



*A moderate  
devaluation  
will bring  
consumption  
into line with  
production and,  
in particular,  
with our capacity  
to earn foreign  
exchange.*

## ALTERNATIVES TO THE HIGH INTEREST RATES POLICY

- Charles Ross, Executive Director, PSOJ

**T**he present administration has implemented many bold economic initiatives which have taken us a far way down the road of meaningful structural adjustment. However, if we are to reap the full benefits of these initiatives we must make a transition from policies of stabilisation to policies favouring growth.

The realisation of the objectives of the Industrial Policy will require a transformation of the economy and this in turn will cause a shift in the policy orientation from the pre-occupation with the stability of the exchange rate to production for the local and domestic markets.

The use of high interest rates to prop up the interest rate, subsidises consumption and penalises production. Low but positive interest rates will encourage production and investment, thereby facilitating economic growth, a rise in standard of living, more resources in social services, and an end to the huge transfer of wealth from the productive sector and the taxpaying public to the holders of cash.

The supreme irony of the present situation is that the greatest benefit from the exchange subsidy goes to the wealthy who consumes large quantities of foreign exchange through the purchase of luxury goods such as expensive motor cars, satellite television systems, and high-priced consumer durables.

The poor whose primary benefit comes in the form of cheaper basic foods enjoy proportionately far less since their disposable income is so small. However, they, along with the middle income earners are the ones who bear a disproportionate portion of the cost of the high interest rate policy as it is their taxes, through the PAYE and GCT systems, which provide a considerable portion of the government revenue which must be used to service the interest cost of the rapidly growing public debt.

The poor also pay a substantial price for the lack of government services on which they depend most heavily as the government revenue which should go towards expanding those services goes instead towards paying the high cost

Enterprise is a quarterly publication of the Private Sector Organisation of Jamaica.

Executive Director: Charles Ross

Editor: Marcia Ormsby

Production: Creative Types

Cont'd on pg. 3

# He's Jamaican Too

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

Like this Jamaican Owl  
(Pseudoscops Grammicus or Patoo),  
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!



The Shell Companies in Jamaica  
Rockfort, Kingston 2. Tel: 928-7301-9 / 928-7231-9



**The cost of continuing the high interest rate policy may turn out to be much higher than those outlined above as policy may further de-stabilise the financial system and may end up putting many companies out of business, resulting in a sharp rise in unemployment and a severe contraction of economic activity.**

of the present high interest rate policy. It is therefore very difficult to rationalise or justify this policy from the point of view of social equity as the poor are paying the highest price and reaping the least benefit from it. What is even more unfortunate is the fact that the high interest rate policy has not proven itself to be effective in controlling the growth of money supply and, by the admission of the Central Bank authorities themselves, a dramatic reduction of the rate of growth of the money supply is the only sure way of reducing inflation in the medium to long term. A radical reform of the Bank of Jamaica is a much less costly and more secure way of achieving this objective than persevering with the present high interest rate policy. The high interest rate policy is often justified from the assumption that it can preserve, at least temporarily, the existing exchange rate and that it will therefore assist in bringing down inflation.

The fallacy of this argument has already been indicated in the 1994 to 1995 period when high inflation persisted even though the exchange rate was stable for over a year. The foreign exchange content of GDP is only about 60% and therefore movement in the exchange rate does not result in a one to one movement in inflation. For example, if there is a 20 percent increase in the cost of the US dollar in Jamaican dollar terms, such as occurred last September to October, it would contribute to about a 12 percent increase in the CPI or in overall prices within the domestic economy. From this, it is clear that the peak point to point inflation rate of about 35 percent, which

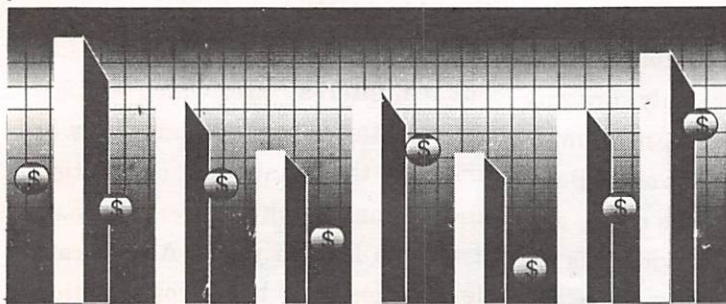
will occur later on this year, would have more to do with the growth of money supply during 1995 than the devaluation which took place late last year. Devaluation alone, therefore, is unlikely to result in very high levels of inflation as long as we just put in place mechanisms to control the growth of money supply. This will ensure that inflation does not get out of hand after devaluation and that a real and sustainable adjustment in the exchange rate takes place. This will allow low but real interest rates which will foster investment and economic growth and take the country out of inflation and stagnation which have paralysed it for the last 25 years. A moderate devaluation will bring consumption into line with production and, in particular, with our capacity to earn foreign exchange. It will not give a subsidy to high inflation at the expense of the poor and taxpayers. The resources freed up by the lower debt servicing cost can be used to provide direct subsidies to the poorest in the society who will be most affected by the increased cost of imported basic foods (e.g. by way of food stamps, etc.). The cost of continuing the high interest rate policy may turn out to be much higher than those outlined above as the policy may further de-stabilise the financial system and may end up putting many companies out of business, resulting in a sharp rise in unemployment and a severe contraction of economic activity. Furthermore, the cost of bailing out troubled financial institutions could in itself end up destabilising the exchange rate, thus achieving the exact opposite of what the policy is set out to do.

# It's Investment Time Again!

The market goes up, the market goes down - It's the natural way for things to go. There is never a guarantee that it will go in any particular way. But, one thing is sure, the best time to buy is **NOW**



And, the best way to take advantage of this opportunity is through the Jamaica Unit Trust Investment Funds - The Capital Growth Fund, The Income & Growth Fund and the Giltedge Fund.



An investment in this Fund gives you the best of both worlds. The pooled investments are carefully managed to produce dividend earnings for the Unit Holder while the units also accumulate growth value.



Buy units in the Capital Growth Fund and share in an investment pool created to increase the value of your money through tax-free Capital Growth.



This is a new investment opportunity that is meant to keep your money at work, growing in value and earning your bonus units, distributed twice yearly to increase the value of your investment.

*Take our advice  
make your move  
**NOW!***

Call Jamaica Unit Trust Services, or any branch of Scotiabank, the Workers Bank, National Commercial Bank or your Stockbroker today.



**JAMAICA UNIT TRUST SERVICES LIMITED**

50 Knutsford Boulevard, New Kingston, Kingston 5.  
Tel: (809) 968-7000-1, 926-6758, 929-8135-6, 968-7486-7. Fax: (809) 920-1055.  
Trustees: Scotiabank Jamaica Trust & Merchant Bank Ltd.

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

**Pioneers in Unit Trust Investments.**

## INTERNATIONAL TRADE AND INDUSTRY FAIR IN SINGAPORE

The Singapore Chinese Chamber of Commerce and Industry (SCCCI) will hold the **International Trade and Industry Fair '97 (ITIF '97)** at the Singapore World Trade Centre, on March 27-30, 1997. The ITIF '97 will be a mega showcase of international standing, providing ample trade and investment opportunities in the emerging markets. It will attract trade exhibitors, businessmen, investors and professionals from around the world and will promote Singapore as a gateway to the Asia Pacific region.

The Singapore Trade Development Board will give its full support to ITIF '97 and Times Conferences and Exhibitions Pte Ltd will provide the expertise as a co-organiser. The theme of ITIF '97 is "Trade and Investment Opportunities in the Emerging Markets". It will cover all aspects of trade in Finance and Investment, Manufacturing, Property Development, Lifestyle, Fashion and Health. It will also highlight products and services targeted at niche markets and emerging economies. It is expected to attract some 400,000 local and foreign visitors.

Since 1959, the SCCCI has organised this international fair every few years. Its members and counterparts throughout the world have found it the most attractive meeting ground to discuss business opportunities and strengthen business relationships.

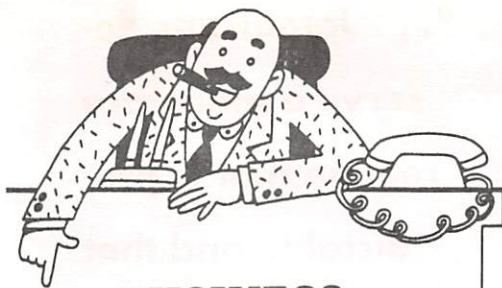
As a new feature, ITIF '97 has been restructured to include specialty pavilions and country pavilions in order to attract more visitors. In addition, a trade forum will be run concurrently to provide a platform for discussions focusing on topical intra-regional trade issues.

For further information, please contact:

Ms. Christina Ng,  
Exhibition Department  
Times Conference and Exhibitions  
Tel: (65) 284 8844  
Fax: (65) 286 5754

or

Ms. Tan Hsu Ching  
SCCCI  
Tel: (65) 337 8381  
Fax: (65) 339 0605



## BUSINESS OPPORTUNITY

**I**s your company interested in purchasing goods from the United States of America? Perhaps you may wish to utilize the services of a USA/Caribbean company which specializes in sourcing merchandise throughout the USA on behalf of its Caribbean clients. Goods which are sourced by this company include building materials, construction equipment and parts, office equipment and personal items such as vehicles and lawn equipment. Companies interested in working with this company should contact:

*Mr. Richard Hostein  
Rich & Rich Inc.  
415 N.E. 176 Street  
North Miami Beach  
Florida 33162  
Tel/Fax: (305) 654-9053*

or

*P.O. Box 32  
St. George's  
Grenada  
Tel: (809) 440-7997*

## EXPO FOOD & LIQUORS '96

Expo Food & Liquors '96 will be held September 25-29, 1996 at the Hotel Tamanaco Intercontinental in Caracas, Venezuela.

Organized by E. Rapale Creatividad Publicitaria, this event is being sponsored by the Embassy of Austria in Venezuela. It will provide Jamaican entrepreneurs with an opportunity to meet with manufacturers from Venezuela, Colombia, Brazil, Chile and Mexico as well as from the Caribbean.

Companies interested in exhibiting at this event or in attending the EXPO should contact:

*Lic. Eleyser Rapale  
General Manager  
E. Rapale Creatividad Publicitaria  
C.A.  
Inorca Building  
Piso 12, Oficina 122  
Albanico a Socorro  
Altigracia, Caracas 1010-A  
Venezuela  
Tel: (58-2) 561. 39. 36  
or (58-2) 561. 31. 06  
Fax: (58-2) 561. 39. 36*

## UPCOMING PSOJ EVENTS

### AUGUST

- Membership Luncheon in Central Jamaica
- (Tentative) Official launch of the publication "Alternative Monetary Regimes for Jamaica" by Steve Hanke and Kurt Schuler

### SEPTEMBER

- Caribbean Business Development Council

### OCTOBER/NOVEMBER

- 20th Anniversary Banquet

### NOVEMBER

- Private Sector Hall of Fame Dinner
- Membership Luncheon in Kingston
- Annual General Meeting

## FREE ENTERPRISE . . . AND WATCH JAMAICA GROW



## **"ALTERNATIVE MONETARY REGIMES FOR JAMAICA"**

**... "The way out of the dilemma of high real interest rates versus high inflation is to reform current arrangements for monetary policy in Jamaica. . . ."**

**T**he Private Sector Organisation of Jamaica (PSOJ) has always been committed to finding solutions to macro-economic issues which will result in growth, economic reform and, consequently, development of the Jamaican economy.

In furtherance of this objective, the PSOJ commissioned the services of Steve Hanke, Professor of Applied Economics at the Johns Hopkins University in Baltimore and Kurt Schuler, a post-doctoral fellow at the same university. Their assignment was to examine the monetary sector and, based on their findings, make recommendations on how to reform that sector.

The findings of this study were compiled in the book **"Alternative Monetary Regimes for Jamaica."**

According to Hanke and Schuler, "The way out of the dilemma of high real interest rates versus high inflation is to reform current ar-

rangements for monetary policy in Jamaica. Our analysis of the historical experience of Jamaica and other developing countries strongly suggests that the best options for reform are the most far reaching. In the case of Jamaica that means stripping the Bank of Jamaica of its power to issue the Jamaican dollar."

In their opinion, "Jamaicans deserve a monetary regime that is predictable and that does not inflict hardship on

**"... Jamaicans deserve a monetary regime that is predictable and that does not inflict hardship on most of them by means of high inflation. . ."**

most of them by means of high inflation. The Bank of Jamaica has failed to provide a good monetary regime. It is time to replace the current monetary regime with one that will be stable and durable."

And what are the options? Hanke and Schuler lists three: dollarization, joining the Eastern Caribbean Central Bank and establishing a currency board.

The language and style of **"Alternative Monetary Regimes For Jamaica"** were specially chosen in order for the information contained therein to be understood by a wide audience. "Economists may notice that we have omitted some fine points that do not change the basic argument".

*Copies of this publication are available from the PSOJ Secretariat at a cost of \$300.00 plus GCT.*



## *20th Anniversary Membership Directory*

**T**he Private Sector Organisation of Jamaica (PSOJ) will this year mark its 20th Anniversary (1976-96). The anniversary is a milestone deserving of celebration as the PSOJ has over the years continued to be at the forefront of protecting and promoting Jamaica's economic growth and the spirit of free enterprise.

As one of the activities to mark this anniversary, the PSOJ will be publishing a special souvenir journal and membership directory. This attractively designed anniversary publication will highlight the 20-year history of the Organisation, its achievements and contributions to the community and social development, as well as provide a current and comprehensive listing of members - corporate, individual and associations.

Production of this collector's publication is being coordinated by **Mr. Lincoln Robinson of Interline Communications** and is scheduled for completion by **August 1996**. We take this opportunity to invite your support by way of taking out of an advertisement in this publication. **Please contact Mr. Robinson for further information at telephone 960-5716 or 968-0241-2 or Fax 960-5725.**

**VISION, STRENGTH, DIVERSITY, SERVICE**

# THE SHAPE OF SUCCESS

BOLD. UNMISTAKABLE.  
TRIUMPHANT.

FIFTEEN DYNAMIC ENTITIES  
SPANNING SIX KEY INDUSTRIES:  
TOURISM, FINANCE, INSURANCE,  
COMMUNICATIONS, REAL ESTATE  
DEVELOPMENT,  
DATA PROCESSING.

UGI GROUP OF COMPANIES.  
CHARTING A DISTINCTIVE COURSE  
OF SUCCESS.



**UGI GROUP  
OF COMPANIES**

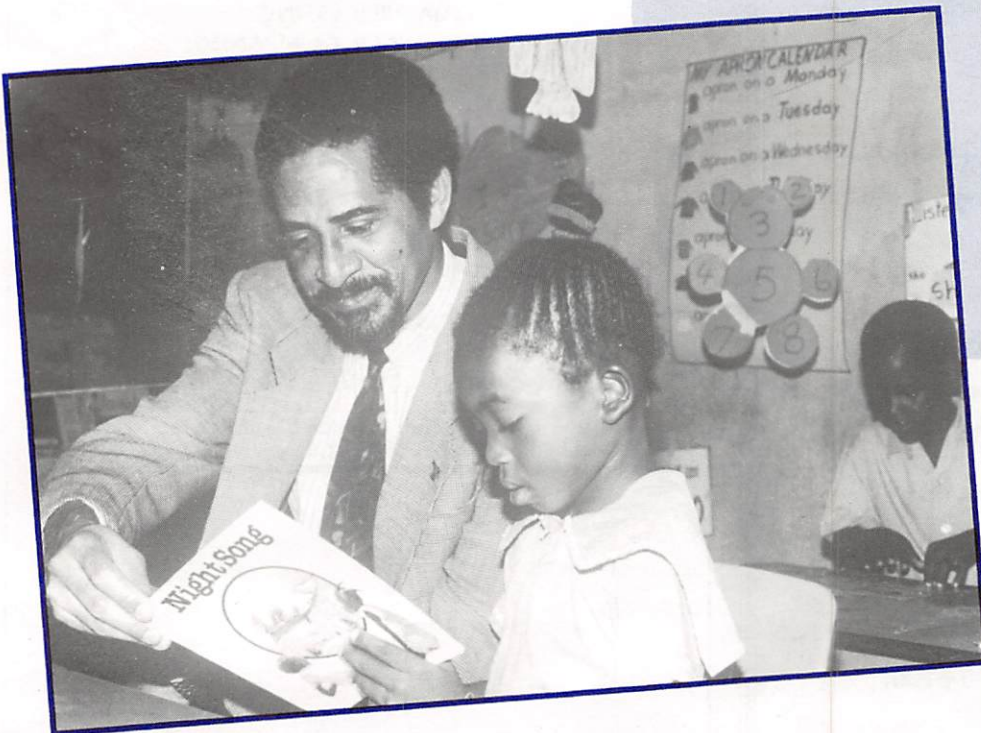
*Business Leaders With Strength & Vision*

4-6 Trafalgar Road, Kingston 5, Jamaica W.I.  
Telephone: (809)978-3677-82, Fax: (809)978-3718



# ACTIVITIES

*The President of Haiti, Mr. Rene Preval (right) warmly greeted PSOJ Executive Director, Charles Ross, shortly before the start of a Special Breakfast Meeting hosted by the PSOJ at the Jamaica Pegasus Hotel in May. The meeting between the Haitian delegation and representatives of the private sector was part of the official visit of the Haitian President. Others in the photo are (from left) Peter King (Peter King & Associates), Elon Beckford (PSOJ Vice President), Anthony Barnes (PSOJ Vice President), Delroy Lindsay (PSOJ President) and the Honourable Dr. Paul Robertson, Minister of Industry, Investment and Commerce.*



*PSOJ Executive Director Charles Ross reading "Night Song" to a student of the Church of God of Prophecy Basic School. Mr. Ross had just presented 10 copies of the children's story book to the Principal of the school, Ms. Elaina Amos.*

# THE BUSINESS DEVELOPMENT COUNCIL

**A**t the Denver Trade and Commerce Forum of July 1995, the then Secretary of State for Commerce, Ron Brown - in the presence of Director General of the Department of Commerce, Lauri Fitz-Pergado, and after the latter's opening pleasantries and chiding that Caribbean states needed to make a greater effort to prepare for Hemispheric Free Trade, announced the proposal for the establishment of a Business Development Council for the Caribbean countries, similar to the two already operating in South and Central America. The B.D.C. would be situated in Santo Domingo, staffed by two officers, one resident and the other

**Issues dealing with dumping, export subsidies, non-tariff barriers, punitive duty regimes, protective monopolies and excessive bureaucracy are some of the impediments affecting the free flow of trade, which may be brought before the Council.**

roving between the fourteen Caricom members, Haiti and the Bahamas. The proposal was previously formally presented by President Clinton to Prime Minister Patterson at the White House.

The B.D.C. is a forum in which Government and the Private Sector meet to discuss trade opportunities and impediments with their U.S. counterparts. The Council will be chaired by the Secretary of Commerce or his designate, together with a Caribbean Minister of the host government as co-Chairman. Three council meetings a year will be held in rotation, one of which will be convened in the United States. The extraordinary feature of the Council is that the Private Sector will define the agenda and drive the issues related to trade. For the first time it provides the Private Sector with a direct link to the decision makers in Washington. Pressing issues will be taken to the Council floor by the Private Sector Representatives (PSRs) who will be empowered with the right to vote. It has been recommended that a limited number of support personnel be permitted to attend as Observers, to guide and assist with the submissions of the PSRs. A limited number of Public Sector participants will be invited by the Minister of the host country, who will also provide Secretariat services, although these services may

**The establishment of a B.D.C. for the Caribbean countries is one of the most progressive and prestigious developments to come out of the Denver Summit.**

eventually be centralised in a Caribbean territory.

Issues dealing with dumping, export subsidies, non-tariff barriers, punitive duty regimes, protective monopolies and excessive bureaucracy are some of the impediments affecting the free flow of trade, which may be brought before the Council. Likewise, improvement in the dissemination of information, implementing trade promotion programmes, and adopting sectoral approaches to expand business opportunities will also be discussed. The establishment of a B.D.C. for the Caribbean countries is one of the most progressive and prestigious developments to come out of the Denver Summit. Besides significantly heightening international recognition of the Caribbean, it focuses attention on an area which, because of its relatively small population and moderate resources, tends to be over-shadowed by the larger regional trading blocs in the Hemisphere.

The highest accolade has been bestowed on Jamaica in being selected to host the inaugural meeting of the B.D.C. The tentative date for this is September 1996. It is expected that

## **THE BUSINESS DEVELOPMENT COUNCIL** *cont'd from pg. 9*

Secretary Mickey Kentor (the late Ron Brown's successor) and Director General Lauri Fitz-Pergado along with some twenty U.S.-C.E.Os will pay a two-day visit to Kingston to launch the Council. To be visited by a Cabinet member accompanied by a delegation of prominent U.S. businessmen, including about eight regional U.S. Ambassadors, with the attendant Press Corps, can only enhance Jamaica's international image. The details of the Council's workings will be hammered out during this first meeting, after which a much clearer picture of future operating procedures will be presented.

And so we encourage Jamaican businessmen to watch carefully this most important development which is part of our crusade to become internationally competitive. This is your opportunity to let your voices be heard in Washington and the region through the B.D.C. -truly "Betta Dun Come!"

**The extraordinary  
feature of the Council  
is that the Private  
Sector will define the  
agenda and drive the  
issues related to  
trade. For the first  
time it provides the  
Private Sector with a  
direct link to the deci-  
sion makers in Wash-  
ington.**

# WELCOME

The PSOJ welcomes the following companies and individuals whose application for membership were approved in April:

### **INDIVIDUALS**

Mr. Vacianna James  
Mrs. Cynthia Jarrett  
Mr. C.D.R. Bovell  
Mr. Abraham Alexander Bennett

### **COMPANIES**

Foothills Investment Co. Ltd.  
Jamaica Monetary Market Brokers Ltd.  
CAMBIO Association of Jamaica  
Village Resorts Ltd. T/A Super Clubs



## **AGRICULTURAL FAIR**

**T**he Royal Agricultural Winter Fair, Canada's largest agricultural exposition, will be held November 2-16, 1996 at Exhibition place, Toronto, Canada.

This event is expected to attract over 325,000 attendees — exhibitors, buyers and visitors. It will showcase the best in livestock, agricultural produce and technology.

Special features of this exhibition include the agri-business centre and an international market-place.



Interested persons should contact:  
Ms. Madeleine Frick  
Public Relations Coordinator  
The Royal Agricultural Winter Fair  
The Coliseum, Exhibition Place, Toronto  
Ontario Canada M6K 3C3  
Tel: (416) 393-6412  
Fax: (416) 393-6488

# 1997-98 HUBERT H. HUMPHREY FELLOWSHIPS

---

*USIS is inviting applications for the 1997-98 Hubert H. Humphrey Fellowship Program. The Fellowships, named after the late American Vice-President Hubert H. Humphrey, who was well-known for his dedication to the developmental needs of developing nations, allow Jamaican professionals and administrators an opportunity to spend one year at an American university to enhance their professional competence.*

**T**he Humphrey Program brings accomplished mid-career professionals from developing countries to the United States for study and related practical professional experiences. Fellows are nominated by the United States Information Service (USIS) in Kingston based on their potential for national leadership. By providing these future leaders with a shared experience of U.S. society and culture and current U.S. approaches to the fields in which they work, the program intends to provide a basis for lasting ties between Americans and professional counterparts in other countries. Thus

the Humphrey Program fosters an exchange of knowledge and mutual understanding through which the U.S. joins in a significant partnership with developing countries. **This programme is not designed to lead to a degree.**

Fellowships are granted competitively to professional candidates with a commitment to public service in both the public and private sectors, specifically in the fields of communications/journalism, natural resources and environmental management, public policy analysis and public administration, economic development, agricultural de-

velopment/agricultural economics, finance and banking, human resource management/personnel, law and human rights, urban and regional planning, public health policy and management, technology policy and management, and educational planning. An additional substance abuse component in the field of public health and management emphasizes drug education, treatment, and prevention.

The National Institute on Drug Abuse (NIDA) will again offer support for additional Humphrey Fellows in the field of drug abuse. Appropriate candidates are mid-career professionals in leadership positions who have the required experience/skills and who possess potential for advancement in their professions (i.e. mid-level researchers, research managers and policy makers in universities, drug abuse prevention or treatment programs, health or social services industries or medical facilities). Inappropriate candidates include recent graduates (even if they have significant positions), faculty members with no management responsibilities, law enforcement officers (unless they have a professional focus on substance abuse education, treatment and prevention, and meet the requirements to follow a program based in a school of public health), and individuals with recent U.S. or third country experience (more than 6 months within the last 5 years). NIDA-funded Humphrey fellowships target more specialized candidates. While NIDA candidates' profiles are slightly different from other Fellows, all regular selection criteria apply to them:

*cont'd on pg. 13*



## ENVIRONMENTAL NEWS

### WORLD URBANIZATION TRENDS AND IMPACTS

**A** new report from the World Resources Institute, the United Nations Environment Programme, the United Nations Development Programme, and the World Bank finds that urbanization is reshaping the physical and social environment, as it fuels economic growth and spurs environmental degradation.

Urbanization is one of the critical global trends shaping the future, according to **World Resources 1996-97**. Measuring everything from urban expansion to energy consumption to declining fish stocks, the report uses projections based on scientific studies, scenarios, and quantitative models to document future environmental challenges, including those caused by massive and rapid urbanization. The report identifies some positive trends, but also finds that greater environmental challenges lie ahead

*... if local and national governments, non-governmental organizations, communities, business, international donors, and other external support agencies share responsibility, they have a better chance of solving urban environmental problems.*

unless the human race charts a new course.

"Taken one by one, these trends extending into the future appear manageable. But when you put them all together, they

pose a potentially serious hurdle to the aspirations of all nations for a better quality of life and for the preservation of natural resources and environmental assets," said Maurice Strong, Chairman of the World Resources Institute Board.

"While some trends are positive, the rate and pace of change, especially in the world's cities, mean that humankind could have more impact on Earth's biological, geological, and chemical systems during our lifetime and our children's than all preceding human generations together had," Strong said.

**World Resources 1996-97** will be an official source book for the United Nations Habitat II Conference slated for June 3-14, 1996, in Istanbul, Turkey. The report highlights many innovative and effective approaches to environmental management undertaken by cities and communities around the world. It identifies lessons from these initiatives—for example, if local and national governments, non-governmental organizations, communities, business, international donors, and other external support agencies share responsibility, they have a better chance of solving urban environmental problems.

Cities can serve as centers of employment, growth, and innovation, the report emphasizes. Improving the urban environment and quality of life requires action on a number of fronts including alleviating poverty, creating productive employment, improving resource management, increasing women's participation, and building capacity for urban governance and management. The report offers case studies and examples—providing and maintaining urban infrastructure in the low-income settlements; promoting income-generating activities for disad-

*Improving the urban environment and quality of life requires action on a number of fronts including alleviating poverty, creating productive employment, improving resource management, increasing women's participation, and building capacity for urban governance and management.*

vantaged groups; and upgrading waste management, energy use, and alternative transport systems. These actions are often promoted jointly by UNDP, UNEP, the World Bank, and other partners within and outside the UN system.

**World Resources 1996-97** reflects the World Resources Institute's ongoing collaboration with UNEP and UNDP, as well as a new partnership with the World Bank. Published in seven languages, the report is distributed worldwide. The 1996-97 edition—published 10 years after the first of this series of reports—contains more than 150 tables, charts, maps, and figures with essential environmental and natural resource data for nearly every country in the world.

*(The above was taken from a News Release issued jointly by World Resources Institute, UNEP, UNDP and the World Bank.)*


## HUMPHREY FELLOWSHIPS *cont'd from pg. 11*

leadership, public service commitment, English proficiency, etc.

Prospective Fellows should be policy rather than research or technically oriented with minimum professional experience of five years. Candidates should be between the ages of 35 and 45, and have no significant and recent U.S. and third country experience.

All applications must arrive in the USIS office by **Friday, September**

**13, 1996** For further information, please contact **Mrs. Angella Harvey**, **USIS Cultural Exchange Assistant**, **tel: 935-6053/54**. **Application forms should be available by mid-July from USIS, First Floor, Mutual Life Building, 2 Oxford Road, Kingston 5.** Please contact that office on **Monday, July 15** to enquire whether the application forms have arrived.




# EXPERIENCE A CREATIVE DIFFERENCE

LETTERHEADS  
LOGOS  
MAGAZINES  
BOOK COVERS  
ANNUAL REPORTS  
NEWSLETTERS  
BROCHURES  
PRESS ADVERTS  
AND MORE!

Fast friendly and  
reliability Desktop  
Publishing and Typesetting  
services, that'll make all  
the difference in the world.

**Tel.: 905-0982-3 • Fax: 9050985**



*Creative Types*  
**5 East Avenue, Kingston 10**



# ECONOMIC

## Update

### UPDATE ON SELECTED ECONOMIC INDICATORS

#### INTEREST RATES (%)

	Dec 94	Mar 95	June 95	Sept 95	Dec 95	Mar 96	June 96	Sept 96
Fixed Deposits (J\$100,000 and over 3 to 6 months)	20-32	14.5-23	14.5-24.5	17-30	19-42	19-43		
Loan Rates (Avg)	56.14	48.82	48.73	48.23	55.27	58.27		
Saving Rates (Avg)	18.75	18.06	17.49	17.35	17.82	17.82		
Jamaican Treasury Bill (6 months yield)	-	22.19	23.92	27.96	42.50	41.49		

#### STOCK EXCHANGE Index



#### COMMERCIAL BANKS (J\$M)

	Jan 95	Mar 95	June 95	Sept 95	Dec 95	Feb 96	March 96	June 96
Assets and Liabilities	96276.50	97009.40	106769.00	115204.40	121324.90	119119.60		
Loans and Advances	33610.90	35952.60	39950.60	44533.90	45864.20	47321.80		
Deposits	68751.80	70379.10	75194.30	85917.50	89135.40	88399.00		
Liquidity Ratio (%)	50.00	50.00	47.00	47.00	47.00	47.00		
Actual Liquidity (%)	61.95	60.12	52.39	47.27	44.78	48.16		

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

	Dec 94	Jan 95	April 95	July 95	Oct 95	Dec 95	Feb 96	March 96	June 96
Assets and Liabilities	29023.50	42208.20	43692.90	47213.80	44140.90	46712.20	21240.50		

#### BALANCE OF PAYMENTS (US\$M)

	Jan-Dec 93	Jan-Dec 94	Jan-Dec 95	US\$Mn Change 94/95	Jan-Feb 95	Jan-Feb 96	J-M 95	J-M 96	J-June 95	J-June 96
<b>Merchandise</b>	-1113.80	-957.70	-1342.60	-384.90	-181.20	-232.60				
Exports (fob)	1075.40	1219.50	1430.30	210.80	203.80	230.00				
Imports (cif)	2189.20	2177.20	2772.90	595.70	385.00	462.90				
<b>Services (net)</b>	529.70	500.70	508.20	7.50	69.60	125.90				
Foreign Travel	886.90	854.00	851.90	-2.10	134.10	158.10				
Investment Income	-240.20	-284.30	-306.60	-22.30	-53.00	-39.40				
Other	-117.00	-69.00	-37.10	31.90	-11.50	7.20				

#### GOODS AND SERVICES

	-584.10	-457.00	-834.40	-377.40	-111.60	-106.70		
<b>Transfers (net)</b>	371.90	457.30	579.30	104.00	99.30	91.10		
Private	306.40	447.20	521.80	74.60	91.40	77.10		
Official	65.60	28.10	57.50	29.40	7.90	14.00		

	Jan- Dec 93	Jan- Dec 94	Jan- Dec 95	US\$Mn Change	Jan- Feb 95	Jan- Feb 96
<b>Current A/C</b>	<b>-212.20</b>	<b>18.30</b>	<b>-255.10</b>	<b>-273.40</b>	<b>-12.30</b>	<b>-15.60</b>
<b>Net Capital Movements</b>	<b>310.30</b>	<b>367.10</b>	<b>278.50</b>	<b>-88.60</b>	<b>-12.50</b>	<b>61.80</b>
Official	-4.10	-93.70	-106.50	-12.80	-86.80	-61.40
Private (including net errors and omission)	314.40	460.80	385.00	-75.80	74.30	123.20
<b>Change in reserves (BOJ) (Increase = minus)</b>	<b>-98.10</b>	<b>-385.40</b>	<b>-23.40</b>	<b>0.00</b>	<b>24.80</b>	<b>-46.20</b>

<b>EXCHANGE RATES</b>	<b>Dec 93</b>	<b>Dec 94</b>	<b>Mar 95</b>	<b>June 95</b>	<b>Sept 95</b>	<b>Dec 95</b>	<b>Mar 96</b>
US\$=J\$	32.70	33.37	33.41	33.95	37.11	39.80	40.12
BR. Pound=J\$	42.60	50.15	52.23	52.64	55.82	59.20	58.24
Can\$=J\$	21.80	22.96	23.23	24.42	26.55	28.11	27.92

#### FOREIGN CURRENCY

<b>A/C (US\$M)</b>	<b>Dec 93</b>	<b>Dec 94</b>	<b>Mar 95</b>	<b>June 95</b>	<b>Sept 95</b>	<b>Dec 95</b>	<b>Mar 96</b>
Commercial Banks	428.40	690.00	625.15	656.40	630.00	728.00	702.00

<b>INTER BANK TRADING (US\$)</b>	<b>Dec 93</b>	<b>Dec 94</b>	<b>Mar 95</b>	<b>June 95</b>	<b>Sept 95</b>	<b>Dec 95</b>	<b>Mar 96</b>
Purchases	78.70	128.00	124.07	91.45	90.11	108.90	130.88
Sales	79.60	126.20	125.42	90.13	91.98	110.06	134.13

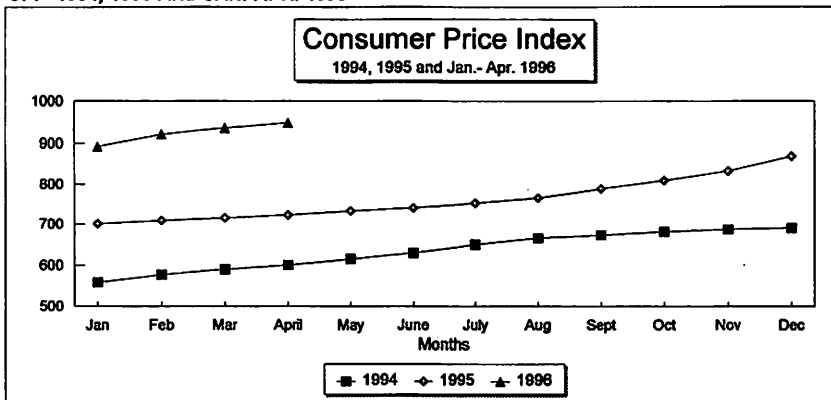
<b>FISCAL ACCOUNTS (J\$M)</b>	<b>Apr-Mar 94/95</b>	<b>Apr-Mar 95/96</b>	<b>Change</b>	<b>Apr-Jun 94/95</b>	<b>Apr-Jun 95/96</b>	<b>Change</b>	<b>Aprove Bud. Apr-Dec 95/96</b>	<b>Prel. Apr-Dec 95/96</b>	<b>Change</b>
Revenue	6089.20	7820.80	1731.60	9531.70	12630.20	3098.50	40543.80	40490.20	-53.60
Expenditure	6853.10	6165.90	-687.20	9856.40	12002.90	2146.50	42383.20	42449.60	-133.60
Deficit/Surplus	-763.90	1654.90	2,417.90	-342.70	627.30	970.00	-1839.40	-1759.40	-80.00

<b>NATIONAL DEBT</b>	<b>Dec 93</b>	<b>Dec 94</b>	<b>Apr 95</b>	<b>June 95</b>	<b>Sept 95</b>	<b>Dec 95</b>	<b>Feb 96</b>
Internal Debt (J\$M)	23554.80	41248.50	52990.00(Mar)	54340.00	54540.00	57500.00	59253.00
External (US\$M)	3647.20	3651.80	3597.20	3640.00	3509.00	3446.00	3415.00

#### SELECTED MONETARY

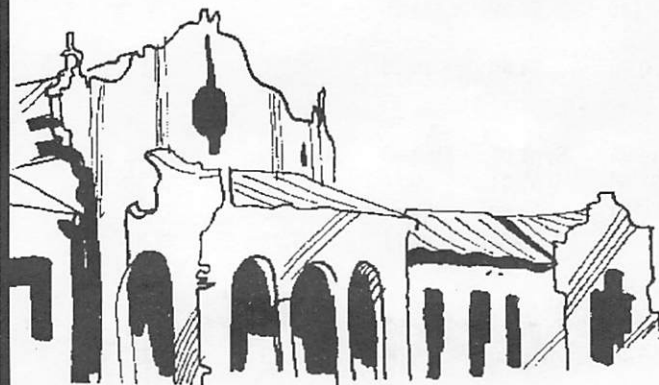
<b>INDICATORS (J\$M)</b>	<b>Dec 93</b>	<b>Dec 94</b>	<b>Mar 95</b>	<b>June 95</b>	<b>Sept 95</b>	<b>Dec 95</b>	<b>Mar 96</b>
Money Supply (M1)	14523.30	17896.70	16884.60	17829.70	18543.20	23227.70	21511.90(Feb)
(M1 and Quasi-Money) M2	39492.30	54783.50	55512.20	59825.60	65551.60	73617.60	72739.30(Feb)
Net International Reserves (US\$Mn; BOJ)	-80.12	397.92	435.30	449.89	468.10	455.79	529.37(Apr)
Credit to Public Sector	-2408.10	-8506.30	-14238.50	-8466.50	-9748.20	-4986.90	n/a
Credit to Private Sector	21148.00	26282.80	30791.00	33468.50	37901.00	39927.50	n/a

CPI - 1994, 1995 AND JAN.-APR. 1996



For the calendar year 1995, Inflation Rate = 25.5%  
Point to Point (April '95 - April '96) Inflation Rate = 31.1%

# Get involved in the redevelopment effort for Downtown Kingston



*Invest in your own property and  
reap attractive benefits from*

## THE TAX INCENTIVE PROGRAMME FOR URBAN RENEWAL

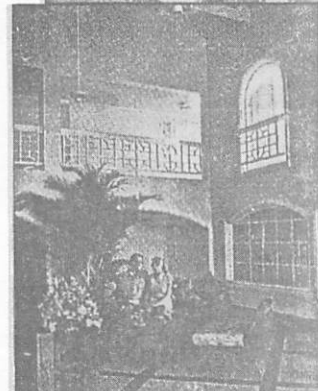
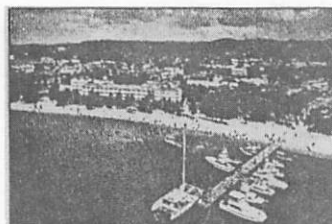
*Come in and Talk to us or call...*  
**THE TAX INCENTIVE PROGRAMME UNIT**



*Making development happen...*

The Office Centre Building, 8th floor, 12 Ocean Boulevard, Kingston Mall

- 25% Investment Tax Credit
- Tax Relief on rental income
- and the advantage of using Urban Renewal Bonds



### JAMAICA's Newest All-Inclusive Resort

**Club Jamaica Beach Resort** set on Ocho Rios' longest beach, delivers incomparable Jamaican hospitality for the newest, care-free all-inclusive holiday.

- ▲ beachfront location with swim-up pool bar
- ▲ tastefully appointed air-conditioned rooms, most with balcony and sea view
- ▲ in-room conveniences include phone & cable TV
  - ▲ specialty cuisine and beverages
- ▲ nightly entertainment, C.J.'s nightclub for dancing and Club Lounge
- ▲ snorkeling from hotel – deep-sea fishing from adjacent docks – dive operator on site
- ▲ wedding and honeymoon packages available
  - ▲ tax and gratuities included



Turtle Beach, Main Street, P.O. Box 342, Ocho Rios, Jamaica  
Telephone: (809) 974-6632-42 Facsimile: (809) 974-6644