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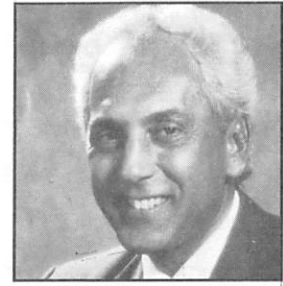
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PRESIDENT'S MESSAGE

PETER MOSES



The fiscal year 2000 – 2001, proved another challenging one for the membership of our organisation, however I am happy to report that the Executive, in collaboration with the wider membership, made progress in a number of areas as we sought to further the interest of the Jamaican private sector. The PSOJ worked closely with various government agencies and civic groups on a wide range of issues involving economic, corporate governance, social and crime matters, and I will give you an update of the advances made in these deliberations.

The consolidation of the major associations that comprise the organisation effectively began with the appointment of a Chief Executive Officer, Miss Greta Bogues, of the PSOJ and Jamaica Exporters' Association (JEA) in July 2001. This consolidation is expected to continue with the inclusion of other associations to gain efficiencies and cost savings in the operations of the consolidated organisations. In this regard, meetings continue to be held with the remaining associations in furtherance of this objective.

In the area of corporate governance, we participated in the Select Committee appointed by the Senate to review the Companies Bill 2001 by making new submissions outlining concerns and recommendations.

In keeping with one of the objectives that were set by my administration in December 1998, our partnership with the public sector continued as meetings were held in furtherance of the Memorandum of Understanding that was signed in February 2000. Progress has been made in the areas of customs modernization, the establishment of a commercial court, establishment of a ship registry, labour reform and a Master Plan for Sustainable Tourism Development.

Crime and violence continue to be areas of concern. The Executive continues to hold discussions with the national administration in the hope of finding solutions to stem this crime wave. Subsequent to the fateful events of the weekend of July 7, 2001, in which several persons lost their lives, the Executive Committee intends to work diligently to facilitate talks between the affected groups and the government that will lead to an alleviation of this problem. We also facilitated a critical review of the Police Executive Research Forum (PERF) Report that was submitted by the American Chamber of Commerce of Jamaica (AMCHAM) as it sought to mobilize international resources in the fight against crime and violence.

In spite of the progress made on many fronts, work continues in the areas of Labour Reform; the modernization of customs operations and towards the provision of adequate x-ray equipment on the island's ports of entry. Additionally, we are well aware of the social and economic dislocation that results from the current high rates of crime and violence and will continue to work with the government to find solutions to this problem so that everyone will feel safe and secure when carrying out normal daily activities.

This year, the PSOJ celebrates 25 years. In commemoration, a special week of activities is planned for December 2-8, 2001, including the publication of a newspaper supplement; an outside broadcast; a church service and dinner.

On behalf of the Members of the Executive Committee, I wish to thank all persons who have contributed through their time and effort as this organisation continues to make a valuable contribution to the development of the Jamaican private sector. ▼

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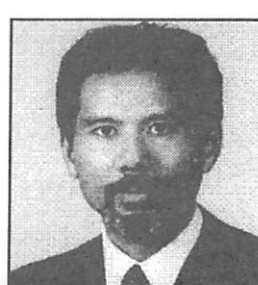
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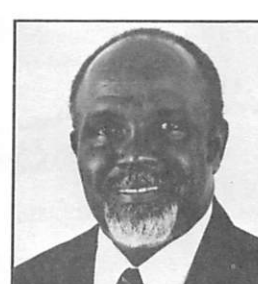
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President demitted office
on June 30, 2001)



Clarence Clarke
President, JMA



Andrea Graham
Vice President, SBAJ



Greta Bogues
Chief Executive Officer, PSOJ/JEA
(Mr. Charles Ross resigned as
Executive Director effective 31 May, 2001)

WORLD ECONOMY REVIEW

The world economy grew by an estimated 4.8% in the year 2000, - fastest since 1984 - led by strong growth in the U.S. and European economies, which provided key support for faster than expected recoveries in Asia, Latin America and Emerging Market regions (*Table 1*). However, activity in the first half of 2001 has slowed markedly, with the world economy possibly headed towards recession. Early estimates suggest that the rich world as a whole declined in the second quarter of 2001 for the first time since 1990 (*Table 2*). Global growth is now projected at 3.2%, 1 percentage point lower than earlier expected. In fact, the forecast for the U.S. economy - the engine of last year's growth - has been revised downward by 1.7 percentage points to 1.5%.

Year 2000 also witnessed a highly undervalued volatile Euro, hitting record lows against the US dollar and most other currencies in September of 2000. The Euro has since strengthened somewhat over the first half of 2001. The World Trade Organisation (WTO) launched its Millennium Round negotiations in 2000, which focused on Agriculture and Services. The Cotonou Agreement also came into effect, replacing the Lome IV, and was aimed at establishing a new partnership agreement for future relations including trade regulations, development and financial cooperation strategies. Perhaps of even greater importance was the Everything But Arms (EBA) proposal by

the European Commission, which plans to provide full access by Least Developed Countries (LDC's) to the European Union Markets.

The Global Economic Slowdown

The apparent global economic slowdown is widespread. In America, consumer spending has been keeping the economy afloat, thanks in large part to rising house prices. The Federal Reserve has cut interest rates six times over the first half of the year, and combined with the government's tax cut, America is trying desperately to stave off a recession, in the face of rising unemployment rates. Japan's economy is on the brink of recession, as persistent deflation continues to weaken spending by increasing the real burden of debt, and encouraging consumers to put off spending. Consumer spending is essential to underpin a sustained economic recovery, and the government has responded by increasing liquidity in the financial system, but the proposed cut in public spending may also end up depressing the economy. Emerging Asia (except China) is already in recession as Singapore and Taiwan declined by 11% and 6% in the second quarter respectively. The lack of structural reforms in the Asian economies have led to an over-dependence on exports, especially in

Table 1: Overview of the World Economic Outlook Projections(%)

| | 1999 | 2000 | Current Projections | | Diff. from Oct. 2000 projections | |
|--|------|------|---------------------|-------|-------------------------------------|------|
| | | | 2001 | 2002 | 2000 | 2001 |
| World Output | 3.5 | 4.8 | 3.2 | 3.9 | - | -1.0 |
| Advanced economies | 3.4 | 4.1 | 1.9 | 2.7 | -0.1 | -1.3 |
| Major industrial countries | 3.0 | 3.8 | 1.6 | 2.4 | -0.1 | -1.3 |
| United States | 4.2 | 5.0 | 1.5 | 2.5 | -0.2 | -1.7 |
| Japan | 0.8 | 1.7 | 0.6 | 1.5 | 0.3 | -1.2 |
| United Kingdom | 2.3 | 3.0 | 2.6 | 2.8 | -0.1 | -0.2 |
| Other advanced economies | 4.8 | 5.2 | 3.0 | 3.8 | 0.1 | -1.2 |
| European Union | 2.6 | 3.4 | 2.4 | 2.8 | - | -0.9 |
| Euro area | 2.6 | 3.4 | 2.4 | 2.8 | -0.1 | -1.0 |
| Newly industrialized Asian economies | 7.9 | 8.2 | 3.8 | 5.5 | 0.3 | -2.3 |
| Developing Countries | 3.8 | 5.8 | 5.0 | 5.6 | 0.1 | -0.7 |
| Africa | 2.3 | 3.0 | 4.2 | 4.4 | -0.5 | -0.2 |
| Asia | 6.1 | 6.9 | 5.9 | 6.3 | 0.2 | -0.7 |
| China | 7.1 | 8.0 | 7.0 | 7.1 | 0.5 | -0.3 |
| India | 6.6 | 6.4 | 5.6 | 6.1 | -0.3 | -0.9 |
| ASEAN-4 ¹ | 2.8 | 5.0 | 3.4 | 4.7 | 0.5 | -1.6 |
| Middle East, Malta and Turkey | 0.8 | 5.4 | 2.9 | 4.6 | 0.5 | -1.2 |
| Western Hemisphere | 0.2 | 4.1 | 3.7 | 4.4 | -0.2 | -0.8 |
| Countries in Transition | 2.6 | 5.8 | 4.0 | 4.2 | 0.6 | -0.2 |
| World trade volume (goods and services) | 5.3 | 12.4 | 6.7 | 6.5 | 2.4 | -1.1 |
| Imports | | | | | | |
| Advanced economies | 7.9 | 11.4 | 6.7 | 6.5 | 1.1 | -1.2 |
| Developing countries | 1.6 | 16.9 | 8.8 | 7.9 | 6.9 | -0.3 |
| Countries in transition | -7.3 | 13.3 | 8.6 | 6.9 | 0.9 | 0.2 |
| Exports | | | | | | |
| Advanced economies | 5.0 | 11.4 | 6.2 | 6.2 | 1.5 | -1.4 |
| Developing countries | 4.1 | 15.7 | 7.1 | 7.0 | 6.8 | - |
| Countries in transition | 0.6 | 14.9 | 4.6 | 5.1 | 4.8 | -1.4 |
| Commodity Prices | | | | | | |
| Oil² | | | | | | |
| In U.S. dollars | 37.5 | 56.9 | -9.6 | -11.8 | 9.4 | 3.7 |
| Nonfuel (avg's based on world commodity export weights) | | | | | | |
| In U.S. dollars | -7.1 | 1.8 | 0.5 | 4.5 | -1.4 | -4.0 |
| Consumer Prices | | | | | | |
| Advanced economies | 1.4 | 2.3 | 2.1 | 1.8 | - | - |
| Developing countries | 6.7 | 6.1 | 5.7 | 4.8 | - | 0.6 |
| Countries in transition | 43.9 | 20.1 | 15.3 | 10.0 | 1.6 | 2.5 |
| Six-month London Interbank offered rate (LIBOR) | | | | | | |
| On U.S. dollar deposits | 5.5 | 6.7 | 4.5 | 4.3 | -0.2 | -2.9 |
| On Japanese yen deposits | 0.2 | 0.3 | 0.3 | 0.5 | 0.1 | -0.1 |
| On euro deposits | 3.0 | 4.6 | 4.4 | 4.1 | - | -0.7 |

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 19 - March 16, 2001

1: Indonesia, Malaysia, the Philippines and Thailand

2: Simple average of spot prices of U.K. Brent, Dubai, and West Texas Intermediate crude oil.

The average price of oil in U.S. dollars a barrel was \$28.21 in 2000. The assumed price is \$25.50 in 2001 and \$22.50 in 2002.

Source: IMF World Economic Outlook, May 2001

Information Technology (IT) equipment, as domestic demand has remained weak.

Their economies have thus been left exposed as the U.S., the largest importer of IT equipment, reduced its IT imports by 50% over the first half of 2001.

| Table 2: GDP | | |
|--|---------|---------|
| % change on previous quarter at an annual rate | | |
| | 2001 | |
| | 1st qtr | 2nd qtr |
| United States | 1.3 | 0.2 |
| Euro Area | 2.0 | 0.0 |
| Japan | 0.5 | -3.2 |
| Emerging East Asia | -0.1 | -1.0 |
| China | 11.0 | 5.0 |
| Latin America | 0.6 | -1.5 |
| Emerging Europe | -3.8 | -2.1 |
| World | 1.4 | -0.3 |
| <i>Source: J.P. Morgan Chase and OECD</i> | | |

The Latin American economies have not remained unscathed either, as Argentina and Mexico are already in recession. Argentina's debt crisis had initially sent ripples through emerging financial markets, as there were fears that Argentina would default on its debt, which could lead to financial contagion. Those fears were partially allayed as the IMF agreed to a US\$8 billion loan for the country. The fear of default was as a result of the peso's link to the dollar, which had appreciated rapidly, thus eroding competitiveness and forcing up interest rates on its already huge debt burden.

Only China and India seem to be putting up any sort of resistance to the current slowdown, and both are expected to grow by 8% and 5% for the year respectively. The very engine of world growth in 2000 now appears to be the major reason for the global slump. The IT boom, which

had encouraged over-investment in the IT sector has now collapsed, as business investment declined by more than an annualised 15% in America and Japan during the second quarter of 2001. Consequently, stock markets have also collapsed leading to an erosion of business confidence and investment plans. The highly integrated nature of the world economy, which is greatly dependent on the US – especially for trade – has meant that the spill-over effects of America's downturn to the global economy is even greater than before. America has accounted for two-fifths of world GDP growth over the past five years, and that dependence has left the world even more vulnerable to an American slump.

World Trade

World trade more than doubled in 2000, expanding by a rapid 12.4%, and indeed has grown 2.3 times as fast as world GDP over the past decade. This mostly reflected rapid domestic demand growth in the United States and Europe. However, the global economic slowdown has seen world trade come to a screeching halt, as America is importing less. American imports (which account for 6% of world GDP) fell by an annualised 13% over the first half of 2001, and world trade is forecasted to fall to only 3% in 2001 (*The Economist Intelligence Unit*). This would be the sharpest slowdown since 1975. Countries with close trade ties to the US are forced to export less to the US and the rest of the world, and in turn import less, which only serves to depress demand further.

Commodity Prices

Oil prices rocketed past US\$30.00 per barrel in the latter half of 2000, and actually increased by

56.9% over 1999, despite efforts by the Organisation of Petroleum Exporters (OPEC) to temper prices. Prices have since fallen within the US\$25 – US\$28.00 per barrel range over the first half of 2001, guided by a commitment by OPEC to keep prices within this band. The current state of the global economy and the return of Iraqi oil (following an earlier withdrawal) to the market, has seen oil prices fluctuating on the downside over the first half of the year. This has led to the possibility that OPEC will cut production to keep prices buoyant.

World inflation was generally stable during 2000 despite the surge in fuel prices. Underlying headline inflation has remained mostly subdued over the first half of 2001, as oil prices have stabilised. Non-fuel commodity prices remained weak during 2000, despite rising global demand, and the picture has not changed over the first half of 2001, with declines in coffee, banana and aluminium. These weak prices will adversely affect commodity producers, especially many poorer countries.

Risks

The world economy could rebound in late 2002, as the effects of the monetary and fiscal policy action in the US begins to take effect. Further, oil prices have thus far fallen, pulling down inflation and pushing up real incomes and profits. The lessening of inflationary risks also means many

economies have room for adopting an easier fiscal stance, in order to spur their economies. However there are significant risks, not least of which is a fall off in consumer spending, which has been keeping the American economy afloat thus far. This could lead to a longer global economic downturn than expected. Further, given that this has been an investment led downturn, interest rate cuts may be less effective in spurring demand, until excess capacity has been reduced.

There is also the risk that Argentina may still default on its debt, despite the IMF loan, which would adversely affect emerging markets. However the risk of widespread financial contagion is much reduced from previous years, as most emerging economies have larger foreign exchange reserves, less short-term debt and floating exchange rates. Another significant risk is the possibility that American equity prices are still overvalued, as evidenced by a downward revision of productivity growth. This could lead to a further downward revision to expectations of corporate profit growth, which could place equity markets under increasing pressure, thus reducing wealth, investment and confidence. It is quite likely that additional monetary and fiscal stimulus in developed countries - especially the US – will be needed to re-ignite the global economy in 2002. ▼

THE JAMAICAN ECONOMY

The Jamaican economy registered a positive GDP performance for the first time in five years, albeit missing the 1.5% to 2.5% target, registering 0.8% during the 2000 calendar year. Real GDP has declined by an annual average of 0.4% since the last positive outturn of 1.0% in 1995. Per capita GDP also increased for the first time since 1993 (0.2%). The major impetus to growth was the strong overall performance in the services sector, driven primarily by tourism and communication services, and a positive outturn (0.7%) from the manufacturing sector. The process of recovery appears to have continued thus far in 2001, as the Planning Institute of Jamaica has reported real growth in the usually dormant goods producing sector.

By all indications, the economy has begun the slow process of recovery from years of recession, as the pace of financial sector reform and consolidation continues and some productivity gains from manufacturing are being realised. Further, the endorsement of the Government's general macro-economic policy by the multilateral lending agencies - also evidenced by government's huge success in the capital markets - is an indication that the economy is headed along the right path.

However, while government has focused long term growth around the Information Technology sector (IT), it is faced with the immediate impact of high unemployment and an unacceptable level of crime and violence. These two factors could severely dampen some of the short-term gains from the

economy, with possible long-term residual effects. There is also the prospect of dealing with a slowing global economy in 2001, especially for tourism, and trade related issues that affect the competitiveness of domestic exporters. These factors coupled with the huge burden of debt may once again result in growth being less than government's 2% to 4% growth projections.

Monetary Developments

Monetary policy has continued to balance the desire to maintain low inflation rates with the need to facilitate a reduction in interest rates, while maintaining stability in the foreign exchange market. The latter part of 2000 had seen government interest rates following the familiar pattern, of being hiked to protect the dollar, due to extreme demand pressures. However, the first eight months of 2001 has seen what appears to be a renewed commitment to Government's Staff Monitored Program (SMP), as government has slashed interest rates to their lowest levels since the early 1990's, with the benchmark 30-day reverse repurchase rate (repo) at 14.25% in August.

Market rates have followed the trend of Government repo rates, which is an indication that government's credibility has improved in the market. Average six-month T-Bill yields were 16.04% in August, while the average commercial bank loan rate finally broke through the 30% barrier to 28.21%. This represented the fastest rate of decline in three years, and lowest rate in eleven years. Improved liquidity conditions

and a resilient foreign exchange market, coupled with a sustained lowering of US interest rates, have contributed to lower domestic interest rates. Continued lower interest rate are integral to the growth process and government's fiscal policy especially with regards to reducing the huge domestic debt burden.

Base money (-6.4%) and money supply (10.5%) were kept in check during 2000, and the trend has continued during 2001. The twelve-month change in these monetary variables was 1.54% and 8.14% to August and June respectively. The continued tighter control of base money has been as a result of a tabled 1% reduction in the cash reserve ratio, which was scheduled to be at 10% as at September 1st 2001.

The increased liquidity from these reductions of the cash reserve facilitate lower cost funding to the productive sector via development banks. However, the private sector continues to be "crowded out" of the domestic credit market. Preliminary data to June has indicated that net credit to the public sector increased by 16.7% while domestic credit to the private sector declined marginally by 0.05% - a clear indication that government continues to "crowd out" the private sector. Nevertheless, the extent of government borrowing has declined dramatically in recent years – \$4.3 billion in 2000 compared with \$17.7 billion and \$48 billion in 1999 and 1998 respectively - and domestic credit to the private sector actually increased in 2000 (\$2.3 billion), after three consecutive years of decline. Further, the fiscal accounts to July indicated lower than programmed domestic loan receipts, and higher than programmed

external loan receipts – an indication that domestic borrowing is being offset with external borrowing.

Foreign Exchange Developments

Despite the rapid depreciation of the nominal effective exchange rate in 2000 (7%) - mostly during the last four months - the competitiveness of domestic exporters was improved, as the real effective exchange rate depreciated for the second consecutive year (4%), following its depreciation in 1999 (2%). This was in keeping with the government's SMP commitment, which suggested that the real effective exchange rate should not appreciate in the current medium-term macroeconomic framework. However, this depreciation only partially offsets the real appreciation that had occurred throughout most of the 1990's.

The first eight months of 2001 has seen a resilient J\$/US\$ exchange rate, compared with previous years. The rate has only depreciated by 0.59%, compared with 4.33% and 6.89% over the same period in 2000 and 1999. This was mostly due to a record breaking high level of Net International Reserves (NIR), which has lent some credibility to the Government's ability to maintain relative foreign exchange stability. The NIR stood at a record US\$1.6 million at the end of August 2001 (record 28 weeks of imports), compared with US\$935 million in August 2000 (18 weeks of imports). The high level of reserves is based on loan inflows totalling US\$655.31 million - reflecting the Government's success in the international capital markets - and divestment proceeds. Government had easily achieved the 2000/01 fiscal NIR target of US\$1.2 billion.

The stock of foreign currency deposits has also achieved record levels during the first half of 2001, and stood at US\$1.2 billion at the end of July. This represented an increase of US\$103 million over the similar period in 2000.

Prices

Despite push factors of severe drought conditions and record high oil prices during 2000, effective monetary policy was able to maintain single digit inflation and achieve the inflation targets. The calendar year inflation rate was 6.1% while the 2000/01 fiscal rate was 6.4%. Tighter monetary policy, being effected through control of base money and money supply, has been the primary means through which inflation is being targeted, as outlined in the Government's SMP document.

The first seven months of 2001 has seen a mixed inflation outturn, albeit remaining well within single digits. The fiscal and year-to-date rates are higher than the comparable periods in 2000. However the point-to-point movement remained significantly lower than the similar 2000 period, being 7.1% in July 2001, compared with 8.5% in July 2000. A 22% hike in bus fares has been the major push factor behind the apparent relative poorer fiscal and year-to-date outturns, and other similar rate increases may complicate the government's ability to achieve the inflation targets. However the likelihood of rapid price increases and destabilisation of the macroeconomic environment is highly unlikely, despite fluctuating world crude oil prices.

External Developments

Jamaica's balance of payments accounts recorded an overall positive out-turn for the calendar year 2000, with the NIR increasing by a record US\$519.3 million, and has continued this performance through June 2001. However, the current account has continued to worsen, and recorded a deficit of US\$219 million over the January to June period in 2001. The poor performance of the current account has been hinged on a deteriorating trade balance, which registered a deficit of US\$731 million over the review period, based on a continued negative outturn in exports. The poor performance of exports continued to reflect a weak outturn from the major traditional (despite resurgence in bauxite) and non-traditional export sectors. Increased travel receipts continue to keep the services account buoyant, while private transfers reflecting increased remittances, continue to be the mainstay of the current transfers account.

Government

The Financial Services Adjustment Company (FINSAC) is now in the process of winding up its operations. Total asset sales to June 2001 amounted to approximately \$12.1 billion, \$780.9 million of which was sold over the first half of 2001. Loans collected since the establishment of the non-performing loan unit in October 1998 has amounted to approximately \$5.5 billion, of which \$1.1 billion was collected over the first six months of the year. However, the non-performing loan portfolio remains to be sold, and the divestment of National Commercial Bank (NCB) yet to be realised.

Government's 2001/02 fiscal program is based on a budget of \$185 billion. During the April to July period of the financial year, a fiscal deficit of \$10.47 billion was generated which was lower than budgeted. Contributing to this achievement of the fiscal deficit target was higher than budgeted revenue receipts (3.7%), due to increased tax revenues (9.1% above budget), which offset higher than budgeted expenditures (1.9%). This follows the implementation of more stringent tax collection mechanisms, and increased tax compliance. An increase above budget in programmes was responsible for the increase in expenditure. The fiscal deficit is now estimated to be between 4% and 5% of GDP.

The government's external borrowing remains on target, as they have already raised more than half of the approximately US\$700 targeted to be raised on the financial markets this fiscal year. The upgrading of Jamaica's sovereign debt rating from B to B+ contributed to the government's tremendous success thus far, having already raised the targeted portions for this calendar year. As a result, the external debt has increased to US\$3.25 billion as at April 2001. Domestic debt has also increased to J\$291 billion as at April, J\$114 billion above that of the comparative period in 2000, as some portion of FINSAC debt has been added to the books. The lowering of interest rates will be key in servicing the cost of domestic debt.

Tourism

Growth in tourism arrivals has begun to weaken over the first seven months of 2001, with total year to date arrivals up by only 1.8%, following a strong 6% increase for the year 2000. The usually resilient

stopover figures for foreign nationals declined for the first time this year in July, following weak performances of 1.0% and 2.5% the previous two months. The weakening global economy has been the major cause of sluggish tourism figures, which was compounded by negative international publicity after social unrest in July. Stopovers from our major tourism market, the U.S., declined in June (0.6%) and July (2.2%). Cruise arrivals have also been weaker than in 2000, dipping by 7% in June. Cumulative expenditure from tourism has remained relatively buoyant, increasing by 2.49% to US\$683.7 million over the January to June period. However the effects of a weaker global economy and an increasing incidence of crime remain important considerations for the industry.

Outlook

The first positive GDP performance in five years has been a welcome relief, albeit less than desired, and is a positive step in the right direction. Financial sector rehabilitation and consolidation should enhance this process even further. Endorsement of the government's general macro-economic policy by the IMF, and positive reactions from other multilateral and rating agencies have also had a positive effect on the economy, evidenced by the government's early success in the international capital markets in 2001. Market confidence has improved towards government credibility on some key issues, primarily with regards to a sustainable reduction in interest rates, now at their lowest levels in 11 years. Single digit inflation and relative foreign exchange stability may be expected to continue throughout the rest of 2001,

given continued control of monetary variables and a buoyant NIR respectively.

However there remain some critical issues that could impact on the pace of recovery. The most important domestic variable continues to be the incidence of crime and violence, which has affected tourism, commerce, and the general livelihood of the business community. Both short and long term solutions to this problem are necessary if the full benefits of economic recovery are to be realised. The major international problem is the impact of a slowing global economy, which will require strategies to contain risks, especially where tourism is concerned. The 'Operation Grow' project launched by the tourism sector is a step in the right direction, as a new focus on marketing and enhancing our tourism product is important for the sector.

The major concern of Government's fiscal policy continues to be the containment of the rising domestic debt, which becomes even more difficult with the addition of the FINSAC debt. The continued lowering of interest rates will remain a key issue in solving part of the problem, as well as reducing the level of government's domestic credit, which in turn impacts on lower interest rates. The private sector continues to be "crowded" out of the domestic credit market by the government, albeit the availability of lower cost funds to the productive sector. The various risks and concerns will have to be addressed with urgency if the country is to realise its full economic potential. ▼

THE NATION

The Jamaican nation has witnessed a number of events during the past year that will be significant in determining the progress of the country's future development, the most important of which have been the continued rising incidence of crime and violence and the events of September 11th. Crime and violence have continued to plague the Jamaican society at an alarming rate, disrupting the social fabric of our society and impacting negatively on business and commerce. The social unrest in Western Kingston on the weekend of July 7th, which resulted in the death of more than two-dozen civilians and members of the security forces, is an indication that both short-and-long-term strategic solutions are required to resolve this dynamic problem. Hopefully the recently concluded Report of the National Committee on Crime and Violence will provide a framework for the implementation of such solutions, as previous attempts have thus far failed.

The horrific events of the terrorist attacks on the US on September 11th - during which more than six thousand innocent lives were lost - has resulted in a significant external shock to the Jamaican economy. The tourism and export sectors of the economy have been hardest hit, which has resulted in the loss of jobs, fallout in expected foreign exchange earnings and government revenue, and depreciation of a resilient exchange rate. This has been made even more significant by the fact that the world

economy had been slowing and was probably already in recession. The government's already tight budget - given the addition of FINSAC debt - will now have to be stretched even more to absorb some of the impact of these events, which will likely lead to further increases in the stock of debt, as external financing is sought to balance the budget. The recent flood rains of late October and early November will exacerbate the debt budget problem even more.

These recent happenings have detracted from the fact that in 2000, the Jamaican economy registered its first positive GDP performance since 1995, albeit well below government's expectations. Macroeconomic policy had also been broadly on track over the first half of 2001, which was reflected in the consistent lowering of interest rates, a resilient foreign exchange rate, a record breaking Net International Reserves (NIR) and a stable inflation rate. The local stock market also soared to record levels in the first half of 2001, with the Jamaica Stock Exchange index surpassing 35,000 points, reflecting the improved profitability of listed companies.

The financial sector continued the process of restructuring with the retooling of firms such as Red Stripe and the entry of new market players such as Digicel - which ended the Cable and Wireless monopoly on the telecommunications industry. There were also significant divestments such as the sale of the Jamaica Public Service

Company to Mirant Corporation, and the FINSAC sale of Union Bank to the Republic Bank of Trinidad and Tobago (RBTT). However, the first couple months of operation of the new power company was marred by a spate of power outages, which dampened returns from the manufacturing and productive sectors.

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 education. The creation of the all-important Financial Services Commission (FSC), legislation to regulate pension schemes, a new Companies Act, a new Insurance Act and the tabling of a White paper on education, were all significant pieces of legislature that were carried out.

The restructuring of the economy and lack of significant growth resulted in the loss of many jobs, which was exacerbated by the fact that new job opportunities were not being created fast enough to absorb the fallout. This partly led to the Island's migration of many of the teachers to the US and UK, who took up lucrative short-term contractual opportunities in those countries, following a massive recruitment exercise. However the migration has not significantly impacted on the Island's school system. The

2000 Jamaica Survey of Living Conditions, which indicated that poverty had increased in 2000, is probably reflective of the lack of job opportunities and anaemic economic growth. The information technology sector should provide a partial solution to the unemployment problem in the medium to long term, but has fallen short on its short-term targets thus far.

The big question on everyone's mind now is where does the country go from here? The future direction of government policy will no doubt be affected by the outcome of the general elections, which are due sometime in 2002. The readiness of the Electoral Advisory Committee (EAC) to conduct "free and fair" elections will be critical to the outcome, as they race to implement the electronic voting system. On to other matters, the Prime Minister's cabinet reshuffle which has seen Dr. Peter Phillips taking up the reins as the new Minister of Security, and the division of Security and Justice into separate portfolios may bear some fruit in abating crime.

To end on a sombre note, it is unfortunate that the Reggae Boyz have not qualified for the World Cup. However there is always Germany in 2006, where we could perform even better than we did in 1998. Who knows, maybe we could reach the quarter finals or further, as long as we believe in ourselves! ▼

ORGANISATION

The secretariat is currently preparing for the proposed consolidation of associations at this location. This is expected to bring about change within the organization. The staff welcomes this proposed initiative and looks forward to working with all concerned for its success.

The 15th Annual General Meeting of this Association was held on Thursday, November 23, 2000, at the Terra Nova Hotel, at which a new Council was elected. Following this meeting, on Thursday, December 14, 2000, President Moses was returned unopposed as President. He offered himself to serve another year, with the main objective being to take the process of consolidation through to the implementation stage. Messrs. Richard Byles, Peter Melhado, and James Moss-Solomon were elected Vice Presidents, Mr. William McConnell, Honorary Secretary, and Mr. John Irving, Honorary Treasurer. In June 2001 Mr. John Irving resigned as Honorary Treasurer, and Mr. Hayden Singh replaced him.

The following associations were elected en bloc to the Executive Committee:

Jamaica Bankers Association
Jamaica Chamber of Commerce
Jamaica Exporters Association
Jamaica Employers Federation
Jamaica Hotel and Tourist Association
Jamaica Manufacturers Association
Small Businesses Association of Jamaica

The main focus of the Executive was a) to maintain dialogue with Government b) maintain closer monitoring of the progress of the GoJ/Private Sector MOU c) contribute to new and existing legislations, d) keep informed on the developments impacting the country. Representation continues to be made on these and other issues at the highest levels, by this committee during the year. The single most significant input by this committee was in the area of crime and violence. ▼

THE COMMITTEES

One of the Primary mandates of the PSOJ is advocacy. The proactive participation of members through a number of committees impact directly on the development of the private sector. The PSOJ continues to make meaningful representation on behalf of the private sector and would like to thank all those members who give so freely of their time to ensure that the presence and strong voice of the private sector are always maintained.

Economic Policy:

| | |
|---------------------------------|--------------------------------------|
| Mr. Peter Melhado (Chairperson) | - Manufacturers Merchant Bank |
| Mr. Richard Powell | - Wray & Nephew Group Ltd. |
| Mr. Vivian Brown | - ICWI Group Ltd. |
| Mr. Richard Byles | - Pan Jamaican Investment Trust Ltd. |
| Mr. Clarence Clarke | - Jamaica Manufacturers' Association |
| Mr. Colin Steele | - Mechala Group Ja. Ltd. |
| Mr. Anthony Barnes | - Grace, Kennedy & Co. Ltd. |
| Mr. Karl James | - Jamaica Exporters' Association |
| Mr. James Samuels | - Terra Nova Hotel |
| Ms. Shirley Ann Eaton | - Jamaica Bankers' Association |
| Mr. Patrick Whittock | - Small Businesses' Assn. of Jamaica |
| Mr. Noel DaCosta | - Jamaica Employers' Federation |
| Mr. Roy Collister | - Jamaica Chamber of Commerce |
| Mr. Keith Collister | - George & Brandy Limited |
| Miss Greta Bogues | - PSOJ |
| Mr. Jason Morris | - PSOJ |

The highlight of this year for the Economic Committee was the Annual Economic Seminar which was held at the Jamaica Conference Centre on the 24th July 2001. The seminar was opened by the Honourable Dr. Omar Davies, Minister of Finance & Planning and our keynote speaker was Mr. Hugo Verdegaal, Managing Director, Salomon Smith & Barney, USA, who gave an excellent presentation from an international fundraiser's perspective on the Jamaican Economy in relation to other emerging market countries. Mr. Charles Matthews of Mirant Corporation provided participants with a report on JPS' progress since divestment and its prospects for the future. Mrs. Gwen Stevenson from Digicel, the cellular provider with Irish roots, presented on the company's incredible success story in Jamaica and outlined its plans for new technology introductions in the medium term. Another excellent presentation was given by Mr. William Mahfood, Managing Director of WISYNCO, on how his company has effected a turnaround and emerged as a strong, highly focused entity by positioning itself to increase exports.

The Committee continued to produce monthly economic reports for its membership. These reports have been well received and are increasingly being used by managers to interpret economic conditions and their potential impact on their respective companies.

Environment:

| | |
|-------------------------------|--------------------------------|
| Dr. David Smith (Chairperson) | - JCDT |
| Mrs. Carolyn Hayle | - UWICED |
| Mrs. Rita Hilton | - Marketing Development Ltd. |
| Mrs. Eleanor Jones | - Environmental Solutions Ltd. |
| Stephen Parris | - Caribbean Cement Company |
| Mr. Albert Francis | - Alframec Ltd. |
| Miss Greta Bogues | - PSOJ |
| Miss Stacey Smith | - PSOJ |

During the year Mrs. Carolyn Hayle acting as Deputy Chair held meetings as required. Additionally, the committee was able to represent the PSOJ at meetings with the Canada Jamaica Green Fund, The National Environmental Education Committee, the Bureau of Standards Environmental Standards department and several others. Information was also provided to the Ministry of Environment to aid in the National response to the UN request for information on guiding international policy on the regulation of Chemicals. Additionally, a paper on incentives for Private Sector Compliance with Environmental regulations was presented to the Annual Meeting of the American Association of Environmental Enforcement Professionals.

The main activities for the year centered on trying to rationalize the Committee structure within the context of environmental issues in the Private Sector. Almost each of the trade associations and Chambers of Commerce has their own "Environmental Committee". As such, the PSOJ invited other associations to meetings to discuss merging the different committees and this has been spearheaded through the involvement of the ENACT project which works out of the National Environment and Planning Agency.

From this initiative the groups have agreed to form the "Business Council for the Environment" (BCE) and funding has been identified to assist the BCE to carry out some work. The council's initial priority will be the effect of Environmental regulations on trade and a focus will be on the implications of the Free Trade Agreement of the Americas and the changes that will occur once more stringent environmental rules and standards (e.g. ISO 14000 series) are applied to Jamaican export businesses. The implication of this formation is that the Environment Committee will not continue to operate in its present form and the members will become members of the Technical Committees that will support the BCE. The PSOJ will be represented on the BCE by its Chief Executive Officer and the BCE will report directly to the Executive Committee of the PSOJ.

Membership:

Mr. John Burrowes (Chairperson)
Mrs. Michelle Hamilton
Mr. Richard Kildare
Mr. Derek Luk Pat
Mr. David Garel
Mrs. Judith Blake
Miss Greta Bogues
Mrs. Ann Marie Hendriks
Miss Stacey Smith
Mrs. Karen Payton (Recording Secretary)

- Businessman
- MAPCO Business Printers Ltd.
- RBTT/UNION BANK
- Sweetheart Limited
- Blue Cross of Jamaica Limited
- Courts Jamaica Limited
- PSOJ
- PSOJ
- PSOJ
- PSOJ

(See report on page 32)

National Crime Prevention Fund:

Mr. Lester Spaulding (Chairperson)
Mr. Mike Hirst
Mrs. Jennifer Cheesman
Maj. Gen. Robert Neish
Mr. Neville James
Dept. Supt. James Forbes
Mr. Leon Mitchell
Mrs. Prudence Gentles
Miss Greta Bogues

- Radio Jamaica Ltd.
- McCann Erickson (Ja.) Ltd.
- Secretary/NCPF
- MONEX Limited
- KLAS FM
- Police Information Centre
- CVM Television
- Coordinator/Crime Stop
- PSOJ

(see report on page 41)

Trade Policy:

Mr. James Moss-Solomon (Chairperson)
Mr Clifton Cameron
Ms. Shirley Ann Eaton
Mrs. Nicola Gordon-Rowe
Mr. Evan Thwaites
Mr. Karl James
Mrs. Gayle Mathurin
Ms. Lisa McGregor
Prof. Alvin Wint
Ambassador Anthony Hill
Ambassador Peter C.V. King
Mr. Partick Smith
Mrs. Pauline Grey
Mr. Richard Powell
Mr. Jason Morris
Miss Greta Bogues

- Grace Kennedy & Company Ltd.
- Manufacturers Sigma Merchant Bank
- Jamaica Banker's Association
- Jamaica Manufacturers' Association
- Globe Insurance Company Limited
- Jamaica Exporters' Association
- Ministry of Foreign Affairs & Foreign Trade
- Jamaica Products Group Ltd.
- Department of Management Studies
-
- Peter King Associates
- Jamaica Exporters' Association/Carreras Group
- Shipping Association of Jamaica
- Wray & Newpew Limited
- PSOJ
- PSOJ

The Committee was reorganized during the year with a focus on current World Trade issues and negotiations. These included the WTO and the prospect of a new round, the FTAA, and CSME.

The PSOJ hosted a practical seminar on the WTO, in conjunction with the WorldTradeNet through the kind auspices of Ambassador Anthony Hill. This provided practical insights into the working of the WTO and its mechanisms. We have agreed to be the lead interface with this organization and are seeking funding for the establishment of a small Secretariat which would be merged with other Trade Organisations in order to have a "one-stop" center.

The PSOJ is actively involved in the organization and promotion of a Caribbean Transnational Conference, which is scheduled for the end of November 2001 at the Ritz Carlton Hotel, Jamaica. This conference will focus on the CSME and will bring together leading regional private sector companies and CARICOM Trade Ministers. The intent is to provide an opportunity for the key players to exchange information, and outline their expectations.

By the end of the year, we expect to be in a position to better inform our membership with a single trade Secretariat serving all our members and associations.

Education Committee:

| | |
|---------------------------------|---------------------------------------|
| Miss Greta Bogues (Chairperson) | - PSOJ |
| Dr. Ben Henry | - Sandals Resorts International Ltd. |
| Mr Mark Hosang | - HiLo Food Stores Jamaica Ltd. |
| Mr. Peter Hall | - Red Stripe |
| Mrs. Marie Hitchins | - Fabric Consultants Limited |
| Mrs. Sheila Garcia-Bisnott | - MRC Learning Centre |
| Mr. Linton Smith | - Profitable Corporate Solutions |
| Mr. Balford Henry | - The Gleaner Company |
| Mrs. Jem Woolery-Davis | - Cable and Wireless Jamaica Ltd. |
| Mr. Lloyd Eubank-Green | - Lloyd Eubank-Green & Associates |
| Ms. Jean Blackstock | - Digicel |
| Mrs. Jean Robinson | - ICWI Group Foundation |
| Mrs. Ann Marie Fong-Buckley | - Bank of Nova Scotia Jamaica Limited |

The Education Committee was reactivated with the introduction of the Green Paper on Education. The committee worked copiously examining the contents of the Green Paper within the context of education being a lifelong process and the quality and standard of education that would be required for our people to operate within the global environment. Many retreats were held to finalize the private sector's response to this document and some of our recommendations were incorporated into the recently published White Paper on Education. The committee has now completed its review on the White Paper and will be making further recommendations to the Ministry of Education and Culture in this regard.

The committee is also currently working on a pilot mentorship programme with six schools in the corporate area. This programme seeks to bring together the head of a private sector company and the principal of the chosen school. Research in other countries has shown that these individuals experience similar issues in their position and so the programme seeks primarily to further enhance the management and communication skills of the participants while providing assistance and guidance on the needs of the school. To date, this programme has reaped some successes and the committee hopes to broaden participation after the annual review.

During the year the committee invited the Executive Director of HEART/NTA, to update the committee on the activities of this national training entity. Members of the committee also sit on a number of education related committees including, CXC, PASS and New Horizons.

Energy Committee:

| | |
|--------------------------------------|-----------------------------------|
| Mr. Nicholas Shorthose (Chairperson) | - Shell Company (WI) Limited |
| Mr. Tony Berkhout | - Shell Company (WI) Limited |
| Mr. Glen Sosa | - Esso Standard Oil (SA) Limited |
| Mr. Dave Slaughter | - Texaco Caribbean Inc. |
| Mr. Aston Hobbins | - United Petroleum (Jamaica) Ltd. |
| Mr. Stephen MacKay | - Industrial Gases Limited |
| Mr. Neville Marsh | - Epping Oil Company Limited |
| Mr. Owen Russell | - Jampet Service Station |
| Mr. Ron Santicola | - Cool Oasis Limited |

The Energy Committee was established in March 2000 under the chairmanship of Mr. Nicholas Shorthose.

The Objectives of the committee are to:

- ☐ Establish and maintain an open forum through which producers, refiners, processors, manufacturers and marketers of energy and/or hydro-carbon products unite into a strong and effective committee to deal with issues that have a material effect on the industry.
- ☐ Participate with the Government of Jamaica in the development and advancement of programmes designed to improve service, quality, safety and environment which contribute to the betterment of the industry's growth.
- ☐ Stimulate harmonious relations between the industry and the Jamaica Government in order to provide the best products/service to the Jamaican consumer.
- ☐ Conduct the affairs of the committee considering not only the interest of the companies but also the community at large.

The Committee meets once per month to discuss matters related to its mission and objectives and organizational support is channeled through the Secretariat of the Private Sector Organisation of Jamaica.

To date the committee has prepared and submitted a document to Parliament for inclusion in existing legislation applicable to the energy sector and has hosted safety workshops in both Kingston and Montego Bay for over one hundred (100) tanker drivers.

Pensions Reform Committee:

| | |
|---------------------------------|---|
| Mr. Richard Byles (Chairperson) | - Pan Jamaican Investment Trust Limited |
| Mrs. Loma Whyte | - Guardian Insurance Company |
| Mr. Mark Golding | - Hart Muirhead Fatta |
| Mr. Richard Powell | - Wray & Nephew Limited |
| Mr. Stephen Johnson | - Red Stripe |
| Miss Greta Bogues | - PSOJ |

Upon the release of the Green Paper on the reform of the Pensions Act, a private sector Pension Reform Committee was established under the chairmanship of Mr. Richard Byles. The main objective of the committee was to review the proposed legislation and make appropriate recommendations on behalf of the private sector. The committee reviewed and submitted its comments on the Green Paper and is currently examining the White Paper. This exercise is near completion and the proposal will thereafter be submitted to the Minister of Finance & Planning.

Corporate Governance:

| | |
|-----------------------------------|--|
| Mr. Philip Marshall (Chairperson) | - Ernst & Young |
| Mr. Christopher Bovell | - Dunn Cox Orrett & Ashenheim |
| Mr. Garth Kiddoe | - Institute of Chartered Accounts of Jamaica |
| Mr. Patrick Smith | - Carreras Group Ltd. |
| Miss Greta Bogues | - PSOJ/JEA |
| Miss Suzanne Goldson | - University of the West Indies |
| Mr. Theodore Golding | - National Commercial Bank |
| Mr. Stephen Johnson | - Red Stripe |
| Prof. Gordon Shirley | - University of the West Indies |
| Mr. Earl Moore | - Guardian Life Limited |
| Mr. Clarence Clarke | - Jamaica Manufacturers Association |
| Mrs. Tracy Campbell | - PriceWaterhouseCoopers |
| Professor Celia Christie | - Bank of Nova Scotia Ja. Ltd. |

One key element in improving economic efficiency is corporate governance, which involves a set of relationships between a company's management, its board, its shareholders and other stakeholders.

The degree to which corporations observe basic principles of good corporate governance is an increasingly important factor in the investment decisions by international investors. Adherence to good corporate governance practices also improves the confidence of domestic investors and ultimately induces more stable sources of financing.

Based on the above, the PSOJ formed a Corporate Governance committee for private sector businesses. This committee has set itself many challenging objectives and among those which will be given initial priority are:

- To promote the awareness of corporate governance principles to the business community, and to convey the impact which these principles can have on the sustainability of profitable business operations.
- To provide access by business leaders to corporate governance learning resources, that will facilitate best business practices and behaviour both in the private sector and in public sector organization.


Standing Committee on National Security:


Maj. Gen. Robert Neish (Chairperson)
 Mr. Francis Forbes
 Maj. George Benson
 Mr. Julian Templer
 Dpty. Supt. James Forbes
 Mrs. Elaine Baker
 Mr. Mike Hirst
 Maj. Gen. John Simmonds
 Mr. Lester Spaulding
 Mrs. Prudence Gentles
 Mr. Lazarus Bucknor
 Mr. David Allan
 Mr. Paul Hire-Miller
 Miss Greta Bogues


- MONEX Limited
- Commissioner of Police
- Jamaica Fire Brigade
- National Safety Limited
- Police Information Centre
- Ministry of National Security
- McCann Erickson (Ja.) Ltd.
- Jamaica Defence Force
- Radio Jamaica Limited
- Crime Stop Office
- Jamaica Chamber of Commerce
- Commissioner of Police Office
- Lascelles DeMercado & Co. Ltd.
- PSOJ


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PALS JAMAICA:

The PSOJ has been associated with PALS Jamaica since its inception in 1994. This programme has served to bring stability to some forty (40) primary schools both in the corporate area and in rural parishes. The PALS programme aims to promote peace and love in Jamaican primary and all-age schools by implementing a policy of non-conflict behaviour.

Schools such as Holy Family and St. Anne's in Kingston, and Oracabessa Primary have witnessed remarkable improvement in pupils' social skills from the introduction of the programme.

Funding support for PALS comes largely from the media organisations and sporadic grants from donor agencies for specific programmes. The PSOJ has over the years supported the PALS programme and actively participates in the activities of the organisation. PALS continue to seek support from the private sector to institutionalise its programme in primary schools islandwide.

WORK FORCE DEVELOPMENT CONSORTIUM (WFDC)

The PSOJ, recognizing that all of the economic circumstances which drove the initiation in 1994 of the Work Force Development Consortium's (WFDC) Human Capital Development Project, continues to provide direction and strong support to that organization.

There is general agreement that the WFDC's original objectives remain current. These include: the upgrading of worker skills; training and retraining of displaced workers; helping organisations deal with change; helping the work force to acquire the social ("employability") skills needed for successful integration into the work place; garnering information about labour force development generally; and implementation of a labour market information system and exchange. Notwithstanding, the WFDC is actively seeking to redefine its role and determine a strategic direction that will ensure added value to its stakeholders. At the same time, it is pursuing partnerships with the government and international donor agencies to ensure long-term sustainability and continued provision of critical Human Resources and Labour Market services to companies at subsidized rates.

PSOJ is represented on the Board, not only by various organisations that are members of the PSOJ, but also by two (2) Council representatives, the CEO as Vice President of WFDC and one other. Jennifer Cheeseman who has extensive experience and training in Administration, Human Resources Development and Management across the English-speaking Caribbean was recently appointed WFDC's Executive Director. The PSOJ looks forward to the support from its membership of a strengthened WFDC that can only help, in turn, to help their own companies become more competitive. ▼

FINANCIAL STATEMENTS

THE PRIVATE SECTOR ORGANISATION OF JAMAICA

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PricewaterhouseCoopers
Scotiabank Centre
Duke Street
Box 372
Kingston Jamaica
Telephone (876) 922 6230
Facsimile (876) 922 7581

2 November 2001

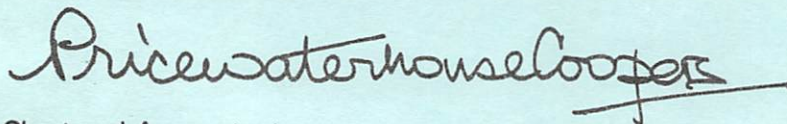
To the Members of
Private Sector Organisation of Jamaica Limited

Auditors' Report

We have audited the financial statements set out on pages 1 to 15. These financial statements are the responsibility of the directors and management. The directors and management are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group and the company will continue in business. The directors and management are responsible for keeping proper accounting records, for safeguarding the assets of the company and the group, and for the prevention and detection of fraud and other irregularities. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards on auditing generally accepted in Jamaica. Those standards require that we plan and perform the audit to obtain all the information and explanations which we considered necessary to provide us with reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by the directors and management, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the company and the group as at 31 July 2001 and of the results of operations and cash flows of the group, and changes in equity of the company and the group for the year then ended, and have been prepared in accordance with Jamaican generally accepted accounting principles and comply with the provisions of the Jamaican Companies Act.



Chartered Accountants
Kingston, Jamaica

Private Sector Organisation of Jamaica Limited

Group Profit and Loss Account

Year ended 31 July 2001

| | Note | 2001 \$'000 | 2000 \$'000 |
|---------------------------------|------|-----------------|-----------------|
| Revenue | | | |
| Subscriptions and contributions | 3 | 8,438 | 7,103 |
| Other | 3 | <u>6,611</u> | <u>6,646</u> |
| | | 15,049 | 13,749 |
| Administration expenses | | <u>(15,908)</u> | <u>(15,087)</u> |
| Operating Loss | 4 | (859) | (1,338) |
| Finance income | 6 | <u>548</u> | <u>936</u> |
| NET LOSS | | <u>(314)</u> | <u>(402)</u> |

We conducted our audit in accordance with the standards of auditing generally accepted in Jamaica. These standards require that we plan and perform the audit to obtain all the information and explanations which we considered necessary to provide us with reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by the directors and management, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the company and the group as at 31 July 2001 and of the results of operations and cash flows of the group, and changes in equity of the company and the group for the year then ended, and have been prepared in accordance with Jamaican generally accepted accounting principles and comply with the provisions of the Jamaica Companies Act.

Chartered Accountants
Kingston, Jamaica

Private Sector Organisation of Jamaica Limited

Group Balance Sheet

31 July 2001

| | Note | 2001 \$'000 | 2000 \$'000 |
|-------------------------------------|------|----------------|----------------|
| NET ASSETS EMPLOYED | | | |
| Fixed Assets | 8 | 3,353 | 3,158 |
| Discount on Issue of Debentures | 9 | 27 | 36 |
| Premium on Redemption of Debentures | 10 | 52 | 59 |
| Investments | 11 | 14,243 | 14,028 |
| Current Assets | | | |
| Receivables | 12 | 1,388 | 633 |
| Taxation recoverable | | 521 | 390 |
| Cash | 13 | 1,549 | 1,954 |
| | | 3,458 | 2,977 |
| Current Liabilities | | | |
| Payables | 14 | 3,350 | 2,898 |
| Subscriptions received in advance | | 2,221 | 1,546 |
| Current portion of long term loan | 17 | 227 | 79 |
| Bank overdraft | 13 | 65 | - |
| | | 5,863 | 4,523 |
| Net Current Liabilities | | (2,405) | (1,546) |
| | | <u>15,270</u> | <u>15,735</u> |
| FINANCED BY | | | |
| Capital Reserve | 15 | 4,531 | 4,531 |
| Accumulated Deficit | | (1,764) | (1,450) |
| | | 2,767 | 3,081 |
| Special Project Funds | 16 | 11,345 | 11,441 |
| Long Term Liabilities | 17 | 1,158 | 1,213 |
| | | <u>15,270</u> | <u>15,735</u> |

Approved by the Board of Directors

Peter Moses

President

Hayden Singh

Honorary Treasurer

Private Sector Organisation of Jamaica Limited

Group Statement of Changes in Equity

Year ended 31 July 2001

| | Capital Reserve | Accumulated Deficit | Total |
|--------------------------|--------------------|------------------------|--------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 1 August 1999 | 4,531 | (1,048) | 3,483 |
| Net loss | - | (402) | (402) |
| Balance at 31 July 2000 | 4,531 | (1,450) | 3,081 |
| Net loss | - | (314) | (314) |
| Balance at 31 July 2001 | 4,531 | (1,764) | 2,767 |

Private Sector Organisation of Jamaica Limited

Statement of Group Cash Flows

Year ended 31 July 2001

| | 2001 \$'000 | 2000 \$'000 |
|---|---------------------|---------------------|
| CASH RESOURCES WERE PROVIDED BY/ (USED IN): | | |
| Operating Activities | | |
| Net loss | (314) | (402) |
| Items not affecting cash resources: | | |
| Depreciation | 547 | 464 |
| Amortisation of discount on issue of debentures | 9 | 9 |
| Amortisation of premium on redemption of debentures | 7 | 7 |
| | <u>249</u> | <u>78</u> |
| Change in non-cash working capital components: | | |
| Receivables | (755) | 448 |
| Taxation | (131) | (191) |
| Payables and accruals | 452 | (963) |
| Subscriptions received in advance | 675 | 496 |
| | <u>241</u> | <u>(210)</u> |
| Cash provided by/(used in) operating activities | <u>490</u> | <u>(132)</u> |
| Investing Activities | | |
| Purchase of investments | (215) | (1,207) |
| Proceeds from disposal of fixed assets | - | - |
| Purchase of fixed assets | (742) | (70) |
| Cash used in investing activities | <u>(957)</u> | <u>(1,277)</u> |
| Financing Activities | | |
| Special project funds | (96) | 1,991 |
| Long term loan received | 225 | - |
| Repayment of long term loan | (132) | (78) |
| Cash (used in)/provided by financing activities | <u>(3)</u> | <u>1,913</u> |
| (Decrease)/Increase in cash and cash equivalents | (470) | 504 |
| Cash and cash equivalents at beginning of year | <u>1,954</u> | <u>1,450</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | <u><u>1,484</u></u> | <u><u>1,954</u></u> |

Private Sector Organisation of Jamaica Limited

Company Balance Sheet

31 July 2001

| | Note | 2001 \$'000 | 2000 \$'000 |
|-----------------------------------|------|----------------|----------------|
| NET ASSETS EMPLOYED | | | |
| Fixed Assets | 8 | 1,243 | 981 |
| Investments | 11 | 14,243 | 14,028 |
| Investment in Subsidiary | | 65 | 65 |
| Current Assets | | | |
| Receivables | 12 | 1,388 | 633 |
| Taxation recoverable | | 507 | 376 |
| Cash | 13 | 1,542 | 1,947 |
| | | 3,437 | 2,956 |
| Current Liabilities | | | |
| Payables | 14 | 2,677 | 2,273 |
| Subscriptions received in advance | | 2,221 | 1,546 |
| Due to subsidiary | | 1,202 | 1,124 |
| Current portion of long term loan | 17 | 227 | 79 |
| Bank overdraft | 13 | 65 | - |
| | | 6,392 | (5,022) |
| Net Current Liabilities | | (2,955) | (2,066) |
| | | 12,596 | 13,008 |
| FINANCED BY | | | |
| Capital Reserve | 15 | 3,148 | 3,148 |
| Accumulated Deficit | | (2,267) | (2,006) |
| | | 881 | 1,142 |
| Special Project Funds | 16 | 11,345 | 11,441 |
| Long Term Liabilities | 17 | 370 | 425 |
| | | 12,596 | 13,008 |

Approved by the Board of Directors

Peter Moses

President

Hayden Singh

Honorary Treasurer

Private Sector Organisation of Jamaica Limited

Company Statement of Changes in Equity

Year ended 31 July 2001

| | Capital Reserve | Accumulated Deficit | Total |
|--------------------------|--------------------|------------------------|--------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 1 August 1999 | 3,148 | (1,655) | 1,493 |
| Net loss | - | (351) | (351) |
| Balance at 31 July 2000 | 3,148 | (2,006) | 1,142 |
| Net loss | - | (261) | (261) |
| Balance at 31 July 2001 | 3,148 | (2,267) | 881 |

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

1. Identification and Activities

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 2001, the company had 227 members (2000 – 233).

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 the property.

These financial statements are presented in Jamaican dollars.

2. Significant Accounting Policies

(a) Accounting convention

These financial Statements have been prepared in accordance with and comply with Jamaica Accounting Standards, and have been prepared under the historical cost convention.

(b) Use of estimates

The preparation of the financial statements in conformity with the Jamaican generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(c) 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 2001.

(d) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated 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. Annual depreciation rates are as follows:

| | |
|-------------------------|------|
| Freehold buildings | 2½ % |
| Furniture and equipment | 10% |
| Motor vehicles | 20% |

(e) Special project funds

Certain designated income is credited directly to Special Project Funds. Approved project expenses are charged against these funds.

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

2. Significant Accounting Policies (continued)

(f) Capital donations

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

(g) 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.

(h) Financial instruments

Financial instruments carried on the balance sheet include investments, cash and bank balances, receivables, payables, subscriptions received in advance and long term liabilities. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item. The fair values of the company's financial instruments are discussed in Note 18.

(i) Revenue recognition

Income is recognised on the accrual basis. A provision is made against members' subscriptions in arrears in excess of one year.

(j) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

(k) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, and deposits held with financial institutions net of bank overdraft.

(l) Employee benefit costs

The company operates a defined contribution plan, the assets of which are generally held in a separate trustee-administered fund. The pension plan is funded by payments from employees and by the company. The company's contributions to the plan are charged to the profit and loss account for the year to which it relates.

(m) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. 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 2001

4. Operating Loss

The following items have been charged in arriving at operating loss:

| | 2001 \$'000 | 2000 \$'000 |
|---|----------------|----------------|
| Depreciation | 547 | 464 |
| Auditors' remuneration | 300 | 300 |
| Provision for doubtful debts - | | |
| Subscriptions and contributions | - | 217 |
| Amortisation of discount on issue of debentures | 9 | 9 |
| Amortisation of premium of redemption of debentures | 7 | 7 |

5. Staff Costs

| | 2001 \$'000 | 2000 \$'000 |
|-------------------------|----------------|----------------|
| Wages and salaries | 8,300 | 7,361 |
| Statutory contributions | 366 | 285 |
| Pension costs | 89 | 104 |
| Termination costs | - | 42 |
| Other | 199 | 351 |
| | <u>8,954</u> | <u>8,143</u> |

6. Finance Income

| | 2001 \$'000 | 2000 \$'000 |
|------------------|----------------|----------------|
| Interest income | 742 | 1,099 |
| Interest expense | (194) | (163) |
| | <u>548</u> | <u>936</u> |

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

7. Taxation

- (a) There was no taxation charge for the current year due to losses incurred by the group.
- (b) Subject to agreement with the Taxpayer Audit and Assessment Department, losses of the group available for offset against future taxable profits amount to approximately \$2,440,000 (2000-\$2,264,000) and may be carried forward indefinitely.

8. Fixed Assets

| | The Group | | | | Total |
|------------------------|---------------|--------------------|-------------------------|----------------|--------|
| | Freehold Land | Freehold Buildings | Furniture and Equipment | Motor Vehicles | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At Cost or Valuation - | | | | | |
| At 1 August 2000 | 389 | 2,624 | 2321 | 918 | 6,252 |
| Additions | - | - | 742 | - | 742 |
| Disposals | - | - | (416) | - | (416) |
| At 31 July 2001 | 389 | 2,624 | 2,647 | 918 | 6,578 |
| Depreciation - | | | | | |
| At 1 August 2000 | - | 837 | 1,974 | 283 | 3,094 |
| Charge for the year | - | 66 | 298 | 183 | 547 |
| Relieved on disposal | - | - | (416) | - | (416) |
| At 31 July 2001 | - | 903 | 1,856 | 466 | 3,225 |
| Net Book Value - | | | | | |
| 31 July 2001 | 389 | 1,721 | 791 | 452 | 3,353 |
| 31 July 2000 | 389 | 1,787 | 347 | 635 | 3,158 |

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

8. Fixed Assets (Continued)

The Company

| | Furniture and Equipment | Motor Vehicles | Total |
|------------------------|----------------------------|-------------------|--------|
| | \$'000 | \$'000 | \$'000 |
| At Cost or Valuation - | | | |
| At 1 August 2000 | 2,171 | 918 | 3,089 |
| Additions | 742 | - | 742 |
| Disposals | (416) | - | (416) |
| At 31 July 2001 | 2,497 | 918 | 3,415 |
| Depreciation - | | | |
| At 1 August 2000 | 1,825 | 283 | 2,108 |
| Charge for the year | 297 | 183 | 480 |
| Relieved on disposal | (416) | - | (416) |
| At 31 July 2001 | 1,706 | 466 | 2,172 |
| Net Book Value - | | | |
| At 31 July 2001 | 791 | 452 | 1,243 |
| At 31 July 2000 | 346 | 635 | 981 |

9. 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 17 (a)).

10. 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 17 (b)).

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

11. Investments

| The Group & The Company | |
|---|--------------------|
| 2001 \$'000 | 2000 \$'000 |
| National Crime Prevention Fund Investments | |
| Investments held under repurchase agreements - | |
| Government of Jamaica Local Registered Stock | 10,004 10,064 |
| Other Investments | |
| Investments held under repurchase agreements - | |
| Government of Jamaica Local Registered Stock | 4,199 3,924 |
| Quoted stocks at cost (Market value: \$25,000 2000 - \$22,000) | |
| 40 | 40 |
| 4,239 | 3,964 |
| 14,243 | 14,028 |

Investments held under repurchase agreements are fixed interest instruments that have a weighted average effective interest rate of 18%-19% (2000 - 16% - 17%)

12. Accounts Receivable

This balance is shown net of provision for doubtful debts of \$261,000 (2000 - \$498,000).

13. Cash and Cash Equivalents

| | The Group | | The Company | |
|----------------|--------------|--------------|--------------|--------------|
| | 2001 | 2000 | 2001 | 2000 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash | 1,549 | 1,954 | 1,542 | 1,947 |
| Bank overdraft | (65) | - | (65) | - |
| | <u>1,484</u> | <u>1,954</u> | <u>1,477</u> | <u>1,947</u> |

(a) Cash comprises amounts held in current accounts, which do not attract interest.

(b) The company has a bank overdraft facility of \$1,000,000, secured by a guarantee signed by Private Sector Organisation of Jamaica (Holdings) Limited in favour of the company, stamped to cover \$1,000,000, supported by a first mortgage over commercial property situated at 39 Hope Road, Kingston 10.

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

14. Accounts Payable

| | The Group | | The Company | |
|----------|--------------|--------------|--------------|--------------|
| | 2001 | 2000 | 2001 | 2000 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Payables | 2,146 | 1,746 | 1,944 | 1541 |
| Accruals | 1,204 | 1,152 | 734 | 732 |
| | <u>3,350</u> | <u>2,898</u> | <u>2,678</u> | <u>2,273</u> |

15. Capital Reserves

| | The Group | | The Company | |
|-----------------------------|--------------|--------------|--------------|--------------|
| | 2001 | 2000 | 2001 | 2000 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Capital grants | 1,614 | 1,614 | 231 | 231 |
| Gain on sale of investments | 2,917 | 2,917 | 2,917 | 2,917 |
| | <u>4,531</u> | <u>4,531</u> | <u>3,148</u> | <u>3,148</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.

16. Special Project Funds

| | The Group & The Company | |
|--|----------------------------|---------------|
| | 2001 | 2000 |
| | \$'000 | \$'000 |
| USAID – Health Sector Initiative Project | 767 | 767 |
| G. Arthur Brown Scholarship Fund | 276 | 312 |
| Peace Fund | 1 | 1 |
| Christmas Eve Explosion Fund | 1 | 1 |
| Farm Fund | 1 | 1 |
| National Crime Prevention Fund | 10,004 | 10,064 |
| Muirton Boy's Home Fund | 2 | 2 |
| Legislative Action Fund | 215 | 215 |
| Environmental Project | 78 | 78 |
| | <u>11,345</u> | <u>11,441</u> |

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

16. Special Project Funds (Continued)

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

17. Long Term Liabilities

| | The Group | | The Company | |
|--|----------------|----------------|----------------|----------------|
| | 2001 \$'000 | 2000 \$'000 | 2001 \$'000 | 2000 \$'000 |
| 1% First mortgage debenture stock (1987/2008) | 344 | 344 | - | - |
| 1% Second mortgage debenture stock (1990/2009) | 444 | 444 | - | - |
| 22% Industrial Finance Limited loan (1999/2004) | 425 | 504 | 425 | 504 |
| 20.3% Industrial Finance Limited loan (2000/2002) | 172 | - | 172 | - |
| | 1,385 | 1,292 | 597 | 504 |
| Less: Current portion | 227 | 79 | 227 | 79 |
| | <u>1,158</u> | <u>1,213</u> | <u>370</u> | <u>425</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 9).

(b) The second mortgage debenture stock is secured in the same manner as described in (a) above. The debenture, which was issued at par, is redeemable in 2009 at a premium of \$48 for each \$100 face value (Note 10).

(c) This loan is secured by lien on a motor car. The loan is repayable in monthly instalments of \$20,000 ending in April 2004.

(d) This loan is secured by a bill of sale over computer equipment. The loan is repayable in monthly instalments of \$13,000 ending in December 2002.

Private Sector Organisation of Jamaica Limited

Notes to the Financial Statements

31 July 2001

18. Financial Instruments

(a) Currency risk

At 31 July 2001, the group had no assets or liabilities denominated in a foreign currency.

(b) Interest rate risk

The group's income and operating cash flows are substantially independent of changes in market interest rates. Financial assets and liabilities subject to interest include investments, cash and bank balances and long term liabilities. The effective rates and exposure risk of these balances are disclosed in the relevant notes to the financial statements.

(c) Credit risk

The group has no significant concentrations of credit risk. Cash is placed with substantial financial institutions.

(d) Fair value

The estimated fair values of the amounts included in the financial statements for cash and bank balances, bank overdraft, receivables, payables and subscriptions received in advance reflect their approximate fair value because of the short term maturity of these instruments. Other financial instruments are as follows:

Long term liabilities

These loans were received at prevailing market interest rates, hence the carrying amounts approximate fair value.

Quoted stocks

The estimated fair value of quoted stocks is \$25,000 (2000 - \$22,000), this was determined using the last sale price of the quoted stocks.

Local registered stocks

These instruments will be held until maturity, hence the carrying amount approximate fair value.

19. 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 of Jamaica Limited.

20. Contingent Liability

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

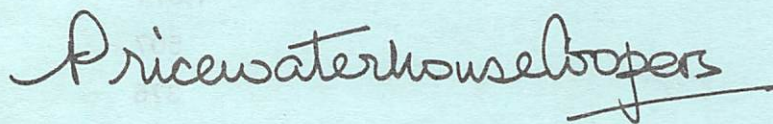
2 November 2001

To the Directors of
Private Sector Organisation of Jamaica Limited

Auditors' Report

The supplementary information set out on page 16, 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 2001.

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.



Chartered Accountants
Kingston, Jamaica

Private Sector Organisation of Jamaica Limited

Company Detailed Profit and Loss Account Year ended 31 July 2001

| | 2001 \$'000 | 2000 \$'000 |
|---------------------------------|----------------|----------------|
| Revenue | | |
| Management fees | 400 | 400 |
| Subscriptions and contributions | 8,438 | 7,103 |
| Other | 6,611 | 6,646 |
| | <u>15,449</u> | <u>14,149</u> |
| Expenses | | |
| Audit fees | 250 | 250 |
| Bank charges | 44 | 55 |
| Depreciation | 480 | 397 |
| General expenses | 795 | 630 |
| Insurance | 303 | 236 |
| Lease expense | - | 23 |
| Meetings and luncheon | 1,067 | 1,373 |
| Motor vehicle expense | 58 | 38 |
| Professional services | 59 | 69 |
| Provision for doubtful debts | - | 217 |
| Publications | 1,071 | 1,066 |
| Rent | 507 | 507 |
| Repairs and maintenance | 375 | 408 |
| Staff welfare | - | 35 |
| Staff costs | 8,954 | 8,108 |
| Stationery | 155 | 148 |
| Travelling and entertainment | 435 | 401 |
| Utilities | 1,363 | 1,131 |
| Seminar | 342 | 344 |
| | <u>16,258</u> | <u>15,436</u> |
| Operating Loss | (809) | (1,287) |
| Finance income | 548 | 936 |
| NET LOSS | <u>(261)</u> | <u>(351)</u> |

CONSOLIDATION OF PRIVATE SECTOR ASSOCIATIONS

For some time there has been concern expressed by members of various Associations about growing cost of membership and the lack of uniformity and cohesion in matters of national interest. As a consequence, a study was commissioned to evaluate the benefits of integrating the operations of these private sector bodies. The study revealed that there would be considerable benefits from such an exercise both from a financial perspective and in the quality of representation and service. Additionally, the study recognised the Private Sector Organisation of Jamaica (PSOJ) as the umbrella association being the most appropriate vehicle to be used for the integration process.

Meetings were held with the leadership of the relevant organisations and in recognition of the benefits to be derived from consolidating the operations of the associations it was agreed that the model proposed by the study be implemented. This model would allow each association to preserve the autonomy and image of each entity and will take place over a phased period of time.

The initial associations to be consolidated are:

1. The Jamaica Bankers Association (JBA)
2. The Jamaica Chamber of Commerce (JCC)
3. The Jamaica Exporters Association (JEA)
4. The Jamaica Hotel and Tourist Association (JHTA)
5. The Jamaica Manufacturers Association (JMA)

6. The Private Sector Organization of Jamaica (PSOJ)

BENEFITS TO BE DERIVED FROM CONSOLIDATION:

1. Improving the cost effectiveness of each association by the pooling of support services and the elimination of duplication of tasks.
2. A more effective representation of the interests of the private sector to Government and other domestic and international agencies.
3. Developing a more unified approach in dealing with all matters.
4. Expanding and improving the quality of services offered to members
5. Centralising the location of the Associations to allow for quicker access and communication with each.
6. Maintaining the financial viability of the associations in a difficult economic climate.
7. Elimination of competition between Associations for membership.

In July 2001 the PSOJ and JEA commenced the process of consolidating by sharing a Chief Executive Officer (CEO). With the assistance of funding from CPEC/CIDA the associations are currently working with the Consultant to complete and implement a work plan that should see

the consolidation of the three associations JBA/JEA/PSOJ in the first phase. Support for the programme has been received from various

multilateral funding agencies, who, now await the sign-off of the Memorandum of Understanding (MOU) by all the initial Associations. ▼

THE SECRETARIAT



FRONT ROW: (From left) Jason Morris (Economist), Devon Nicholson (Messenger), Angella Williams (Office Attendant) and Donna Palmer (Receptionist)

SECOND ROW: (From left) Wayne Clarke (Chief Accountant), Stacey Smith (Communications Manager), Celia Barnes (JaMAC Coordinator), Ann Marie Hendriks (Accountant & Membership Coordinator) and Karen Payton (Communications Assistant)

BACK ROW: (From left) Damian Coke (HEART Trainee), Margaret Warner (Secretary), Greta Bogues (Chief Executive Officer, PSOJ/JEA) and Evett Evans-Coombs (Executive Assistant to the CEO)

ADMINISTRATION

The period under review was another challenging year for the PSOJ Secretariat as we saw many changes take place. There were five (5) resignations during this period, in the persons of:

- Diana Housen, Computer Administrator, August 16, 2000
- Joan Boyd, Communications Assistant, September 1, 2000
- Keron Hall, Secretary, October 27, 2000.
- Marcia Ormsby, Communications Manager, November 24, 2000
- Charles Ross, Executive Director, May 2001.

All the positions have been filled. Miss Stacey Smith now holds the position of Communications Manager, Miss Margaret Warner, Secretary, Mrs. Karen Payton, Communications Assistant, and Miss Greta Bogues, Chief Executive Officer, serving as joint CEO for the PSOJ and JEA Secretariats. The position of Computer Administrator has not been filled; however, the Research Economist, Mr. Jason Morris provides significant assistance in this area, with Heart Trainee Damian Coke in training.

Staff training was at a minimum during this year, due to limited resources.

Staff benefits

The usual group life, health and pension benefits continue for permanent members of staff. The numbers benefiting from the plan increased, with the inclusion of staff from Jamaica Institute of Bankers, Jamaica Bankers Association and

Workforce Development Consortium. Work is in progress to revise the contract to facilitate members who may wish to participate in a group plan and do not have the required number of staff to facilitate a group plan.

Building Environment

The building received some attention in a number of areas. In May 2001 the electrical breaker was upgraded to accommodate the increased demands and to address the low voltage that was being experienced. JPS also did the upgrade to the meter from an energy meter to a CT metering. General maintenance continued, and new lamps were installed in different sections of the building. The air-conditioning units were maintained as required, but one of the central units, and the two window units, need to be replaced, as they have now lived out their usefulness.

Minor repairs were carried out on the roof; however, a major job is still to be carried out to remedy the existing leaks which affect the main passage, JAMAC's office, and the ladies and men's rooms, along the outside window areas.

JUDA's office was relocated in September 2000 to make additional space available for the JIOB conference secretariat.

The secretariats for the JUDA, JIOB, JAMAC, JBA, and JYBT were housed here at 39 Hope Road, with the latter having been relocated elsewhere, during the new financial year.

General preventative work including pest control, continues to be carried out, and the building continues to be monitored by Integrated Security Systems Limited (ISS) formerly Ranger Alarms Limited.

Storage space has improved with the shelving of an outside storage room and the cleaning up of some areas within the office.

Computers

Some new computers were purchased to improve work efficiency by facilitating the transmission of faxes, electronically as well as to provide email access in all departments. The network facility was also upgraded and a new and expanded hub installed to accommodate additional user stations.

G. Arthur Brown Bursary

A bursary to a 3rd year student, Lucien Deer of the University of Technology, was made during the year under review.

Hall of Fame

On May 16, 2001, the Hon. Maurice Facey, OJ, Chairman of Pan Jamaican Investment Trust Company was inducted into the Private Sector Hall of Fame, at a dinner held in his honour, with Mr. Bruce Birmingham, President of Scotia Bank as the speaker. The dinner was a success and

was held at the LeMeridien Jamaica Pegasus Hotel. His Excellency, the Governor General as well as a large number of PSOJ members, friends and family, were in attendance.

Communications:

Staff meetings continue to be held, but with greater frequency – the main aim being to keep members of staff informed and also to receive their feedback.

Fax transmissions, Internet and E-Mail facilities are being utilized to a greater extent, in communicating externally, and these are expected to continue.

The existing telephone system, though outdated, has served the organization well for the year. However, a new system is needed to improve the existing telephone facilities.

The website has been set up with the assistance of Go-Jamaica, and hosted by them with updates provided by our Research Economist. The access rate is encouraging.

Library

The library is still to be organized in a fashion that will facilitate use by our members, students and other interested parties, and most of all to better facilitate research assignments in-house.

Boardrooms

The Boardrooms continue to provide space for the holding of meetings, both for the PSOJ and its tenants, as well as a few organizations, which

use the facility from time to time. These include the CVSS and the United Way groups.

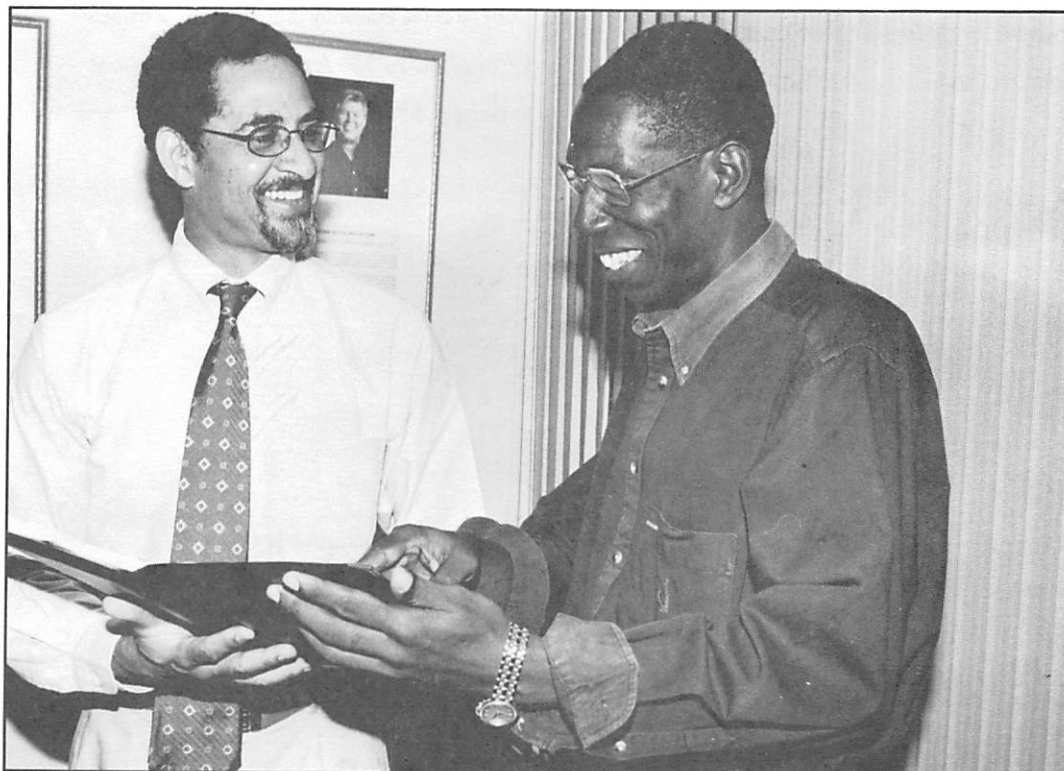
Donations

By way of donation, several publications put out by the PSOJ as well as duplicates from other institutions have been donated to ISER, Calabar and Ardenne High Schools, and the latter benefited from the donation of office equipment, which we no longer need to use. These institutions have been most grateful for the kind consideration.

Appreciation

The Management and staff of the Secretariat would like to express its sincere thank to our

President, Peter Moses, for his strong leadership and guidance over the past three years. Appreciation must also be extended to all the officers and members of the Executive who, through their commitment, gave freely of their time. Special thanks also to Mr. Charles Ross who served the Secretariat for nine years as Executive Director. Sincere thanks to the staff of the Secretariat and the association members for their continued support and hard work. The Association would not have achieved success without you. ▼



Mr. Charles Ross (left), former Executive Director, PSOJ presents a contribution of diary inserts to Mr. H. Arthur Green, Chairman, Council for Social and Civic Endeavours (CSCE). The presentation was made at the offices of the PSOJ Secretariat earlier this year.

FINANCE & MEMBERSHIP

During the financial year 2000/2001, the Membership Committee met ten times for the period under the Chairmanship of Mr. John Burrowes (McCann-Erickson Jamaica Ltd).

At the beginning of the period the Committee embarked on a recruitment drive which realised nine new members as the Association sought to expand the local membership for the new financial year.

Under the auspices of the Committee, the Organisation staged two Membership Prospective New Members Luncheons, one Membership Get-together termed the "Soiree

of the Movers and Shakers" and two New Members Orientation Meetings.

Our heartfelt thanks to Pan-Jamaican Investment Trust, Wray and Nephew Group Ltd and Red Stripe for hosting the Prospective Members Luncheons at various times. Their assistance contributed greatly to the success of the recruitment drive. The Committee was also instrumental in establishing the PSOJ's web site.

In keeping with its mandate to execute activities on behalf of the Organisation, the Committee is currently planning the activities for the PSOJ's 25th Anniversary celebrations to be held during the year. ▼

During the 2000/2001 financial year we realized 94% of the budgeted revenue while keeping expenses below budgeted figures. Projected revenue was not attained due to the cancellation of our radio programme "People's Business", a slight fall in the revenues from our seminars and bulletins and a reduction in investment interest rates. However, our financial position has improved from a deficit of \$402,000.00, last year to a current year deficit of \$314,000.00.

Results of Operations

Revenue/Expenditure Year Ended July 31, 2001

| | Budget 2000/2001. | Increase/ Decrease | Audited 2000/2001 |
|------------------|------------------------------|-------------------------------|------------------------------|
| | ----- \$'000 | ----- \$'000 | ----- \$'000 |
| Revenue | 14,050 | (824) | 13,226 |
| Expenses | 13,936 | 396 | 13,540 |
| Surplus(Deficit) | 114 | (428) | (314) |

Membership

| | <u>July 2001</u> | <u>July 2000</u> | <u>Increase/ Decrease</u> |
|-------------|-------------------------|-------------------------|--------------------------------------|
| Individuals | 50 | 59 | (9) |
| Companies | 143 | 131 | 12 |
| Association | <u>22</u> | <u>22</u> | <u>(1)</u> |
| | 215 | 212 | 2 |
| | === | === | == |

The decrease of nine individual members represents those who have been inactive for over three years and have not confirmed the renewal of their membership. There were 12 new members recruited during the period. ▼

THE PSOJ IN ACTION



The Honourable Maurice W. Facey (center), poses with his citation in commemoration of his induction into the PSOJ's Hall of Fame while his wife, Mrs. Valerie Facey and Mr. Peter Moses, President PSOJ look on. The PSOJ's Hall of Fame seeks to recognize the contribution of Jamaican businesspersons to the development of the local private sector. The Hall of Fame ceremony was held on May 16, 2001 at Le Meridien Jamaica Pegasus Hotel. Mr. Facey is the ninth inductee into the Hall of Fame.



On August 29, 2001, the PSOJ and the JEA held a cocktail reception to honour persons who had contributed to the development of both organizations for a number of years. Here, Mr. Anthony Barnes (left), past President and past Chairman of the PSOJ's Trade Policy committee accepts a gift from Mr. Peter Melhado, current PSOJ Vice President. The reception was held in the courtyard of the PSOJ, 39 Hope Road. Other honourees were Mrs. Pauline Gray, former Executive Director, JEA; Mr. John Irving, former Honorary Treasurer and Secretary, PSOJ and Mr. Charles Ross, former Executive Director, PSOJ.



Mr. Charles Ross (right), former Executive Director, PSOJ accepts his gift at the jointly hosted PSOJ/JEA farewell cocktail reception that was held on August 29, 2001 to thank former employees of both institutions for their invaluable service. Presenting Mr. Ross with his gift is Mrs. Evett Evans Coombs, PSOJ's Executive Assistant.



(L-R) Miss Greta Bogues, CEO, PSOJ; Mrs. Esther Tyson, Headmistress, Ardenne High School; Mrs. Paulette Bromfield, Head, Business Dept., Ardenne and George Overton, President, Ardenne High School PTA examine a stencil machine that was donated by the PSOJ to Ardenne High School. PSOJ donated a number of electric typewriters and stencil machines to Ardenne on August 21, 2001.

COMMUNICATIONS

INTRODUCTION

Once again, the administrative year 2000-2001 was a challenging one for this department. Activities centered on assisting membership and the wider Jamaican private sector to keep abreast of new developments in the areas of trade, economics and corporate governance. We wish to thank guest speakers, participants, sponsors and fellow staff members who assisted us in ensuring the success of our various functions and events.

The People's Business

This weekly programme aired on **KLAS FM89** was a very important means of disseminating the views of the PSOJ on key issues. The challenge was once again securing sponsorship for the programme. However, a total of thirty-five (35) programmes were aired between the hours of 5.30 p.m. and 6.30 p.m. on Thursdays. Unfortunately, the last programme of the **People's Business** was aired on July 12, 2001 due to changes in **KLAS FM 89's** programme schedule. This edition was moderated by Mrs. Pauline Grey and Mr. Charles Ross. The topic was "Exploring Our Solutions" and the panellists were Dr. D.K. Duncan and Mr. Michael Ammar. We thank our main moderators, Charles Ross, PSOJ's former Executive Director and Mrs. Pauline Gray, JEA's former Executive Director for assisting in the production of this programme.

PUBLICATIONS

THE ENTERPRISE

Two issues of this newsletter were published in November 2000 and March 2001 and these were distributed to membership and educational institutions.

PSOJ REVIEW

This previously monthly publication suffered from a lack of advertising support; therefore the decision was taken to reduce it to a quarterly publication.

PSOJ Diary 2001

Diaries were once again sourced from Trinidad and Tobago due to lower production costs when compared to local companies. A total of 800 diaries including inserts, leather covered and simulated leather covered diaries were received in December 2000. These items were all sold out due to telemarketing, special offers, discounts and press advertisements.

Annual Report of the Executive Committee

This report was received on Thursday, November 24, 2000 and distributed at the organisation's Annual General Meeting held on that date.

PSOJ ANNUAL REPORT ON THE JAMAICAN ECONOMY

This publication was printed and distributed at the Annual Seminar on the Jamaican Economy held at the Jamaica Conference Centre on Tuesday, July 24, 2001. Twelve advertisements were secured for this report. The report was also distributed to the wider PSOJ membership.

MESSAGE/ REPORTS

During the financial year, the Division distributed seven messages that were requested by various organisations of the President. The Division also prepared the President's Report that was delivered at the Council Meetings of December 21, 2000; March 15, 2001 and July 19, 2001. We also prepared the President's welcoming speech that was delivered at the Hall of Fame banquet on May 16, 2001.

Additionally, the Department prepared the president's opening remarks for a number of functions including Membership Luncheons; the Annual Trade Seminar and the Annual Economic Seminar.

The Department prepared nineteen (19) press releases and seven press advisories which were sent to the media and distributed ten messages to the PSOJ membership during fiscal year 2000/2001.

FUNCTIONS/EVENTS

Reggae Boyz Cocktail Party

This was held on September 4, 2000 at the offices of the PSOJ. Approximately forty five (45) PSOJ members as well as JFF officers and sponsors were in attendance. The PSOJ welcomed Technical Director, Clovis de Oliveira and paid tribute to JFF President, Captain Horace Burrell.

Jamaica and the SMP Seminar

The seminar entitled "Jamaica and the SMP: Continuity or Change, Recession or Growth?" was held on October 19, 2000 at the Hilton Kingston Hotel. Over seventy (70) persons attended this half-day seminar. Guest presenters were Mr. Robert Bellefeuille, Jamaica's representative at the IDB and Dr. Hunt Howell, Senior Financial Analyst, IDB.

PSOJ/JCSA Sports Festival

The PSOJ and the Jamaica Civil Service Association, in pursuit of increased unity between the private and public sectors, hosted a Sports Festival and Oldies Fete on Sunday, November 26, 2000. The Communications Department supported the event by the distribution of 1,500 tickets to PSOJ member companies.

Annual Trade Seminar

The PSOJ in collaboration with the Caribbean Regional Negotiating Machinery (RNM) presented its annual trade seminar on Tuesday, February 20, 2001 at the Hilton Kingston Hotel. The theme was "Recent Developments in

International Trade". The main presenter was Sir Alister McIntyre, Chief Technical Advisor, RNM. The Hon. Anthony Hylton, Minister of Foreign Trade, extended greetings to participants. We received sponsorship from three companies for this function.

Senior Editor's Luncheon

This luncheon was held at the offices of the PSOJ on April 26, 2001 and saw ten senior media editors attending. The President apprised them of the organisation's future plans and advances made in issues such as the Companies Act and crime and violence. This event proved fruitful as the association received media coverage from the **Daily Gleaner** and the **Sunday Observer** on these issues.

Membership Luncheons

The first membership luncheon for this fiscal year was held on September 14, 2000 at the Hilton Kingston Hotel. Dr. Nigel Clarke, Managing Director at Caribbean Equity Partners Ltd. addressed the topic: "Educating Jamaica in the 21st Century".

The second luncheon was held on March 22, 2001 at the Devonshire Restaurant, Devon House. Guest speaker was Dr. Anthony Harriott, Lecturer, Department of Government, UWI who spoke on the reconfiguration of the local security forces to make them more effective. We received sponsorship from three companies for this event.

Hall of Fame Banquet

The Hall of Fame Banquet was held on May 16, 2001. The Hon. Maurice W. Facey was inducted into the organisation's Hall of Fame for his invaluable contribution to the development of the local private sector. The guest speaker was Mr. Bruce Birmingham, President, Scotiabank while special guests included the Governor General, Sir Howard Cooke and Lady Cooke. The banquet

was held at Le Meridien Jamaica Pegasus. Over 300 persons were in attendance and seven companies provided sponsorship.

CAIC'S 13th Annual Private Sector Conference (CAPSC 2001)

The conference was held on June 25, 2001 at Le Meridien Jamaica Pegasus with the theme: "Preparing the Regional Private Sector for Globalisation". Presenters included, Vice Chancellor of the University of the West Indies, Rex Nettleford; Minister of Foreign Trade, the Hon. Anthony Hylton; Minister of Industry and Commerce, The Hon. Phillip Paulwell and JAMPRO's President, Mrs. Pat Francis.

We assisted the organisers of this conference by disseminating information on the event to the PSOJ membership, soliciting reservations, contracting the entertainment and assisting with registration on the day of the conference.

Annual Economic Seminar on the Jamaican Economy

This seminar was held on July 24, 2001 at the Jamaica Conference Centre. It was well attended with approximately 120 participants. For the first time a segment on the Companies Act was included. Dr. the Hon. Omar Davies, Minister of Finance and Planning delivered the welcoming remarks.

The main speaker was Mr. Hugo Verdegaal, Managing Director, Investment Banking, Salomon Smith Barney. The slate of speakers

included William Mahfood of WISYNCO; Mrs. Gwen Stevenson of DIGICEL;

Mr. Charles Matthews of Jamaica Public Service; attorneys at law, Michael Golding and Dennis Morrison and auditor Richard Downer. There were a total of seven sponsors and the event received wide media coverage. ▼



Mrs. Gwen Stevenson (left), Director, DIGICEL, addresses participants at the PSOJ's Annual Economic Seminar that was held on July 24, 2001 at the Jamaican Conference Centre. Listening intently are Peter Melhado (center), Vice President, PSOJ and Charles Matthews, President and CEO, Jamaica Public Service Co. Ltd. Both Mrs. Stevenson and Mr. Matthews gave presentations on how their internationally based companies viewed their recent local investments.

ECONOMIC RESEARCH

Activities in the Economic Research Department were centred on the following areas during the period August 2000 to July 2001:

Major Activities

- a: A review of the structure of the Annual Report on the Jamaican Economy was undertaken. The report was subsequently completed in its new format.
- b: A review of the format of the monthly economic bulletin was undertaken and subsequently implemented. The process of developing an E-Mail database to be used as the primary means of disseminating the bulletin was also started.
- c: The PSOJ's website was developed and successfully launched on the Internet, with hosts Go-Jamaica.com. The contents of the various Webpages are updated on a regular basis, and further improvements to the site are expected.
- d: The department took on the responsibility of overseeing the general operation of the computer system, with regular maintenance and virus checks. A computer systems protocol was being developed to serve as a guideline for general computer use.

The organisation's communication capability was also enhanced as all departments were connected to the Internet.

- e: The identification of a relevant research topic was being investigated, which will most likely be a Business Behaviour Survey. The last such survey conducted was done in 1994. The department is also researching the feasibility of producing monthly/quarterly forecasts of the major macro-economic variables.

Meetings and Seminars

The economic division participated in Monthly meetings of the Economic Policy Committee, the Trade Policy Committee and a number of seminars and workshops. The major seminars/workshops included the PSOJ's "WTO Seminar", the Jamaica Bureau of Standard's "Quality Policy Workshops" (2), and the PSOJ's "Annual Economic Seminar", and the Bureaus' "National Consultation Involving Civil Society Seminar".

Miscellaneous

The division continued to supply ad-hoc data and information to researchers and students, upon request. ▼

NATIONAL CRIME PREVENTION FUND

ADMINISTRATION

During the year under review the business of the National Crime Prevention Fund was directed by the Board of Directors under the new Chairmanship of Mr. Mike Hirst as Mr. Lester Spaulding resigned as Chairman in August 2000. Mr. Spaulding agreed to continue as Deputy Chairman of the Fund.

The Board is comprised of the following members:

Chairman: Michael Hirst,
McCann Erickson (Ja) Ltd.
Media & Related Bodies:
J.A. Lester Spaulding,
Dep. Chair. N.C.P.F.,
RJR Group,
Norman Marshall,
The Gleaner Company

PSOJ: Executive Director, Charles Ross
Maj. Gen. Robert Neish, Chairman, Standing
Committee on National Security
Greta Bogues, C.E.O. PSOJ/JEA

Police: A. James Forbes, Deputy Sup. of
Police

Community:

Jennifer Cheesman, Secretary NCPF
Peter John Thwaites, W.I. Alliance Insurance
Co.
Neville James

In September 2000, Mr. Norman Marshall, Circulation Manager of the Gleaner Company Ltd. joined the Board of Directors. In June 2001, Mr. Charles Ross resigned as Executive Director of the PSOJ, however he agreed to remain a Member of the Board of Directors. The new C.E.O. of the PSOJ, Miss Greta Bogues joined the Board in July, 2001.

The Coordinator, 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 and related bodies, the private sector, the police and the public.

FUNDING

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

1. Media and related bodies contributing on an ongoing and regular basis, free time and space, design and production facilities for

advertisements, posters, stickers and the like.

2. Interest of \$2,032,660 accruing to the capital fund donated by private sector bodies. Funds on deposit presently stand at \$7.986million. An additional amount of \$513,135 was raised by way of a donation of \$400,000 from Kaiser Group of Companies, \$50,000 from the JHTA and \$63,135 from Stanley Motta Ltd. .
3. The police, who provide free office space and personnel to man the telephone hotlines.
4. The PSOJ Secretariat who provides accounting services free of cost.

ACCOUNTS

The balance sheet dated July 31, 2001 shows a net book worth of \$9,570,953 and an operating surplus of \$399,189 after defraying costs during the year totaling \$2,104,606.

FUND RAISING

In September 2000 Stanley Motta Ltd. embarked on a six-week promotion in which US\$1.00 was donated to Crime Stop for every roll of Fuji Film sold. At the end of six weeks a total of \$63, 135.00 was raised for the programme.

In October 2000 the Jamaica Hotel and Tourist Association donated Fifty thousand dollars (\$50,000) to the National Crime Prevention Fund.

Kaiser Group of Companies donated \$400,000 to the Fund at a Press Conference held in April 2001.

MEDIA ADVERTISEMENTS

1. The following Crime of the Month advertisements were produced during the year under review: eight television programmes, eight newspaper advertisements and eight radio commercials.
2. No new Corporate Advertisements were produced during the year under review.

These "Crime of the Month" and Corporate Advertisements were produced, broadcast/published free of cost by the following media houses and related companies through more than 4000 spots including prime time spots.

TVJ

CVM Television

RJR Supreme 94 FM

Radio 2

Love FM

Fame FM

Vidquip Ltd.

Hot 102 FM

KLAS FM

Power 106 FM

IRIE FM

The Gleaner Company

Sunday Herald

McCann Erickson (Ja) Ltd.

Signtex Ltd.

The production costs and placement of these advertisements/programmes would have cost the Fund in excess of \$16 million had payment been required.

CRIME STOP WEB SITE

Crime Stop was approached in September 2000 by Dot Com Village who offered to develop a basic web site for the programme at no charge. It was also agreed that they would update the web site once a month after it was launched. The building of the web site has taken longer than expected and at the end of the year under review is about 90% completed. The site can be visited at www.crimestopjamaica.org and is linked with the PSOJ web site.

BOARD OF DIRECTOR MEETINGS

- 1) Twelve monthly Board of Director Meetings were held during the year under review.
- 2) The Annual General Meeting was held on December 20, 2000.

REPORTS AND STATISTICS

- Twelve monthly Coordinator Reports along with Monthly Statistics were submitted to the Board of Directors and were reviewed.
- Four quarterly reports were submitted and tabled at the PSOJ Council Meetings.
- Twelve monthly reports were made to the Standing Committee on National Security.
- First Quarter and Half Yearly Reports for 2001 were sent to all Trustees and Media Houses

REQUESTS FOR ASSISTANCE

Meetings have been held with Commander Fuller who is in charge of Operation Trident in Great Britain with a view of Crime Stop assisting the British Police in apprehending wanted persons who have committed serious crimes in Britain but who have fled to Jamaica. Commander Fuller is to put together a proposal that he will present to the Board of Directors on his return to Jamaica.

Crime Stop has also been approached by Security Administrators Limited who handle the security at Kingston Wharves, who have asked for help in curbing the corruption and criminal activities at the wharves. Crime Stop is now awaiting a reply to the proposal sent to SAL.

PUBLIC RESPONSE

Seven hundred and twenty (720) calls were received by "Crime Stop" during the year under review. This represents a decrease of 29% under last year's figures.

Police investigations into calls during the period resulted in eighty three (83) arrests being made which include twelve (12) for murder, forty (40) for breaches of the Dangerous Drugs Act, fourteen (14) for illegal possession of a firearm and/or ammunition and six (6) for shooting with intent.

During the year twenty-one illegal firearms were recovered broken down as follows:

| | |
|--------------|-----|
| .32 revolver | x 1 |
| .38 revolver | x 2 |
| .25 pistol | x 1 |

| | |
|-------------|-----|
| .32 pistol | x 1 |
| .380 pistol | x 4 |
| 45 pistol | x 1 |
| 9mm pistol | x 3 |
| Tec 9 SMG | x 1 |
| Shotgun | x 1 |
| Rifle | x 1 |
| Homemade | x 5 |

Along with the above firearms, one hundred and eleven (111) rounds of ammunition were also seized.

The following is a breakdown of the illegal drugs seized through information received by Crime Stop:

| | |
|--------------------------|------------|
| Ganja - compressed/loose | 398.63kgs |
| Ganja – sticks | - 451 |
| Ganja – hectares | - 3.5 |
| Ganja – plants | - 6 |
| Ganja – seedlings | - 500 |
| Crack | - 1 pc. |
| Cocaine | - 4.945kgs |

Crime Stop also assisted in the recovery of fifteen (15) stolen motor vehicles.

The total value of property recovered in the year 2000 – 2001 is \$8,582,710, with the value of illegal drugs being seized amounting to \$11,198,905.

PUBLIC PRESENTATIONS

The Coordinator and counselors from the Crime Stop office have carried out six (6) lectures during the year under review at various Police Stations and at Twickenham Park. These lectures are the first in an on-going programme by Crime Stop to sensitize members of the Police Force on how Crime Stop works and the importance of the programme to both the public and the force.

DONATION TO THE JAMAICA CONSTABULARY FORCE

In September 2000 the Chairman and Coordinator made a presentation of six (6) "FACES" software packages to the Police Commissioner. This software will assist the Police Force in putting together composite drawings of criminals as described by eyewitnesses.

REWARD PAYOUT

The Fund paid out a total of twenty-five (25) rewards totalling \$258,450 during the 2000/2001 period. Of the 25 rewards paid, nineteen (19) were collected at the Office of the Commissioner of Police, one was dropped off at an office building, one was lodged directly to a bank account and four were sent by Western Union.

INTERNATIONAL ANNUAL CRIME STOPPERS TRAINING CONFERENCE

The 21st Annual Crime Stoppers International Training Conference was held in Victoria, British Columbia, Canada between the 5th and 9th September, 2000.

The Coordinator, Prudence Gentles, and D.S.P. James Forbes represented

Crime Stop at the Conference. It was well attended with over 540 delegates attending from countries around the world. The training sessions

were very informative and several important contacts were made with other programmes around the world. Air Canada donated the air tickets for the trip to Victoria. ▼

JaMAC (JAMAICA MEDICAL ASSISTANCE PROGRAMME)

During the year under review, the Committee coordinated the visits of overseas medical personnel who conducted dental, eye surgery and medical outreach programmes, as well as overseas donations valued at US\$735,952.00 for the public health services and C\$10,000.00.

Programmes

The American Flying Dentists

The American Flying Dentists made their 19th visit to Jamaica from October 28 to November 6, 2000. This visit was the 17th to Manchester since the dentists first visited in 1983. The team of 6 dentists and 6 assistants held clinics at Craig Head, Chantilly, and Somerset Dental Clinics as well as the Rotary Club of Christiana's Dental Clinic in Coleyville and Baron Hall Estate in the parishes of Manchester and St. Ann. They were assisted by the dental nurses from the Christiana Health Centre and Mandeville Comprehensive Clinic. There were two disappointing incidences for the dentists seconded to Craig Head Clinic:

- 1) The Charge Nurse insisted on the patients paying an admission fee although the Dentists told her that their work was voluntary and that no money should be collected.
- 2) Three new suction tips which they had left at the Clinic overnight, were

missing the next morning, and no one could account for them. The Dentists decided that they would not return to that Clinic to work for the rest of their stay, and the Rotary Club of Christiana has decided to remove that Clinic location from future itineraries.

A total of 1,482 persons were treated of which 1,042 extractions, 285 fillings and 155 sealants were done. The dentist noted that there had been a significant improvement in the dental health of the child population in the region over the last few years. The dentists gave an estimate of **US\$91,000.00** as the value of the services provided.

Canadian Surgical Eye Expeditions (CANSEE)

The Canadian Surgical Eye Expeditions (CANSEE), team of two Ophthalmologists, Drs. Garth Taylor (Jamaican) and Anirudh Mahabir (Trinidadian) paid their eighth visit to Jamaica in March 2001.

The CANSEE team worked with Dr. Marlene Smith-Day and other Ophthalmologists and staff of the Eye Clinic at the Mandeville Regional Hospital. During the two days a total of 60 patients had removal of cataracts and intra ocular lenses implanted, and one patient had a

Corneal Transplant. The doctors gave a conservative figure of C\$10,500.00 as the value of the services provided.

Caribbean Cultural Association

A team of medical volunteers from the Caribbean Cultural Association in Lutz, Florida, led by Mrs. Ellorece Burrell paid their fourth visit to Jamaica in May 2001. The team opted to work with the Public Health Department in Westmoreland, because they felt that they would prefer to offer their services to patients in the very rural areas who often found difficulty in getting to Clinic. This were the case, they would be willing to do home visits, with the help of the Department. They also expressed a desire to do an open clinic similar to the one they did at the St. John's Ambulance Brigade headquarters in Savanna-la-Mar on their previous visit. It must be mentioned that on their last visit when they worked at the Hospital one of the Hospital Administrators went over and beyond the call of duty to organize their visit, living accommodation and so forth. That visit was supposed to have been coordinated by the Rotary Club of Savanna-la-Mar as well as the Hospital but the Club's efforts were not impressive. This year the Coordinator tried to enlist the full support of the Westmoreland Health Department, but it was made very clear that they were not prepared to facilitate the visitors in the way the Hospital had done. At this point the Co-Ordinator suggested to the CCA that they should postpone their trip because accommodation couldn't be found in any homes, and some of their members responded by canceling their individual trips

upon realizing that they would have to pay for their own accommodation. However, in the end five nurses and a pharmacist arrived. They were provided with transportation to various Clinics during their visit, but returned to the U.S. feeling very bitter at the treatment meted out to them by fellow Jamaicans. The Coordinator suggested to them that they should visit another area in Jamaica next year and promised to speak to service clubs in other areas who had proved considerably more accommodating.

They brought medical supplies and pharmaceuticals valued at approximately US\$11,000.00 for use and for donation during their one-week programme.

CANADIAN VISIONARIES ASSOCIATION INC.

This Association is led by a Jamaican, Del Cunningham, who requested JaMac's assistance in coordinating a container load of supplies for the Mandeville Regional Hospital. Global Links, JaMac's donor Company in the US assisted in packing and shipping the Coordinator, PAHO paid the shipping costs and the Ministry of Health provided clearance. The items received were beds, mattresses, guernseys and bedside and reception area chairs. Value of this donation is US\$24,230.00.

VISIT OF VOSH

A team of five Optometrists led by Dr. Bradley Meier and Larry Morrison, arrived on March 7 - 17, 2001 for their 12th. Visit to the Port Antonio Health Centre, Portland. Their visit was co-

ordinated by the Rotary Club of Port Antonio led by Dr. Paravateneni and JaMac. They examined 1550 patients many of whom were fitted with spectacles. They brought their own equipment as well as a donation of 5000 spectacle frames for distribution throughout Portland.

They were accompanied by 21 other volunteers comprising, trained assistants, family and friends who assisted them in monitoring the large daily crowds. Value of their donation was **US\$348,837.20**

DONATIONS

The donations from overseas were received from and distributed as follows:

Global Links, Pennsylvania (US\$38,866.00)

A wide assortment of medical supplies, and equipment was donated to the Savanna-la-Mar Hospital. The donation included beds, mattresses, bedside stands, over bed tables, examination tables, pharmacy carts, dental chairs, suction pumps, portable Blood Pressure units, stainless steel hampers, IV poles, mayo stands, food delivery cart, filing cabinets, waiting room chairs, visitors chairs, portable commodes, walkers, crutches, canes, gurneys, hand soap, five computers with monitor and accessories, and assorted medical supplies.

PAHO in Washington, D.C paid the cost of shipping the donations to Jamaica.

GLOBAL LINKS, PENNSYLVANIA- VALUE US\$237,635.00

Global Links prepared another container, which arrived mid August of this year, comprised of items off the Wish Lists of Savanna-la-Mar, Princess Margaret and Port Antonio Hospitals. The Matrons of these respective Hospitals collected their items from the Ministry of Health's warehouse at Shalimar Avenue in Vineyard Town. In quite a few instances some of the supplies were more suitable for Hospitals with specialist areas such as UHWI and Kingston Public Hospital's dialysis units, so the Coordinator invited representatives from those two Hospitals as well as Bustamante Children's and Mona Rehab. to select items which were of use in their institutions. Global Links had been promising Family Planning a donation which arrived in this container, and the Coordinator with the permission of the Ministry of Health requested Clinic supplies for the Heart Foundation of Jamaica, Jamaica Cancer Society and Jamaica Aids Support, with which Global Links complied, so that we were able to service several organizations through this particular container.

HEALTH CARE INTERNATIONAL- US\$20,250.00

Mrs. Beverley Treasure, Operating Room Technician, Morristown Memorial Hospital, New Jersey, a Jamaican and a member of the above group donated surgical supplies to the Kingston Public, University Hospital of the West Indies, Bustamante Hospital for Children, Spaldings,

St. Ann's Bay, Mandeville and Cornwall Regional Hospitals.

She was accompanied on this year's trip by one Plastic Surgeon (who corrected 2 Cleft Palates and removed one Naevus), 1 Gynaecologist, two Dentists, three Nurses, and three Surgical (Scrub) Nurses. The group donated a wheelchair to a home for the disabled in May Pen, medically examined and treated dental problems at both Mount Moriah and Watt Town Primary Schools in St. Ann. They also donated to Mt. Moriah school a set of Encyclopedias from a Mrs. Terry van der Hyde, a New Jersey resident and assorted children's books.

METROPOLITAN HEALTH PROFESSIONALS - US\$1,500.00

Mrs. Evonn Gill R.N. from the Metropolitan Health Professionals donated clothing, and personal hygiene supplies to the Port Antonio Infirmary and miscellaneous medical supplies and surgical instruments to the Port Antonio Hospital. These items were contributed by Jamaicans living in the United States and collected by Nurse Gill primarily for Port Antonio. This donation took nearly one year to clear and was the source of much embarrassment to the Coordinator, as the Hospitals seem to be having a great problem to provide funds, no matter how small.

MR. BERNARD RUSSELL US\$1,500.00

Mr. Russell, a former employee of the Bustamante Hospital for Children sent his usual donation of medical supplies for the Hospital but the donation has taken a long time to clear

mainly because the Hospital Administrator seemed to have difficulty in sourcing funds of under Ja \$1,000.00. Possibly the Hospital is experiencing an outflow of money greater than its inflow.

FUND RAISING

For our 2001-2002 fund-raising efforts letters were sent to 88 companies selected from within the private sector in an effort to raise \$700,000 which was the budgeted amount for the operational cost for the year.

The Committee had applied to United Way of Jamaica seeking administrative funding for the year 2001 to 2002, as their grant of \$250,000.00 helped considerably in meeting administrative expenses in 2000/2001. The Chairman, through a chance meeting with Mr. Greg Christie, Director Jamaica Corporate and Government Affairs for Kaiser Bauxite introduced him to JaMac and its financial plight and he agreed to donate J\$250,000.00 which would be administered through United Way and paid to JaMac in quarterly installments.

LOCAL DONATIONS RECEIVED

| | |
|----------------------------------|--------------------------|
| Kaiser Bauxite | 250,000 |
| J.Wray & Nephew Limited | 5,000 |
| Petroleum Corporation of Jamaica | 2,000 |
| Grace Kennedy & Co. Ltd. | 72,000 |
| Carreras Group Limited | 50,000 |
| H.D. Hopwood | 25,000 |
| Medical Assessment Services Ltd. | 10,000 |
| I.G.L. Limited | 5,000 |
| Lithographic Printers | 2,000 |
| Life of Jamaica | <u>10,000</u> |
| Total: | \$ <u>539,500</u> |

The Committee thanks Grace Kennedy & Company Limited for its continued contribution to JaMAC's administrative expenses.

LOCAL SUPPORTERS

JaMAC thanks the following agencies and organisations for their assistance during the year under review.

Ministry of Health
Ministry of Finance
Ministry of National Security
Ministry of Labour
United Way of Jamaica
Rotary Club of Christiana
The Jamaica Observer
The Gleaner Company Limited
Customs Kingston/Montego Bay
The Sunday herald
Airports Authority Kingston/Montego Bay
Dental Council of Jamaica
Island Broadcasting Services Ltd.

Medical Council of Jamaica
Radio Jamaica Limited
Nursing Council of Jamaica
Air Jamaica Limited
Air Canada
BWIA
Jamaica Optometric Association
Price Waterhouse

The Committee is appreciative of the assistance provided by the Private Sector Organisation of Jamaica and the Jamaica Chamber of Commerce which has continued to help JaMAC in its efforts to bring much needed supplies for the government's health services.

The Co-ordinator thanks the Patron, Mrs. Mitsy Seaga, the chairman, Mr. Neville James and the members of the committee for their continued support. ▼

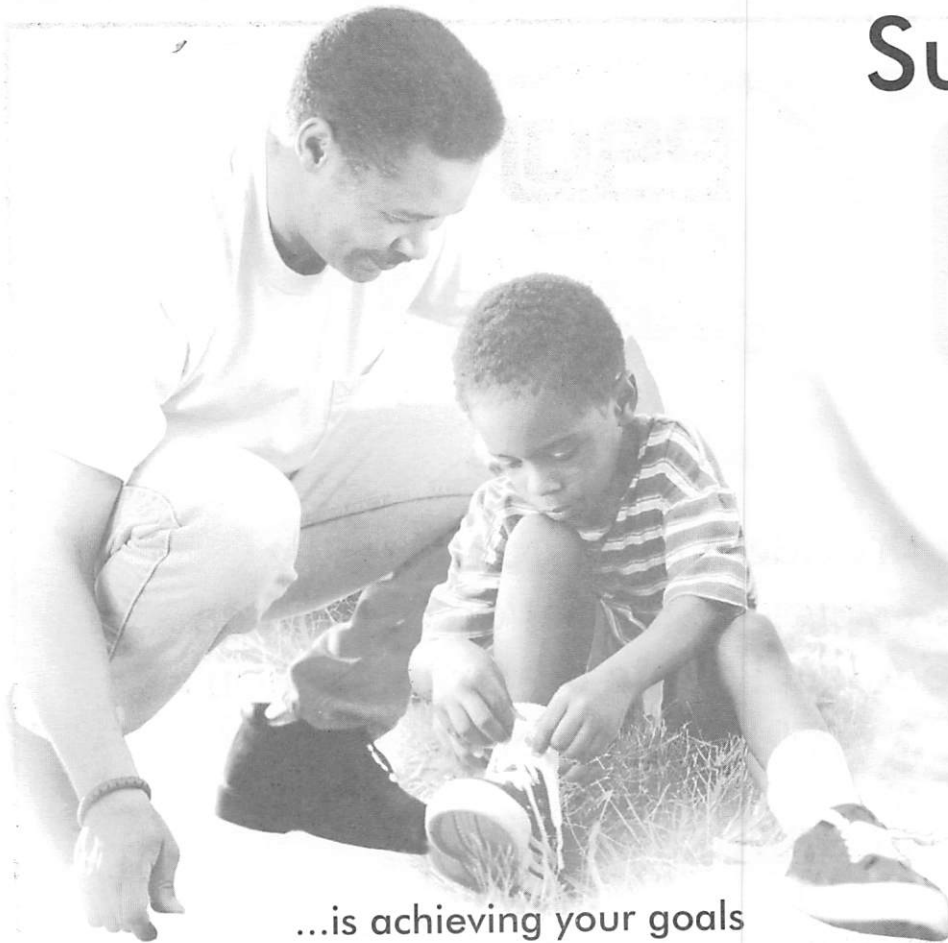


The President and Council of the
Private Sector Organisation of Jamaica
invite you to celebrate the Organisation's
25th Anniversary.

SCHEDULE OF EVENTS

- | | |
|------------------|---|
| December 2, 2001 | Service of Thanksgiving, University Chapel, Mona at 9.00 a.m. |
| December 2, 2001 | Commemorative Supplement in the Sunday Gleaner and the Sunday Observer |
| December 5, 2001 | PSOJ's Council Meeting - Election of Officers - Guest Speaker – Jodi-Ann Maxwell |
| December 6, 2001 | Banquet and Dance, Independence Ballroom, The Hilton Kingston at 7.00 p.m. Cost: \$5,000.00 per person |

Success...



...is achieving your goals
with your **partner.**
Jamaica National.

It's hard to save on your own. That's why your partner is here...to encourage, advise and provide you with savings plans that give you a financial advantage in meeting your very personal goals. The discipline of saving regularly with JAMAICA NATIONAL is sure to lead you where you want to be!



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