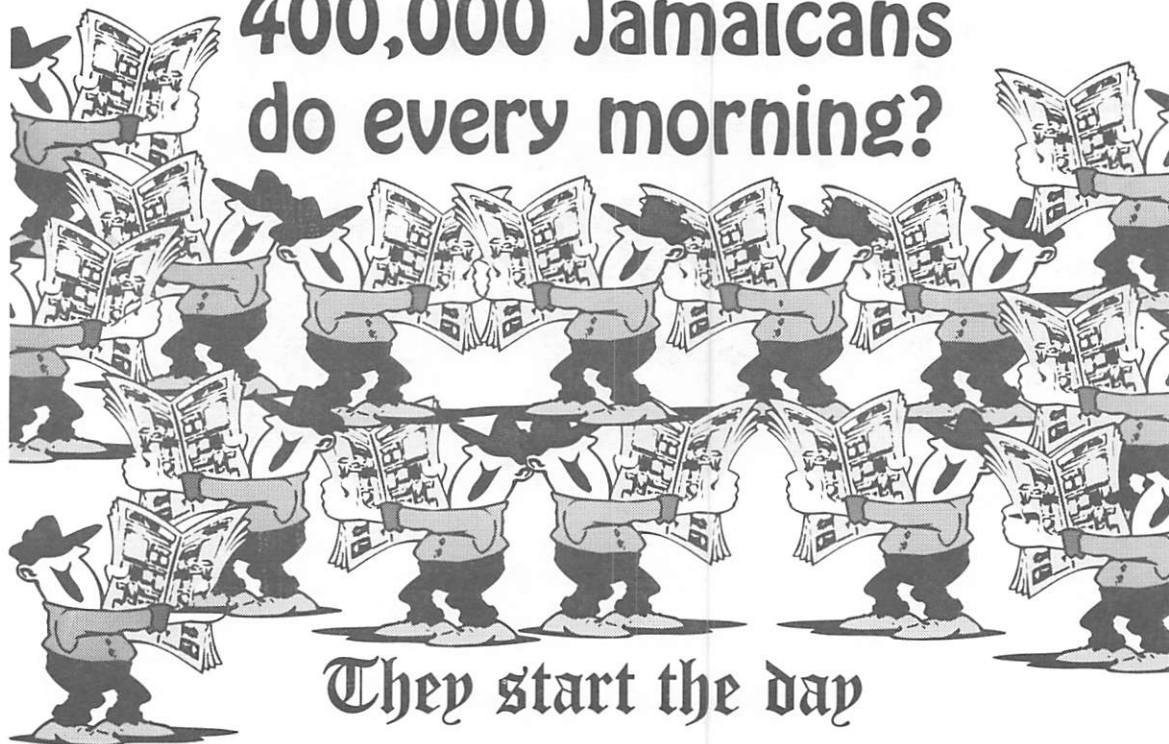
1996 Private Sector Hall of Fame inductee Oliver Clarke displaying the citation he received from then PSOJ President Delroy Lindsay. The presentation took place at the Banquet held in December at the Wyndham Kingston Hotel.



The Parliamentary Secretary in the Ministry of Foreign Affairs and Foreign Trade Anthony Hylton (2nd left) sharing a moment with (from left) PSOJ Executive Director Charles Ross and President Clifton Cameron (2nd right). Mr. Hylton was the Guest Speaker at the PSOJ's Membership Luncheon in February 1997, at the Wyndham Kingston Hotel.



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COMMUNICATIONS

Introduction

During the review period, August 1996 to July 1997, the Communications Division's activities focussed on keeping PSOJ members and the Jamaican society at large abreast of important national and international issues.

Television Programme

The Division's work in this area focussed on a) recording a "new pilot programme", b) soliciting sponsorship for the first series of the programme and c) identifying topics to be discussed during the first series. Based on the level of sponsorship received up to the end of July and subsequent discussions with the sponsor and CVM (separately), the decision was taken to start PSOJ VIEWPOINT with a mini-series. At the end of the period under review, three programmes had been recorded. These focussed on i) Education (June 1997), ii) Business and iii) the next general elections (July 1997). The fourth programme is scheduled to be recorded sometime in August with subsequent programmes being recorded as soon as sponsorship has been finalized. The "start-up" date for airing of the programme should be

finalised with CVM TV by the end of August.

Private Sector Focus

A total of 42 out of 44 articles were published between August 1996 and July 1997 in the PSOJ's Sunday Gleaner Column "Private Sector Focus". We wish to encourage PSOJ Members to take advantage of this facility as a means of sharing ideas and opinions with the wider society.

Enterprise

The scheduled four (4) issues of the Organisation's newsletter were published and distributed. The Secretariat would welcome any suggestions/comments on this important publication.

Other Publications

i) Annual Report of the Executive Committee 1996

This Annual Report, which outlined the activities of the Secretariat for the year 1995-1996, was published and subsequently distributed at the Organisation's Annual General Meeting which was held in November 1996 at the Terra Nova Hotel.

ii) 1997 Diary

A total of 728 1997 PSOJ Diaries and Fillers (100 Leather, 190 Simulated Leather & 438 Fillers) were sold. Complimentary Fillers were given to Ardenne High School, Calabar High School, Holy Childhood High School, Manchester Chamber of Commerce, Saxthorpe Methodist Church and the Spanish Town Hospital.

iii) 1996 Annual Report on the Jamaican Economy

750 copies of this important publication were produced in April 1997 and was discussed at the PSOJ's Annual Seminar on the Jamaican Economy which was held in April. Participants in this seminar received a copy of the Report. Complimentary copies were sent to PSOJ members and libraries.

iv) 20th Anniversary Publication

As part of the activities to commemorate the Organisation's 20th Anniversary, a special publication, *"PSOJ's 20th Anniversary Commemorative Journal and Membership Directory"* was produced. This document highlighted the Organisation's history, objectives, achievements and activities and included a listing of PSOJ members. Complimentary

copies were sent to members of the Organisation, JAMPRO, Jamaica's diplomatic representatives overseas and international agencies with offices in Jamaica.

Messages/Reports

During the twelve-month period (August 1996 to July 1997), the Division disseminated 6 messages and prepared 8 Reports for the PSOJ President. These were presented at the Membership Luncheons, Council Meetings and the Annual General Meeting.

Press/Photo Releases/ Statements/Press Advisories

In its continued effort to provide media coverage for the Organisation, 17 press and photo releases as well as 9 press advisories were disseminated to media houses islandwide by the Division.

Miscellaneous Information

In its bid to share information with the Organisation's members, the Division disseminated/made available information on several issues including i) training programmes, expositions/ trade shows, seminars and business opportunities both locally and internationally, ii) visits of overseas delegations to Jamaica and iii) Jamaican missions to various countries.

Special Meetings/Events

The Division spearheaded the organising of the following:

- i) Membership Luncheons (September 1996, February 1997 and May 1997)
- ii) Private Sector Hall of Fame Dinner (December 1996)
- iii) Seminar on International Trade Developments (February 1997)
- iv) Press Launch - 20th Anniversary National Essay Competition (October 1996)
- v) Seminar on Jamaican Economy (April 1997)
- vi) PSOJ 20th Anniversary Banquet (May 1997)
- vii) Caribbean Association of Industry & Commerce(CAIC)/PSOJ Private Sector Conference, Meetings & Banquet (June 1997)

In addition to the above, the Division worked closely with Interline Communications on the various activities (Media activities, National Essay Competition, Souvenir publication and Banquet planned in observance of the Organisation's 20th Anniversary.

Environment Committee

Chairman: Dr. Barry Wade

Deputy Chairman - Dr. David Smith (Appointed in January 1997)

After much discussion among committee members, the PSOJ Executive Director and the Committee Chairman, it was decided that the PSOJ's Environment Committee should be revamped to reflect a smaller and more effective Committee with specific focus areas and which would be the Organisation's voice on environmental issues.

The restructuring of the Committee occurred towards the end of 1996 with the four main areas of focus being:

- a) Policy Information and Education
- b) Trade (National and International)
- c) Technical Support and Training and
- d) Projects (Demonstration)

The "Projects" area continued to be the focus of most of the Committee's deliberations for the year under review.

Energy Farm Project

After approximately one year of activity on this project, a decision now has to be taken by the PSOJ (Executive Director) and the Environment

Committee on the future of this EFJ-funded project. This project has been severely affected by a number of problems/setbacks including labour-related problems, theft, fire and security problems. Preliminary indications are that the Energy Farm is being deliberately "sabotaged" by person or persons. Subsequently, the Committee has been investigating possible new locations in the parishes of St. Andrew, St. Thomas and Portland. Also under consideration is the option of "teaming up" with other environmental organisations (PCJ, Forestry Department, JCDT) which have similar projects either already established or in the pipeline.

Environment Documentary

The Committee has re-started its efforts to raise funds to produce the second documentary on "Deforestation - The Price We Pay". To date, \$150,000.00 of the approximately \$600,000.00 required has already been secured.

Funding for Committee's Projects

The first fundraising activity for future projects has been initiated by the task force responsible for Projects. A proposal has been submitted to the Canadian Green Fund to fund the reproduction and distribution of 1,000 copies of the first documentary "Source of Life" and 2,000 copies of the Shipping Association of Jamaica's

booklet "Save Our Seas". The packages (which would include a copy of the tape and 2 copies of the booklet) would be sold to PSOJ members as well as community groups etc. Response from that funding agency is awaited.

Committees/Workshops

The members of the Environment Committee represented the Organisation on a number of Committees, as well as at meetings and workshops held during the period under review. These included:

Committees

- i) NRCA Green Purchasing Policy Committee
- ii) Green Fund Committee
- iii) EFJ Extraordinary General Meeting
- iv) Solid Waste Master Plan Consultancy Committee
- v) NRCA National Environmental Education Committee
- vi) Sustainable Development Council (NRCA)

Workshops etc.

- i) Montreal Protocol Workshop
The Chairman attended the NRCA Montreal Protocol Workshop which was held on February 11, 1997.

The workshop commenced with the launching of the Jamaica Country Programme for the phasing out of Ozone Depleting Substances (ODS).

ii) ENACT Project

The PSOJ was represented by the Chairman on the Steering Committee of this project which is a CIDA funded 8-year capacity development programme for environmental management in the area of sustainable development. The Chairman attended the meeting in January.

iii) EFJ Workshop

The Communications Officer participated in this workshop which targetted representatives of companies whose projects had benefitted from EFJ funding. This was held on March 1, 1997.

iv) NEEC Workshop

The Communications Officer represented the Committee at the National Environmental Education Committee "Vision" Workshop on March 7, 1997. She continued to attend follow-up meetings of this Committee.

v) Sustainable Development Council - Jamaica

The Communications Officer represented the Executive Director on this Committee at ongoing meetings since July 1997. The role of the Council includes analyzing, selecting and promoting sustainable development activities, identifying key policy issues in priority areas and formulating policy measures. The SDC-J's Chairman attends the National Planning Council meetings. □

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ECONOMIC RESEARCH AND BUSINESS DEVELOPMENT

The period between August 1996 and July 1997 saw the activities in the Economic Research and Business Development Department centred around the following areas:

Research Activities

The following papers were researched and composed:

- i. Labour Market Study - evolving from a survey by PSOJ, of companies which experienced Industrial Disputes during 1995. These included Seprod Ltd., Desnoes & Geddes Ltd., and Goodyear Ja. Ltd. The survey sought to get at the root cause of these disputes. However, the response from the companies was very poor, and so the survey findings could not be as conclusive as was desired.
- ii. Cash Reserve, Interest Rates and Monetary Policy relationship - This paper sought to show the relationship of these variables and recommended that a phased reduction in the Cash Reserve ratio of Commercial Banks could be a feasible way of reducing interest rates. This is with a view to encouraging investment and growth in the economy.
- iii. Fiscal Policy - Focussed on the operations, role and functions of Government in Jamaica and suggest ways to improve fiscal policy and operations of the Government. The Paper was discussed at NPC and serialized over two (2) months in the Private Sector Focus column in the Sunday Gleaner.
- iv. Education Paper - This paper sought to encourage Government to increase its budgetary allocations to the sector.
- v. Foreign Exchange Market Policy - This paper was a response to BOJ's Policy on Foreign Exchange Management. It was tabled at the NPC and BOJ is to formulate a response.
- vi. 'Transition to Growth' - Focussed on Macro-economic strategies to get the Jamaican Economy growing in order to achieve significant increases in per capita incomes and improvement in living standards.

Other Activities

These included the preparation of briefs or data profiles on the following topics:

- a. The Helms-Burton Act - effects on Jamaican Traders with Cuba.
- b. T.V. Script - for the pilot programme as well as audience participation at the recording of these programmes.
- c. Update of the economic sections of the PSOJ's 1998 Diary.
- d. The Enterprise which is the PSOJ's quarterly newsletter carries an economic section. This was updated quarterly and articles on economic issues were also submitted.
- e. Chapters for the PSOJ's Executive Committee's Annual Report 1996/97 were also written.
- f. A profile on Government's internal debts was compiled.
- g. Regression, analysis and forecasting of inflation and Money Supply for 1996 -1997 were also undertaken.
- h. Some surveys of PSOJ members were done to ascertain their interests in trade visits to and from Israel, Turkey and Germany. Members indicated most interest in visiting Israel and Germany.

A student from EXED, on work experience duties at the PSOJ, assisted in updating the department's database.

- j. The compilation of various articles for use in the Private Sector Focus column in the Sunday Gleaner was also undertaken.

Business Development Activities

1. The PSOJ's Monthly Confidential Economic Bulletin continues to be published. This bulletin seeks to keep subscribers abreast of events in the macro-economy as well as monitor and forecast activities and trends in macroeconomic variables as they relate to Jamaica. There are currently seventy-eight (78) subscribers.
2. The annual Seminar on the Jamaican Economy in 1996, including the 1997/98 Budget review, was held on April 18, 1997. There were over seventy participants at the seminar and they participated quite actively in the discussions. The presentations included - Review of the 1997/98 budget; performance of the Jamaican Economy in 1996 and projections for 1997. There was also a panel discussion on "Investments - The Way Forward". The Economic Report for 1996 was compiled in the department and typeset in-house. This report provides quite timely, current and historical information on the Jamaican Economy.

3. Avenues continue to be explored to increase the revenue - earnings capacity of the PSOJ via the following:-

- a) increasing the number of subscribers to the Monthly Economic Bulletin;
- b) putting on Business/Economic focussed Seminar and Workshops.

Economic Research

The PSOJ Staff attended at the PIOJ to get hands-on experience in the scope and use of their recently completed Computable General Equilibrium Model of the Jamaican Economy. This model, developed by Dr. Courtney Gallimore, uses 32 sectors of the economy as variables to compute a static general equilibrium of the Jamaican economy.

Meetings/Seminars

Throughout the year, the PSOJ has been requested to participate actively in a number of committees. Members of the PSOJ Secretariat in the Economic Division participated in the following Committee Meetings and Seminars:

1. The Ministry of Foreign Affairs and Foreign Trade - Monthly Trade Policy Coordinating Committee.

Topics discussed included -
Negotiating Trade Agreements with CARICOM, Dominican Republic, Venezuela & Colombia; issues relating to the Free Trade Area of America (FTAA) as the agreements are being formulated; external trade negotiations and policies governing these; developments re NAFTA/CBI parity; Lome negotiations & ACP relationships; EU/ACP future relationships.

2. The Manpower Planning Committee meeting held at PIOJ.
3. The monthly meetings of the PSOJ's Economic Policy Committee. These were held regularly and were chaired by Mr. Elon Beckford, Vice President, PSOJ. There were three (3) additional members to the committee during the year. Topics focussed on included:

The Country strategy for growth; Fiscal Policy - the role of Government; the Exchange Rate; the Mexico meltdown-lessons for Jamaica; monthly reviews of macro-economic variables and the Labour Market. Unsuccessful efforts were made to engage the services of Professor Steve Hanke to inform on the dollarization of the Jamaican Economy.

4. JAMPRO - SRC Committee re mounting an exhibition and providing mementos for the July CARICOM Heads of Government Meeting.
5. Members of the Department attended JEA's sponsored Seminar on NAFTA & Trade related issues as well as the PIOJ/UNICEF Seminar on Youth, Women & Families in Jamaica.

Library

Efforts were made to cull books and boxes in the library to allow for space to accommodate new documents. A Computer was donated by the Carreras Group to help in the Library's computerization. However, there is need for professional help to get this process off the ground. Computerising the library will help greatly in having easy access to the content and location of information in the library.

Miscellaneous

1. Glenford Millin, Research Economist, resigned from the Organisation in January 1997.

2. The Department was linked to the internet in August 1996.
3. Two numbers of the then Department's staff got some Computer Training in the use of the Corel Draw Software.
4. The Division throughout the year, in continuance of disseminating the philosophy of free enterprise to the Jamaican society, prepared selected articles which were published in the print media e.g. the fiscal policy paper was serialized as a feature in the 'Private Sector Focus' column. Articles were also done for the PSOJ's quarterly newsletter Enterprise. Numerous interviews were granted to members of the local and international media, trade and promotional persons and organisations, bilateral and multilateral institutions as well as to researchers and students. □

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 Board of Directors under the Chairmanship of Mr. J.A. Lester Spaulding.

The Board is comprised of the following members:

- J.A. Lester Spaulding, Chairman
- Michael Hirst, Deputy Chairman
- Jennifer Cheesman, Secretary
- Charles Ross, Executive Director, PSOJ.
- Delroy Lindsay, President, PSOJ
- Neville James, KLAS
- A. James Forbes, Insp. of Police
- Maj. Gen. Robert Neish, Chairman, Standing Com. on National Security
- Leon Mitchell, CVM Television

The Co-ordinator, Prudence Gentles, answers directly to the Board of Directors and her responsibilities include:-

- day to day administration of all the Fund's business;
- 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 houses 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, among other things, advertisements, posters and stickers;
2. Interest of \$1,658,901 accruing to the capital fund donated by private sector bodies. This fund presently stands at \$6.092 million;
3. The police, who provide free office space and personnel to man the telephone hotlines;
4. The PSOJ Secretariat, with the provision of a recording secretary

at the monthly committee meetings and accounting services free of cost.

Accounts

The balance sheet dated July 31, 1997 shows a net book worth of \$6,540,981 and an operating surplus of \$145,770.

Media Advertisements

1. Thirty three (33) television, radio and newspaper Crime-of-the-Month advertisements covering eleven separate crimes were produced in the period under review.
2. "Stop the Guns and Drugs for our Brothers and Sisters" continues to run in the media as the Corporate advertisement.

These "Crime of the Month" and corporate advertisements were produced, broadcast/published free of cost by the following companies and media houses in more than 4000 spots including prime time spots:

J.B.C. Television, C.V.M. Television, Fame FM Radio, Supreme Sound Radio, J.B.C. Radio 1, J.B.C. Radio 2, K.L.A.S. FM Radio, IRIE FM Radio, Power 106 FM Radio, LOVE FM Radio, HOT 102 FM, The Daily Gleaner, The Star, The Jamaica Observer, The Jamaica Herald,

Security Alert Newspaper, Vidquip Limited, McCann Erickson Ltd..

These placements would have cost the Fund in excess of \$13.5M if they had to be paid for.

Reports and Statistics

Twelve monthly reports with "Crime Stop" statistics were submitted to the Board of Directors for review.

Four quarterly reports were submitted and tabled at the PSOJ Council Meetings.

Monthly Statistics are sent on a regular basis to the heads of each Media House to keep them up to date on the successes of the programme.

Public Response

Under the year in review, 734 calls were received by Crime Stop.

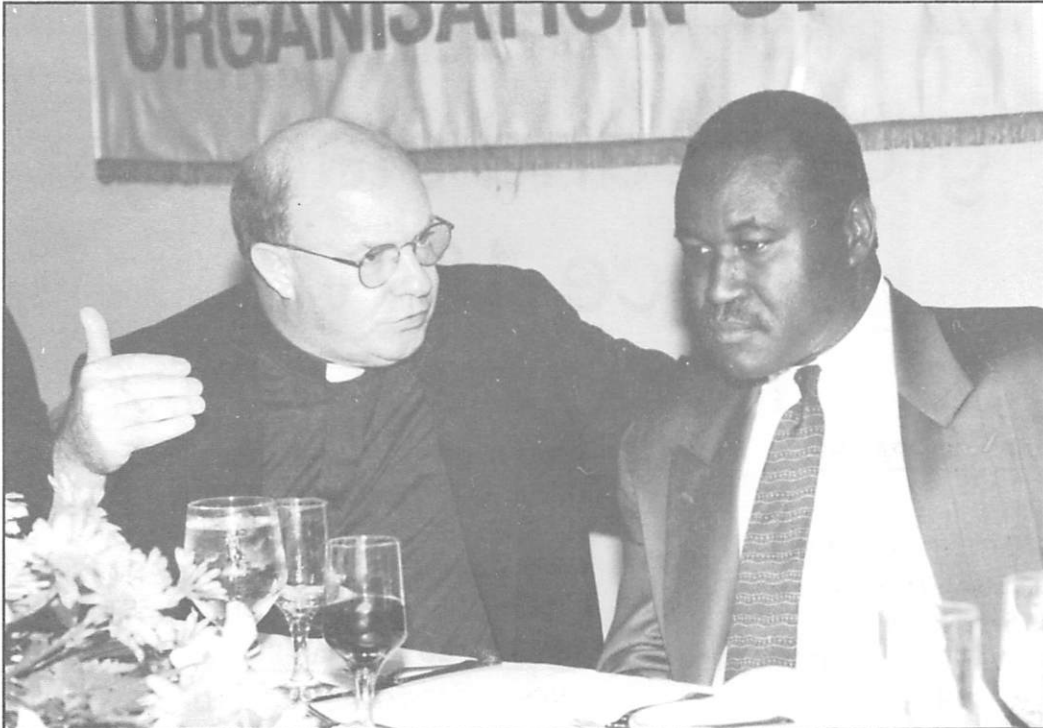
Police investigations into calls during this period led to 80 arrests which include 13 for murder, 26 for drug related crimes, 23 for illegal possession of a firearm and 11 for possession of a stolen motor vehicle.

Among the stolen/illegal property recovered were 31 firearms, 421 rounds of ammunition, 12 motor vehicles, 3 bicycles, 48.29 kgs. ganja, 378 sticks ganja, 6.909 hectares ganja, 8100 ganja seedlings, 342 pcs.

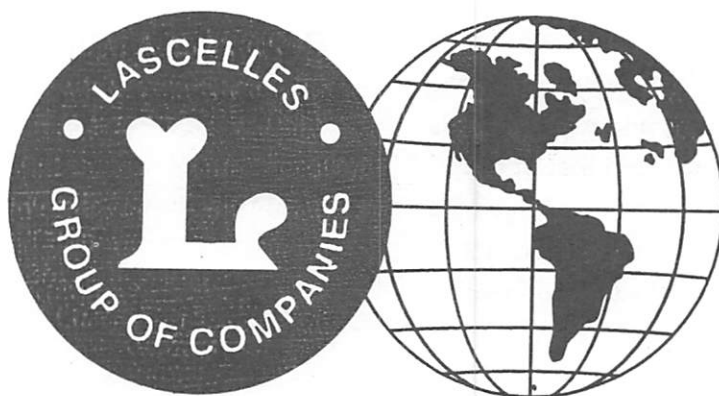
crack, 1.274 kgs cocaine, 46.7 gms hashish, household articles, building tools and materials, and motor vehicle parts. It should be noted that of the 31 firearms seized, 3 were submachine guns, 13 were semi- automatic pistols and 6 were fully operational homemade firearms.

Reward Payout

The Fund paid out a total of \$277,855.00 in rewards over the period under review. □



Guest Speaker at the PSOJ's Membership Luncheon in September 1996, Monsignor Richard Albert, making a point about crime in the inner city to then PSOJ President Delroy Lindsay. The function was held at the Wyndham Kingston Hotel.



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23 Dominica Drive, Kingston 5. Tel: 926-9007/9

JAMAICA MEDICAL ASSISTANCE COMMITTEE

During the period August 1, 1996 to July 31, 1997 JaMAC co-ordinated overseas donations for the Ministry of Health valued at US\$726,201. This reflects an increase in the overall donations when compared with the past two years.

The donations were received from and distributed as follows:

- **Hon. Dulcie Ann Sherlock, Hospital Relief Fund Inc., Maryland**

Medical Journals and publications were donated to the Faculty of Medicine, University of the West Indies.

- **Global Links, Pennsylvania**

Three containers consisting of pharmaceuticals, beds, mattresses, medical equipment and supplies were sent by this Organisation. The pharmaceuticals were distributed through the Pharmaceutical Division in the Ministry of Health while the beds and mattresses were sent to the new May Pen

Hospital, the new maternity ward at the Spanish Town Hospital and the Mandeville General Hospital. The equipment and supplies were generally distributed to the public health institutions including the University Hospital and the recently established Emergency Medical Services.

- **Mrs. Beverley Treasure, Morristown Memorial Hospital, Morristown, New Jersey**

Orthopaedic equipment and assorted surgical supplies were donated to the University and Falmouth Hospitals.

- **American Flying Dentists, Michigan**

Assorted dental supplies - Porus Health Centre.

- **Voluntary Optometric Services to Humanity (VOSH), South Dakota**

Eye medication and supplies - Kingston Public Hospital Eye Clinic.

- **Mr. Albert George Nevin, Surgical Technician, Manchester Memorial Hospital, Connecticut**

Eighty three boxes of medical supplies and equipment, including an anaesthetic machine, urology and orthopaedic supplies as well as miscellaneous disposables, were distributed among the Kingston Public, Port Antonio, St. Ann's Bay and Sav-la-mar Hospitals and the Portland Health Department.

- **Brothers Brother Foundation, Pennsylvania**

Three containers of medical supplies, equipment, nutritional and patient care products, physiotherapy aids, renal dialysis and IV solutions as well as a wide range of nursing text books were received from this Organisation. The nursing books were distributed to the Schools of Nursing islandwide by the Nursing Services Division in the Ministry of Health, while the other items were sent to the Kingston Public Hospital, the new May Pen Hospital, the new maternity ward at the Spanish Town Hospital, the Mandeville General Hospital and the Emergency Medical Services.

The transportation of these donations was made possible

through the generous assistance of PAHO in Washington, D.C., the ALCOA Foundation in Pittsburgh through JAMALCO and Air Jamaica.

Medical Programmes

Between August 1996 and July 1997 the Committee co-ordinated one eye surgery, one eyeglass programme and two dental programmes.

Dental

The community of Manchester continues to benefit from the visits of overseas volunteer dentists. The American Flying Dentists paid their 17th visit to the island during November 1996.

The dental team conducted 7 clinics at different centers in the parish of Manchester. A total of 889 patients were treated and the work included 1,294 extractions, 393 fillings and 66 sealant treatments. An assortment of eye medication was donated for use at the Porus Health Centre.

This was followed by the visit of a Rotary volunteer Dentists from India May 19 to June 17, 1997. The dentist worked out of the Rotary Club of Christiana's Dental Clinic in Coleyville where 393 patients received treatment. The procedures done were 610 extractions and 87 fillings.

Optometry

The Volunteer Optometric Services to Humanity (VOSH) paid their 12th visit to Jamaica. The South Dakota Chapter has developed a special relationship with Portland and paid its 10th visit to the parish in February 1997.

Operating from the Port Antonio Health Centre the team examined and dispensed eye glasses to a total of 1,218 persons and made referrals for treatment of eye disorders such as cataract and glaucoma.

Ophthalmology

The 18th eye surgery programme co-ordinated by JaMAC since 1982 was conducted by the Canadian Surgical Eye Expeditions (CANSEE) which visited the Mandeville General Hospital in January 1997.

The team of 2 ophthalmologists and 1 nurse operated on a total of 54 persons performing cataract extractions and lens implant. The January visit was the fourth to the Mandeville General Hospital by the CANSEE team and they are scheduled to return before the end of 1997.

Local Activities

1. JaMAC co-ordinated the selection and purchase of 2 computers with

monitors, modem and network cards, a printer and a fax machine for the Nursing Administration Office at the University Hospital, donated by the Toronto Chapter of the University Hospital Nurses Association. The items were purchased locally.

2. A delegation from JaMAC took the opportunity to brief the Minister of Health, the Hon. Dr. Peter Phillips, on its work and on the contribution made to the public health services.
3. Committee Member Mr. Hermon Spoerri represented JaMAC at a workshop organized by PAHO/WHO in Washington, D.C., on June 30, 1997. The purpose of the workshop was to discuss the guidelines for donation of US hospital excess supplies donated by Global Links and other charity agencies.

The meeting was attended by NGOs, manufacturers and representatives from Haiti, Guyana, Cuba and Nicaragua which receive donations from

Global Links. Officials from Global Links also participated.

The workshop was held against the background of guidelines formulated by the World Health Organization (WHO) in its effort to improve the quality and quantity of

equipment donated to developing nations.

Local Assistance

The Private Sector Organisation of Jamaica and the Jamaica Chamber of Commerce has continued to assist JaMAC in its efforts to help the public health sector. The Committee is very grateful for their support.

The Co-ordinator thanks the Patron, Mrs. Mitsy Seaga, the Chairman, Mr. Bruce Rickards and the members of the Committee for their continued guidance.

The Committee is also grateful to Grace, Kennedy & Company Limited for its contribution to JaMAC's administrative expenses.

JaMAC extends its appreciation to the following agencies and organisations, in particular the Rotary Clubs of Christiana, Mandeville and Port Antonio, the Lions Club of Mandeville, The Astra Country Inn, Air Jamaica

and Air Canada, for their invaluable assistance during the year under review:

The Ministry of Health
The Ministry of Finance
The Ministry of National Security
The Rotary Club of Christiana
The Rotary Club of Port Antonio
The Rotary Club of Mandeville
The Ministry of Labour
The Lions Club Of Mandeville
The Customs Department
Communications Consultants Limited
The Dental Council of Jamaica
The Gleaner Company
The Jamaica Optometric Association
The Jamaica Observer
Price Waterhouse
The Jamaica Herald
Air Jamaica Limited
Radio Jamaica Limited
Air Canada
The Jamaica Broadcasting Corp.
The Astra Country Inn
I B S Limited (KLAS)
Mapco Business Printers Limited ☐

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