



## PRICES AND MARKET FORCES IN A LIBERALIZED ECONOMY

*Keith Thompson*  
*Economist, PSOJ*

**Artificially fixed prices sent the wrong signals to investors and since prices were fixed there was no competition to raise the value and quality of the goods produced.**

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Executive Director: Charles Ross  
Editor: Marcia Ormsby  
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### THE ROLE OF PRICES

Prices are an important variable in a market-driven economy. They are important for two main reasons, namely: they indicate the rate at which one commodity trades with another and as such reflect the relative value of a particular commodity, and secondly, they influence the allocation of resources and investments into profitable ventures within the economy. When sufficient funds flow into profitable investments economic growth occurs and the profits generated provide the fuel for further investment and economic growth. With economic growth comes a rising standard of living and increasing prosperity for everyone.

### THE PRICE FORMATION PROCESS

The importance of prices in a liberalized economy is appropriately reflected in their method of formation. The processes of demand and supply combine to determine an acceptable level of prices. This therefore means that no single element within the economy can uni-laterally determine prices and exploit the other segments. Many people are of the view that consumers have little or no impact on prices and that the producers and suppliers hold a virtual monopoly on price formation, but nothing could be further from the truth. If consumers feel that the price of a commodity is too high and unjustified then they can choose instead a cheaper, higher quality one. In some instances the market works so efficiently that consumers do not need to organize themselves to keep prices down. This occurs for example when there is a strong degree of competition among producers and suppliers of goods and services. They are careful not to increase prices in this scenario as it will mean a loss of market share for themselves.

Because of this strong veto power of consumers and the self-regulatory power of suppliers in competition there is therefore no direct role for the government in price setting and price controls. In fact if the government gets involved and

*cont'd on pg. 3*

# He's Jamaican Too

## **When we harm our environment, we harm ourselves.**

Like this Jamaican Owl (Pseudoscops Grammicus or Patoos), every tree, river, fish and bird...every creature of Nature contributes to life on this planet and deserves our respect. In Jamaica we must take care to sustain the quality of our air, sea and land.

Shell is helping the cause of environmental conservation in Jamaica. Shell helped found the Jamaica Junior Naturalists which teaches our children to value our country's plant and animal life.

Shell uses its calendar to encourage the protection of endangered marine life. Company representatives have discussed with community organizations the need to balance economic progress with environmental preservation. They also have urged business groups to "bring the environment into the boardroom." Within its own operations, Shell uses many opportunities to show its customers how to use its products safely...and in ways that won't hurt the environment. It was Shell's marketing initiative that brought unleaded gasoline to Jamaica.

But Shell knows it still has some way to go in its own operations. The company conducted an exhaustive environmental audit at all its installations, then hired a full time, in-house environmentalist to carry out the improvements.

Everyone of us ... children, professionals, the man & woman in the street... must help make sure we have a healthy environment. After all, we're all Jamaicans too!



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begins to set prices again then the effects on the economy will be negative with investments declining and inflation increasing once these controls are lifted. The period between the mid 1970's and the late 80's when price controls were in force, saw low economic growth and limited investments in the economy. Artificially fixed prices sent the wrong signals to investors and since prices were fixed there was no competition to raise the value and quality of the goods produced. For example, price controls also meant no new investment in buses for our transportation system or in the telephone system, until that was liberalized and privatized. Price controls resulted in a stagnant domestic economy. With the lifting of these controls however, the market has been opened up to new entrants who can compete on the basis of price and quality, and investors are now assured of a good rate of return, hence product quality will be higher and the consumer will be the ultimate benefactor.

**Consumers have to demand quality goods and services and avoid products which do not suit their needs.**

#### **ROLE OF GOVERNMENT**

The primary role of the government in a liberalized economy is to ensure that there is sufficient competition among suppliers, and that consumers are treated fairly in the market with equal access to information. The government also has a role to regulate a particular market only in the instance where there is no competition, for example where there is a monopoly. Here the utility companies readily come to mind. Impediments to the productive sector also need to be removed so that producers can increase their efficiency and keep costs low.

#### **THE ROLE OF CONSUMERS**

In the absence of the government regulations, or in addition to them, consumers also have a role to play. They have to demand quality goods and services and avoid products which do not suit their needs. They must also arm themselves with information. Before they make a purchase they must find out first if the same quality product is not available cheaper elsewhere before they buy that more expensive product. They must organize themselves into consumer groups and share information and compare notes so that they obtain the best value for their money. Consumers are very powerful and important people in a market economy. WE must take steps to protect OURSELVES.

## **SUPPORT FOR HALFWAY HOUSE**

**Jamaicans are being invited to support the efforts of Cornerstone Ministries to purchase a building to be used as a halfway house for ex-inmates.**

A non-profit organisation, Cornerstone Ministries has been training inmates at Gun Court and the General Penitentiary in various technical and life disciplines.

The purpose of the Halfway House is to assist ex-inmates to re-integrate into society by providing family and community support systems.

The cost of the building which has been identified for this purpose is \$3.2 million. Individuals and companies wishing to support this project should contact:

*Michael R. Nicholson*  
Development Officer  
Cornerstone Ministries  
P.O. Box 1760  
Kingston 8  
Tel/Fax: 978-5270

# PALS Jamaica

PALS Jamaica is a company limited by guarantee whose Board of Directors and Shareholders are drawn from social and business groups: The Jamaica Teacher's Association, Ministry of Education, Youth and Culture, Ministry of Health, Private Sector Organisation of Jamaica, The Gleaner Company Limited, Radio Jamaica Limited, Jamaica Broadcasting Corporation, The Jamaica Herald Limited, CVM Television Limited, Island Broadcasting Services Limited, Jamaica Observer Limited, Jamaica Association of Teacher Educators, Jamaica Council of Churches and Peace Education Foundation Inc.

PALS is concerned about the increasing high levels of interpersonal violence, road traffic accidents and the resulting health costs. PALS aims to help build a future society which is characterized by reduced levels of violence and greater respect for life. PALS plans to implement nationally a con-

flict resolution curriculum as part of the primary school educational process.

The Conflict Resolution curriculum aims to change attitudes by focusing on children's behaviour. It is designed to raise children's level of self esteem, enable them to show respect for others, allow them to express and control feelings, teach them skills to resolve conflicts, and encourage road safety habits.

## *In the first year PALS will:*

1. Write resolution material for Primary and All-Age school children and teachers.
2. Conduct pilot tests in schools islandwide.
3. Collaborate with international foundations and agencies for programme support and the use of conflict resolution material.

4. Publish student activity books and teacher manuals.
5. Train Grades 1-6 Primary and All-Age school teachers, guidance counsellors and administrators to use conflict resolution techniques which will personalize interaction and demonstrate to children that they are important human beings.
6. Monitor the impact and effectiveness of the teachers' manuals and student activity books.
7. Start a National Advertising Campaign which will encourage the general public to practise alternative strategies to violence, and generate support for the PALS programme.
8. Initiate and maintain a movement in schools to further develop positive student self expression to engender self respect, coping with anger, ability to resolve conflicts and the practice of safe road use. This movement will incorporate cultural activities including the performing arts, popular music and a variety of exhibitions and competitions.

**ALL SMILES:** Everyone seemed happy to sign the Agreement under which the Peace and Love In Schools (PALS) Project received funding from the National Action Plan (NAP). Affixing their signature to the document were (from left) USAID's William Craddock, PSOJ's Executive Director Charles Ross, NAP's Executive Director Frank Lopez and PALS' Chairman Oliver Clarke. Also sharing in the moment were USAID's Valerie Marshall, PSOJ's Hugh Perrin, NAP's Jennifer Owen-Williams and PALS' Sonia Williams.



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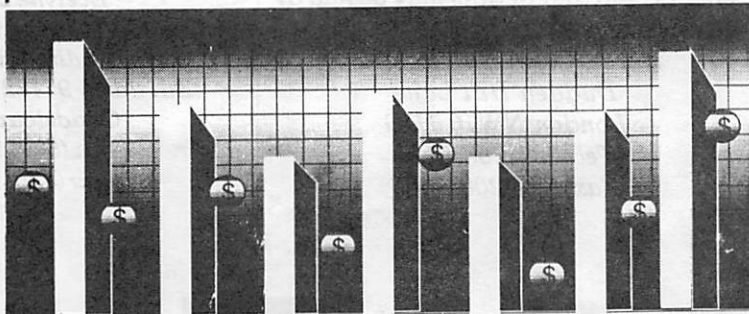
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## It's Investment Time Again!

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As with any investment of this nature - Unit Prices may go down as well as up and there is no assurance of continuous growth.

## EDUCATIONAL OPPORTUNITIES

### NORTH WEST TRAINING LTD.

North West Training Ltd., the training company of the College of North West London, has been established to provide companies with a professional, high training service throughout the year.

An important feature of this company is that it will design training packages specific to the particular needs of its clients. Further details may be had by contacting:

*North West Training Ltd.  
Dudden Hill Lane  
London NW10 1DG  
Tel: 081-208-5171  
Fax: 081-208-5085*

## EXPOS' US

Published by ACTA Conseil in Guadeloupe, EXPOS' US is the first Caribbean Calendar Guide of Events.

It contains information on a variety of events including trade shows, exhibitions, fairs, conferences, seminars, congress, festivals, carnivals and sports tournaments.

EXPOS' US currently enjoys a circulation of 100,000. Companies or associations wishing to advertise their special events for 1996 in this publication should contact:

*Evelyne Beazor  
General Manager, ACTA Conseil  
Les Jardins de Houelbourg  
Z.I. Jarry 97122 Baie-Mahault  
Guadeloupe F.W.I.  
Tel: (590) 26 95 44  
Fax: (590) 26 74 38*

## SPOTLIGHT

Billboard Magazine will be publishing a "Spotlight" on Jamaica and its music on July 15, 1995.

Companies wishing to advertise in this publication, which has a readership of over 200,000 in 110 countries, should contact:

*Balford Henry  
Tel: 988-1350*

Deadline for submitting artwork is JUNE 20.

## TRADE AND COMMERCE FORUM

U.S. Secretary of Commerce Ronald H. Brown and U.S. Trade Representative Mickey Kantor will be in Denver, Colorado from June 29 July 2 for the Western Hemisphere Trade and Commerce Forum, a two-day meeting featuring high-level private sector and government representatives focusing on issues of hemispheric commercial integration. The Denver events, as announced in early February, are a continuation of the process begun at Miami's Summit of the Americas last December in which the 34 democracies of the Hemisphere committed to the creation of a Free Trade Area of the Americas by the year 2005.

Immediately prior to the Forum will be a one-day Trade Ministerial meeting on June 30.

The Forum will consist of several plenary sessions, with sectoral and functional workshops occurring during the Forum. Sectors covered in the workshops include information infrastructure, energy, transportation, finance, agribusiness, tourism, health technology, and the environment. Functional matters dealing with small and medium business, information services, and regulatory, standards and legal issues will also be discussed.



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# CONFERENCES EXHIBITIONS & TRADE SHOWS

## EXPOCARIBE '95

This will be held June 26 to July 2, 1995 in Santiago de Cuba. It includes two events: the IV Caribbean International Trade Fair (June 26 - July 2) and the III Meeting of Caribbean Businessmen (June 27-29).

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## CARIBBEAN BUSINESS OPPORTUNITIES

The IV Seminar on Business Opportunities in the Wider Caribbean Basin will take place June 28-30 in Cancun, Quintana Roo, Mexico. It will provide a forum for discussions between business people, government officials and industrial specialists, from 37 countries, who have an interest in promoting and increasing trade and investment opportunities. The seminar is being organized by the Mexican Ministry of Trade and Industrial Development, the Mexican Business Council for International Affairs (CEMAI) and other public and private sector agencies.

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## JAMAICA EXPO '95

Jamaica EXPO '95, a private sector promotion, will be held June 30 - July 1, 1995 in London and June 26, 1995 in Birmingham. The EXPO will consist of meetings with the Jamaican business community in Birmingham, a two-day business exhibition and a series of seminars for returning residents. EXPO '95 will close with a Dinner on July 1 in London. The aim of Jamaica EXPO '95 is to bring together the business community in Jamaica and the local Jamaican community in the United Kingdom.

Sponsors of this event are: Jamaica National Building Society, Jamaica Producers Group Ltd., Grace, Kennedy & Company Ltd., Telecommunications of Jamaica Ltd. and The Gleaner Company Limited.

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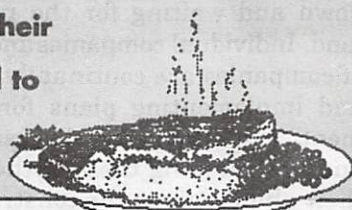
A number of trade fairs exhibitions will be held in Colombia between July and October, 1995. Persons interested in participating in those listed below should contact Mr. Neville Madden, Marketing Development Officer at JAMPRO:

- **X AGROEXPO** (Products and Services in the Agricultural and Agroindustrial Sector) July 14-23, 1995
- **XXVIII COLOMBIAN LEATHER MARKET** August 1-5, 1995

- **EXPOSOCIAL** (Products and Services in the Social Sector) August 9-13, 1995
- **IV EXPOSALUD** (Products and Services in the Health Sector) August 15-19, 1995
- **III PROFLORE** (Products and Services in the Flowers Sector) August 15-19, 1995
- **XII FERIA DEL HOGAR** (Household Products and Services) September 1-17, 1995
- **EXPOFRANQUICIAS 1995** September 21-24, 1995
- **IV EXPOCIENCIA Y EXPO-TECNOLOGIA** (Products and Services in Science and Technology Sectors) September 20 - October 8, 1995
- **PETROMIN** (Products and Services in Petroleum Sectors) October 10-13, 1995
- **XIV COMPUEXPO-SOFTWARE** (Products and Services in Computer Sector) October 19-24, 1995

## FOOD AND BEVERAGE FAIR

Caracas, Venezuela is the venue for the International Food and Beverage Fair to be held July 28 to August 6, 1995. Participants will be able to introduce and promote their products in the Venezuelan market and to sell directly to visitors to the Exhibition.



## FREE ENTERPRISE

... AND WATCH JAMAICA GROW

# PSOJ MEMBERSHIP LUNCHEON

MAY 18, 1995

## SUMMARY OF PRESIDENT'S OVERVIEW



**MEMBERSHIP LUNCHEON:** Guest Speaker Bruce Golding had the attention of his audience as he outlined how he saw current economic performance. Listening attentively to Mr. Golding were Mr. Gary Thompson of G.T. Auto Spares Ltd., Mr. Hugh Perrin, PSOJ's Director of Finance and Membership and Mr. Calvin Bryan of Bryan's Photo Studio. G.T. Auto Spares Ltd. and Bryan's Photo Studio both received their PSOJ Membership Certificate at the Luncheon which was held at the Wyndham Kingston Hotel in May.

■ The fact that there has been little economic growth over the last few years would suggest that the mix of macro-economic policies requires some further fine-tuning if our economy is to achieve significant and sustainable economic growth.

■ The private sector is not sitting down and waiting for the promised land. Individual companies and groups of companies are continually making and implementing plans for investment, expansion and diversification and are pursuing these to the best of their ability, given the constraints on financing that exist in the economy.

■ PSOJ is confident that while the government remains committed to the free market and continues to make the forward-looking policy initiatives which it has done in the recent past, the remaining obstacles will soon be

removed and the private sector will become empowered to be the engine of economic growth.

PSOJ continues to have active representation on the National Planning Council. At the March meeting updates were given on matters including pension reform, strata titles act, consumer protection and tax administration reform.

National Action Plan completed its activities at the end of March. NAP was not as effective as it could have been partly because USAID funding almost completely dried up in late November last year.

A sub-committee is to be set up to look at the implications of the LOME Convention and other trade agreements.

■ PSOJ is preparing for the production of a pilot television discussion programme. The series is expected to start at the end of July.

■ The Organisation hosted a luncheon for a) the President of the Republic of Zambia and b) Heads of Missions in the Foreign Service.

■ The PSOJ paid tribute to Immediate Past President Douglas Orane at a Dinner in his honour in April.

■ Meetings were held with representatives of a number of organisations including the IMF and the World Bank.

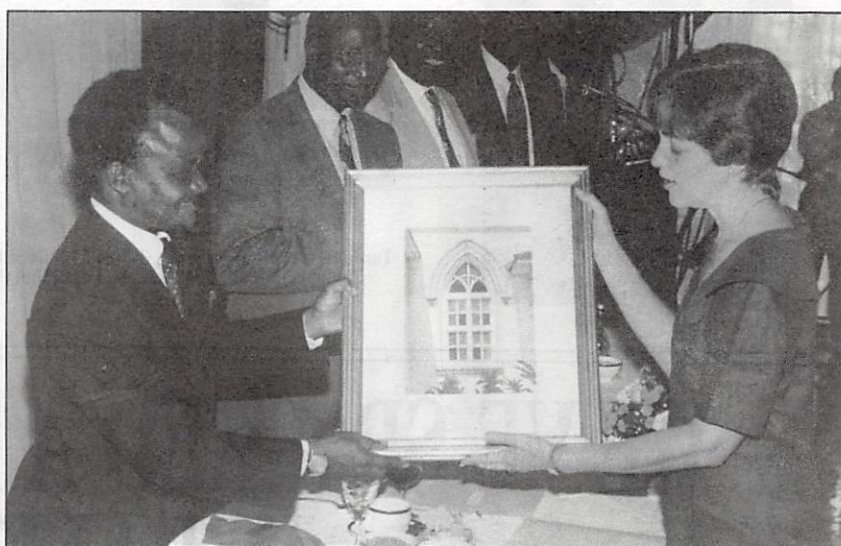
■ The joint public and private sector trade mission to South Africa is not likely to take place before September.



**APPRECIATION DINNER:** Immediate Past President Douglas Orane (left) recounted several amusing anecdotes during his term as President of the PSOJ. His audience (right) obviously enjoyed reliving his experience. Occasion was the Organisation's Dinner of Appreciation for the Immediate Past President which took place at the Jamaica Pegasus Hotel in April 1995.

## PICTORIAL HAPPENINGS & EVENTS

**GIFT FOR THE PRESIDENT:** Mrs. Betty-Ann Jones-Kerr, Honorary Secretary of the PSOJ, presented a painting to His Excellency Frederick J.T. Chiluba, President of the Republic of Zambia. Occasion was a luncheon in the President's honour which was hosted by the PSOJ and held at the Terra Nova Hotel in April 1995.



## WELCOME!



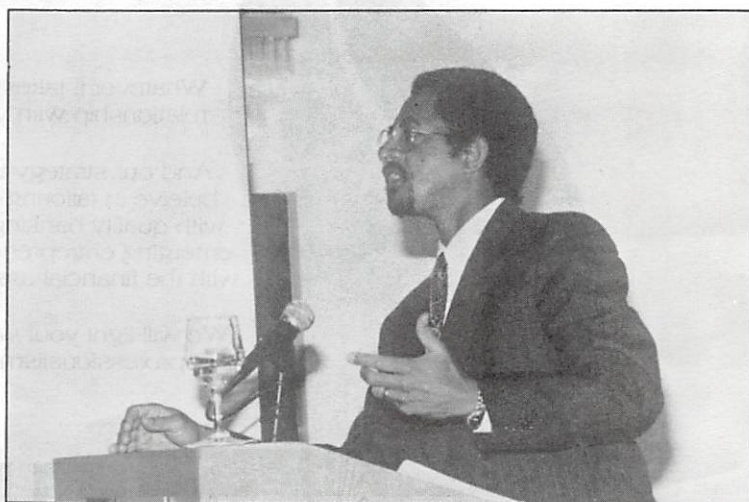
The entire PSOJ membership extends a cordial welcome to the following individuals and companies which recently joined the Organisation.

### **Companies / Associations**

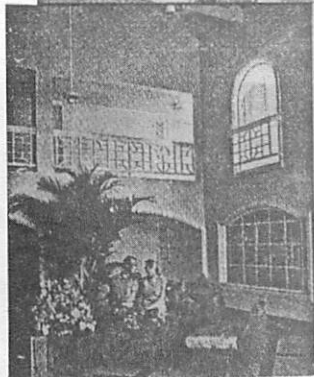
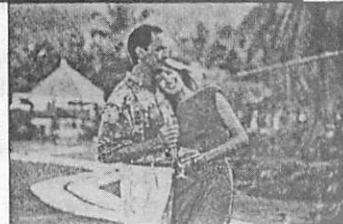
- Conrad Douglas & Associates
- Rose Computers & Associates Ltd.
- Jamaica Independent Schools' Association
- GT Auto Spares Ltd.
- Desktop Office Systems & Supplies Ltd.
- Automotive Sales & Rentals Ltd.

### **Individuals**

Mr Ray Campbell  
Mrs Frances Keane  
Mr Franco Simpson



**ECONOMIC SEMINAR:** Charles Ross, PSOJ Executive Director, outlined some of the implications of the 1995-96 Fiscal Budget. Mr. Ross was speaking at the PSOJ's Seminar on the Economy which was held in April at the Wyndham Kingston Hotel.



## JAMAICA's Newest All-Inclusive Resort

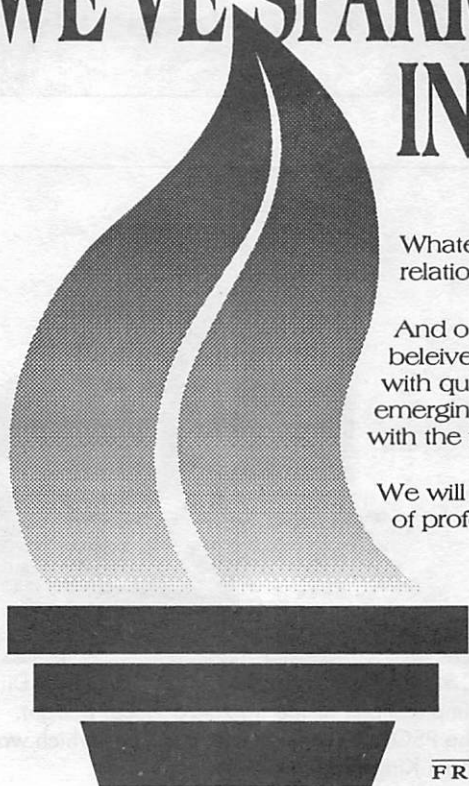
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# BUSINESS

## PERSPECTIVE



### MICRO-MARKETING: The New Way Forward

Keith Thompson, Economist, PSOJ

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In this age of intense global competition companies will now have to find new ways to compete both in the domestic market and in the wider export market. New strategies will therefore have to be developed to further improve the delivery of one's products and services in order to maximize customer satisfaction. Micro-marketing is therefore that new way forward.

Since the advent of established marketing thinking four theories have essentially been in vogue. The first is mass marketing whereby a company builds a product and strives to encourage mass consumption of the product through product standardization and global marketing. This view of marketing then gave way to a second thought: the product variation approach whereby producers developed a range of products to suit the varied needs of consumers. Increasing competition then rendered this approach obsolete and so the target (or niche) marketing concept was born. This approach saw companies targeting specific types of consumers who share common characteristics and therefore require common marketing strategies. Subsequent to this approach came the concept of micro-marketing.

Micro-marketing sees each consumer as an individual with specific and unique wants and needs. Companies therefore develop products and services peculiar to each consumer hence ensuring that their needs are met. Sounds impractical. Well, consider General Motors. Last year General Motors developed a new and innovative approach to marketing automobiles. They established an interactive com-

puter system at selected dealers across continental United States. Customers could therefore design their dream cars right from the dealer's store and the computer would generate price according to the desired options. If accepted, the customer's requests are automatically forwarded to one of the production sites where the dream car is produced and shipped to the customer. How much more specific than that can a customer's needs be satisfied.

Micro-marketing has been around for sometime now in such form as high quality fashions from Paris, jewellery from London, private banking from Citicorp, quality restaurants and gourmet food from Italy, and there has also been significant exporting of micro-marketing services such as Swiss (and Cayman) private banking overseas. Micro-marketing is not a far-fetched idea, or one devoted exclusively to serve the wealthy and affluent, but micro-marketing ensures that the marketing objective, is well achieved. It guarantees that the customer will be satisfied, because a satisfied customer will always return.



### CGTD ASSISTANCE

The Center for Global Trade Development (CGTD)

assists businessmen/women who have a product or service to sell in the global marketplace. CGTD helps companies and individuals to:



- connect with manufacturers, importers and exporters worldwide;
- open new markets - acquire profitable new contracts;
- open doors to new profitable businesses including joint ventures;
- identify new buyers, suppliers, investors and opportunities worldwide;
- find agents and representatives to expand businesses beyond Jamaica;
- globalize business, products and services with proven strategies.

Persons interested in utilizing the services of the CGTD should contact:

Prav Kaps  
Center for Global Trade  
Development  
P.O. Box 27741, Tempe  
AZ. 85285-7741, U.S.A.  
Tel: 1-602-966-2711  
Fax: 1-602-966-4699

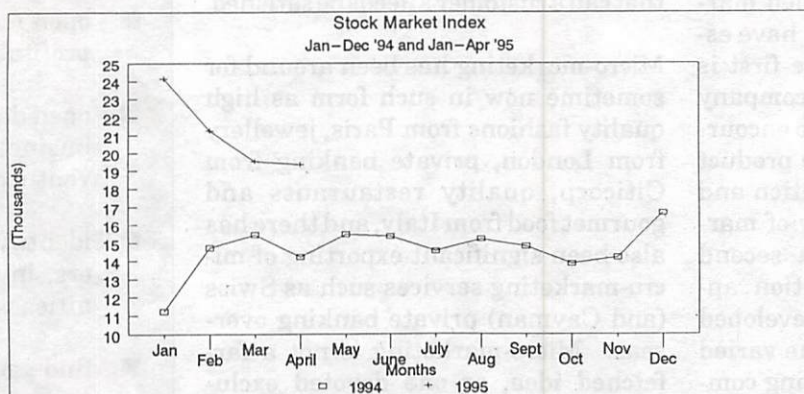
# ECONOMIC Update

## UPDATE ON SELECTED ECONOMIC INDICATORS

### INTEREST RATES (%)

	June April 94	Dec 94	Jan 95	March 95	April 95	June 95	July 95
Fixed Deposits							
(J\$100,000 and over)	31.43				14.5-23	14.5-24.5	14.5-26
3 to 6 months	21.78	20-32	19-31	14.5-23	48.73	48.73	48.32
Loan Rates (Avg)	65.00 67.00	56.14	52.59	48.82			
Jamaican Treasury Bill							
(6 months yield)	46.38	-	27.55 (cents)	-	20.37	24.24	23.92
Certificate of Deposits							
(clearing rate - 3 months)	52.50	28.99	27.40	-		Nil	Nil

### STOCK EXCHANGE Index



May 95 = 18244.4  
June 95 = 17563.94  
July 95 = 16191.8

### COMMERCIAL BANKS (J\$M)

	Mar 94	June 94 Dec 94	Jan 95	Mar 95
Assets and Liabilities	71322.80	76741.96 128.90	96276.50	97009.40
Loans and Advances	25906.60	28514.03 2294.40	33610.90	35952.60
Deposits	51774.40	54702.68 491.40	68751.80	70379.10
Liquidity Ratio (%)	50.00	50.00 50.00	50.00	50.00
Actual Liquidity (%)	53.53	53.19 57.27	61.95	60.12

### OTHER FINANCIAL INSTITUTIONS (J\$M)

	Feb 94	April Dec 94	Jan 95	Feb 95
Assets and Liabilities	25761.60	27023.5 14158.20	42208.20	42980.30

### BALANCE OF

PAYMENTS (US\$M)	Jan-Dec 93	Jan-Dec 94	Change 93/94 US\$Mn
Merchandise	-1113.80	-957.80	156.00
Exports (fob)	1075.40	1219.50	144.10
Imports (cif)	2189.20	2177.30	-11.90
Services (net)	529.70	502.70	-27.00
Foreign Travel	886.90	842.00	-44.90
Investment Income	-240.20	-216.90	23.30
Other	-117.00	-122.40	-5.40

<b>GOODS AND SERVICES</b>	<b>-584.10</b>	<b>-445.10</b>	<b>129.00</b>
Transfers (net)	371.90	571.70	199.80
Private	306.40	534.30	227.90
Official	65.60	37.40	-28.10

**Current A/C** **-212.20** **116.60** **328.80**

<b>Net Capital Movements</b>	<b>310.30</b>	<b>268.80</b>	<b>-41.50</b>
Official	-4.10	-101.40	-97.30
Private (including net errors and omission)	314.40	370.20	55.80

**Change in reserves (BOJ)** **-98.10** **-385.40**  
(Increase = minus)

#### EXCHANGE RATES

	Dec 93	July 94	Dec 94	Jan 95	March 95	June 95	July 95
US\$ = J\$	32.70	33.57	33.37	33.28	33.41	33.95	34.33
BR. Pound = J\$	42.60	49.02	50.15	51.59	52.23	52.64	52.70
Can \$ = J\$	21.80	23.26	22.96	22.90	23.23	24.42	24.45

#### FOREIGN CURRENCY A/C (US\$M)

	Dec 93	July 94	Dec 94	Jan 95
Commercial Banks	428.40	595.38	690.00	655.12

#### INTER BANK TRADING (US\$)

	Dec 93	July 94	Dec 94	Jan 95
Purchase	78.70	121.29	128.00	120.40
Sales	79.60	123.88	126.20	121.50

#### FISCAL ACCOUNTS (J\$M)

	Apr-93-Mar 94	Jan-Mar 94	Apr-Sept 94	94/95 April-May	95/96 April-May	Change
Revenue + Grants	34243.00	10738.00	18718.80	6059.2	7820.8	1731.6
Expenditure	41256.90	19226.60	30346.50	6853.1	6185.9	(687.2)
Deficit/Surplus	(7013.9)	517.40	11,627.70	(763.9)	1654.9	2417.9
% of GDP	7.03	0.39	8.80			

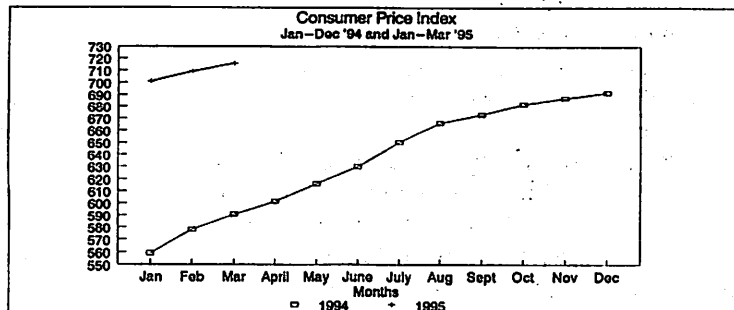
#### NATIONAL DEBT

	Dec 1993	Mar 1994	June 1994	Sept 1994	Dec 1994	Apr 95	June 95
Internal (J\$M)	23554.80	24547.60	28452.00	36835.10	41248.50	N/A	50.1
External (US\$M)	3647.20	3673.90	3656.70	3671.10	3651.80	3597.2	N/A

#### SELECTED MONETARY INDICATORS (J\$M)

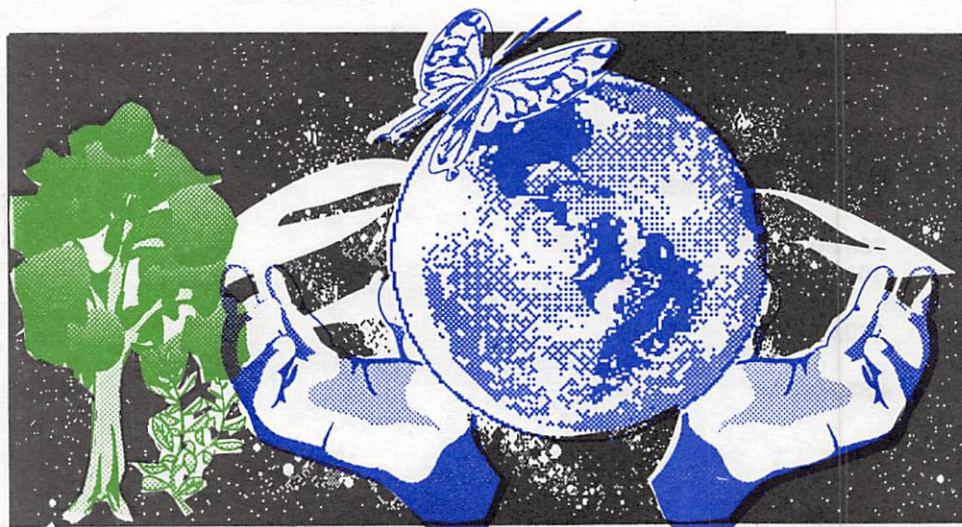
	Dec. 1993	March 1994	June 1994	Dec 1994	Mar 95	June 95
Money Supply (M1)	14523.30	16238.10	16236.9	17896.70	16884.60	17829.7
(M1 and Quasi-Money) M2	39492.30	43068.20	45909.2	54783.50	55512.20	59825.6
Net International Reserves (US\$M; BOJ)	-80.12	56.05	171.29	397.92	435.30	449.89
Credit to Public Sector	-2408.10	-5909.80	-5905.9	-7178.50	-14284.25	-4270.6
Credit to Private Sector	21148.00	22811.40	25034.2	26782.3	30791.00	30992.0

CPI - JAN TO DEC 94 AND JAN TO APR 95



Year to date (Jan-Dec) Inflation Rate = 26.9%

95  
April = 723.5  
May = 733.7  
June = 740.9  
July = 755.7



## ENVIRONMENTAL NEWS

### GREEN TRACK PROPOSAL

*(The following is a Press Release out of Washington (USA) which we would like to share with our readers.)*

**The Green Track proposal is geared to companies with superior environmental management programs and a commitment to pollution prevention.**

While Congress debates "Contract with America" legislation which is almost certain to re-shape environmental regulation, many corporate leaders are instead pointing to other significant market-driven, non-regulatory trends that promise to fundamentally change the course of corporate environmental decision-making.

Many companies with proactive environmental management programs are

not eager to get caught up in the current political debate on the reform of environmental regulation, preferring to focus on longer-term solutions. The representatives of such companies are rallying under the banner of "beyond compliance," and have presented to the White House and to Congressional leaders a range of consensus-building, industry-led initiatives.

One of the most intriguing proposals presented to the White House Office of Science and Technology Policy (OSTP) late last week was the "Green Track" which structures a new regulatory pathway for companies committed to environmental excellence. The Green Track proposal posits that it is up to corporate environmental leaders, not EPA, to step forward and define environmental leadership and measures to compliance success.

In calling initially for a consensus-building process in combination with a sophisticated communications strategy, the Green Track clearly differs from narrower proposals based on specific draft legislation. For exam-

ple, a widely-circulated 3M proposal links innovative technology to "beyond compliance" regulatory flexibility.

The Green Track proposal is geared to companies with superior environmental management programs and a commitment to pollution prevention. The initiative contemplates a policy and legislative agenda only after a consensus-building dialogue among industry leaders on the constituent components of environmental excellence, and a showcasing of their voluntary efforts to date.

"Corporate America is willing to commit to environmental excellence now. Unfortunately, too many of the proactive, voluntary compliance and pollution prevention efforts have been ad hoc and poorly communicated to the public and to the regulators," says Gordon Davidson, President of Capital Environmental, and one of Green Track's sponsors.

The key to the Green Track is that it builds on many of the powerful emerging national and global trends already recognized by environmental leaders," continued Davidson.

Davidson cited as important drivers the ongoing ISO process (which is developing international voluntary standards for environmental management systems), the increased stringency of SEC environmental disclosure requirements, and the draft Sentencing Guidelines, to be applicable to organizations convicted of environmental offenses, which provide for mitigation of sanctions where proactive management programs are in place.

The need for industry consensus on regulatory reform received great impetus from a heavily-attended December 1994 meeting at the White House which was ostensibly convened to promote environmental technologies. That gathering, also sponsored by OSTP and hosted by Vice President Gore, quickly turned into a more comprehensive discussion of regulatory reform. The predominant message heard by OSTP from industry was that

## The key to the Green Track is that it builds on many of the powerful emerging national and global trends already recognized by environmental leaders

the current regulatory structure is the most significant impediment to developing a strong US position in the \$300 billion global technology market. But the Green Track proposal contemplates an alternative pathway, not just promotion of environmental technology.

Many industry leaders refer to Green Track as a "realistic, coherent approach" since it builds on trends already reaching acceptance in the regulated community — voluntary benchmarking, self-evaluative programs like audits, and improved stakeholder relations, including increased disclosure of information, often in the form of corporate annual environmental reports.

The Green Track approach addresses another major concern raised by the corporate environmental leaders — to avoid a knee-jerk reaction to the current political climate. According to Davidson, "American environmental managers are ready for significant environmental regulatory overhaul, but would much prefer a long-term, well considered direction, rather than attempting to follow a wildly-swinging pendulum."

Industry leaders are currently focusing their efforts on adapting ISO guidelines to the US market and advancing life cycle analysis or total environmental cost accounting, and they generally favour consolidation or simplification of reporting requirements and easing barriers relating to the use of innovative technologies. Industry leaders have developed a total quality systems approach to environmental compliance, building compliance efforts as part of traditional business operations. Proactive corporate environmental programs are seeking greater enforcement certainty, especially where there has been voluntary disclosure of violations.



**FOR THE INSTITUTE:** PSOJ's Director of Finance and Membership, Hugh Perrin, recently presented a complimentary copy of the Organisation's environmental documentary "Source of Life" to Mrs Lisa Henlin, Education Officer, in the Natural History Division of the Institute of Jamaica. The videotape was part of the Institute's 1995 "Earth Day" Video presentation.

## Environmental Courses & Conferences

### ECOTOURISM COURSES

The George Washington University will be presenting the following summer courses in Ecotourism Management:

- Ecolodge Planning and Sustainable Design - July 10-12, 1995 at Maho Bay Camp, St. John, U.S. Virgin Islands;
- Operating and Ecolodge - July 12-14, 1995 at Maho Bay Camp, St. John, U.S. Virgin Islands.

*Interested persons may contact the PSOJ Secretariat for further information.*

### CONFERENCE ON SOLID WASTE

The UWI Centre for Environment and Development will be hosting a Conference on Solid Waste Management during the period September 20-22, 1995 at the Wyndham Kingston Hotel.

Using the theme "Challenges for Developing Countries", the presenters at the Conference will look at the financial, environmental, social, health and physical implications of solid waste management problems in the region and other developing countries.

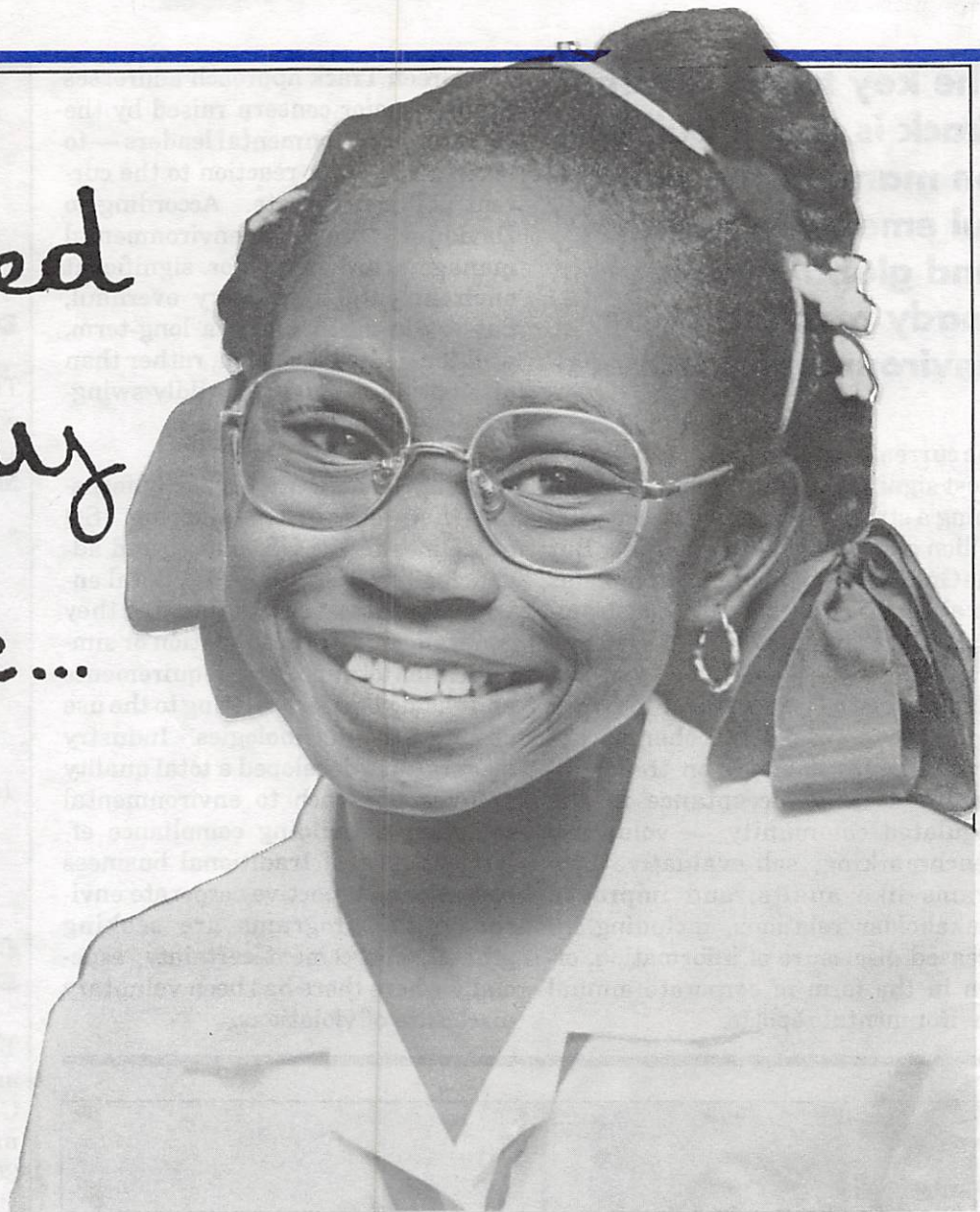
Persons interested in attending the Conference or in presenting a paper should contact:

*Professor Elizabeth Thomas-Hope  
Professor of Environmental  
Management  
University of the West Indies  
Jamaica*

*Tel: (809) 977-5413*

*Fax: (809) 977-5413*

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