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PRESIDENT'S MESSAGE BEVERLEY LOPEZ, C.D.



FOCUS FOR YEAR

For the period, 2003 – 2004, the Secretariat worked diligently to provide enhanced services to our members and build alliances and partnerships with the relevant government agencies, civic groups and donor agencies.

"As we reflect on the work of the Association over the past two years, much has been achieved through the efforts and participation of our members, but more work is still to be done to ensure growth and development for our country. As such, we look forward to the continued support and guidance of our members during 2005."

During 2003, many of the PSOJ Committees – Corporate Governance, Trade Policy and the Economic Policy Committee - were restructured to provide for a diversified membership, with representation from key sectors of the economy. During the period, these committees were very active, with the Corporate Governance committee fulfilling its mandate to increase awareness of corporate governance principles by hosting training seminars in 2003 and 2004 and also drafting a private sector Corporate Governance Code for Jamaica.

The Trade Policy Committee worked purposefully and its representatives attended many of the major hemispheric trade meetings, as well as hosted a series of trade awareness sessions to

familiarize the private sector with the various international trade agreements and to gain feedback to help guide Jamaica's negotiating position on important trade issues. In July 2004, a very successful one-day International Conference "Trade Connections: Your Link to the World" was hosted by this Committee, to sensitize and provide information on trade related issues and the repercussions for businesses in the era of globalization.

The Economic Policy Committee provided the PSOJ executive and general members with regular analyses of Jamaica's fiscal status and also continued to oversee production of the monthly Confidential Economic Bulletin and the PSOJ/Cable & Wireless Job Creation Awards Ceremony. I am happy to report that since January 2002, the PSOJ, in partnership with Cable & Wireless Jamaica Limited, has presented more than one hundred Job Creation Awards and over thirty Small Business Awards.

A major activity for the Economic Policy Committee was the hosting of the PSOJ 2003 Annual Economic Seminar, which featured presentations by delegates from Ireland. Following on the seminar, a Jamaican



team traveled to Ireland in October 2003 and held discussions with the Prime Minister of Ireland and other senior leaders, who were responsible for implementing the Irish social contract. The grouping, dubbed 'Partnership for Progress', which is convened by the PSOJ, includes representatives of the government, opposition, academia, civil society, union leaders and the private sector. During 2004, they have continued to hold weekly meetings designed to build trust, seek consensus on issues of national importance and to promote the necessary adjustments to foster economic growth.

The Association's focus on crime and corruption continued and during the period, we worked with the security forces to build stronger partnerships between the police, the communities in which they work and the private sector. Major activities in 2003 were the *Police Courtesy Week*, which was held in each parish across the country and the monthly "*Phone In*" programme, which continued to be held in 2004.

The lack of consumer and business confidence due to the state of our economy, the effects of crime and the quality of our educational system continued to be major issues and impediments with which the business sector had to grapple, given the negative impact on our country's growth and productivity. Throughout the period, PSOJ committee members and the Executive Committee met on a regular basis with the Government to lobby for the implementation of policies and programmes that would prove beneficial to the private sector and the nation.

In May 2004, the private sector met with the Prime Minister and other senior Government officials to address the rapid depreciation of the Jamaican dollar. After these discussions, the Government, in collaboration with the private sector, implemented new initiatives aimed at improving confidence in the economy and stabilizing the currency markets, which were proven to be successful.

Representatives of the private sector met again in September 2004 with the Prime Minister and members of the government and called upon them to urgently address issues related to crime, the economy and education. Further dialogue is continuing with the Ministers of Finance and Planning, Education and National Security, and the Government has pledged to continue its consultation with the private sector. To ensure direct involvement in the development planning process, the PSOJ has named two of its members to be our representatives on the Development Council, a sub-committee of Cabinet that seeks to address national development.

Throughout the period, the associations involved in the consolidation process continued to work at trying to achieve consensus, with the objective being to have a more united voice on national issues, while at the same time, expanding and improving the quality of service offered to all our members.



As we reflect on the work of the Association over the past two years, much has been achieved through the efforts and participation of our members, but more work is still to be done to ensure growth and development for our country. As such, we look forward to the continued support and guidance of our members during 2005.

I thank the Officers of the PSOJ, the Committee and Council members, the general membership and to the Executive Committee Members for their unswerving support during my tenure as President. I wish to also express my appreciation to former CEO Greta Bogues and to current CEO Lola Fong Wright and the Secretariat staff for the keen sense of industry with which they carried out their duties and responsibilities.

BEVERLEY LOPEZ (MRS.)

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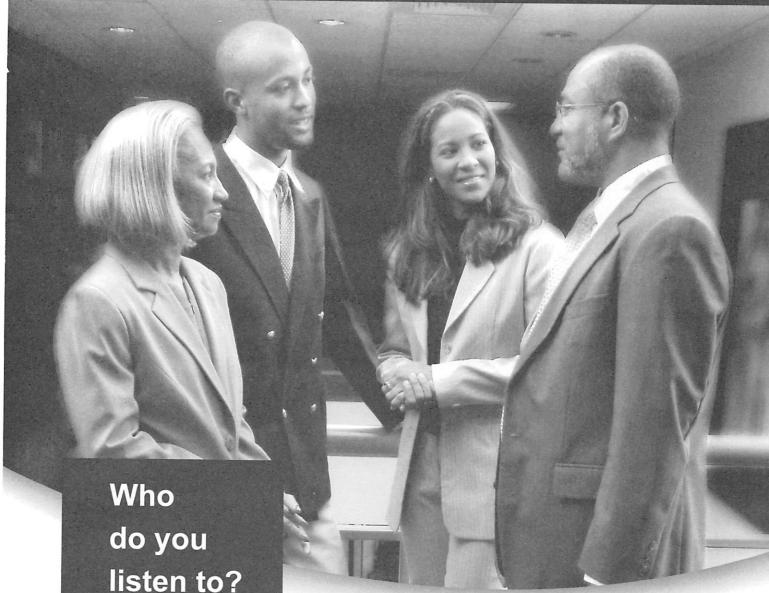
PRESIDENT

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WORLD ECONOMY REVIEW

OVERVIEW - 2004

The world economy grew by a robust 5.1% in 20041 reflecting a surge of activity in most of the major regions such as North and Latin America as well as emerging Asia. This exceptional outturn was largely recovery-based as the world's economies continued their rebound from the post-September 11 downturn and a number of other shocks ranging from the SARS attack to the Enron scandal. The upturn in global growth occurred against a tide of rising oil prices and was supported by relatively low interest rates as well as a build-up of growth momentum from the previous year. Economic activity continued to be fuelled by high levels of investment in China and the U.S., while the American consumer market also provided a major engine for export growth in a number of emerging economies. These two giants were therefore the major players in the world economy during the year. China in particular was once again the world's fastest-growing economy as its GDP jumped by a whopping 9.5%, with investments comprising some 45% of GDP. The U.S. economy grew by 4.4% in real terms as private consumption was kept buoyant by fiscal and monetary stimulus. The interest rate environment was also supportive of investment for most of the year.

Japan made a strong start to the year, but consumer and business confidence weakened after the first quarter. The full-year outturn was therefore held to 2.6% in an environment of continued deflation. India posted stellar growth of 7.3% in 2004, but the economy continued to be hampered by under-investment, particularly in infrastructure, and so the platform for future growth may be somewhat uncertain.

in the euro region, growth accelerated in the first half of the year but then slowed down in the second as consumers were worried about the impact of reforms on jobs and social security. The slowdown in consumption was also compounded by lackluster export growth as the strength of the Euro continued to affect the region's export performance. Consequently, GDP grew by only 2% for the year.

Most of the major regions fared much better than Europe, notably Sub-Saharan Africa whose GDP grew by over 5%, the highest growth rate for that region in almost a decade. Some South American countries showed impressive growth, with Brazil growing by 5.2% due to an effective programme of fiscal reform. Argentina grew by a remarkable 9%, which largely constituted a rebound from the sharp declines of previous years.

Major Markets

Oil prices remained high and volatile in 2004, with crude prices jumping by a sizeable 30% during the year following a 16% increase in 2003. The average price per barrel rose to US\$37.76 in 2004, up from US\$28.89 the previous year. However, high oil prices failed to stem global economic growth as a number of economies are becoming less oil-intensive due to advancements in technology. World consumption nonetheless continued to rise in 2004, with the U.S. the European Union and Japan together comprising one-half of total demand. China accounted for 8% of total oil consumption in 2004 and demand continues to grow rapidly, soaring by some 40% over 2003. The Asian giant showed a seemingly insatiable appetite for oil and other commodities to satisfy the needs of its booming industrial sectors. Another major oil customer was the U.S., that

¹ IMF World Economic Outlook, April 2005.



consumed a quarter of the world's oil to support its bustling levels of investment and domestic spending. On the supply side, global capacity growth was hampered by low levels of investment in new refineries and extractive facilities. The industry was caught in a vicious cycle during the year as price volatility led to under-investment, which, in turn, fuelled more price volatility. The industry was, however, characterised by a reduction in geopolitical uncertainties in the Middle East, with the apparent movement toward political stability and democratic rule in Irag.

China and the U.S. continued to be major forces in the world's commodity markets in 2004, as their rapidly-growing industrial sectors placed significant strain on supplies of steel, aluminium and a number of other materials. In fact, China accounted for a huge 90% of the increase in global steel demand in the year while the United States was a major consumer of cement.

In the currency markets, the slide of the U.S. dollar continued as a consequence of that country's gaping current account deficit. The dollar lost 7% of its value to the euro and 4% to the yen during the year, but strong external capital inflows prevented a more severe slippage. The U.S. current account imbalance and consequent weakness of the dollar remained major points of concern to the financial markets given the high levels of foreign ownership of U.S. dollar assets. However, investors continued to pour capital into the country, thus financing the deficit and keeping the dollar somewhat afloat. This helped to curb slippages in the value of U.S. financial assets and also maintain export competitiveness for a number of emerging nations which depend heavily on the American consumer market. In addition, a number of countries kept their currencies from floating freely against the dollar by amassing reserves. This practice lent further support to export competitiveness but

may also have compromised monetary control in these economies.

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Outlook for 2005

Analysts expect global growth to slow down slightly but still be robust this year, largely reflecting a normalisation of growth momentum as the global recovery fully unwinds. GDP is projected to increase by some 4.3% for 2005 fuelled by continued growth in a number of regions. U.S. growth should decelerate to about 3.6% this year, reflecting a withdrawal of fiscal and monetary stimulus. However, the expected cooling of consumption growth should be counterbalanced by continued strength in investment. China's growth rate is also expected to slow down this year, albeit marginally as analysts still project a remarkable 8.5% rise in GDP.



This represents a reduction of one percentage point from last year's growth and is based on expectations of tighter monetary policy by the Chinese authorities. Japan is likely to show minimal growth this year, although there have recently been modest upticks in consumer and business confidence with mild improvements in the rate of deflation. Growth in the Euro region could slow to around 1.6%, down from last year's rate of 2% as consumer sentiment will continue to be haunted by concerns about the impact of reforms on future income.

Overall, world economic growth should be supported by buoyant consumption in the U.S., sustained export growth in developing economies and a continued investment boom in Asia, particularly China. However, growth remains highly vulnerable to oil price volatility as analysts believe that a sufficiently large and sustained price increase would drive up inflation, thus resulting in tighter and less growth-friendly monetary policy in a number of major economies. Global interest rates have already been increasing, with the U.S. Federal Reserve increasing its benchmark rates by some 200 basis points in eight adjustments since mid-2004

Table 1.1 summarizes the International Monetary Fund (IMF) estimates for the World economy in 2004, with projections for the next two years.





(Annual percent change unless otherwise noted)			Current Projections		Difference from September 2004 Projections	
	2003	2004	2005	2006	2004	2005
World Output	4.0	5.1	4.3	4.4	0.2	
Advanced Economies	2.0	3.4	2.6	3.0	-0.2	-0.3
United States	3.0	4.4	3.6	3.6	0.1	0.
Euro area	0.5	2.0	1.6	2.3	-0.2	-0.0
Japan	1.4	2.6	0.8	1.9	-1.8	- <u>1.</u>
United Kingdom	2.2	3.1	2.6	2.6	-0.3	0.
Canada	2.0	2.8	2.8	3.0	-0.1	-0.4
Other advanced economies	2.5	4.4	3.4	3.9	0.1	-0.
Newly industrialized Asian Economies	3.1	5.5	4.0	4.8	0.1	-0.
Other Emerging market and Developing countries	6.4	7.2	6.3	6.0	0.6	0.
Africa	4.6	5.1	5.0	5.4	0.6	-0.
Sub-Sahara	4.2	5.1	5.2	5.6	0.6	-0.0
Central and Eastern Europe	4.6	6.1	4.5	4.5	0.6	-0.
Commonwealth of Independent States	7.9	8.2	6.5	6.0	0.1	
Developing Asia	8.1	8.2	7.4	7.1	0.6	0.
China	9.3	9.5	8.5	8.0	0.5	1.
India	7.5	7.3	6.7	6.4	1.0	
ASEAN-41	5.4	5.8	5.4	5.8	0.4	_
Middle East	5.8	5.5	5.0	4.9	0.5	0.
Western Hemisphere	2.2	5.7	4.1	3.7	1.1	0.
Brazil	0.5	5.2	3.7	3.5	1.2	0.
Mexico	1.6	4.4	3.7	3.3	0.3	0.
World Trade Volume (goods and services)	4.9	9.9	7.4	7.6	1.0	0.
Imports						
Advanced economies	3.6	8.5	6.5	6.3	0.8	0.
Other emerging market and Developing countries	8.9	15.5	12.0	11.0	2.7	
Exports						
Advanced economies	2.8	8.1	5.9	6.8	-	-0.
Other emerging market and Developing countries	10.7	13.8	9.9	9.7	3.0	-0.
Commodity Prices (U.S. dollars)						
Oil ²	15.8	30.7	23.2	-5.9	1.8	23.
Nonfuel (average based on world commodity export weights)	7.1	18.8	3.8	-5.1	2.0	7.
Consumer Prices						
Advanced Economies	1.8	2.0	2.0	1.9	-0.1	-0.
Other emerging market and Developing countries	6.0	5.7	5.5	4.6	-0.2	0.
London Interbank Offered Rate (percent) ³						
On U.S. dollar deposits	1.2	1.8	3.3	4.1	0.2	
On euro deposits	2.3	2.1	2.3	2.9		-0.
On Japanese yen deposits	0.1	0.1	0.1	0.4		-0.

Note: Real Effective Exchange Rates are assumed to remain constant at the levels prevailing during February 2005.

¹ Includes 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 \$37.76 in 2004.

³ Six-month rate for the U.S. and Japan. Three-month rate for the euro.

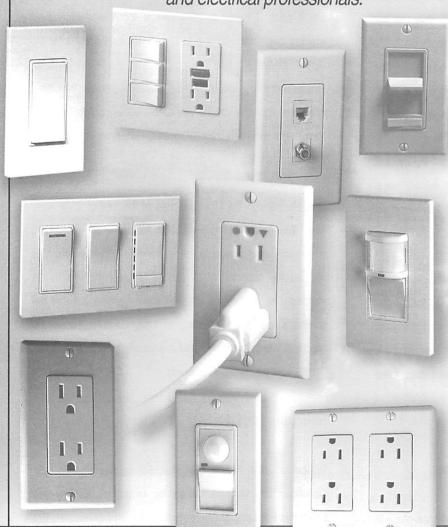


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WORLD TRADE - 2004

Multilateralism is, at times, seemingly in jeopardy due to the actions of some states, such as the United States, to unilaterally conclude bilateral arrangements outside of the multilateral framework. This was more noticeable within the Hemisphere where several negotiations were kick-started by the U.S. Administration with the countries of Central America and the Dominican Republic.

At the end of July, negotiators finalized what has become known as the *July Framework*, which in effect is the first real area of consensus since the fallout in talks at the Ministerial level in Cancun in 2003. It is hoped that the *July Framework* will move the negotiations along. One of its highlights is the removal of three of the *Singapore Issues* (areas often attributed with the fall-out in Cancun in September 2003). Investment, Competition Policy and Transparency in Government Procurement will no longer be on the negotiating table, and only trade facilitation will remain.

At the end of 2004, the WTO was primarily focused on the selection of a new Director General to replace the current DG Supachai Panduchi, in 2005. At the end of this year, the issue of trade facilitation was one of the substantive trade areas that some level of agreement had been reached on. It is likely that this will be at the forefront of negotiations in the coming year.

The Free Trade Area of the Americas

Since the 8th Ministerial meeting of the FTAA took place in November 2003 in Miami, where Ministers agreed to a "FTAA-lite" which would see a significant scaling back of commitments in the Hemispheric agreement and the signature of various plurilaterals, the next steps for 2004 would have been a completed agreement to take effect in

January 2005. However, the meeting of the Technical Working Group in Puebla, Mexico in February 2004 was not successful in moving the negotiating process along. In fact, since the stalling in February 2004, several countries of the region, notably the United States, embarked on a series of bilateral agreements with countries of the Hemisphere such as those in Central America as well as the Dominican Republic, which brought into question the future of the FTAA.

On a parallel track, in 2004, much focus was placed on starting back negotiations in the WTO, especially after the *July Framework*. The two co-chairs of the FTAA process, Brazil and the United States, made it known that their countries' focus would be placed on getting progress in the multilateral system, as opposed to progress on the hemispheric track.

The elections in the United States at the end of 2004 were also determining factors in the progress of the FTAA, particularly as it related to the future of U.S. Trade policy, as well as the approval of pending FTAs with players in the Hemisphere. At the end of 2004, it was anticipated that the co-chairs would be meeting in early January (once the elections were completed and a possible new United States Trade Representative appointed).

Relations with the EU

In April of 2004, here in Kingston, EC negotiators and their Caribbean counterparts met for the launch of the Regional Economic Partnership Agreements (REPAs) between the EU and the CARIFORUM States (CARICOM plus the Dominican Republic, without Cuba) to replace the Cotonou Partnership Agreement which heralded the end of preferential trading arrangements between Europe and former colonies of the Africa Caribbean Pacific (ACP) Group of countries.



Banana and sugar were the most controversial issues that strained EU-ACP relations in 2004, with particular relevance to the Caribbean, within the context of the EU's programme of reform of its Common Agricultural Policy (CAP). On the issue of sugar, the European Commission presented a communication (as opposed to a proposal) on the reform of the sugar regime, which was the last of the products in the Common Agricultural Policy which was reformed in July 2004. This was in light of pressure, not only from the WTO challenge brought by Brazil, Australia and Thailand, but also, importantly, from European consumers and the political willingness to change this system which in European circles is deemed to be no longer sustainable. At the same time, there is said to be a commitment to respect Europe's commitment to its longstanding ACP partners. While ACP Sugar producers, such as Barbados and Jamaica, maintain that the commitments from Europe sustain the purchase of sugar at a fixed price, Europeans feel that the Sugar protocol does not maintain a commitment to a certain price.

The proposed reduction in price is to begin in July 2005 according to the communication by the Commission. The Commission has not yet tabled a legislative proposal and this is expected not before April of 2005. Throughout the latter part of 2004, several Caribbean governments and sugar stakeholders, both in the region and Europe, have been actively lobbying in important European capitals, notably the UK, Poland, etc to safeguard the industry in the region.

Due to the WTO undertaking by the European Commission with Ecuador and the United States in 2001, the European Commission will be required to move the current tariffs on ACP bananas as at January 1, 2006. Negotiations began with the EU, ACP banana interests and principal Latin American suppliers (Ecuador, Costa Rica, Panama and Colombia) in November 2004 with two rounds taking place by December 2004. However, there was no progress. The

EU's has to change to a tariff-only regime for bananas from all banana exporters and has proposed a tariff rate of 230 euros, versus the 275 euros requested by the ACP producers who maintain that, tariffs below this figure will be to the detriment of the industry's survival. Latin American countries would like to see a tariff rate of 75 euros. Lobbying efforts took momentum in 2004 led by St Vincent and the Grenadines Prime Minister and the Banana task force. This will continue into 2005.

The CARICOM Single Market & Economy

In 2004, the three Most Developed Countries (MDCs) of CARICOM (Barbados, Jamaica and Trinidad and Tobago) concentrated on their commitment to fast-track the implementation of the Caribbean Single Market by January 1, 2005. Various acts were passed in the three islands, the more important ones relating to the enactment of the Caribbean Court of Justice, the removal of work permit requirements for the free movement of persons and the enactment of the Revised Treaty of Chaguaramas into domestic law.

The debate on the creation of a Caribbean Court of Justice, which, under the Revised Treaty of Chaguaramas, is expected to be the court of first instance for disputes relating to trade under the single market, heightened in 2004.

The Government of Jamaica also continued its public education drive through the CSME Unit and the CARICOM Secretariat, assisted by the PSOJ's Trade Policy Committee's own public relations programme (see below).

CARICOM Bilateral Relations

- CARICOM - Dominican Republic Free Trade
Agreement

Since the launch of the Regional Economic Partnership Agreement between the EU and the CARIFORUM states,



there has been a heightened need to define and finalise arrangements relating to CARICOM/DR relations in light of the push by Europe to define our regional integration processes.

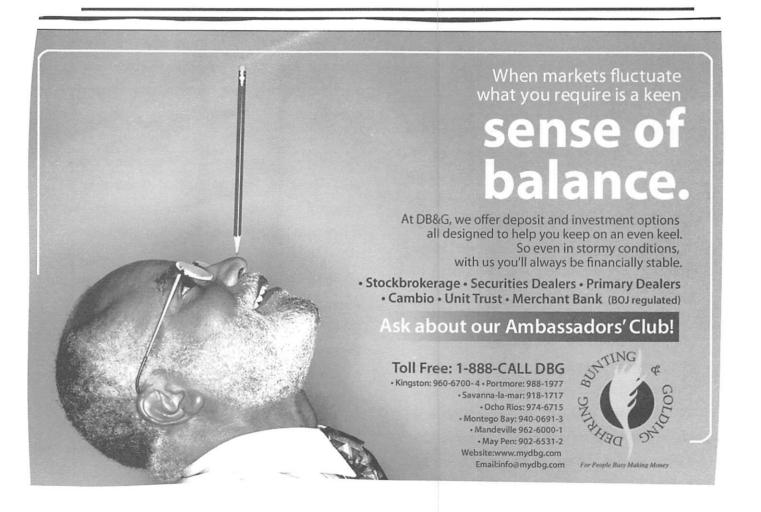
CARICOM – Canada Free Trade Agreement

This agreement, which was mandated by the Heads of Government of CARICOM as early as 2001, which was officially launched in January 2004, should have been concluded in June of that same year. This is expected to replace CARIBCAN. To date, this has not been signed...

The CRNM, which will be leading this negotiation on behalf of countries of the region, will be holding national consultations at the beginning of 2005.

CARICOM - Costa Rica

Developments in CARICOM — Costa Rica trade for 2004 were negligible as Jamaican businesses did not make much progress in taking advantage of the agreement concluded with this Central American country since early *2003. A contingent of Costa Rican exporters led by the Foreign Trade Corporation of Costa Rica (the equivalent of Jamaica's JAMPRO) are due to visit the island in early 2005, after having had to postpone their plans for September of this year, due to the passage of Hurricane Ivan. The aim is to increase trade and cooperation between Costa Rica and the region. JAMPRO has also tried during 2004 to increase awareness of Jamaican exporters on the Costa Rican market and has held seminars on the details of the agreement, as well as those with Cuba and Venezuela





THE JAMAICAN ECONOMY

The economy grew by a minimal 1.2% in 2004 as the strong growth trend posted in the first half of the year was stymied by natural disasters in the second half. The resulting outturn was therefore much lower than the 2.3% recorded in 2003 and also fell short of initial projections of 2.5% for 2004. The goodsproducing sector grew by only 1.3%, down from the previous year's figure of 2.1% as Agriculture took a battering from Hurricane Ivan in September. In fact, Agriculture, Forestry & Fishing fell by 10.4% reflecting significant losses in both domestic and export industries. However, the other goodsproducing sectors showed growth as Construction and Installation benefited from post-Ivan rebuilding activities to

record a healthy 4.7% growth for the year. *Manufacturing* grew by a creditable 3.6% reflecting strong improvements in Food Processing, Beverages and Tobacco, Chemicals and Nonmetallic Minerals. Growth could have been higher had it not been for the impact of Hurricane Ivan as well as the fire at Petrojam in the second half of the year. There was a 3.1% increase in *Mining & Quarrying* reflecting higher output in Alumina. In the Services sector, output grew by a modest 1.1%. *Hotels, Restaurants and Clubs* grew by 4.9%, partially reflecting healthy growth in tourism prior to September. Reduced interest rates and the stability of the dollar contributed to a 0.9% decline in *Finance and Insurance Services*.

Rate of Growth of Real GDP by Sector (%) 1997-2004

1999 1.3 (1.3) 1.5 3.9	2000 (10.9) (7.0) (17.0) 1.3	2001 5.2 0.2 7.9	(7.0) -		2004 (10.4)
(1.3) 1.5	(7.0) (17.0)	0.2 7.9	-	-	(10.4)
1.5	(17.0)	7.9		l	
			-		
3.9	1.3			`	•
		4.1	-	-	
(1.5)	0.2	2.0	2.3	1.0	4.7
					3.6
(01.)			(0,0)		
(1.3)	(1.7)	3.7	-	-	
11.7	6.7	7.3	-	-	
(0.6)	(2.1)	2.4	•	2.1	1.3
(0.5)	1.3	0.2	0.3	1.2	1.4
4.8	3.3	1.1	4.6	4.8	(0.1)
18.1	11.0	0.6	6.1	5.6	(0.9)
0.2	(0.2)	0.7	0.5	0.0	0.3
2.6	5.5	(2.2)	(0.4)	6.5	4.9
(2.1)	(1.6)	0.2	0.2	-	
(0.8)	0.2	1.1	0.6	1.5	1.9
8.6	8.0	6.3	6.3	2.5	0.7
(0.1)	0.5	0.2			
4.6	4.5	1.4	-	2.4	1.1
21.3	10.0	1.5	5.4	3.1	0.6
(0.4)	0.7	1.7	1.1	2.3	1.2
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Prices

Inflation for 2004 was 13.7%, overshooting the singledigit target of 9% and largely reflecting the downturn in agricultural output in the December quarter. Inflation registered 3.8% for the first half of the year, comparing favourably with the 5.6% figure recorded for the similar period in 2003. However, the damage wrought by Hurricanes Charley and Ivan in the second half of the year resulted in significant increases in the Food and Drink sub-index, contributing to an inflation rate of 9.5% for that period. The second-half outturn was also influenced by strong price movements in Furniture, Housing, Household Supplies and other areas of the Consumer Price Index in the aftermath of Ivan. The Index jumped by 3.3% in October, but prices began to normalise in the following months with the recovery of domestic crop production. From October's high, inflation fell to 2.4% in November and 0.6% in December.

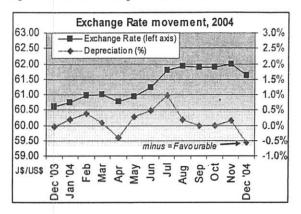
	2004	2003
1st Half (Jan-Jun)	3.8	5.6
2 nd Half (Jul-Dec)	9.5	8.0
Full-Year (Actual)	13.7	14.1
Full-Year (Target)	9.0	9.0

Foreign Exchange Developments

Currency Market: The dollar showed sustained stability during 2004 as improvements in the current account were accompanied by strong inflows from foreign investments and GoJ external debt, resulting in buoyant levels of U.S. dollar liquidity in the year. These factors, along with the healthy position of the Net International Reserve, encouraged a confident outlook for foreign exchange supplies over the medium term, with the result that market demand moved in an orderly fashion for the better part of the year. In this environment, the dollar lost only 1.7% of its value during 2004 with monthly depreciation averaging a minimal 0.14%. In fact, the dollar posted a gain of more than 0.5% against its U.S. counterpart in December to end the year at an average selling rate of

\$61.63, only \$1.00 higher than in December of the previous year. The stability of the local currency helped to militate against imported inflation during the year. This was especially important in the post-Ivan period when domestic inflation came under pressure from the disruption in agricultural output.

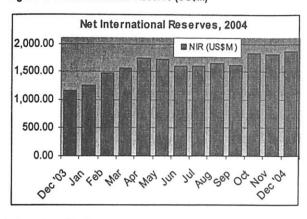
Figure 4: J\$/US\$ Exchange Rate, Dec '03 to '04



NIR and Balance of Payments: The Net International Reserve (NIR) was generally robust during 2004, supported by strong improvements in the country's external liquidity. The current account improved by over US\$64 million largely due to growth in remittances. In the first four months of the year, buoyant inflows from tourism, alumina and remittances allowed for a US\$570-million build-up of the reserve balance which grew steadily from US\$1,164.98 million at the end of 2003 to US\$1,741.62 million in April of 2004 (see Figure 5). In the remaining months, slippages in the current account were offset by robust proceeds from foreign investments and GoJ Eurobonds. As a result, the NIR consistently exceeded the US\$1.5B mark for the last nine months of the year. The reserve grew by an impressive US\$690 million or nearly 60% for the year, with three months of double-digit growth in February, April and October which showed increases of 18%, 11% and 13%, respectively.



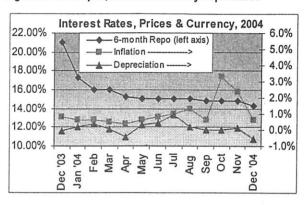
Figure 5: Net International Reserve (US\$M)



Monetary Policy

In 2004, monetary policy was generally geared towards supporting economic growth while maintaining price and currency stability. The BOJ's policy stance could be described as 'watchfully accommodative', as the Bank carried out measured reductions to its repo yields in response to changes in market conditions and the macroeconomic outlook. Favourable prospects, underpinned by a stable currency and improving fiscal situation, allowed the Central Bank to cut interest rates eleven times during 2004. The majority of these rate cuts were made in the early months of the year when the foreign exchange market was receiving generous inflows from the current account. The BOJ therefore did a fairly good job of timing its rate adjustments in accordance with liquidity conditions on the currency market. However, the Bank's actions also had to be targeted toward controlling inflation. Both inflation and currency depreciation remained largely below 1% per month for most of the year, allowing the BOJ to reduce its repo rates significantly in the nine months to September (see Figure 6). Although inflation spiked in October, sustained calm in the currency market as well as positive prospects for price normalisation allowed the Bank to sustain the downward path in interest rates. The 6-month repo was cut by some 270 basis points during 2004, while the 30-day and 360-day instruments fell by 120 basis points and a whopping 750 basis points, respectively.

Figure 6: BOJ Repos, Inflation & Monthly Depreciation



Fiscal Accounts and Debt Management

Government continued its programme of consolidation on the road toward a balanced budget by Fiscal Year 2005/06. For the 2004/05 fiscal year the deficit was \$28.1 billion, some \$6 billion worse than budgeted, largely reflecting the impact of Hurricane Ivan on both revenues and expenditures. Revenues and Grants fell \$2.6 billion below projections due to a significant slippage in Tax receipts. Expenditures exceeded budget by some \$3.5 billion due to a hike in Programme spending which reflected significant outlays for post-hurricane recovery efforts. Despite these challenges, the deficit outturn was a creditable 4.8% of GDP, only 0.3 percentage points outside the revised target of 4.5%. This sent positive signals to investors in the local and international communities concerning the GOJ's commitment to fiscal austerity and the ultimate reduction of the debt burden. Although total debt grew by some \$65.8 billion to \$759.7 billion, the 9.5% rate of growth was slower than the 15.4% increase recorded in the previous fiscal year. Central to the Government's debt management strategy was a reduced reliance on domestic borrowing in favour of lower-yielding external debt. Consequently, external debt increased by some \$34 billion or 12.4%, while domestic debt grew by a somewhat smaller \$31.7 billion or 7.6%. The GOJ successfully tapped the international markets with three major bond issues in April, July and October. This raised US\$125 million, €200 million, and €150 million, respectively.



Tourism

Jamaica's tourism earnings amounted to US\$1,436.6 million during 2004; some 6% higher than that of the previous year as global economic growth was generally supportive of leisure travel. The strengthening of the European and Canadian currencies facilitated growth in those markets by enhancing the purchasing power of visitors from those regions. In addition, healthy economic growth in the US was supportive of American travel, particularly to destinations like Jamaica where the U.S. dollar was still relatively strong. The US remained Jamaica's leading source of stopovers, with 66% of arrivals coming from that country. This, however, represented a reduction from the previous year when 68% of stopovers came from the United States. Total stopovers for 2004 amounted to 1.4 million, nearly 5% higher than in the previous year. This was solely attributable to gains made in the pre-Ivan months as stopovers declined consistently in the September to December period. The number of cruise ship passengers fell by 3% in 2004 to just under 1.1 million. However, the strong growth in stopovers resulted in a 1.3% increase in total visitors.

External Scene

Oil prices remained high in 2004 as demand was driven by a bustling global economy, particularly the high levels of investment activity in China and consumption in the U.S. China imported over 122 tons of crude oil last year, nearly 35% more than in the previous year. The country's oil consumption jumped by a whopping 40% to 6.5 million barrels per day, while U.S. consumption also increased to 20 million barrels per day. The U.S. and China represent the world's largest and fastest growing economies, respectively, and both giants placed a formidable strain on global oil and other commodities in 2004. China alone accounted for one third of the growth in global oil consumption and 90 percent of the increase in global steel demand. At one point in 2004, some 20%

of the world's bulk shipping capacity was tied up in shipments to China, to service that country's booming construction and manufacturing sectors. This contributed to a 300% jump in freight rates and even a shortage of building materials in the United States. Jamaica benefited from the increased construction activities in the U.S., Asia and other regions as the island's alumina earnings climbed by some 16% for the year.

Outlook

The country's major foreign exchange earners, tourism and mining performed creditably for the year, although there have been some slippages in crude bauxite and cruise arrivals relative to the first few months of 2003. These sub-sectors will have to make a strong rebound in order to ensure that 2005 is another growth year for these industries. Tourism prospects remain favourable as a number of Jamaica's markets should continue to experience higher income and purchasing power through economic growth and currency appreciation.

Continued industrial activity in China and the U.S. will sustain buoyant alumina prices on the world market, which will bode well for Jamaica's bauxite/alumina earnings. The ongoing expansion at JAMALCO will also augment the sector's ability to capitalise on the favourable global market conditions. However, the sector will remain vulnerable to adverse weather conditions which could affect both mining and shipping operations, as seen in September 2004 with Hurricane Ivan.

Monetary policy will continue to support the goals of economic growth and fiscal balance, but the BOJ will have to balance these goals against its main objectives of inflation management and currency stability. The Bank will therefore pursue continued reductions in interest rates as conditions allow. However, there may not be much room remaining for rate cuts as the recent decline in domestic agriculture has rendered the 9% inflation target unlikely to be met. In addition, rising global interest rates may erode the yield differential between Jamaica and the international markets •

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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.

Business Council for the Environment (BCE):

Ms. Greta Bogues (Co Chair)

Mr. Milverton Smith (Co Chair)

Mr. Franklin McDonald

Mr. J.J. Bellamy

Mrs. Nicola Gordon Rowe

Ms. Karlene Russell

Mr. Hugh Cresser

Mr. Paul Crawford

Mr. Barry Bonnitto

Mrs. Diana Mcintyre Pike

Dr. David Smith

Mrs. Eleanor Jones

Mrs. Jacqueline Lloyd

Ms. Becky Stockhausen

Mrs. Camille Needham

Mr. Mario Vulinovich

Mrs. Marlene Parker

Ms. Marcia Woon-Choy

Mr. Fitzgerald Guthrie Mr. Stephen Salmon

Mr. Trevor Fearon

The Private Sector Organisation of Jamaica (PSOJ)

Jamaica Manufacturers' Association (JMA)

National Environmental and Planning Agency (NEPA)

Environmental Action Programme (ENACT)

Jamaica Manufacturers' Association (JMA)

Jamaica Institute of Environmental Professionals (JIEP)

Environment Audit for Sustainable Tourism (EAST)

Small Business Association of Jamaica (SBAJ)

Country Style Tourism Network

Country Style Tourism Network

United Nations Development Programme (UNDP)

Environmental Solutions Limited (ESL)

Jamaica Employers Federation (JEF)

American Chamber of Commerce (AMCHAM)

Jamaica Hotel & Tourist Association (JHTA)

Shell Company West Indies Limited (PSOJ)

Jamaica Bankers Association (JBA)

Citibank

HD Hopwood & Company

J. Wray & Nephew Limited

Jamaica Chamber of Commerce (JCC)

The Business Council for the Environment (BCE) is an environmental collaboration of ten Private Sector Organisations and other organisations: The American Chamber of Commerce (AMCHAM), the Jamaica Chamber of Commerce (JCC), the Jamaica Exporters' Association (JEA), the Jamaica Manufacturers Association (JMA), The Private Sector Organisation of Jamaica (PSOJ), Jamaica Bankers' Association (JBA), the Small Businesses Association of Jamaica (SBAJ), the Jamaica Hotel and Tourist Association (JHTA), the Jamaica Employers' Federation (JEF) and the Jamaica Institute of Environmental Professionals (JIEP). The aim of the BCE, launched in 2002, is to facilitate private sector environmental interaction with regulatory agencies; to influence environmental and trade policies and to provide its members with strategic environmental and trade knowledge and skills. The BCE provides a lobby group for policies and programmes which will take account of the specific interests of the private sector while encouraging businesses to become more environmentally conscious. The BCE completed its second year of operation in May 2004.

In the early part of 2004 the BCE continued to gain a marked measure of support and recognition from members of the business community, the government and civil society as the credible private sector voice on sustainable development in light of its continued advocacy and training. A number of local and regional organisations have



requested collaboration with the Council, as well as invited the Council to participate in several activities, including stakeholder consultations, environmental training, seminars and workshops of varying natures.

Since its inception, the BCE has operated through an operating agreement between the Private Sector Organisation of Jamaica and the ENACT programme, administered by the Canadian International Development Agency (CIDA). This programme and funding therein came to an end close to the end of 2004. The BCE has, therefore, placed the identification of alternate sources of funding on the agenda to ensure the longevity of some of its projects.

Subsequent to its activities throughout 2003, the BCE continued its work in 2004 on specific areas such as the Container Recovery Programme, in consultation with the Ministry of Land and Environment and relevant agencies and businesses.

As part of its lobbying and advocacy activities, the BCE submitted comments and recommendations on the Trade Effluent and Sludge regulations to the National Environmental and Planning Agency (NEPA), forming part of discussions at final consultations on the Trade Effluent and Sludge Regulations in February 2004.

In February 2004 also, a decision was taken by the Committee to issue monthly environmental bulletins on environmental issues for members of the private sector in order to sensitise them to issues of sustainable development and the impact of trade and business practices on the environment. Other activities included the development of an e-waste initiative where several private sector companies such as Cable & Wireless, Tropical Battery and Digicel were identified to champion the initiative.

Throughout the year, the BCE enjoyed fruitful partnerships with various public and private sector agencies such as the National Environmental and Planning Agency (NEPA), the Jamaica Conservation and Development Trust (JCDT) among others. Several workshops were held by the BCE to bring firms and other commercial interests throughout Jamaica up to the mark on environmental standards, sustainability, sustainable development and trade related environmental issues.

In early June 2004, the BCE, in conjunction with the Jamaica Institute of Environmental Professionals (JIEP), partnered with the Jamaica Conservation and Development Trust (JCDT) to host a two-day Business and Environment Seminar as part of the Green Expo 2004 within the context of National Environmental Awareness Week. Part of the focus of this seminar series was looking at ways for businesses to save money through proper environmental management. By advising businesses on the merits of adopting environmentally safe and sustainable business practices, this will in the short run ensure competitiveness, and in the long run ensure the viability of their product and business.

Despite its accomplishments and active agenda in early to middle 2004, unfortunately, the BCE has not achieved the successes envisioned, particularly in the latter part of 2004. It is hoped that 2005 will see a renewed thrust to revamp and reposition the work of the BCE

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Corporate Governance:

Mr. Alastair Macbeath (Chair)

Mr. Garth Kiddoe

Mr. Patrick Smith

Ms. Greta Bogues

Ms. Suzanne Goldson

Mr. Michael Muirhead

Mr. Christopher Bovell

Mr. Stephen Johnson

Professor Gordon Shirley

Professor Celia D. C. Christie Mr. Earl Moore

Mr. Clarence Clarke/Velma Sharpe

Ms. Sandra Shirley

Mrs. Tracy Campbell

Mondial

Institute of Chartered Accountants of Ja.

Carreras Group of Companies

PSOJ

Faculty of Law, UWI

National Commercial Bank Ja. Ltd.

Grace, Kennedy & Co. Ltd. (Corporate Governance Committee)

Red Stripe

Dept. of Management Studies, UWI

Dept. of Paediatrics, UWI

Guardian Life Limited

Jamaica Manufacturers Association Jamaica Chamber of Commerce

PriceWaterhouseCoopers

The Corporate Governance Committee was formed in October 2001, with the main objectives being to promote and build awareness of Corporate Governance principles for businesses through training and educational programmes and to establish principles that will facilitate best business practices and behaviour in the private sector.

Mr. Alastair Macbeath chairs this Committee, which comprises corporate leaders, personnel from financial regulatory bodies, members of the legal fraternity and academia, thus affording the Committee the expertise to address all aspects of corporate governance with confidence and efficiency.

During the two-year period, the Committee has forged working relationships with the Financial Services Commission and the Jamaica Stock Exchange. A Corporate Governance webpage has been established on the PSOJ website, which provides links to other corporate governance sites and a listing of certified directors and trainers within the region.

In collaboration with the Commonwealth Association for Corporate Governance (CACG), the PSOJ has successfully hosted a series of "Effective Corporate Governance" certification seminars since 2003. Forty-five directors and five trainers have been certified in the region to date. In 2004, of successful two-day regional seminars were held, geared towards informing and promoting corporate governance principles for Directors, Chairmen and Directors of Financial Institutions. The main objective of this programme was to increase board member's awareness of corporate governance principles and how these contribute to the overall success of the organisation.

The Chief Executive Officer of the PSOJ, Greta Bogues, attended the annual conferences on Corporate Governance hosted by the (CACG) in 2003 and 2004, where she presented a Country Report on the status of Corporate Governance in Jamaica. In 2004, she also attended a seminar for chief executive officers in Singapore which addressed strategies and policies to improve efficiency.

The Corporate Governance Committee has been heavily involved in discussions on mobilizing the Caribbean Corporate Governance Task Force in light of the CARICOM Single Market and Economy (CSME) and the increasing



importance of corporate governance for investors. During 2004, committee members traveled to St. Kitts to participate in the discussions of the Task Force regarding the establishment of a regional corporate governance code.

A major milestone was the development of a draft national Corporate Governance Code in March 2004, which was circulated to, reviewed and commented on by the PSOJ Executive and Council as well as the various regulatory bodies. The committee also spent a considerable amount of time reviewing documents submitted by the various stakeholders which might have an impact on the PSOJ draft Corporate Governance Code. These include the Public Management and Accountability Act as well as the Discussion Document for Audit Committees. It is expected that the input received from the various stakeholders will facilitate the preparation of the final draft code

Output

Description

Desc



Participants of the Corporate Governance Certification Programme, held in Ocho Rios – April 28 to May 04, 2003



Economic Policy Committee (EPC)

Mr. Colin Steele (Chair)

Mr. Chris Bicknell

Consultant

Tank-Weld Metals

Miss Greta Bogues PSOJ

Mr. Richard Chen Super Plus Foods

Dr. Nigel Clarke

Mr. Keith Collister

Ms. Dena Davis

Caribbean Equity Partners

George & Branday Limited

Life & General Insurance Brokers

Ms. Monique Ffrench Citibank Jamaica Mr. Mark Golding (Attorney-at-law)

Mr. David Hall Digicel

Dr. Wesley Hughes Planning Institute Of Jamaica

Ms. Muna Issa SuperClubs

Dr. Damien King University of the West Indies

Mrs. Audrey Marks-Dunstan Paymaster Limited

Mr. Michael McMorris JAMPRO Mrs. Marlene Parker PSOJ

Mr. Simon Roberts
National Processors Ltd.
Mr. Paul Scott
National Processors Ltd.

Mr. William Tatham Cruise Shipping & Marina Operations
Mr. Don Wehby Grace, Kennedy & Company Ltd.

Mr. Robert Wynter Growth Facilitators

Highlights:

For the two-year period 2003-2004, the EPC continued to provide informed analyses to guide public policy in areas such as tax reform, fiscal rationalization and general macroeconomic policy. Some of the major highlights of the period were the hosting of the Annual Economic Seminar and birth of the Partnership for Progress in 2003, as well as the Committee's involvement in the tax reform process in 2004.

The Annual Economic Seminar was held on May 21, 2003 under the theme 'Is There A Silver Lining Behind The Clouds?' The Seminar focused on the country's fiscal situation and examined the parallels between Jamaica's experience and that of Ireland, in order to gain useful insights to guide Jamaica's efforts at achieving sustainable growth. The keynote speaker, Finance & Planning Minister Dr. Omar Davies, gave a review of the 2003/04 fiscal budget and emphasized the Government's commitment to a 5-6% deficit target despite the currency depreciation and other challenges facing the economy at that time. In May of 2004, the Committee participated in a Jamaica Chamber of Commerce post-Budget seminar on the Implications of the Budget for Businesses. The Committee also reviewed the Government's performance for the last fiscal year and examined the feasibility of the 2004/05 budget.

The Partnership for Progress was a major agenda item over the two-year period, as the Committee made critical recommendations in a number of social and economic areas such as monetary policy, education and national security. Notably, members were involved in negotiations leading to:

- (1) Government's commitment to establishing a monetary policy committee, and
- (2) Agreement for reallocation of resources from tertiary to early childhood education.



The Partnership was born out of insights gained from a trip to Ireland by a team of EPC members and other private and public sector representatives, who had visited that country to learn of various changes that had been integral to the country's economic transformation. The members reported that the trip was a success and highlighted the national consensus, maturity of leadership and resulting Social Partnership which had facilitated the turnaround in the Irish economy.

The EPC continued to generate valuable economic information and analyses for PSOJ members and other private sector entities through the publication of the Economic Bulletin as well as other periodic updates on the economy. The Committee also encouraged fiscal responsibility through regular reporting and analysis of the fiscal performance, while also raising the level of awareness within the PSOJ concerning topical economic developments. This was done through a number of presentations in areas such as:

- (1) Foreign Direct Investment
- (2) The 'Seven Habits of Successful Economies', and
- (3) 'If We Do Nothing' a 'what-if' analysis of Jamaica's debt and deficit situation.

The EPC also articulated the PSOJ's position on matters of economic policy through the Economic Bulletin as well as the electronic media.

The Committee continued to monitor the macroeconomic indicators on an ongoing basis to assess the country's position with respect to its targets. In this vein, members regularly examined developments in inflation, the Balance of Payments, GDP, and output of key sectors. The Committee also gave strong support to the fiscal rationalization effort, through recommendations in areas such as tax reform and budgetary support for state entities.

PSOJ/Cable & Wireless Job Creation Awards

A Job Creation Awards sub-committee of the Economic Policy Committee, launched the PSOJ/Cable & Wireless Job Creation Awards in January 2002. This programme recognizes companies which had created at least twenty-five new jobs in the previous six months. In July 2002, a *Small Business Job Creation Award* was added, to be presented to small business entities, which had created at least five new jobs in the past six months. The first phase of these awards culminated in January 2003, with awards presented to forty-two (42) companies and eight (8) small business awardees.

The Job Creation Awards Phase 2 (2003-2004) presented awards to thirty-two (32) companies, as well as sixteen (16) small business awards.

The Job Creation Awards Phase 3 (2004-2005) presented awards to nineteen (19) companies, as well as fifteen (15) small business awards.

Starting in March 2004, awards were presented to companies which had been providing employment for a period surpassing seventy (70) years, with eight (8) 70+ Job Creation Awards presented during 2004. This new award has emphasized Cable & Wireless' support for the business sector, not only in the area of job creation, but also in job retention



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Education Committee:

Mrs. Marie Hitchins (Chair)

Dr. Ben Henry Mr. Mark Hosana

Ms. Melverine Hemmings

Miss Greta Bogues

Mrs. Shelia Garcia-Bisnott

Mr. Linton Smith Mr. Balford Henry

Mrs. Jem Woolery-Davis

Dr. Lloyd Eubank-Green

Mrs. Alethea Wint

Mrs. Doreen Muir-Faulkner

Ms. Brigette McDonald-Levy

Fabric Consultants Limited

Sandals Resorts International Ltd.

HiLo Food Stores Jamaica Ltd.

Red Stripe

PSOJ

MRC Learning Centre

Profitable Corporate Solutions

The Gleaner Company Ltd.

Consultant

Lloyd Eubank-Green & Associates

Digicel

Private Consultant

Consultant

Task Force on Educational Reform

The committee participated in discussions on the Task Force on Educational Reform, through Marie Hitchins, who represented the PSOJ. Mrs. Hitchins was able to get feedback from the Committee as well as the wider membership of the PSOJ and presented these in the discussions with the Task Force. The Report of the Task Force on Educational Reform — Jamaica has been completed and can be found on the Ministry of Education Website, as well as the PSOJ website. A formal press release was also issued by the PSOJ in support of this reform.

Jamaica Social Policy Evaluation Project (JASPEV)

JASPEV is currently designing a Parenting Prototype for Jamaica which is intended to support the emotional and educational well being of Jamaican children. Mr. Linton Smith of the Education Committee represents the PSOJ on the design of a Parenting Prototype. The work is on-going and is a very important policy initiative.

Mentorship Programme

The Mentorship Sub-committee, a voluntary consultancy effort, was set up to help to improve the quality and standard of education in Jamaica. This initiative promotes the transfer of managerial and leadership skills from successful members of the private sector to senior administrators in Junior High and High Schools with a view to enhancing the operations and output of those institutions. The Project seeks to pair a manager from the private sector with a Principal and his/her team in a selected school and to add value to the planning and implementation of activities. Through this partnership, it is also expected that evaluation methods, as well as plan fro development and remedial activities will be enhanced. It has suffered somewhat due to inadequate resources to manage the program from a single location. Members are invited to provide office space and/or personnel to support this programme.

National Council on Education and School Boards

One of the important recommendations made by the Task Force is the discontinuance of Members of Parliament nominating Board Chairpersons for Primary Schools. Boards of Primary Schools are generally the weakest in the school system. If the recommendations of the Task Force are implemented, the National Council of Education, which recommends possible board members for schools to the Minister, will be seeking volunteers to sit on the boards of primary schools. The education committee



intends to encourage the PSOJ membership to provide some incentive for interested members of their staff to participate in nation building and education through this initiative.

The Early Childhood Commission

In January 2005, the Early Childhood Act was passed in Parliament and was well received by both sides of the house. It has since been forwarded to the Senate. This legislation will provide the commission with the legislative framework from which to begin implementation standards and registration of early childhood institutions.

Education Regulations and Code

The work on this document continues and has become even more meaningful as some of the recommendations made by the Task Force will require legislative amendment, and naturally the PSOJ will want to have some input in this process

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Energy Committee:

Mr. Mario Vulinovich (Chair)

Mr. Bunny Hobbins (Vice Chair)

Mr. Brian McFarlane

Mr. Michael Chen

Mr. Imtiaz Rahaman

Mr. Alwyn Brown Mr. Winston Watson

Mr. Blair Gonzales

Ms. Norma Russell

Mr. Roy d'Cambre

The Shell Company of the W.I. Ltd.

Unipet Jamaica Ltd.

Esso Standard Oil S.A. Ltd.

Texaco Caribbean Inc.

Industrial Gases Limited

PETCOM

Petroiam Ltd.

Cool Oasis

Jampet Services

National Fuels

In 2004, Total Jamaica Limited joined the PSOJ Energy Committee.

During the year, the Committee continued its efforts to promote acceptable standards with a view to ensuring a modern, safe and environmentally sound Petroleum Industry. The Committee has participated with Government Ministries and Agencies in the development and advancement of programmes to achieve these objectives, whilst improving the standard of service to the public.

The Annual Industry Safety Awards Programme which is organized by the Committee, in collaboration with the Ministry of Commerce, Science & Technology, continues to have a positive effect on the industry. PETCOM received the award to the "Most Safety Aware Marketing Company" in 2004.

We expect that the Code which will guide the relationship between Marketing Companies and their dealers will be finalized in 2005. This will provide in clear and unambiguous terms, the responsibilities and obligations of each party as it relates to the issues of Health, Safety, Security, Environment and Technical Standards. It will also provide for contracts between the parties to contain clauses to ensure best commercial practice and best service. It is important to note that a Fair Trade Commission study, commissioned by the Ministry of Commerce, Science and Technology to investigate the operations of the Marketing Companies found that they were functioning at acceptable standards that there was very keen competition in the industry.

Mario Vulinovich's term as Chairman expired in late 2004, and the Energy Committee thanks him for his leadership and valuable contribution during 2003 and 2004.

The Chairman of United Petroleum (Ja.) Ltd., Mr. A. D. Hobbins, was elected as the new Chairman of this Committee, and Texaco's Country Representative, Mr. Michael Chen as the Deputy Chairman, in late 2004■



Information Technology Committee (ITC):

Mr. Maurice McNaughton (Chair)

Jamaica Public Service Co. Ltd.

Mr. Ian Neita (Vice Chair)

Jamaica Public Service Co. Ltd.

Cable & Wireless (Ja.) Itd.

Mr. David Hall Digicel

Mr. Dobby Spencer

Ms. Sharon Colquhoun

Mr. Dale Lurch

Cable & Wireless (Ja.) Ltd.

Bank of Nova Scotia Jamaica Ltd.

Lascelles Demercado & Co. Ltd.

Mr. Claude Duncan IBM
Ms. Myrline Hamilton Red Stripe
Mr. Neil Grant Illuminat Ltd

Mr. Michael duQuesnay Central Information Technology Office (CITO)

Mr. Mervyn Eyre Fujitsu Ja. Ltd.

Mr. Courtland Soares Advanced Digital Services Ltd. (ADS)

Mr. Andrew Pairman

Mr. Christopher Mills

Mr. Wendell Smith

Mr. Waurice Marston

Anbell Agencies Ltd.

Chrysalis Communications

Jamaica National Building Society

Oceanic Digital Jamaica Ltd.

Mr. Gregory Stewart Microsoft Ja. Inc.
Mr. Colin Webster Digital Transtec Ltd.
Mr. Richard Humphreys Grace, Kennedy & Co. Ltd.
Mr. Robert Richards LAN Integrators Ltd.
Mr. Nicholas Browne GTECH Corporation

The PSOJ 's Information and Communications Technology (ICT) Committee was convened in 2004, driven by the perceived need to ensure that the private sector has a focused voice and input on Information and Communications Technology issues of national interest, and to enhance the dialogue and interaction between the government and private sector on issues affecting the ICT sector. The committee has a standing membership of twenty persons comprised of senior IT officers and senior executives from a broad cross-section of the industry including telecommunications, internet service providers, computer vendors, utilities and the financial sector. Mr. Maurice McNaughton, Director of Information Systems, JPSCo, was elected first Chair of the Committee.

The efforts of the committee were initially focused through a number of sub-committees in four major areas: Industry Liaison: to focus on establishing and managing meaningful relationships with the key stakeholders in the ICT sector

Legislation & Regulations: to review and provide input to emerging Legislation & Regulations affecting the ICT sector

Education: to participate in various initiatives geared at improving ICT educational development and skills training

National Strategy: to support and provide a private sector perspective and input to the development of the National IT Strategy

Telecommunications: to address the policies and related issues affecting the telecommunications sector

Among it's early initiatives, the committee established good rapport and dialogue with a number of other key stakeholders in the ICT sector including IDB/GOJ project, under the Ministry of Commerce, Science & Technology, JAMPRO and CITO. However, throughout the year, constraints on individual's availability and



time, and the lack of committed membership and participation, resulted in the committee being less than effective in pursuing it's initial self-designated mandate. In an effort to maintain its focus and relevance, a decision was taken, towards the end of the year, to reduce the size of the group by identifying a smaller core group of members to meet monthly. Nonetheless, a wider fringe membership would be maintained that could meet less frequently and be used largely for consultation, thus ensuring broad-based sector representation.

The committee's efforts have since then been focused on two major areas of interest:

- 1. Universal Broadband Access. The committee will be developing a position paper on broadband strategy and the issue of the proposed Telecom's cess for funding broadband universal access. In this regard, the chair has been participating in a forum convened by Minister Phillip Paulwell, along with other interest groups drawn from the MCST, CITO, the OUR, Broadcast Commission and Spectrum Management Authority.
- 2. National IT Strategy: The committee would continue to support and provide meaningful input to the efforts being spearheaded by member, Mike DuQuesnay and CITO, in the redevelopment of the National IT Strategy.

In relation to broadband, the committee hosted a visit at its November meeting, with a team from the USAID, led by Mr. Juan Belt, Director for the Office of Energy and Information Technology in the USAID, to explore funding opportunities for "last mile" infrastructure development initiatives. The committee will be giving due consideration to the possibility of formulating a collaborative private-sector led venture to exploit this opportunity. It was agreed that the committee would carry this focus into the new year and would initiate early efforts to meet with Minister Paulwell as a means of framing the dialogue on broadband initiatives.



ERNST & YOUNG

THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

of Frast & Young Services Ltd.

Index to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

FINANCIAL STATEMENTS

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ints of meome; changes in equity and cash flows for the year dath category and december 200 file Private Sector Organisation of Jamaica (the "Organisation") as of 34 December 200 related statements of income, changes in equity and each flows for the year then ended, a	Page
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■ Ernst & Young Services Ltd. 8 Olivier Road, Kingston 8 Jamaica ■ Phone: (876) 925-2501 Fax: (876) 755-0413

INDEPENDENT AUDITORS' REPORT

To the Members of the Private Sector Organisation of Jamaica and its Subsidiary

We have audited the accompanying consolidated balance sheet of The Private Sector Organisation of Jamaica and its Subsidiary (the "Group") as of 31 December 2004 and the related consolidated statements of income, changes in equity and cash flows for the year then ended, and the balance sheet of the Private Sector Organisation of Jamaica (the "Organisation") as of 31 December 2004 and the related statements of income, changes in equity and cash flows for the year then ended, as set out on pages 2 to 27, and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the previous year were audited by another independent auditor whose report, dated 10 November 2004, expressed an unqualified opinion thereon.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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 the Group's and the Organisation's affairs as at 31 December 2004 and of the results of operations, changes in equity and cash flows for the Group and the Organisation for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.

Chartered Accountants Kingston, Jamaica

Grat & young

11 August 2005

THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Consolidated Balance Sheet As at 31 December 2004 (Expressed in Jamaican Dollars)

		AND DESCRIPTION OF THE PERSON		
ASSETS		Notes	2004 \$'000	2003 \$'000
Non-current assets Property, plant and eq Discount on issue of of Premium on redemption Investments Deferred tax asset	lebentures	3 4 5 6 21	10,998 - 28 4 1,942	9,880 6 35 338 1,062
9276			12,972	11,321
Current assets Receivables and prepa Tax recoverable Cash and cash equival	31.5 (3.1)	7	1,214 1,621 15,409	2,724 1,270 7,650
TOTAL ASSETS			18,244 31,216	11,644
		, Mi	eien	Name and Association of the

The accompanying notes form an integral part of these financial statements.

THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Consolidated Balance Sheet As at 31 December 2004 (Expressed in Jamaican Dollars)

	905	Notes	2004 \$'000	2003 \$'000
EQUITY AND LIABI	LITIES			Non-colvent assured as
Share capital			多外面的特色163	
Capital reserve		9	11,166	9,862
Fair value reserve			(36)	(35)
Accumulated losses			(1,863)	(601)
			9,267	9,226
Non-current liabilities				CHEROSE SERVES
Special project funds	Mall	10	10,108	721
Long-term liabilities		13	616	788
Finance lease obligation	ns	12	168	700
			10,892	1,509
Current liabilities				150000 UAUST
Payables and accruals		14	5,560	6,213
Subscriptions received	in advance		5,282	6,017
Current portion of finar		12	215	-
			Section and the second	A STATE OF THE PARTY OF THE PAR
			11,057	12,230
TOTAL EQUITY AN	D LIABILITIES		31,216	22,965

The accompanying notes form an integral part of these financial statements.

On 11 August, the Board of Directors authorised these financial statements for issue.

Beverley Lopez Director

Don Wehby

Director

Consolidated Statement of Income Year ended 31 December 2004 (Expressed in Jamaican Dollars)

Revenue 20072	Fair value reserve \$'000	Notes	2004 \$'000	2003 \$'000
Subscriptions and contribu Other income	tions	\$208,0 15	12,186 8,872	11,439 9,829
Administrative expenses	(I)		21,058 (24,598)	21,268 (22,268)
Operating loss			(3,540)	(1,000)
Finance cost, net		16	1,398	994
Loss before taxation Taxation		17	(2,142)	(6)
Net (loss) profit for the ye	or	21	880	166
2.00 (1000) profit for the ye	ai		(1,262)	160

Consolidated Statement of Changes in Equity Year ended 31 December 2004 (Expressed in Jamaican Dollars)

	Capital reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2003	9,862	(34)	(761)	9,067
Fair value adjustment - investments	<u>-</u>	(1)	an a memory and	(1)
Net profit for the year	-	-	160	160
Balance at 31st December 2003	9,862	(35)	(601)	9,226
Fair value adjustment - investments	-	(1)	mateure	(1)
Net loss for the year	<u>-</u>	-	(1,262)	(1,262)
Debenture debt forgiveness	172	-	over the state of	172
Cash donations received to purchase capital equipment	1,132	-		1,132
Balance at 31 December 2004	11,166	(36)	(1,863)	9,267

Consolidated Statement of Cash Flows Year ended 31 December 2004 (Expressed in Jamaican Dollars)

0.0064			
0\$9°L	604,21	lents at the end of the year	Cash and cash equiva
\$98°\$ \$84°I	0\$9'L 6\$L'L	and eash equivalents the beginning of the year	Net increase in cash s Cash and cash equiva
(4,305)	215,01	(used in) financing activities	Net eash provided by
(\$0£,4)	785,6 785,6 (402)	ed to purchase capital equipment	Cash flows from fina Cash donations receive Special project funds Repayment of finance
1,742	(802,1)	ovided by investing activities	Net cash (used in) pr
3,168 (3,426)	(145,1)	restments	Cash flows from inverseds of sale in inverseds of property, Purchase of property,
875,4	(846,1)	vided by operating activities	Net cash (used in) pro
2,160	(SEZ) (SEZ)	payables and accruals aubscriptions received in advance	(Decrease) increase in
04Z) 070	1,510	es and prepayments	Decrease in taxation re Increase in taxation re
588	(811,1)	working capital components:	Changes in non-cash
L 6 5L8	110,1	unt on issue of debentures ium on redemption of debentures	Depreciation Amortisation of disco
(9)	(2,142)		Loss before taxation Adjustments for:
		sating activities	Cash flows from ope
\$,000	\$,000 \$004		

Organisation Balance Sheet Year ended 31 December 2004 (Expressed in Jamaican Dollars)

ASSETS	Notes	2004 \$'000	2003 \$'000
Non-current assets			
Property, plant and equipme	ent 3	9,111	7,929
Investments	6	4	338
Investment in Subsidiary		65	65
Deferred tax asset	21	1,691	841
		10,871	9,173
Current assets			
Receivables and prepayment	ts 7	1,214	2,724
Taxation recoverable		1,607	1,257
Cash and cash equivalents	8 16 16 18	15,402	7,643
		18,223	11,624
TOTAL ASSETS		29,094	20,797

Organisation Balance Sheet Year ended 31 December 2004 (Expressed in Jamaican Dollars)

		Notes	2004 \$'000	2003 \$'000
EQUITY AND LIABII	LITIES			
Equity			koododataaa f	Subscriptions an
Capital reserve Fair value reserve		9	9,611	8,479
Accumulated losses			(36) (2,032)	(35) (844)
7 toodiffulation 105505			(2,032)	(044)
			7,543	7,600
(*86)				$\underline{-\mathrm{sad}_{\mathrm{Suthering}}}(Y)$
Non-current liabilities		10	10.100	
Special project funds Due to Subsidiary		10	10,108 613	721
Finance lease obligation	S	112	168	587
			10,889	1,308
Current liabilities Payables and accruals		14	F 165	F 970
Subscriptions received in	n advance	14	5,165 5,282	5,872 6,017
Current portion of finance		12	215	0,017
			10,662	11,889
TOTAL FOLLTWANT	A LIADII ITIES		20.004	20.505
TOTAL EQUITY ANI	LIABILITIES		29,094	20,797

The accompanying notes form an integral part of these financial statements.

On 11 August 2005, the Board of Directors authorised these financial statements for issue.

Beverley Lopez Director Don Wehby Director

Organisation Statement of Income Year ended 31 December 2004 (Expressed in Jamaican Dollars)

	Notes	2004 \$'000	2003 \$'000
Revenue Subscriptions and contributions Other income	15	12,186	11,439
Administrative expenses	13	23,446	23,656
Operating loss		(3,436)	(965)
Finance cost, net	16	1,398	994
(Loss) profit before taxation	17	(2,038)	29
Taxation	21	850	159
Net (loss) profit for the year		(1,188)	188

Organisation Statement of Changes in Equity Year ended 31 December 2004 (Expressed in Jamaican Dollars)

		Capital reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January	2003	8,479	(34)	(1,032)	7,413
Fair value adjustment	- investments	somenogina	(1)	ow desp-note in	(1)
Net profit for the year		a le m	Krantreji qabo ibiti oldu zava osov hars vedebilari	188	188
Balance at 31st Dece	mber 2003	8,479	(35)	(844)	7,600
Fair value adjustment	- investments	(-1)	(1)	o regió balens	(1)
Net loss for the year			ing armittes timents	(1,188)	(1,188)
Cash donations receive capital equipment	ed to purchase	1,132	interval yd bei	nvom (ni basi	1,132
Balance at 31 December (2018,46)	ber 2004	9,611	(36)	(2,032)	7,543

Organisation Statement of Cash Flows Year ended 31 December 2004 (Expressed in Jamaican Dollars)

Notes	2004	2003
	\$'000	\$'000
Cash flows from operating activities (Loss) profit for the year Adjustment for:	(2,038)	29
Depreciation	946	809
Changes in non-cash working capital components:	(1,092)	838
Decrease in receivables and prepayments Increase in taxation recoverable (Decrease) increase in payables and accruals (Decrease) increase in subscriptions received in advance Increase in due to Subsidiary	1,510 (350) (707) (735) 26	270 (292) 2,136 1,323 72
Cash generated from operating activities	(1,348)	4,347
Cash flows from investing activities Proceeds of sale of investments Purchase of property, plant and equipment	333 (1,541)	3,168 (1,426)
Net cash (used in) provided by investing activities	(1,208)	1,742
Cash flows from financing activities Cash donations received to purchase capital equipment Special project funds Repayment of finance lease obligations	1,132 9,387 (204)	(4,305)
Net cash provided by (used in) financing activities	10,315	(4,305)
Increase in cash and cash equivalents	7,759	1,784
Cash and cash equivalents at the beginning of the year	7,643	5,859
Cash and cash equivalents at the end of the year	15,402	7,643

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

1. Corporate information

The Private Sector Organisation of Jamaica ("the Organisation") and its wholly owned Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited, are incorporated under the laws of Jamaica. The Organisation is limited by guarantee and does not have a share capital. The liability of each member, in the event of a winding up, is limited to \$2.

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

By order of the Minister of Production, Mining and Commerce, on the 9th December 1992, the Organisation was authorised under Section 20 of the Companies Act to omit the word "Limited" from its name.

The registered office of the Organisation is located at 39 Hope Road, Kingston 10.

2. Significant accounting policies

The most significant policies are summarised below:

a] Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are prepared under the historical cost convention.

b] Basis of consolidation

These financial statements present the results of operations and financial position of the Organisation and its wholly owned Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited ("the Group").

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

c) Property, plant and equipment
Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment in value.

Depreciation is provided on property, plant and equipment at rates calculated to write off their cost on the straight-line basis over the period of their expected useful lives. Useful lives applied in these financial statements are:

Freehold building
Furniture, fixtures and equipment

40 years 10 years

Land is not depreciated.

d) Foreign currency translation

Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the balance sheet date. Non-monetary assets and liabilities and transactions denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transaction. Exchange differences on foreign currency translations are recognised in the statement of income. Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

e) Investments

Investments are classified as available for sale securities and originated loans. Management determines the appropriate classification of investments at the time of purchase and re-evaluates such designation on a periodic basis.

Available for sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates or market prices. These investments are initially recognised at cost, which includes transaction cost and subsequently remeasured at fair value, based on quoted bid prices or amounts derived from cash flow models. Unrealised gains and losses arising from changes in fair value of available for sale securities are recognised in equity. When the securities are disposed of or impaired, the related accumulated unrealised gains or losses included in equity are transferred to the statement of income.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

e) Investments (continued)

Investments held under repurchase agreements are classified as originated loans. They are initially recorded at cost which is the cash given to originate the debt including any transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

f) Financial instruments

Financial instruments carried on the balance sheet include investments, cash and cash equivalents, short-term deposits, receivables, long-term liabilities, related company balances and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Group's and the Organisation's financial instruments are discussed in Note 22.

g) Employee benefits

The Group has a defined contribution pension scheme for all permanent employees, which is managed by an outside agency. The Group's liability is limited to its contributions which are accounted for on the accrual basis and charged to the statement of income account in the period to which they relate.

h) Revenue recognition

Subscriptions are recognised when received.

Rental and interest income are recognised as they are accrued unless collectability is in doubt.

i) Accounts receivable and payables

Accounts receivable are carried at anticipated realisable value. A provision is made for doubtful receivables based on a review of outstanding amounts at the year end.

Accounts payable which are normally settled on 30 to 90 days terms are recorded at amounts representing the fair value of the consideration to be paid in the future for goods and services received by the balance sheet date, whether or not billed.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and deposits held with financial institutions with maturity dates of less than three months.

k) Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Comparative information

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

m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an out-flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

n) Special project funds

Funds designated for special projects are credited to a Special Project Funds Account. Approved project expenses are charged against these funds.

o) Capital donations

Donations of property, plant and equipment are valued at cost at the time of receipt and are credited to capital reserve.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

p) Taxation

Taxation charge for the current year is based on the results for the year as adjusted for items, which are non-assessable or disallowed. The taxation charge is calculated using the tax rate in effect at the balance sheet date.

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

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THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

3. Property, plant and equipment

Property, plant and equipment consist of the following:

The Group

	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvements \$'000	Furniture and equipment \$'000	Total \$'000
Cost 1 January 2004 Additions	389	2,625	3,444 720	7,678 1,408	14,136 2,128
31 December 2004	389	2,625	4,164	9,086	16,264
Accumulated depreciation 1 January 2004 Charge for the year	Single State of State	1,062	111 86	3,082 860	4,255 1,011
31 December 2004		1,127	197	3,942	5,266
Net book value 31 December 2004	389	1,498	3,967	5,144	10,998
31 December 2003	389	1,562	3,333	4,596	9,880

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

3. Property, plant and equipment, (continued)

Property, plant and equipment consist of the following:

The Organisation

		Furniture	
	Leasehold	and	
	improvements	equipment	Total
	\$'000	\$'000	\$'000
Cost			
1 January 2004	3,444	7,528	10,972
Additions	720	1,408	2,128
31 December 2004	4,164	8,936	13,100
Accumulated depreciation			10
1 January 2004	sessong 111	2,932	3,043
Charge for the year	86	860	946
	1890.1 E3tBI		
31 December 2004	197	3,792	3,989
		released also	1
Net book value			
31 December 2004	3,967	5,144	9,111
			,,111
31 December 2003	3,333	4,596	7 020
	3,333	4,390	7,929

Items of equipment amounting to \$587,000 for the Group and the Organisation were acquired during the year under a finance lease (Note 12).

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

4. Discount on issue of debentures

This represents the discount on the issue of the first mortgage debenture stock, being amortised on the straight line basis at 5% per annum.

5. Premium on redemption of debentures

This represents the premium on redemption of the second mortgage debenture stock, being amortised on the straight line basis at 5% per annum.

6. Investments

Investments consist of the following:

	Gr	Group		isation
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Originated Issues				
Originated loans: Investments held under repurchase				
agreements:				
Government of Jamaica Local				
Registered Stock		333		333
Market State of the State of th		555		555
Available for sale:				
Quoted stocks - Ciboney Group Limited	4	5	4	5
	4	338	4	338

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

7. Receivables and prepayments

Receivables and prepayments consist of the following:

	Gi	roup	Organ	nisation
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Receivables	956	2,407	956	2,407
Prepayments	258	317	258	317
	1,214	2,724	1,214	2,724

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group		Organisation		
	2004	2003	2004	2003	
	\$'000	\$'000	\$'000	\$'000	
Short-term investments	13,419	5,388	13,419	5,388	
Cash at bank	1,990	2,262	1,983	2,255	
	15,409	7,650	15,402	7,643	

9. Capital reserve

Capital reserve consists of the following:

	Group Group		Organ	isation
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Capital grants Gain on sale of investments Debenture loan forgiveness	8,077 2,917 172	6,945 2,917	6,694 2,917	5,562 2,917
	11,166	9,862	9,611	8,479

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

10. Special project funds

Special project funds consist of the following:

		Group and Organisatio		tion
		2004		2003
		\$'000		\$'000
G. Arthur Brown So		201		241
Innercity Communi				207
Project - Enact Pro				(99)
VMBS Better Life	The state of the s			(324)
Public Awareness F	und	60		60
CIDA Fund		etmischup d		303
Legislative Action	Fund	215		215
Environmental Proj	ect	118		118
IT Committee Fund		20		_
Partnership for Prog	gress Fund	190		_
Think Tank Fund	2008	2,000		_
Other		7,304		-
			ver mas-tis-12	
		10,108		721

The special project funds are represented by cash and cash equivalents.

11. Due to Subsidiary

This represents amounts due to the Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited. There are no repayment terms and the amounts are interest free and unsecured.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

12. Finance lease obligations

The Organisation's obligations under finance lease in respect of a fax machine and photocopy machine have been recorded at amounts equal to the present value of future lease payments using interest rates implicit in the lease (Note 3). Future payments under this lease are as follows:

	Group and Organisation 2004 20		
	\$'000	2003 \$'000	
2005 2006	451	fievet k	
Total minimum lease payments Future finance charges	526 (143)	-	
Present value of minimum lease payments	383	Almorit .	
Current portion	(215)	505A	
	168		

13. Long-term liabilities

	Group		Organisat	tion
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
a) 1% First mortgage debenture				
Stock – (1987/2006) b) 1% Second mortgage	172	344	-manuse -minesida	-
debenture stock (1999/2009)	444	444	Lonererus	-
Less: Current portion	616	788	vollag short	-
300 - 255 -		. 7306	i i casa qua cilio <u>cal</u>	
708 190	616	788	- 19:A10	

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

13. Long-term liabilities, continued

- 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 2006 at par, was issued at \$58.08 for each \$100 face value (Note 4).
- 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 premium of \$48 for each \$100 face value (Note 5).

14. Payables and accruals

	G	roup	Organ	isation
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Trade payables Accruals	3,522 2,038	4,592 1,621	3,522 1,643	4,207 1,665
	5,560	6,213	5,165	5,872

15. Other income

	Gr	oup	Organi	sation
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Rental	749	613	749	613
Management fees	-	trukusian se	1,104	1,104
Seminars	2,217	2,878	2,217	2,878
Publications	54	223	54	223
Luncheons	2,602	2,364	3,886	3,648
Job creation	1,583	1,375	1,583	1,375
Trade policy	120		120	_
Economic report	374	351	37.4	351
Income project support	308	1,335	308	1,335
Other	865	690	865	690
	8,872	9,829	11,260	12,217

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

16. Finance cost, net

Finance cost consists of the following:

	Group		Organisation		
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	
Interest earned	1,360	842	1,360	842	
Foreign exchange gains	101	246	101	246	
Bank charges	(63)	(94)	(63)	(94)	
	1,398	994	1,398	994	

17. (Loss)/profit before taxation

The following items have been charged in arriving at the (loss)/profit before taxation:

		Group	Organisation		
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	
Depreciation	1,011	875	946	809	
Auditors' remuneration Staff costs (Note 18)	370 12,627	414 10,841	300 12,627	330 10,841	
Cirono Cironoles		====	====	====	

18. Staff costs

The average number of persons employed during the year amounted to 25 (2003 - 30) for the Group and the Organisation.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

19. Pension scheme

The Organisation 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 Guardian Life Insurance Company Limited.

20. Contingent liability

The Organisation has guaranteed the interest payments and the redemption of the debenture stocks issued by the Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited.

21. Taxation

The taxation charge consists of:

Gr	oup	Organi	isation
2004 \$'000	2003 \$'000	2004	2003 \$'000
880	166	850	159
	2004 \$'000	\$'000 \$'000	2004 2003 2004 \$'000 \$'000

The tax credit included in the statement of income differs from the theoretical amount that would arise using the income tax rate as follows:

	Gro	Group		sation
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
(Loss) profit before tax	(2,142)	(6)	(2,038)	
Tax at 33 1/3% Tax on non-assessable income	714 166	2 164	679 171	(10) 169
Deferred tax credit	880	166	850	159

Subject to the agreement of the Commissioner, Taxpayer Audit and Assessment, losses available for offset against future taxable profits amount to approximately \$5,619,000 (2003 - \$3,045,000) for the Group and \$5,155,000 (2003 - \$2,606,000,000) for the Organisation.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

21. Taxation (continued)

Deferred tax asset

	Gr	Group		isation
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Balance at the beginning of year Deferred tax credit for the year	1,062 880	896 166	841 850	682 159
Balance at the end of the year	1,942	1,062	1,691	841

The significant components of deferred tax asset are as follows:

	Group		Organisation	
	2004 \$'000	\$'000	2004 \$'000	2003 \$'000
Property, plant and equipment Losses Interest receivable	81 1,889 (28)	(75) 1,165 (28)	1,718 (27)	869 (28)
	1,942	1,062	1,691	841

22. Financial instruments

a) Interest rate risk

Interest rate risks arise when the value of an interest bearing financial instrument fluctuates during a specified period due to changes in the market interest rates.

The Group had no significant interest rate risk at the balance sheet date. Short-term funds are invested for periods of three months or less at fixed interest rates and are not affected by fluctuations in market interest rates up to the date of maturity.

Notes to the Financial Statements Year ended 31 December 2004 (Expressed in Jamaican Dollars)

22. Financial instruments, continued

b) Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group has no significant concentrations of credit risk. The Group however faces credit risk in respect of its receivables. The Group manages this risk by periodic reviews of receivable balances and by making provisions for doubtful debts, where necessary.

c) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group had no significant currency risk at the balance sheet date.

d) Fair value

The carrying values of short-term financial assets and liabilities are reasonable estimates of their fair values because of the short-term maturity of these instruments. Short-term financial assets comprise cash and cash equivalents and receivables. Short-term financial liabilities comprise payables and subscriptions received in advance.

Long-term liabilities approximate their carrying amounts.

Investments are carried at fair values as described in Note 2 (e).

The Group had no significant interest rate risk at the balance sheet date. Short-term funds are invested for periods of three months or less at fixed interest rates, and are not affected by fluctuations in market interest rates up to the date of maturity.

fluctuates during a specified period due to changes in the market interest rates.



Membership and Communications:

Suzette Smellie-Tomlinson (Chair)
Gavin Beckford
Andre Gordon
Judith Forth-Blake
Nordia Craig
Stephen Thwaites

Donovan White Ingrid Card Tanya Pringle

Margaret Warner

Supreme Ventures

G-TECH Foreign Holdings Ltd

Dot's Personnel Courts Ja. Ltd.

The Gleaner Company Ltd.

Dyoll Insurance Group

CVM Communications Group

Jamaica Observer Ltd.

PSOJ PSOJ

During 2003 and 2004, the PSOJ Membership and Communications Committee continued its efforts in the structuring of membership services,, strengthening of public relations and communications and the recruitment and retention of new members. In 2004, the post of Membership Support Services Officer for the consolidated secretariat was created, and this has helped to provide stronger support and more focus in this area. For 2003, twenty-six (26) new members were recruited, with eleven (11) recruited during 2004.

During the period, internal and external communications were improved, allowing for better interaction between members and the secretariat. With the support of the IT Department, the CPAD Team was better able to continuously keep members apprised of activities, through the PSOJ website, the twice-monthly PSOJ Working for You e-bulletin and the PSOJ News, now printed in full colour, with strip advertising. A PSOJ monthly newspaper column in the Sunday Gleaner, which started in 2003, continues to be published, with topics mainly related to Trade and Economic Policy and Corporate Governance.

Media appreciation visits continued during the period. Plaques of Appreciation were presented to the major media houses. New members "Orientation and Induction Breakfast" was held in June 2004.

Chair Michelle Hamilton resigned in June 2004 and Deputy Chair, Suzette Smellie-Tomlinson was appointed Chair.

For 2005, the Membership and Communications Committee will continue its role of communicating the Secretariat's mission to its members •

"The 2005 All Media Survey confirms that the 11 year old DAILY OBSERVER is read on average by more people than the 171 year old *Daily Gleaner*. Since the last survey in 2002, The Daily Gleaner gross weekday readership has dropped by over 1.1 *MILLION* A WEEK, or an average 194,000 A DAY – THAT'S 40%!"

"The 2005 All Media Survey confirms that the 11 year old DAILY OBSERVER is read on average by more people than the 171 year old Daily Gleaner. Since the last survey in 2002, The Daily Gleaner gross weekday readership has dropped by over 1.1 MILLION A WEEK, or an average 194,000 A DAY – THAT'S 40%!"

"The 2005 All Media Survey confirms that the 11 year old DAILY OBSERVER is read on average by more people than the 171 year old Daily Gleaner. Since the last survey in 2002, The Daily Gleaner gross weekday readership has dropped by over 1.1 MILLION A WEEK, or an average 194,000 A DAY – THAT'S 40%!"



JAMAICA'S MOST READ MORNING DAILY

Daily: Average issue readership Monday - Saturday, 300,666. Source MRSL 2005



National Crime Prevention Fund:

Mr. Lester Spaulding (Chair)

Radio Jamaica Ltd.

Mr. Mike Hirst

Prism Communications Sterling Asset Management

Mr. Charles Ross Maj. Gen. Robert Neish

MONEX Limited

Mr. Neville James

Cookie Jar Pastries, Treats & Catering Services

Supt. James Forbes

CCN

Mrs. Prudence Gentles

Coordinator /Crime Stop

Miss Greta Boques

PSOJ/JEA

(See report on pages 52-57)

Standing Committee on National Security (Crime):

Hon. Oliver F. Clarke, OJ (Chair)

The Gleaner Company Ltd.

Mr. Francis Forbes

Commissioner of Police

Maj. Gen. Robert Neish

MONEX

DCP Tilford Johnson
DCP Lucius Thomas

Office of the Police Commissioner
Office of the Police Commissioner

Mr. Mike Hirst

Crime Stop

Mr. Gilbert Scott

Ministry of National Security & Justice

Mr. Donovan Perkins

PSOJ Representative

Mrs. Prudence Gentles

Crime Stop BAPCo Ltd.

Mr. Lazarus Bucknor Maj. Hugh Blake

Lascelles deMercado & Co. Ltd.

Mr. Andrew Wynter

Red Stripe

Mrs. Becky Stockhausen

American Chamber of Commerce

Mr. Ferris Ziadie Mr. Deryck Rose

Ferris Ziadie Ltd. JEA Representative

Ms. Greta Bogues

Private Sector Organisation of Jamaica

For the period, this committee was chaired by Immediate Past President Cliver F. Clarke, and continued its focus on addressing issues relating to crime and violence:

REGIONAL DRUG SEMINARS - 2003

Drug seminars, which were initiated in 2002 continued, with the objective being to sensitize the business community to the implications of the drug trade in Jamaica. These seminars included presentations by diplomats from the U.K. and Canadian High Commissions, the U.S. Embassy and from the Minister of National Security and the Commissioner of Police. Seminars were also held in Toronto, Florida, New York and the United Kingdom, to sensitize the Jamaican diaspora and keep them informed of the challenges being experienced and seeking their help.

PHONE IN PROGRAMME: 2002 - 2004

The PSOJ/Jamaica Constabulary Force 'Phone In' programme provides an important opportunity for the public to speak and share intelligence with senior members of the Jamaica Constabulary Force and various businesses, religious and civil society leaders during the monthly two-hour sessions. For 2003, these events were held each month, excluding August, with a total of two hundred and ninety-nine (299) calls received. For 2004, nine events were held, with one hundred and seventy-nine calls (179) received. For the two-year period (2002 – 2004), six



hundred and thirty-six (636) calls were received. The police have indicated strong interest in this initiative and advised that many of the calls received have been 'actionable'. We thank the print and broadcast media who continue to support this initiative: The Gleaner Company, Power 106, The RJR Group, The Jamaica Observer, LOVE FM, IRIE FM and ROOTS 96.

POLICE COURTESY WEEK: DEC. 2002 - DEC. 2003

With the objective to strengthen the relationship between the security forces, the private sector and the public, the PSOJ, in association with the Jamaica Constabulary Force, launched the first Police Courtesy Week in St. Elizabeth in December 2002. The event was very successful and sponsorship was provided by the Jamaica National Building Society, National Housing Trust, Red Stripe, Police Co-Operative Credit Union and the Gleaner Company to host a monthly series of Police Courtesy Weeks in each parish during 2003. During the year, Police Courtesy Weeks were held in all nineteen divisions and featured a variety of activities, including church service launches, 'Open Day' at police stations, community projects, sports, concerts and public fora. In addition, each division selected a Law and Order awardee, being the person in the division who had contributed the most to the promotion of law and order in that particular area, with a plaque of appreciation being presented to that person during the week of activities. A final appreciation luncheon was held in January 2004 to further recognize the Law and Order awardees and to thank the sponsors for their contributions. We were unable to source additional sponsorship to hold this programme for another year.

The Police Courtesy Week activities led to The Gleaner Company and Jamaica National Building Society joining with The Kingston Central Police Division to present **Summer Leadership Enhancement Programmes** in August 2003 and 2004. This successful programme has been held with a view to improving the relationship between the police and this community. Each summer, over two hundred young persons from Kingston Central have been exposed to a menu of activities, including sports and games, counseling sessions, career development, conflict management and health and sexual issues.



Trade Policy:

Mr. Earl Jarrett (Chair) .

Ms. Alison Stone

Ambassador Ellen Bogle Ambassador Gail Mathurin

Mrs. Lisa McGregor-Johnston

Mr. Evan Thwaites

Mr. Derrick Deslandes

Ms. Monica Ladd

Mr. Anthony Gomes

Mr. George Fyffe

Ms. Carol Miller

Mrs. Andrene Collings

Mr. Hernal Hamilton

Mr. Jerome Lee

Mr. Roderick Gordon

Mr. Ryan Peralto

Mr. Wayne McCook

Ms. Lisa Lambie

Mr. Richard Minott

Ms. Greta Boques

Mrs. Marlene Parker

Mr. Vivian Grav

Ms. Sacha Vaccianna

Jamaica National Building Society

Caribbean Regional Negotiating Machinery

J. Wray & Nephew (Agriventures)

Under Secretary for Trade, Ministry of Foreign Affairs

Jamaica Producers Group Ltd.

Globe Insurance Company Ltd.

University of the West Indies

Myers Fletcher and Gordon

Jamaica Chamber of Commerce

Bustamante Industrial Trade Union

The Briefing Room

Ministry of Commerce, Science and Technology

Jamaica Export Trading Company (JETCO)

Dunn Cox

Advocates Chamber

Dairy Industries Ltd.

Ministry of Foreign Affairs

National Commercial Bank Ja. Ltd.

Customs Brokers Association of Jamaica

PSOJ/JEA

Jamaica Bankers Association

PSOJ

PSOJ

Working Groups on the Free Trade Area of the Americas

On the heels of the Ministerial meeting of the FTAA and the Americas Business Forum in which a number of private sector persons participated in November 2003, the Trade Policy Committee formed various working groups to negotiate the various trade areas of the FTAA negotiations. These sub-committees, comprised of persons from a cross section of industries and sectors, worked on the agreement with a view to feeding negotiating positions to national and regional negotiators. However, with the stalling of negotiations in February, this was put on hiatus. To date, only the sub-committee on financial services has completed its review of the draft agreement and submitted a draft position paper on the same. It is expected that these will be restarted by the middle of 2005 in keeping with the resumption of the FTAA negotiations.

Special Meeting on Trade in Services

In March 2004, a special meeting was held with various stakeholders in the services sector (maritime, financial services, accounting, and professional, among others) and the Services Specialist of the Caribbean Regional Negotiating Machinery (CRNM).



Company Visits

At the beginning of 2004, the PSOJ, through the Trade Policy Committee spearheaded a series of one-on-one company visits with the Minister of Foreign Affairs and various members across a wide range of sectors and industries. Some of the companies visited include: J. Wray and Nephew Ltd., Trade Winds Citrus Ltd., Continental Baking Company Ltd., WISYNCO and Caribbean Broilers Ltd. On each occasion, company representatives were given the opportunity to discuss issues of concern, particularly related to the international trade negotiations with the Minister and his delegation. The Minister was also able to see first hand the operations of these firms and the current realities of doing business in Jamaica.

Trade Symposium in July

In July 2004, the Trade Policy Committee hosted its first in a series of conferences on international trade entitled "Trade Connections: You link to the world". Various international and regional speakers spoke on various issues including Market Access, Services, Regional Trade Policy and Agriculture. This is expected to be an annual event. Other seminars included the Geographical Indications Seminar in May 2004 in collaboration with the Jamaica Intellectual Property Office (JIPO) and the Jamaica Exporters Association (JEA).

Public Education on the CSME

As the deadline drew near for Jamaica's accession to the CSME, the Trade Policy Committee, as part of its public education and public relations programme, increased its drive to sensitise members of the business community and wider public on the CSME and its implications. In collaboration with parish Chambers of Commerce and the CSME Unit of the Ministry of Foreign Affairs & Foreign Trade, the TPC began a series of public discussion for ain various parishes. Meetings were held in Portmore, Negril and Kingston. Further meetings are being planned for 2005 with the Montego Bay Chamber and the St Catherine Chamber, among others.

In December 2004, members of the CARICOM CSME Team, based in Barbados, visited the island at the request of the Committee, to deliver seminars and training sessions on the provisions of the CSME to various companies and agencies. Among those visited included Red Stripe, the Consumer Affairs Commission, P.A Benjamin Manufacturing Co. Ltd., Serge Island Dairies Ltd. and Big City Brewing Company Ltd.. It is expected that the CSME Unit's team will be back in 2005 to conduct similar visits with other members of the Association.



In 2004 members of the In-house Trade Team and Committee participated in a series of regional and international meetings on various trade negotiating areas, namely:

- January 2004 Executive Forum on National Export Strategy for Small States International Trade Centre and the Commonwealth Secretariat, Trinidad and Tobago
- March 2004 Meeting of the Council for Trade and Economic Development (COTED),
 Belize City, Belize
- April 2004 Orientation Seminar in the Regional Economic Partnership Agreements and the institutions of the EC, Brussels, Belgium
- June 2004 EU funded TRINNEX seminar on capacity building for private sector in the Regional Economic Partnership Agreement, Barbados
- September 2004 Regional Seminar on Regional Trade Agreements and the World Trade Organisation, Georgetown, Guyana
- October 2004 Meeting of Caribbean Core Business Leaders, Santo Domingo, Dominican Republic





HUMAN RESOURCES AND ADMINISTRATION



(I-r) Lola Fong Wright, Chief Executive Officer, Evett Coombs, Executive Assistant, Stephanie Logan, Administrative Officer, Shirley Daley, Senior Director Human Resources and Corporate Affairs and Keisha Atterbury, Training Clerk (inset)

Recruitment

In November 2003, a Senior Director was employed in the area of Human Resources to strengthen the capacity of senior management. This person was also given portfolio responsibility for the Training and Education Services and Corporate Affairs Units. In September 2004, Lola Fong Wright was recruited as the new Chief Executive Officer of the PSOJ.

Staff Training

Extensive training of the secretariat staff, which started in 2002, continued at Quantum Business Solutions (New Horizons Computer Learning Centers) to improve computer skills in Windows XP, Microsoft Excel, Word, and Power Point.

Workshops were also hosted for staff members and other private sector associations in the areas of Leadership training, Media training and Project Management. Funding to facilitate these training exercises was granted from the Caribbean Regional HRD Program for Economic Competitiveness (CPEC)/Canadian International Development Agency (CIDA) and Jamaica Promotions Corporation (JAMPRO) - Trade Development Project.



Building Environment

General maintenance of the building facilities and preventative work were conducted regularly. The building is now monitored by Hawkeye Electronic Security Ltd. Tinting was added to all exterior windows of the building for both security and temperature control purposes. In an effort to improve the boardroom facilities, two air conditioning units were donated to the association by Appliance Traders Limited.

Information Technology

To further enhance the operations of the secretariat, ACCPAC Multi-currency Accounting software and Association Management Software were acquired with funding assistance from CPEC/CIDA and the U.S. Agency for International Development (USAID) – New Economy Project. Upgrades of the Information Technology infrastructure also took place with the purchase of an Intel Pentium IV computer, and a scanner.

Communications

The upgrade of our network and internet facilities, with the installation of an ADSL Router/Modem and an expanded hub, have enabled more efficient communication, both internally and externally, of fax transmissions, internet and email facilities.

Donations

Members of staff made donations to the Marigold Place of Safety during the Easter and Christmas seasons. The institution was appreciative of the gesture and consideration shown ■

OPERATIONS



(Centre) Amanda Collins-Madden, Operations Manager,
(L-R) Cecil Lindo, Caretaker
Daymian Bigby, IT Officer
Dwight Cuffe, IT Assistant
Angela Williams, Office Attendant

ACCOUNTS



(Seated) Michael Byrue, Finance Manager (L-R) Stephen Coates, Accounting Officer, Denise Chisholm, Accounting Officer, Carlene Clarke, Senior Accountant



JAMAICA INSTITUTE OF BANKERS (JIOB) Training and Education Services Department



(Seated) Darlene Jones, Manager - Training & Education Services,
(Standing I-r) Ann Marie Hendriks, Training & Education Officer, Donna Nelson, Training & Education Officer and Coleen Grant, Training Co-ordinator

The Jamaica Institute of Bankers (JIOB), as the training arm of the Private Sector Organisation of Jamaica, during the period, provided training and education services in finance and business in the form of short courses, seminars and through the administration of the MBA programme offered by the Manchester Business School Worldwide.

As at January 1, 2004, Darlene Jones was appointed as Manager, Training and Education Services. Annmarie Hendriks was appointed Training Officer, with direct responsibility for short courses and seminars, while Donna Nelson continued as Training Officer, with responsibility for the MBA programme. Coleen Grant, Training & Education Coordinator, provides administrative support and assistance to students.

Masters of Business Administration (MBA) Programme

This programme administered by the Manchester Business School, through its distance learning unit, Manchester Business School Worldwide (MBSW), is managed by Business & Management Education Limited (BME). As a result of the various marketing activities of the JIOB, a total of 69 students entered the programme during the year. The total number of students enrolled in the programme as at December 2004 was 551. The total number of graduates of the programme as at July 2004 was 297.

The Seventh (7th) Annual Presentation of Graduates in the MBA Programme was held on September 18, 2004 at the Knutsford Court Hotel. Mrs. Audrey Hinchcliffe, President of the Jamaica Employers' Federation, was the keynote speaker. Mr. Philip Bourke, Senior Fellow, Banking & Finance, MBSW and Dr. Alistair Benson, Academic Director, BME, represented the MBSW at the function. Thirty eight (38) persons were awarded degrees in the 2003 – 2004 academic year.



The new CEO of Manchester Business School Worldwide, Mr. Nigel Banister, visited Jamaica to attend and participate in the MBA Open House, which was held in November 2004.

Marketing activities pursued during the period included two Open House sessions held twice each year, print and electronic advertisements, brochures, in-house presentations, and attendance at trade shows and conferences.

Discussions were held regarding the possibility of the JIOB administering the MBA for Engineering Managers, offered by MBSW to prospective students in Jamaica and the wider Caribbean. This would be further pursued in the January 2005 semester.

SHORT COURSES/SEMINARS

Despite the challenges during the year, the Institute hosted a number of training courses and seminars tailored to the needs of businesses in all sectors. Twenty-six (26) short courses were held in 2004 compared to twenty-nine (29) in 2003 - seven (7) of the former were specifically for the financial sector; thirteen (13) of a general nature, catering for the wider business sector and four (4) inhouse as requested by specific organisations. A total of 320 persons were trained by the Institute during the year, compared to 694 in 2003. This decrease in the number of course participants was as a result of the fact that the JIOB no longer coordinated programmes on behalf of the Jamaica Exporter's Association (JEA). Seven (7) organizations from other countries within the Caribbean participated in the programmes. The consensus was that the workshops, in-house training programmes and seminars were timely and relevant to job functions. Overall ratings were very good.

Bank Simulation Course for Senior Executives

As a result of the Cooperative Agreement which was signed with the Caribbean Integrated Financial Services (CIFS) in 2003 to offer American Bankers Association (ABA) programmes, a five-day ABA "Bank Executive Simulation Course for Senior Managers" was held in December 2004 at the Ritz Carlton Hotel, Montego Bay. The Presenter, Mr. Duane Stuker (ABA), facilitated a simulation exercise for twelve (12) participants from various financial institutions across the Caribbean.

JIOB/UWI Collaboration

An agreement was signed with the University of the West Indies and the Jamaica Institute of Bankers to collaborate on the UWI Banking and Finance Degree in April 2004 at the UWI Council Room. The Agreement was signed by Mr. Wayne Wray, Chairman, JIOB and Prof. Kenneth Hall, Principal, UWI.

JIOB/UTECH Award

The JIOB Award for Best Economics Students was presented to Lloydia Tyme at UTECH's award function, which was held in April 2004.

Education Sub-Committee Meeting

The Education Sub-committee, which provides guidance and support to the JIOB regarding training programmes, met on a monthly basis during the year. New members of the Committee are:

- Sheila Martin, Director Corporate Services, Financial Services Commission
- Dawn Fuller-Philips, Training Manager, Jamaica National Building Society
- Annette Matthews Morrison, Training Manager, Wray & Nephew Ltd;

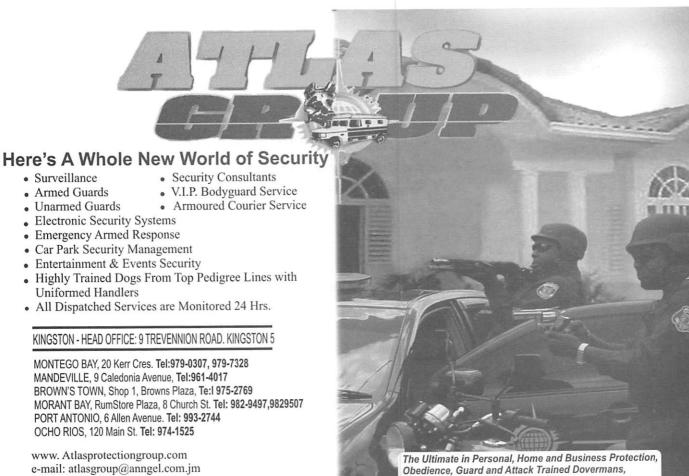


- Jacqueline Richards, Head Human Resources Central Caribbean, First Caribbean International Bank
- Marcia Henry, Vice President Human Resource, First Global Bank Ltd.;
- Carol Hughes, Group Training & Development Manager, Grace Kennedy & Co. Ltd.
- Damsel Brown-Thompson, Vice-President, Human Resources, Pan Caribbean Merchant Bank Ltd., representing the Jamaica Securities Dealers Association.

CONCLUSION

The year 2004 was generally challenging, particularly with respect to the marketing of short courses and seminars.

The JIOB anticipates a year of significant growth in 2005 ■



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RESEARCH & FINANCIAL SERVICES DEPARTMENT



(Marlene Parker,. Senior Director - Research & Financial Services (Second from right)
(L-R) Sacha Vaccianna, Trade Officer, Maurice Fearon, Economist, and Roxaine Smith, Administrative Officer

The Research & Financial Services Department, under the supervision of the Senior Director, Marlene Parker, has responsibility for research and development of private sector positions on trade, environment and economic issues. This Department has responsibility for the development and implementation of the work plans of the Business Council of the Environment, the Trade Policy Committee and the Economic Policy Committee.

The trade team comprises one Trade Officer, Sacha Vaccianna, who serves as the technical expert on multilateral and bilateral trade negotiations such as the Free Trade Area of the Americas (FTAA) and the World Trade Organisation (WTO). Research Economist, Maurice Fearon, provides policy analysis and research on economic issues affecting businesses in Jamaica, which guide the advocacy objectives of the PSOJ and produces the Confidential Economic Bulletin, which is distributed to over ninety subscribers each month.

The day to day affairs of the Jamaica Bankers Association (JBA) and the Jamaica Securities Dealers Association (JSDA) are also handled by the Department. This involves coordinating the activities of various JBA subcommittees and monitoring industry issues and projects. These include Fraud Prevention Initiatives and the Automated Clearing House development. This Department, along with the Corporate and Public Affairs Division, was instrumental in the establishment of the JBA website and its launch in 2003. Administrative support to the Senior Director, the Jamaica Securities Dealers Association (JSDA) and the Jamaica Bankers Association (JBA) is provided by Administrative Assistant Roxaine Smith



THE PSOJ IN ACTION - 2003 - 2004



2002 Hall of Fame Awardee, Hon. Karl Hendrickson, being presented with his citation by Mrs. Beverley Lopez, at his induction held in 2003



2003 Hall of Fame Awardee, Mr. Douglas Orane being presented with his citation by Mrs. Lopez, at his induction held in 2004 $\,$



Job Creation Awardees – April 2003 (I-r) Representatives from MegaMart, Wright Style and Duncan's Hardware



Corporate Governance Seminar Participants May 2003



PSOJ President and members of a delegation visiting Ireland in October 2003





Members Luncheon March 2004 - Guest Speaker, Hon. Omar Davies, Minister of Finance and Planning with Mrs. Beverley Lopez, President



Members Luncheon December 2004 – Guest speaker, H.E. Peter Mathers, and Mrs. Lola Fong Wright, CEO



Orientation of new members - June 2004



The Hon. K.D. Knight, Minister of Foreign Affairs and Foreign Trade, delivering the keynote address at a CSME Forum held November 2004

Are you Ready?

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All purchases with Ready Finance cards are subject to the Hire Purchase Act.

COURTS



CORPORATE & PUBLIC AFFAIRS DIVISION



Tanya Pringle, Manager, Corporate & Public Affairs (second from right) (L-r) Karen Payton, Communications Officer, Denese Brooks, Customer Service Representative and Margaret Warner, Membership Services Officer

INTRODUCTION

2003 was a challenging year for the Corporate & Public Affairs Division (CPAD) as this unit was expanded to facilitate several key functions required by the consolidated secretariat of the Private Sector Organisation of Jamaica, the Jamaica Exporters' Association, the Jamaica Bankers Association and the Jamaica Institute of Bankers. These responsibilities include Missions and Promotions, Membership Services, Publications, Public Relations and Communications and Event Planning.

During 2004, CPAD continued to provide services to the PSOJ, JEA, JBA and the JIOB. However, in June 2004, most PSOJ services provided to JEA were discontinued at the Association's request. Additional support was provided to the JIOB in marketing and promotion of their seminars, creating and placing advertisements and executing of other public relations functions.

MISSIONS & PROMOTIONS

During 2003, the Missions and Promotions Officer provided significant support to the JEA Export Week and successfully coordinated a major trade mission to Atlanta. The secretariat also participated in local trade shows throughout the year. For the first half of 2004, activities in this area were primarily related to the JMA/JEA Expo held in May, the Building Bridges Mission and Trade Fair to Florida and the JEA Export Week, both held in June.

MEMBERSHIP SERVICES

Through its Membership Services Officer, the Division was in regular contact with all the Association's members - via newsletters, email and telephone. New member applications and welcome packages for new members were prepared, membership directories updated and Membership Committee meetings coordinated and executed.

PUBLICATIONS

Publications created and distributed by this department included Annual Reports, newsletters and the 2003 PSOJ Annual Diary. The PSOJ 2004 Annual Diary was not printed, due to a significant reduction in demand and increased costs per copy. Information



bulletin, *PSOJ "WORKING FOR YOU"*, was sent out twice monthly, provided updates for our members on various activities, publications and messages and was upgraded throughout the year to make this bulletin more attractive and user friendly. During 2003, the bi-monthly newsletter, *PSOJ NEWS*, was printed and distributed to each member and included information on activities undertaken by the PSOJ, as well as articles on important issues and the work of our Committees. This newsletter was changed to a quarterly publication in 2004. We thank those members who provided advertising support for our publications during 2003 and 2004.

The first PSOJ Hall of Fame supplement was published on Sunday, September 19, 2004. It proved to be an excellent promotional tool for the PSOJ and also for the Hall of Fame Banquet. CPAD was also instrumental in the production of a JiOB MBA Presentation of Graduates supplement (September 26, 2004).

PUBLIC RELATIONS & COMMUNICATIONS

The Department was responsible for the maintenance of the PSOJ and JBA websites, preparing monthly and quarterly reports, writing speeches, messages and press releases, as well as maintaining regular contact and good relations with the media. PSOJ media columns in the Sunday Gleaner were published during 2003 and 2004.

A regular programme of Media Appreciation Visits were conducted to the major media houses, and a team of PSOJ staff and members of the Membership & Communications Committee made courtesy calls on media houses to present Plaques of Appreciation in recognition of their invaluable support to the work of the Association. For the two-year period, the value of coverage received in the print media was in excess of \$10 million.

For 2004, the website had an average of 27,000 successful hits, an increase of approximately 9,000 over the 2003 average, with an average of 2,350 hits on the home page. Advertising rates and a contract have been prepared promoting advertisements on the website and this has received some support.

EVENTS

Support was provided to events held by the JBA and PSOJ, including membership networking events, monthly Job Creation Awards breakfast and major events such as the annual Hall of Fame banquet honoring Karl Hendrickson (2003) and Douglas Orane (2004) and the Annual Economic Seminar. Other events coordinated by CPAD for 2003 involved programmes spearheaded by the Standing Committee on National Security, including a monthly Phone in Programme and Police Courtesy Week events. The Division also supported Corporate Governance seminars, held in 2003 and 2004, Companies Act seminar in March 2004 and an International Trade Seminar in July 2004. These seminars were well attended, with very positive feedback received from the participants.

We thank those members who continue to support our publications and events through sponsorship and advertising and welcome all new members who joined our Associations during this period. For 2005, the Department intends to continue its emphasis on improving communications and providing meaningful and value added service to our members •

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NATIONAL CRIME PREVENTION FUND (CRIME STOP) – 2003 and 2004

INTRODUCTION

Crime Stop is a partnership between the business community, the police and the media, designed to involve the public in the fight against crime. Crime Stop encourages the public to give information by offering total anonymity to all callers and, for those who wish, a cash reward for information that leads to an arrest, recovery of stolen property or the seizure of illegal drugs or guns. The programme is administered by the National Crime Prevention Fund and is coordinated under the direction of the Private Sector Organisation of Jamaica.

ADMINISTRATION

During the period under review, the business of the National Crime Prevention Fund was directed by the Board of Directors under the Chairmanship of Mr. Michael Hirst.

The Board's members comprised the following as at December 31, 2004.

Chairman: Michael Hirst, NCPF/Prism Consultants Ltd.

Media & Related Bodies: J.A. Lester Spaulding, Deputy Chairman NCPFI RJR Communications

Group

Norman Marshall, Gleaner Company Ltd.

PSOJ: Lola Fong-Wright, C.E.O. – PSOJ

Police: Ionie Ramsay Nelson, Superintendent of Police

Community: Jennifer Cheesman, Secretary NCPF

Peter John Thwaites, W.I. Alliance Insurance Co. Ltd.

Neville James, Neville James & Associates Charles Ross, Sterling Asset Management Ltd. Maj. Gen. Robert Neish, MONEX Limited

Ex-Officio Member: Anthony Robinson, International Communications Ltd.

The Coordinator, Prudence Gentles, reports directly to the Board of Directors, and her responsibilities include:

- day to day administration of all the Fund's business, including management of the office and the information gathering and processing operations;
- research into writing and production of the monthly Crime of the Month programme, 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.

CRIME STOP OFFICES

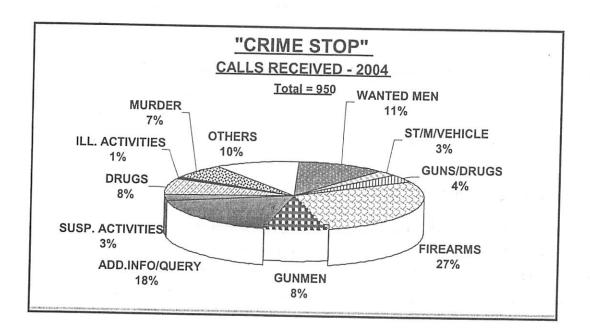
The *Crime Stop* office is housed at the Office of the Commissioner of Police at 101 Old Hope Road, Kingston 6 at no charge to the Fund.



The Police continued to provide the personnel to answer the *Crime Stop* Hot Lines and to follow up on information given to the Police for action. The counselors work on a shift basis so as to ensure a 24-hour, 7-day monitoring of the telephones. The office is headed by a Senior Superintendent of Police with a staff complement of seven other ranks.

1. CALLS RECEIVED

Crime Stop received a total of nine hundred and fifty calls (950) during 2004, compared to one thousand, three hundred and twenty-six (1,326) for 2003. For 2004, seven hundred and eighty (780) calls were classified as "first" calls (pertaining to a new piece of information). There were an additional number of 170 calls received, which were either giving additional information or querying the action taken on information already given.

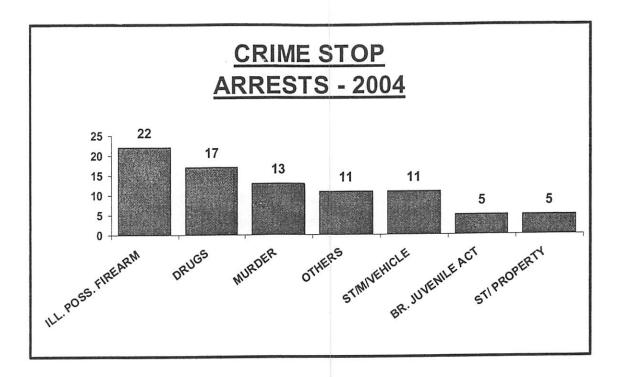


The graph shown above gives a breakdown of the calls received during 2004, which continue to cover a wide range of crimes from murder, possession of illegal firearms to rape, fraud and planned robbery. The largest number of calls received regard possession of illegal firearms.

ARRESTS MADE

The number of arrests made, based on information given to Crime Stop during 2004 totaled eighty-four (84), and for 2003, there were ninety-three (93) arrests. The following graph shows a breakdown of the 2004 arrests made with, possession of an illegal firearm making up 27% of the total number of arrests made.





Arrests for murder have increased 100% over last year's figure of 6, with arrests for possession of a stolen motor vehicle increasing ten times - moving from 1 in 2003 to 11 in 2004.

3. PROPERTY RECOVERED

A complete breakdown of the property recovered and seized during 2004 is attached to this report. During 2004, Crime Stop was instrumental in recovering twenty-five stolen motor vehicles, of which eighteen were recovered when two car theft rings were broken. Thirty-eight illegal firearms were recovered, of which 4 were high powered rifles, 2 were submachine guns and 15 were semi automatic pistols. This number is up by 3 over 2003.

During 2004, \$86.4 million worth of narcotics were either destroyed or seized; 14.66 hectares of fully grown ganja were destroyed by burning, along with over 250,000 ganja seedlings; 548 kgs. of cured ganja were seized, along with 110 pieces of crack cocaine.

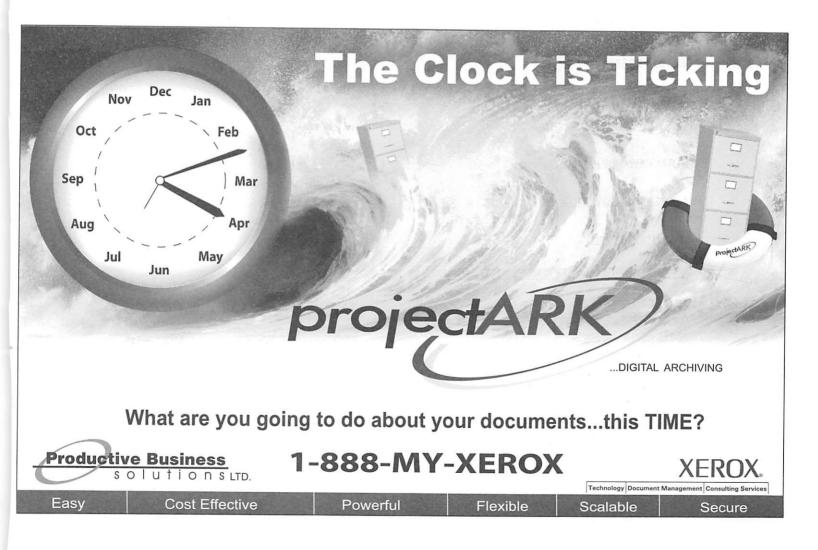
4. REWARDS PAID OUT

During 2004, Crime Stop paid out \$2,508,000 in rewards. This is the most money that Crime Stop has paid out since its inception in 1989; \$1,727,500 was paid out in 2003. Following is a break down for 2004:



Illegal firearms \$1,357,000 Murder/manslaughter 715,000 199,000 Stolen m/vehicle 135,000 Shooting 30,000 Carnal Abuse 25,000 Escapee \$ 20,000 Assault at common law 20,000 Shop breaking 7,000

With a success rate of one in seven (one success for every seven calls received), **Crime Stop** continues to be one of the most successful Crime Stoppers programmes in the world. All calls are kept in the strictest of confidence to protect the anonymity of the caller, and programme never uses Caller ID nor *69. It continues to be a strong partnership between the public, police and the media and remains a very effective way to help fight crime in Jamaica.





N.C.P.F.

OTHER

MIN/NAT/SECURITY \$4,383,500

TOTAL: \$9,150,615

\$4,197,115

\$ 570,000

THE NATIONAL CRIME PREVENTION FUND

STATISTICS ON CALLS TO "CRIME STOP"

2004

<u>2004</u>

TOTAL NUMBER OF CALLS RECEIVED	950	
NO. OF "FIRST CALLS"	780	
AVERAGE NO. CALLS/WEEK	18	
NO. OF ADDITIONAL INFO.CALLS & QUERIES	170	
NO. OF CALLS NOT INVEST.	21	
DUE TO INSUFF. INFO.		
NO. OF CALLS INDICATED MALICIOUS/HOAX	21	
NO. OF ARRESTS	84	
RATIO OF SUCCESSES TO	1 IN 7	
CALLS INVESTIGATED.		
TOTAL REWARDS PAID OUT	\$ 2,508,000	
PROPERTY RECOVERED	\$ 13,574,390	
NARCOTICS SEIZED	\$ 86,369,153	
CUMULATIVE TOTALS - SEPTEMBER '89 TO DECEMBER 30, 2004		
TOTAL CALLS RECEIVED 15,388 CALLS INVEST/UNDER INVEST. 11,665	NARCOTICS RECOVERED:	\$ 325,770,231
TOTAL NO. OF ARRESTS 1,663		\$466.4TD.047
(Total for murder = 228) REWARDS PAID OUT:	PROPERTY RECOVERED:	\$108,179,615



PROPERTY RECOVERED/SEIZED IN 2004:

FIREARMS*	38
ROUNDS OF AMMUNITION	378
FIREARM MAGAZINES	1
AIR PISTOL PELLETS	454
GANJA - KGS	547.928
GANJA - HECTARES	14.66
GANJA - SEEDLINGS	250,000
GANJA - STICKS	4
CRACK - PIECES	110 ·
STOLEN M/VEHICLES	25
STOLEN M/BIKES	1
CIGARETTE BOAT	1

160 PASSPORTS, COMPUTER EQUIPMENT COMPONENT SET X 4, TV X 5, FAN, CURRENCY

*BREAKDOWN OF FIREARMS:

.22 HP RIFLE	1	.357 REV.	3
AK47 RIFLE	3	.38 REV.	3
TEC 9 SMG	2	SHOTGUN	4
9MM PISTOL	13	RIFLE	1
.380 PISTOL	1	AIR PISTOL	1
.40 PISTOL	1	HOMEMADE	5

BREAKDOWN OF CALLS RECEIVED IN 2004

ILL. FIRARM/AMMO	269	ROBBERY	7	ST. PROPERTY	3
WANTED MEN	102	DEAD BODY	7	PL. ROBBERY	3
GUNMEN	75	THREATS	6	SHOOTING	3
DRUGS	73	CARNAL ABUSE	6	PL. ATTACK	2
MURDER	66	CRIME OF MONTH	5	DISPUTE	2
GUNS/DRUGS	34	PL. MURDER	5	RAPE	2
SUSP. ACTIVITIES	25	WOUNDING	4	KIDNAPPING	2
ST/M/VEHICLE	24	ESCAPEE	4	OTHERS	27
ILL. ACTIVITIES	11	CHILD ABUSE	3	QUERIES	124
SUSP. PERSONS	7	BREAKING	3	ADD, INFORM.	46

BREAKDOWN OF ARRESTS MADE IN 2004

ILL.POSS.FIREARM	22	BR. JUVENILE ACT	5	INCEST	1
DRUGS	1/	SHOOTING	2	ABSCOND.BAIL	1
MURDER	13	ASSAULT	2	ESCAPEE	1
STOLEN M/VEHICLE	10	CARNAL ABUSE	1	FRAUD	1
ST/PROPERTY	6	CONS. DEFRAUD	1	SHOP BREAKING	1



JaMAC (JAMAICA MEDICAL ASSISTANCE PROGRAMME)

For 2004, JaMAC has continued to solicit private sector donations, with little success. JaMAC will have to re-think its strategies and form a fund-raising committee as a separate entity in order to survive.

During 2003 and 2004, the Committee co-ordinated the visits of overseas medical personnel, as well as overseas donations, as follows:

2003

CANSEE:

Two members of the CANSEE team arrived in January 2003, Dr. Garth Taylor from Canada, and Dr. Anirudh Mahabir from Trinidad. They performed a record number of 73 "Removal of Cataract" operations at the Mandeville Regional Hospital. The Surgeons were assisted by Dr. Marlene Smith-Day, Consultant Opthalmologist at the Hospital.

VALUE OF DONATION: C\$15,000.00.

VOSH:

The Volunteer Optometric Group for Humanity (VOSH) arrived in February 2003 to conduct their mission of providing free, tested eye and sun glasses for the people of

Portland. The patients were pre-screened under the guidance of Dr. Paravatenini in Port Antonio and VOSH

assembled their equipment at the Port Antonio Health Centre. Over the three days, 1,000 people were seen, most of whom received tested glasses or had their eyes checked routinely.

CHURCH OF THE NAZARENE:

Dr. Douglas McCloy, a Jamaican Optometrist resident in the United States and who also practices in Jamaica, returned to the island with a team of Doctors in July 2003. Dr. McCloy also holds the position of Ambassador to the Nazarene Church in Jamaica and this visit was primarily to offer his services to members of his Church as well as their wider communities. The team comprised 2 Physicians, Drs. Paul Coleman and James Phillips, 1 Optometrist, 5 registered Nurses and 2 Emergency Medical Technicians. They were accompanied by a large group of members of the Nazarene Church in Ohio, USA, who came to assist the Doctors at their "Clinics" and to pray with and for the residents in deep rural areas of Manchester, Westmoreland and St. Elizabeth.



CARIBBEAN CULTURAL ASSOCIATION:

This group of mainly Jamaican nationals, who are trained Doctors and Nurses, living in Florida, arrived on another medical mission in June 2003. They were jointly hosted by

JAMAC and the Kiwanis Club of The First City, Spanish Town. During this trip, the group spent a morning at the Women's Prison, at Fort Augusta. This arrangement was made on the invitation of the Correctional Services. The visit of this group went very well because of the superior organization of their hosts, the Kiwanis Club. Their visit to the Women's Correctional Facility was an eye-opener given that the areas of need are so great and the many obvious health-related problems which the inmates experiencing. The team was made aware that the Fort Augusta property does not belong to the Government of Jamaica and in fact, had been given notice to relocate by the owners, but had been unable to identify a suitable location. As a result, the Government was reluctant to allocate funds for upgrading. Therefore, the facility was woefully lacking in many amenities.

GLOBAL LINKS:

Global Links, our overseas donor Agency, confirmed that Alcoa, Jamaica had agreed to sponsor the cost of shipping a container to JAMAC. These supplies were distributed to Hospitals and Clinics, including the May Pen Hospital, which was able to use donated furniture to re-open a ward.

HEALTHCARE INTERNATIONAL:

Mrs. Beverley Treasure, a Jamaican Surgical Technician at the Morristown Memorial Hospital, New Jersey, visited the island in January 2003. Her team operated at the Kingston Public, May Pen and Mandeville Hospitals, assisting in their Orthopaedic Departments. During this visit, they donated three sets of equipment to the Kingston Public Hospital, which will assist in the repair of pelvic and other fractures. Mrs. Treasure paid her second visit for the year in October 2003, accompanied by 2 Orthopaedic Surgeons. They conducted successful surgical interventions at the Kingston Public and St. Ann's Bay Hospitals, as well as assisted in the Out-Patient's Clinics. One of the highlights of their visit was surgically stabilizing broken bones in the neck of a patient who had sustained injury in a motor vehicle accident some days before but who seemed unaware of the severity of his injuries.

2004

CALIFORNIA SURGICAL EYE EXHIBITION:

In January 2004, Dr. Parvatenini of the Rotary Club of Port Antonio, with the assistance of the Medical Officer for Portland, Dr. Jeremy Knight, arranged a mission of Ophthalmologists, who are members of this volunteer group. The group was led by Dr. Jerry Wisdom. Surgery was performed at the Port Antonio Hospital on some patients.

HEALTHCARE INTERNATIONAL:

Mrs. Beverley Treasure donated equipment and supplies for

the Orthopaedic & Neurosurgical Departments at the

Kingston Public Hospital and the Percy Junor Hospital in

Spauldings.

VALUE OF DONATION: US\$60,000.00

ABOVE ROCKS:

Dr. Stephen Glaser paid his annual visit to Above Rocks, St.

Andrew, as the guest of Father Louis Grenier. It is usually

difficult to get a report from the Clinic at Above Rocks. We,

therefore, have no statistics of patients seen by Dr. Glaser

and treatment prescribed. This means that we cannot

report to the Ministry of Health on the visit. In the future,

Record Sheets will be provided for the Doctors and Dentists

to complete and return to us directly.

Through the kind auspices of LASCO, a bus was provided to

take the Glasers' to the North Coast for the day. A trip

which included Dunn's River Falls was thoroughly enjoyed

by Mrs. Glaser and was considered a wonderful end to a

very busy but fulfilling week in Jamaica.

VALUE OF DONATION: US\$10,000.00

AMERICAN FLYING DENTISTS:

In April, we received a visit from Dr. Charles Wetzel

accompanied by his wife as his Dental Assistant. They

visited the Christiana area, as usual, from April 17 - 26.

Dr. Wetzel saw 155 patients during his stay, which was

hosted by the Rotary Club of Christiana. He continued the

efforts of his group in surfacing the teeth of the patients

seen, to reduce the incidence of dental caries.

VALUE OF DONATION: US\$8,333.00

CONTAINER FROM AMERICAN FLYING

DENTISTS:

This group also sent a container of medical equipment and

supplies to the Rotary Club in August, 2004 and the Ministry

of Health assisted in the clearing of same. The beneficiaries

of the supplies were the Percy Junor Hospital in Spauldings

and various Health Clinics in the North Manchester area.

VALUE OF DONATION: \$US\$33,333.00

CONTAINER - GLOBAL LINKS:

We wish to record our gratitude to JAMALCO, and in

particular their Public Relations Officer, Mrs. Blossom

Laidlaw, who has been a stalwart friend of JaMAC for many

years, for off-setting the freight costs of one container sent

by our overseas donor, Global Links in Philadelphia, USA.

We were made aware of the dire need for a gynaecological

examination table at the Women's Correctional Facility at

60



Fort Augusta and were able to solicit same, which came in the container, with the permission of the Ministry of Health. This item was received with great enthusiasm by the Correctional Department, as their Health Clinic is sadly lacking in amenities. JAMALCO and PAHO assisted in the delivery of these containers. In May 2004, a container of medical equipment and supplies was sent. The main beneficiaries were the May Pen and Annotto Bay Hospitals, as well as four clinics throughout the island. A consignment of pharmaceuticals was donated to the Health Corporation. The Ministry of Health assisted in clearing the container.

VALUE OF DONATION: US\$50,000.00

JAMAICA OUTREACH MINISTRY:

This group, of mainly Jamaican medical professionals, attached to the Beulah Baptist International Church, Tampa, Florida, visited the island and conducted their medical mission in St. Catherine as guests of the Kiwanis Club of The First City, Spanish Town from June 10 – 20, 2004. Their first visit last year to the Female Correctional Facility at Fort Augusta, St. Catherine engendered a lasting interest in the mental and physical health of the inmates and permission for them to spend two (2) days at the facility was readily given by the authorities. The inmates prepared thank-you gifts for them, and expressed the wish that they would return in the very near future. Their visit also included a courtesy call on the Governor-General at Kings House.

VALUE OF DONATION US\$20,000.00

CANSEE:

The CANSEE team did not have the opportunity to plan one of their missions this year. This was mainly because Dr. Garth Taylor joined with Drs. Vaughan in opening a laser eye care facility in Kingston. We look forward to a mission from them in 2005.

VOSH:

The Volunteer Optometric Group for Humanity (VOSH) visits the Port Antonio area every other year. Therefore, their next visit will be in 2005.

CARIBBEAN CULTURAL ASSOCIATION:

This group has now split into two groups of Jamaican Doctors and Nurses living in Tampa, Florida. The other group is now the Jamaica Outreach Ministry of the Beulah Baptist Institutional Church of Tampa. This Association has confirmed that they will visit in 2005 and will be the guests of the Stony Hill Kiwanis Club, a group with which they had collaborated on two occasions previously. The group will be led by Mrs. Fay Robinson, R.N.

DONATIONS

LOCAL DONATIONS RECEIVED

Restaurants of Jamaica	150,000
Jamaica Chamber of Commerce	100,000
Carreras	_5,000
TOTAL:	\$ 255.000



JaMAC continues to appeal to the private sector to support our efforts to improve the standard of health care available in the island.

We were hoping to benefit from a grant from United Way in July, but this was put off to a later date. It has not yet

materialized because United Way became involved in raising funds for victims of Hurricane Ivan and shelved its programme of financial support by way of grants to its members.





PSOJ MILESTONES 1976 – 2004 (28 years)

March 11, 1976	Inaugural meeting of the PSOJ held; Carlton Alexander elected first President, and went on to serve for a record five terms.
1976	Provided funds and assistance to the Peace Concert initiative, held to encourage peace between communities
1977	Establishment of G. Arthur Brown Scholarship, which enables the recipient to pursue a Master of Science degree in Accounting at the University of the West Indies
	PSOJ Task Force assisted with furnishing and equipping the Muirton Boys' Home in Portland
1978	Provided support to negotiation of Peace Truce between rival communities in Western Kingston
1981	The PSOJ and the Jamaica Chamber of Commerce established the Jamaica-America Medical Assistance Committee (JaMAC) to secure and coordinate overseas donations and medical services for the island's health sector.
1985	Production of <i>A Policy Framework for Economic Development in Jamaica</i> Relocation of PSOJ Secretariat into its own offices at 39 Hope Road
1989	Launch of Crime Stop, a partnership between the private sector, the media, the police and the community. This initiative assists the police in gathering information on unsolved crimes.
1990	First publication of PSOJ Annual Report on the Jamaican Economy 1989
	Cooperative Agreement signed between USAID and the PSOJ as part of the Health Sector Initiative Project (HSIP), to improve the quality and efficiency of health services delivery in Jamaica.
1993	Conducted a comprehensive review of the Jamaican electoral system and published a report which recommended reforms and was presented to the government, the opposition and the Chair of the Electoral Advisory Committee.
1994	PSOJ monthly Confidential Economic Bulletin was launched.
1995	PSOJ and USAID launch The Peace and Love in Schools (PALS) Project
2001	The PSOJ Corporate Governance Committee was formed to promote and build awareness of Corporate Governance principles for businesses.
2002	Launch of the Job Creation Awards, sponsored by Cable & Wireless Jamaica, in collaboration with the PSOJ, to recognize those companies which had created recent employment in Jamaica.



2002

The PSOJ and other trade associations orchestrated the defeat of the government's proposed street light cess.

The PSOJ established a Trade and Environment unit to support its research capacity and to build awareness in the private sector.

Report of the National Committee on Crime and Violence was drafted, with the active participation of the PSOJ, and signed by the two major political parties

Through support from the CIDA-funded Environmental Action Programme (ENACT), ten private sector organisations consolidated their efforts to form the Business Council of the Environment (BCE), with a view to achieving greater influence in linking trade and environment into strategies at the firm level. Island-wide Police Courtesy Week activities are launched to strengthen the relationship between the security forces and the communities in which they serve.

PSOJ assumed operation of the secretariats of the Jamaica Bankers Association (JBA) and the Jamaica Institute of Bankers (JIOB).

The PSOJ, in collaboration with the Victoria Mutual Building Society, launched the Better Family Life Project (the creation of educational videos to bring national

attention to 'family life').

A team of private and public sector representatives visited Ireland to meet with the Prime Minister of Ireland and other senior leaders to gain first hand information on the Irish Social Partnership. This led to the genesis of the Partnership for

Progress.

The PSOJ Information Technology Committee was formed to promote greater interaction between the government and private sector, to develop stronger representation in responding to government policy, to influence policies within the sector and to facilitate the development of products and services with international standards.

2004

2003