



# CONFIDENTIAL ECONOMIC BULLETIN

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## OVERVIEW

Inflation for the month of July 2006 was 1.36% and marks the third time since the beginning of the year that inflation exceeded the 1% level. In all three instances the rate remained below that of the comparable period of last year (see Inflation Chart in Appendix). Inflation since the start of the year currently stands at 4.39% compared to 8.92% for the corresponding seven (7) months of last year. The FX rate improved by 0.1% for the month of July representing an appreciation of the Jamaican dollar by 4 cents against its US counterpart.

The increased inflation rate was caused by higher food prices resulting from increased prices of starchy foods. The category grew by 7.7%

### Inside this issue:

Overview	1
Net International Reserve	1
Foreign Currency Deposits	2
Foreign Exchange Rates	2
Interest Rates	2
Base Money & Money Supply	3
Inflation	3
Bauxite & Alumina Production	3
Tourism	3
External Trade	4
Balance of Payments	6
Fiscal Accounts	7
Stock Market	9
Developments & Outlook	10
Appendix	11
Statistical Index	14
Key of Acronyms	15

compared to all others under the Food & Drink segment that grew at rates below 1% with the exception of vegetables and oils for which there was a 0.2% reduction. Food & Drink accounted for approximately 55% of the month's inflation.

Housing & Other Housing Expenses was the second (2nd) largest contributor to inflation in July. This was due to the 12.3% increase in rates on 200 kwh electricity consumption.

Higher prices for newspapers made Miscellaneous expenses the third largest contributor to inflation while higher Doctor and Dentist fees and other over-the-counter drugs placed Healthcare and Personal expenses in 4th position.

The Net International Reserve fell by US\$22.2 million in July to close at US\$2,087.9 million. Total NIR was sufficient to accommodate 22.5 weeks of goods importation.

Stopovers for the month of July 2006 grew by 19.0% when compared to the corresponding month of 2005. Stopover arrivals also exceeded that of July 2004 by 12.3%.

Cruise arrivals for July 2006 increased by 43.5% when compared to arrivals in July 2005. Cruise arrivals for the month also exceeded that of July 2004 by 26.0%.

Alumina exports for July fell by 5.7% when compared to July last year. Production, however, grew by 5.0%. Crude Bauxite exports grew by 21.3% along with a 20% increase in production.

The Jan-Mar 2006 trade deficit expanded by US\$126.8M or 16.3% relative to the corresponding period of last year.

For the first three months of the fiscal year 2006/07 the government fiscal deficit was J\$2.51B below budget. This resulted from a \$1.55B reduction in Expenditure coupled with a \$0.96B increase in Total Revenue. Expenditure savings resulted from cut backs in Wages & Salaries and External Interest Payments. During the first fiscal quarter, tax revenue grew by 17.6%. This was 2.4% points below the average 20% growth estimated for the FY 06/07.

The BOJ has held interest rates on OMO instruments constant since May 2006. Rates on six month Treasury Bills fell by 1BP over July to end at 12.81%.

The average lending and savings rate for July-2006 remained at their June-2006 levels of 22.5% and 5.39% respectively.

## Net International Reserves (NIR)

There was a US\$22.2M fall in the Net International Reserves during July 2006. At the end of the month the reserve balance stood at US\$2,087.9M in contrast to the previous month's value of US\$2,110.1M. The gross reserves amounted to 22.5 weeks of Goods imports compared to the 30.5 weeks recorded for the corresponding period of last year. Since Jan-06 the NIR increased by US\$0.4M (see Table 1).

## Foreign Currency

For the month of May total foreign currency deposits amounted to US \$2,044.98 million, approximately US\$11.61 million higher than the previous month's figure (see Table 2). This largely reflected higher balances at Building Societies and Commercial Banks which had increases in Foreign Currency Deposits of approximately US\$8.7 million and US\$2.2 million respectively during May 2006. Merchant Banks also had increased levels of currency deposits but by a lesser amount of US\$0.67M. For the 12 months to May 2006 foreign currency deposits grew by US\$128M (see Table 2)

## Foreign Exchange Rate

The local currency appreciated by 4 cents Jamaican against its US counterpart during July to end the period at \$65.99 (see table 3). The rate has, however, depreciated by 5 cents Jamaican over the first two weeks of August to 66.04.

The Jamaican dollar lost J\$2.34 against the Pound for the month and gained J\$1.01 against the Canadian Dollar (see Table 3).

## Interest Rates

There has been no change to the Central Bank OMO rates since May-06 when downward adjustments were made to the almost one year stable rates. The 30-day (1-Month) instrument had an interest rate cut of 15-BP from 12.60% to 12.45% in May 2006 whereas the 6-month instrument had a 20 BP cut from 13.0% to 12.8%. The six-month T-bill cleared the market at an average yield of 12.81% at the end of July. This was 1-BP below the 12.82% in June. For the first six (7) months of 2006, 6-Month T-Bill rates fell by 74-BP.

Average lending and borrowing rates did not change in July 2006. June was the first month since

**Table 1: Changes in the NIR**

	US\$M	Change US\$M			Imports (Weeks)
	NIR	Mthly	12 Mth	YTD	
Jul-06	2,087.9	-22.2	-61.4	0.4	22.5
Jul-05	2,149.3	-7.6	554.6	290.7	30.5

Source: Compiled from the BOJ (Preliminary)

**Table 2: Foreign Currency Deposits**

	US\$000	Change (US\$000)		%
	May'06	mthly	12 mth	12 mth
Commercial Banks	1,492,906	2,246	54,970	3.82%
Building Societies	375,761	8,698	32,836	9.58%
Merchant Banks	176,316	669	40,243	29.57%
Total Deposits	2,044,983	11,613	128,049	6.68%

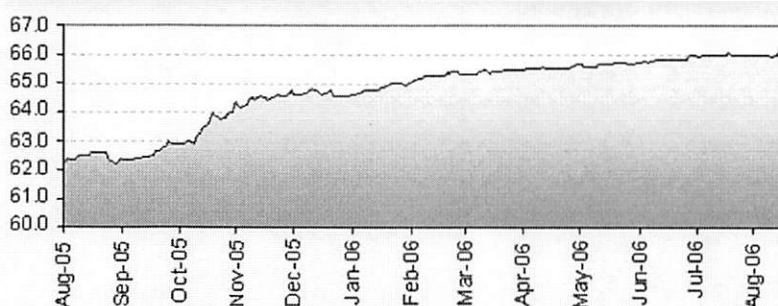
Source: Compiled from the BOJ (Preliminary)

**Table 3: Foreign Exchange Trends (July-2006)**

	Year to Date Currency Rate Change*					
	J\$/US\$	%	J\$/UK£	%	J\$/Can\$	%
2006	1.41	2.2	12.13	11.0	3.54	6.4
2005	0.60	1.0	-9.26	-7.8	0.09	0.2
2004	1.18	2.0	4.95	4.6	-0.09	-0.2
Monthly						
Jul-06	-0.04	-0.1	2.34	1.9	-1.01	-1.7

\*minus = appreciation; Source: BOJ database & PSJO Economic Research

**Figure 1: Daily Exchange Rate Movements (J\$/US\$)**



Source: Bank of Jamaica Database (BOJ)

**Table 5: Interest Rate Movements**

	July-06	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	12.45%	0.00%	-0.15%	-0.15%
180-Day Repo	12.80%	0.00%	-0.20%	-0.20%
Avg Savings Deposit	5.39%	0.00%	-0.13%	-0.09%
Avg Loan Rate	22.50%	0.00%	0.50%	0.50%
6 Month T-Bill	12.81%	-0.01%	-0.22%	-0.74%
12 Month T-Bill	n/a	n/a	n/a	n/a

Source: Bank of Jamaica (BOJ Preliminary) \*n/a = not applicable

January 2006 that experienced changes to the average bank lending and borrowing rates. Lending rates increased (66-BP) to 22.50% and deposit rates (9-BP) to 5.39%. (see Table 5 & Figure 2).

## Base Money & Money Supply

The monetary base grew by 3.24% in July 2006 relative to the previous month. For the month of April 2006, M1 Money supply fell by 0.91% from the previous months' value. Quasi and M2 Money, however increased by 1.18% and 0.54% respectively (see table 6).

## Inflation

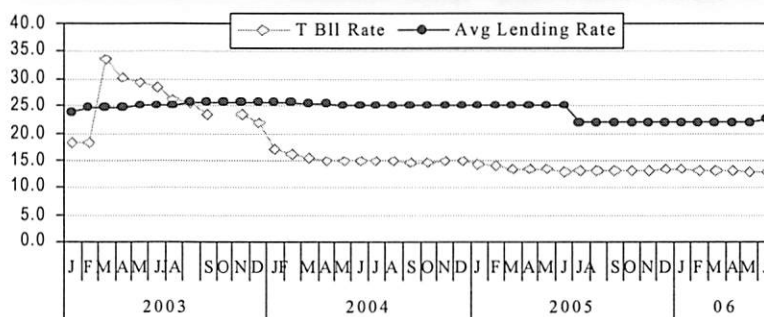
The inflation rate rose by 1.36% in July 2006 (see Table 7). This is the third time since the beginning of 2006 that the inflation rate exceed the 1% level (see Appendix).

Rural areas (1.9%) and Other towns (1.6%) experienced the largest price increases during July 2006. The KMA had a 0.8% increase in prices over the period.

The Food & Drink segment represented the largest contributor to inflation during the month. Prices of Starchy foods grew by 7.7% compared to all other items in that category that grew by less than a (1) percentage point and vegetable and fruits that had a 0.2% fall in prices. The Food and Drink segment accounted for approximately 55% of the months inflation. There were significant price increases for Yellow and Lucea yams and Plantains. Starchy food prices increased by 3.1% in the KMA while exceeding 9% in Other towns and Rural areas. Vegetables and fruits also had price increases in excess of 2% within other towns and rural areas.

Housing and Other Housing Expenses represented the 2nd largest contributor to inflation during July-06. The driving force was 12.3% increase in rates on 200 kwh consumption of electricity.

Figure 2: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 6: Base Money and Money Supply

	J\$M	Percentage Change (%)	
		Mthly	12 Mth
M1	Apr-06		
	69,146.93	-0.91	11.31
Quasi Money			
	160,106.22	1.18	6.45
M2			
	229,253.15	0.54	7.87
	Jul-06		
Base Money	46,407.10	3.24	12.96

Source: BOJ Economic Statistics Nov05, BOJ NIR update Nov05

Table 7: Inflation Trends

	Percent Changes			
	Jul	12Mth	YTD	Fiscal
2006	1.36	8.2	4.39	4.24
2005	1.58	18.2	8.92	7.36

Source: STATIN & BOJ Statistical Digest

Miscellaneous Expenses represented the third (3rd) largest contributor. The major reason was a 25% increase in the price of newspapers across the island. Fees to cinema plays also increased slightly.

Healthcare and Personal expenses was the fourth (4th) largest contributor to inflation in July. This was representative of higher Doctor & Dentist fees and also higher prices for vitamin tablets and tonics.

(see Table 7 and INFLATION (April CPI) in Appendix)

## Bauxite & Alumina Production

Production of Alumina in July 2006 grew by 5.0% while exports fell by 5.7% when compared to July of

2005 (see table 8). Both Crude Bauxite production and Exports increased in July 2006 over 2005. Production increased by 20.4% while associated exports increased by 21.3% (see Table 8). Since January 2006, Alumina exports fell by 4.2% while Crude bauxite increased by 15.7%.

## Tourism

**Stopovers:** Stopovers for the first seven months of 2006 increased by 17.4% over the same period last year (see Table 9 & Figure 4B). This was due to a 17.3% increase in visits by Foreign nationals and a 18.8% increase for Non-resident nationals. Stopover arrivals for June 2006 were greater than arrivals in June 2005 and 2004 by 19.0% and 12.3% respectively.

**Cruise Passengers:** Cruise arrivals for the period January to July of 2006 grew by 13.4% when compared to the same period of 2005 (see Table 9 & Figure 4C). Cruise arrivals in July 2006 also exceeded arrivals in July 2005 by 43.5% and exceeded the level in June 2004 by 26.0%.

**Total Visitors:** Total arrivals for the first seven (7) months of 2006 increased by 15.7%. This resulted from an additional 158,809 stopovers and 91,450 more cruise arrivals to the country when compared to the corresponding period of 2005. Total arrivals in June 2006 exceeded the total amount for 2005 and 2004 by 25.9% and 16.4% respectively.

## External Trade

The nation's trade deficit widened by approximately 16.3% in the first three months of 2006 when compared to the corresponding period before. This change represents a US\$126.76M deterioration to bring the Trade Balance to US\$903.04M. The import bill grew by US\$260.72M while export revenues increased by US\$133.96M above the corresponding period of 2005.

Exports amounted to US\$485.44M, up from US\$351.48M. There was a US\$53.83M improvement in Traditional exports due largely to increases in Mining & Quarrying and Manufacturing. The Agricultural sector grew by a larger percentage but represented a smaller contribution to change in terms of magnitude.

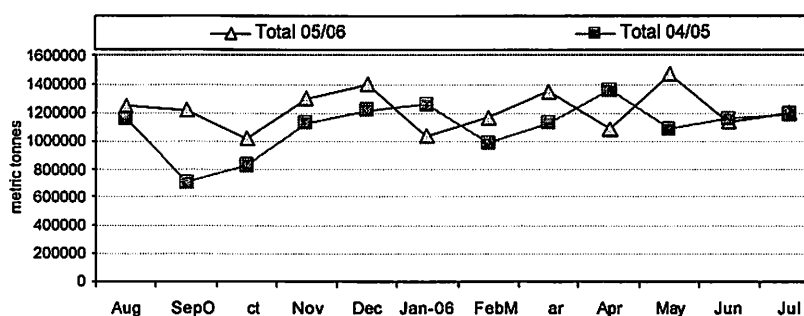
Agriculture increased by a 122% or US\$6.88M to reflect the sector's recovery when compared to the adverse and prolonged effects of hurricane Ivan in late 2004. Mining & Quarrying was the largest growth component by value with a US\$31.58M or 13.3% improvement over the corresponding period of 2005. The growth resulted largely from a US\$30.16M improvement in earnings from Alumina exports while Crude Bauxite exports increased by US\$1.72M.

Table 8: Mining Production

	000 tonnes			YTD	
	July-05	July-06	%	July-06	06/05 %
<b>Production</b>					
Alumina	330.4	347.0	5.0	2,416	-1.18
C. Bauxite	278.6	335.4	20.4	2,597	14.45
<b>Export</b>					
Alumina	370.5	349.4	-5.7	2,323	-4.18
C. Bauxite	259.6	314.9	21.3	2,600	15.72

Source: Jamaica Bauxite Institute (JBI)

Figure 3: Bauxite Exports for (12 mths 2005 - 2006)



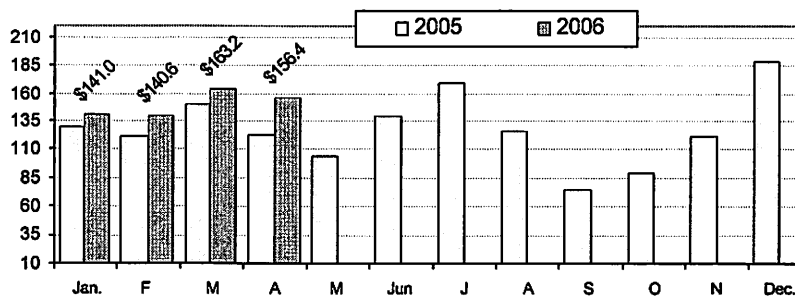
Source: Jamaica Bauxite Institute (JBI) [\* The graph reflects information for Jan-05 - Jan-06. Lines cross year also]

Table 9: Tourist Arrivals

	2005	2006	% Change	
	YTD (Jul)	YTD (Jul)	YTD - YOY	Jun 05/06
Stopover	913,367	1,072,176	17.4%	19.0%
Foreign Natls	864,909	1,014,598	17.3%	19.0%
Non-Resident Natls	48,458	57,578	18.8%	18.9%
Cruise	681,259	772,709	13.4%	43.5%
<b>Total Arrivals</b>	<b>1,594,626</b>	<b>1,844,885</b>	<b>15.7%</b>	<b>25.9%</b>

Source: Jamaica Tourist Board (preliminary) & BOJ BOP Statistical Update

Table 4A: Estimated Tourism Expenditure US\$ - Million (Jan-Dec)

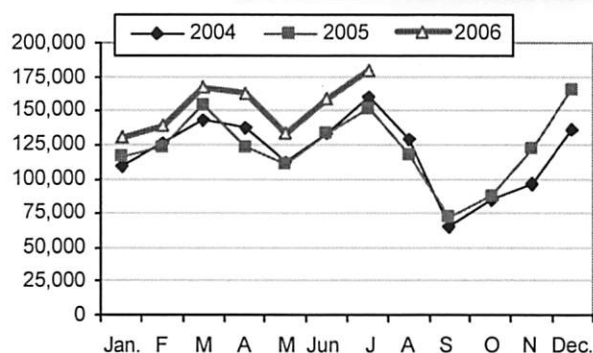


Source: Jamaica Tourist Board (preliminary data)

Manufacturing sector revenues grew by US\$15.37M as a US\$13.16M improvement in Sugar

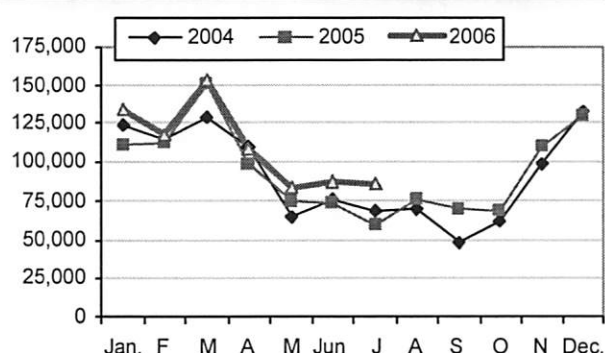
earnings was complemented by a US\$2.08M growth in Rum exports. In the Non-traditional sector, ex-

Table 4B: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Table 4C: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Table 10: External Trade (US\$M)

	Jan-Mar '2005	Jan-Mar '2006	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>351.48</b>	<b>485.44</b>	<b>133.96</b>	<b>38.1%</b>
Major Traditional Exports	282.89	336.73	53.83	19.0%
by Sector:-				
Agriculture	5.64	12.52	6.88	122.0%
Mining & Quarrying	236.90	268.48	31.58	13.3%
Manufacturing	40.35	55.72	15.37	38.1%
by Industry:-				
Bauxite	25.76	27.47	1.72	6.7%
Alumina	210.60	240.75	30.16	14.3%
Sugar	31.43	44.59	13.16	41.9%
Rum	8.33	10.40	2.08	24.9%
Bananas	-	2.99	2.99	
Coffee	4.45	8.84	4.39	98.5%
Other	2.33	1.67	-0.66	-28.2%
Non-Traditional Exports	61.32	137.80	76.48	124.7%
Re-exports	7.26	10.91	3.65	50.3%
<b>TOTAL IMPORTS</b>	<b>1,127.76</b>	<b>1,388.48</b>	<b>260.72</b>	<b>23.1%</b>
Food	139.77	158.65	18.88	13.5%
Beverages & Tobacco	12.73	15.50	2.77	21.8%
Crude Materials (excl. Fuels)	20.82	27.42	6.59	31.7%
Mineral Fuels, etcetera	300.46	454.76	154.30	51.4%
Animal & Vegetable Oils & Fats	8.06	7.21	-0.85	-10.5%
Chemicals	128.40	153.96	25.56	19.9%
Manufactured Goods	159.71	146.95	-12.76	-8.0%
Machinery and Transport Equip.	204.02	257.77	53.75	26.3%
Misc. Manufactured Articles	106.73	113.31	6.58	6.2%
Other	47.06	52.96	5.90	12.5%
<b>TRADE BALANCE</b>	<b>(776.28)</b>	<b>(903.04)</b>	<b>-126.76</b>	<b>16.3%</b>

Source: STATIN Jamaica and Bank of Jamaica (BOJ Monthly Statistical Update)

ports increased by a significant 124.7% or US\$76.48M. Other Non-Traditional represented just below 80% of the total (non-traditional) growth while Crude Materials accounted for just over 13%. Food and Beverages & Tobacco each represented a growth of approximately 4% when com-

pared to the corresponding period last year.

Imports grew by US\$260.7M or 23.1% for the review period. This reflected increases in all categories except for Animal & Vegetable Oils & Fat (-10.5%) and Manufactured Goods (-8.0%) when com-

pared to the corresponding period of 2005 (see Table 10).

Mineral Fuel imports was the largest growth component by magnitude and percentage increasing by US\$154.3M or approximately 51% for the first three (3) months of 2006. This is reflective of higher



oil prices over the period. Next in line was Machinery and Transport Equipment which recorded a US \$53.7M or 26.3% increase for the period. Chemicals grew by approximately US\$25.7M or 20% for the period while Food imports grew by an estimated US\$18.9M or 13.5%.

(See Table 10 & External Trade (Jan-Mar) in Appendix)

## Balance of Payments

For the first 3 months of 2006, the country posted a current account deficit of US\$218.1M. This shortfall was US\$49.4.1M (29%) worse than that of the corresponding period of last year (see Table 11). The outturn was caused by the higher merchandise imports that resulted in a US\$236M reduction

in the Goods account. All other sections of the Current account recorded improvements over the corresponding period last year. Services reported the largest growth of US\$39.6 or 20%.

On the Goods account, the deficit worsened by US\$99.1M as a US\$136.9M increase in export revenue was offset by a US\$236M growth in the import bill. Tradi-

**Table 11: Balance Of Payments (US\$M)**

	Jan-Mar 2005	Jan-Mar 2006	Change	% Change
<b>Current Account</b>	<b>-168.7</b>	<b>-218.1</b>	<b>-49.4</b>	<b>-29%</b>
<b>Goods Balance</b>	<b>-601.2</b>	<b>-700.3</b>	<b>-99.1</b>	<b>-16%</b>
Exports	381.2	518.1	136.9	36%
Imports	982.4	1218.4	236	24%
<b>Services Balance</b>	<b>200.8</b>	<b>240.4</b>	<b>39.6</b>	<b>20%</b>
Transportation	-46.1	-60.1	-14	-30%
Travel	352.2	407.5	55.3	16%
Other Services	-105.3	-107	-1.7	-2%
<b>Income</b>	<b>-164.1</b>	<b>-162.2</b>	<b>1.9</b>	<b>-1%</b>
Compensation of employees	8.5	9.9	1.4	16%
Investment Income	-172.6	-172.1	0.5	0%
<b>Current Transfers</b>	<b>395.8</b>	<b>404</b>	<b>8.2</b>	<b>2%</b>
Official	42.4	35.7	-6.7	16%
Private	353.4	368.3	14.9	4%
<b>Capital &amp; Financial Account</b>	<b>168.7</b>	<b>218.1</b>	<b>49.4</b>	<b>29%</b>
<b>Capital Account</b>	<b>-0.9</b>	<b>-1.8</b>	<b>-0.9</b>	<b>-100%</b>
Capital Transfers	-0.9	-1.8	-0.9	-100%
Official	0.1	0	-0.1	100%
Private	-1	-1.8	-0.8	-80%
Acq/dis. of non-produced non-fin. assets	0	0	0	0%
<b>Financial Account</b>	<b>169.6</b>	<b>219.9</b>	<b>50.3</b>	<b>30%</b>
Other Official Invt. (incl. Gov. Rsrv)	13.4	-38.8	-52.2	390%
Other Private Investment (includes. err & omis)	199.3	249.5	50.2	25%
Reserves	-43.1	9.2		

Source: BOJ Statistical Update:

Note to the Balance of Payments: The external trade data in the Balance of Payments may not necessarily correspond with that of STATIN. This is due to the fact that STATIN reports the f.o.b. cost of imports while the Bank Of Jamaica reports imports at c.i.f.

tional exports increased by US \$133.96M reflecting higher income largely from Mining & Quarrying and the Manufacturing Sector. These improvements were due to increased exports of Alumina and Sugar respectively. Non-traditional exports increased by an approximate US\$76.48M or 124% for the three months.

Imports grew by US\$260.7M or 23.1% for the review period. This

largely reflected increases in Mineral Fuels and Machinery and Transport Equipment and Chemicals (see Table 10).

The Services account netted US \$39.6M more than in the comparable period last year as increased outflows to Transportation and Other Services of US\$14.0M and US\$1.7M respectively was outweighed by a US\$55.3M increase in the Travel account revenue.

The growth in the Travel account was largely influenced by a US\$53.1M growth in receipts. This was complemented by a reduction of Travel outflows by US\$2.2M over the three month period.

There was an US\$1.9M reduction of the deficit on the Income account for the period. This largely reflected a US\$1.4M improvement in Compensation to employees

that was complemented by a US \$0.5M increase in inflow from Investment Income.

Current Transfers posted a US\$8.2M growth in net inflows. This was due to a US\$14.9M increase in Net Private Transfers or remittances resulting largely from an increase in inflows. This was partially offset by a US\$6.7M reduction in Official inflows. Remittances continue to be a key contributor to the nation's current account representing approximately 25.7% (28.4% in 2005) of gross current account inflows for the period Jan-Mar 2006.

The Capital and Financial account reflected changes mainly in the Financial account, where, net inflows from Other Official Invest-

ments fell from a surplus of US \$13.4M in Jan-Mar 2005 to a deficit of US\$38.8M in the corresponding period of 2006. This represented a decrease of US \$52.2M. There was a US\$50.2M or 25% increase in the surplus on the Other Private Investments sub-account. Overall, inflows to the Financial account was less than sufficient to finance the Capital and Current account deficit. This required a net US\$9.2M draw-down of foreign currency reserves (NIR) for the period Jan-Mar 2006.

(see Table 11 and Balance Of Payments (Jan-Mar) in Appendix)

## Fiscal Accounts

For the first three months of FY 2006/07 the Government budget deficit was \$2.51 billion less than planned. This was due a \$964.1 million improvement in Revenues over Budget and also a reduction in Expenditure by \$1.55 billion below budget.

**Revenues:** Revenues and Grants totalled approximately \$49.25 billion, some \$964.1 million more than projected. This reflected a \$648.7 million improvement in Tax revenue over budget. Both Capital Revenue and Grants had slippages amounting to \$199.0 million and \$372.2 million respectively. Non-tax Revenue and Bauxite Levy exceeded budget by \$767.6 million and \$119.0 million respec-

**Table 12A: Fiscal Accounts (J\$ Million)**

	April -June (Fiscal -2006/07)				Fiscal y-o-y 05/06-06/07	
	J\$ million		Deviation		J\$m	(%)
	Provisional	Budget	J\$m	(%)		
<b>Revenue &amp; Grants</b>	<b>49,250.2</b>	<b>48,286.2</b>	<b>964.1</b>	<b>2.00</b>	<b>7,980.5</b>	<b>19.3</b>
Tax Revenue	44,344.1	43,695.5	648.7	1.48	6,643.9	17.6
Non-Tax Revenue	2,929.5	2,161.9	767.6	35.51	646.3	28.3
Bauxite Levy	1,083.9	964.9	119.0	12.33	306.6	39.4
Capital Revenue	320.8	519.7	-199.0	-38.29	-30.1	-8.6
Grants	571.9	944.2	-372.2	-39.42	413.6	261.3
<b>Expenditure</b>	<b>56,866.8</b>	<b>58,415.6</b>	<b>-1,548.8</b>	<b>-2.65</b>	<b>3,452.0</b>	<b>6.5</b>
Recurrent Expenditure	52,439.9	52,261.5	178.5	0.34	3,522.6	7.2
Programmes	10,156.4	10,096.7	59.7	0.59	-357.2	-3.4
Wages & Salaries	17,396.0	17,921.0	-525.0	-2.93	1,609.6	10.2
Interest	24,887.5	24,243.7	643.8	2.66	2,270.3	10.0
Domestic	18,615.3	17,827.2	788.2	4.42	1,096.3	6.3
External	6,272.2	6,416.6	-144.4	-2.25	1,174.0	23.0
Capital Expenditure	4,426.9	6,154.1	-1,727.3	-28.07	-70.6	-1.6
Capital Programmes	4,426.9	6,154.1	-1,727.3	-28.07	-70.6	-1.6
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-7,616.6</b>	<b>-10,129.4</b>	<b>2,512.9</b>	<b>-24.81</b>	<b>4,528.5</b>	<b>-37.3</b>
Loan Receipts	50,607.4	39,641.6	10,965.8	27.66	2,993.9	6.3
Domestic	48,611.4	37,040.3	11,571.1	31.24	19,878.4	69.2
External	1,996.0	2,601.3	-605.3	-23.27	-16,884.6	-89.4
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	
Amortization	41,500.8	38,024.1	3,476.7	9.14	5,385.6	14.9
Domestic	37,196.0	33,856.4	3,339.6	9.86	21,047.7	130.3
External	4,304.8	4,167.7	137.1	3.29	-15,661.9	-78.4
<b>Overall Balance (Surplus [+]/ve)</b>	<b>1,490.1</b>	<b>-8,511.9</b>	<b>10,002.0</b>	<b>-117.51</b>	<b>2,136.6</b>	<b>-330.5</b>
<b>Primary Balance (Surplus [+]/ve)</b>	<b>17,270.9</b>	<b>14,114.3</b>	<b>3,156.6</b>	<b>22.36</b>	<b>6,798.7</b>	

Source: Ministry of Finance and Planning

tively (see Table 12A).

Tax Revenue collections for the first three months exceeded that of the corresponding period last year by 17.6% (Apr-Jun). This is approximately 2% points below the aggressive 20% Tax Revenue growth projected for the fiscal year 2006/07 over 2005/06 (see Table 12B and Figure 6).

Within the Tax revenue category the largest tax income generating components were PAYE (\$8,767M), Local GCT (\$8,485M), Tax on Interest (\$6,007M) and GCT on Imports (\$5,044M). The largest positive variances from budget were Tax on Interest (\$2,513.0M), Special Consumption Tax (SCT) on Imports of (\$483.0M) and Other Licenses (\$48.8M) (see Table 12C). The largest revenue shortfalls resulted from PAYE (\$661.2M), Local SCT (\$548.1M) and from Other Companies of the amount (\$533.3M).

**Expenditures:** Total Expenditures amounted to approximately \$56.9 billion, some \$1.5 billion below budget. Programmes and Domestic interest payments were the only two segments under Recurrent Expenditure that exceeded the budget for the first three (3) months of FY 2006/07 (see Table 12A).

Wages and Salaries was less than budget by \$525.0M or 2.9% while External Interest payments was approximately \$144.4M or 2.3% less than budget for the three months. Domestic interest payments and Programmes expenditure exceeded budget by approximately \$788M (4.4%) and 59.7M (0.6%) respectively.

Capital expenditure (programmes) was approximately \$1.73 billion or 28.1% below projections. Loan receipts were \$10.98 billion or 27.7% above budget. The GOJ borrowed \$11.57B (31.2%) more than planned from the domestic market while restraining external borrowings to \$0.61B (23.3%) below budget (see Table 12A).

**Table 12B: Budgeted Changes for Fiscal 2006/07 \*\***

J\$-Billions	Actual 2005/06	Budgeted 2006/07	Expected Change \$	%
<b>Revenue &amp; Grants</b>	<b>186.68</b>	<b>219.23</b>	<b>32.55</b>	<b>17%</b>
Tax Revenue	162.58	195.03	32.46	20%
Income and profits	66.49	80.68	14.19	21%
Bauxite/alumina	0.89	1.11	0.22	24%
Other companies	15.02	20.09	5.07	34%
PAYE	34.55	43.41	8.86	26%
Tax on dividend	0.28	0.31	0.04	14%
Other individuals	2.01	2.79	0.78	39%
Tax on interest	13.75	12.97	-0.78	-6%
Production and consumption	50.10	62.08	11.98	24%
SCT	3.24	4.34	1.10	34%
Motor vehicle licenses	0.95	1.09	0.13	14%
Other licenses	0.18	0.20	0.02	14%
Betting, gaming and lottery	1.05	1.19	0.14	14%
Education Tax	7.36	9.74	2.38	32%
Contractors levy	0.51	0.58	0.07	14%
GCT (Local)	29.44	36.54	7.10	24%
Stamp Duty (Local)	7.38	8.40	1.02	14%
International Trade	45.98	52.28	6.30	14%
Custom Duty	15.39	16.90	1.51	10%
Stamp Duty	1.09	1.20	0.11	10%
Travel Tax	2.02	2.29	0.27	13%
GCT (Imports)	19.12	23.71	4.59	24%
SCT (Imports)	8.36	8.18	-0.18	-2%
Non-Tax Revenue	11.80	12.81	1.01	9%
Bauxite Levy	3.12	3.90	0.78	25%
Capital Revenue	8.46	3.80	-4.67	-55%
Grants	0.72	3.69	2.98	415%
<b>Expenditure</b>	<b>207.72</b>	<b>240.61</b>	<b>32.89</b>	<b>16%</b>
Recurrent Expenditure	192.25	211.73	19.48	10%
Programmes	40.85	46.54	5.70	14%
Wages & Salaries	63.11	72.76	9.66	15%
Interest	88.30	92.42	4.12	5%
Domestic	65.39	66.34	0.94	1%
External	22.90	26.08	3.18	14%
Capital Expenditure	15.47	28.89	13.41	87%
Capital Programmes	15.47	28.89	13.41	87%
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-21.04</b>	<b>-21.38</b>	<b>-0.34</b>	<b>-2%</b>

Source: Ministry Of Finance and Planning (Jamaica)

**Table 12C: Major Changes in Fiscal Revenue and Expenditure**

J\$-Millions	Apr-Jun 06/07 (YOY)
<b>Revenue (Revenue Surpluses)</b>	
Tax on Interest	2,513.00
SCT (imports)	483.00
Other Licenses	48.80
<b>Revenue (Revenue Shortfalls)</b>	
PAYE	-661.20
SCT	-548.10
Other Companies	-533.30
<b>Expenditure (Changes)</b>	
Wages & Salaries (Savings)	-525.00
Programmes (Overrun)	59.70
Interest (Overrun - Domestic)	643.8

Source: Ministry Of Finance and Planning (Jamaica)



Total public debt at the end of April 2006 stood at \$858.6 billion, some \$11.3 billion more than the previous month's level of \$847.4 billion. Domestic Debt stock grew by \$7.0 billion to end the month at \$489.7 billion. External Debt grew by approximately US\$54.9 million to close April at US\$5,622.3 million.

Table 12-B shows the expected changes in Revenue and expenditure for the fiscal year 2006/07. The GOJ expects to collect approximately \$33 billion more than the \$187 billion collected last FY in Revenue and Grants. This change is expected to come largely from Tax Revenue that is expected to grow by approximately 20% over the previous FY. For the first three months so far, Tax revenue collections are 17.6% above that of the corresponding period last year. The FY 2006/07 budget projects a 16% growth in overall expenditure and has for the first three months reported a 6.5% increase.

(see Table 12 A&B and Fiscal Account (Apr-May 2006) in Appendix)

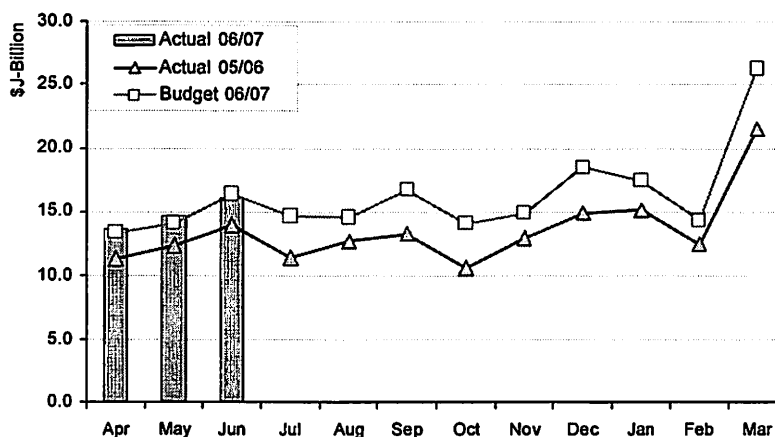
## Stock Market

The main JSE Index reached its lowest point on July 12th since the start of the month representing a 4,693.53 pt (5.5%) fall. It, however, rebounded in the last week of the month to register an overall 644.91 point (0.76%) increase over the previous month (see figure 7). Market capitalization increased by \$7.06 billion or 1.0% to end the month at approximately \$700.52 billion.

As at August 18th, the Main JSE Index lost an additional 4,105.12 points, a 4.8% reduction since the end of July to stand at 81,648 points on that day.

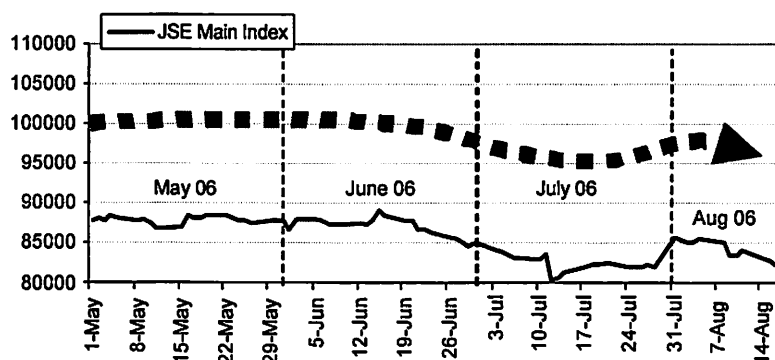
As at July 31, the top performing stock for the year (2006) to date was Salada Foods that advanced by \$18.49 or approximately 185% to end the month at \$28.50 per share (see Table 13). The worst performer in terms of capital gain was Dyoll Group which lost ap-

Figure 6: Tax Revenue Collections (Billions - \$J)



Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index, Apr - Jun & part Jul '06



Source: Jamaica Stock Exchange (Online Database) and PSQJ

Table 13: Returns for Listed Companies on the JSE

### Year-to-Date Performers on the Jamaica Stock Exchange

#### Top Four & Five (unadjusted for dividends or transaction costs)

	31-Dec-05	30-July-06	\$ change	% change
Salada Foods	10.01	28.50	18.49	184.7%
Pegasus Hotel	9.00	15.00	6.00	66.7%
First Carib. Intl Bank Ja.	18.01	20.50	2.49	13.8%
Carreras Group	36.00	40.00	4.00	11.1%
First Carib. Intl. Bank	123.20	125.00	1.80	1.5%

#### Bottom Five (unadjusted for dividends or transact. Costs)

Dyoll Group	1.85	0.51	(1.34)	-72.4%
Caribbean Cement	9.50	4.49	(5.01)	-52.7%
Mayberry Invest. Ltd.	3.70	2.00	(1.70)	-45.9%
Cable & Wireless (JA)	1.48	0.80	(0.68)	-45.9%
Ciboney Group	0.09	0.05	(0.04)	-44.4%

Source: Compiled from the JSE

proximately \$1.34 or (72.4%) of its value to end the month at 0.53 cents.

## Developments & Outlook

### 2nd Quarter GDP Results

June marks the end of the second quarter for 2006. The PIOJ in a review of Jamaica's economy highlighted the major trends in Gross Domestic Product (GDP) for the period. The quarter experienced a 2.8% growth in GDP with the Goods producing sector growing by 1.1% while the Services sector grew by 3.4%. Of the 2.8% growth for the second quarter, 2.4% of this was contributed by the services sector while the remaining 0.4% resulted from the Goods Producing sector.

**Goods Producing Sectors:** Agriculture was the largest mover in this sector representing approximately 17% growth over the comparable period of last year. However, this was not sufficient to offset the 17.5% reduction for the comparable period (Q2) of 2005 (see table 14). Mining and Quarrying was the only other growth component and was attributed to ac-

quisitions of new mining equipment and a relatively stable industrial climate.

There was a contraction in the level of Manufacturing activities during the period. Within this segment, Food, beverages and Tobacco declined by 7.7%, Rum & alcohol fell by 24.9% along with a 12.3% decline in Carbonated Beverages. The only Cigarette producer to Jamaica exited the country in December of 2005 resulting in a 100% decline of this segment. Other manufacturing had a positive growth of 6.5% due to the return of Petrojam's refining activities.

Construction and Installation performed poorly during the second quarter registering a 3.5% decline in the level of activity. The PIOJ indicated that the supply of cement fell by approximately 10,187 tonnes (4.5%) to 216,193 tonnes when compared to the period before.

**Services Sector:** The services sector has performed very well since the last quarter of 2005.

Much of this has been attributed to the positive growth levels experienced within the Tourism industry. Tourism is represented under Miscellaneous Services (see table 14). The category grew by a significant 15.2% of which activities in Hotels, Restaurant and Clubs grew by approximately 19.5%. These improvements largely outweighed the decline in activities during the corresponding quarter of last year.

Transport and Storage, growing by 3.5%, was the second largest growth component within the Services Sector and showed noticeable improvements over the first (1st) quarter results. This was attributed to increased activities at both Sea and Air ports to reflect a 6.1% increase in Cargo and 17.5% increase in passenger movements at airports. All other components of the Services sector had positive growth.

For the first two (2) quarters of 2006, GDP growth was estimated at 2.4%. The PIOJ expects growth for the third (3rd) quarter to be 2.7%. Again, Tourism and Agriculture along with Mining are expected to do well (see table 14).

Table 14: Quarterly Percentage Changes of GDP (2005—2006)

	2005				2006				Jan-Dec
	Q1	Q2	Q3	Q4	Q1	Q2	Q3 - Proj	Jan-Jun	**Proj
<b>Quarterly Growth</b>	0.6	-0.1	2.7	4.1	1.4	2.8	2.7	2.4	3.3
<b>Goods Producing Sectors:</b>	-3.0	-0.7	7.4	1.1	1.1	1.1			
Agriculture	-26.1	-17.5	1.6	28.0	22.9	17.0	9.5	20.1	3.4
Mining	0.1	0.8	16.6	-3.3	-2.1	1.4	5.9	-0.3	9.3
Manufacturing	-2.9	-0.1	3.8	-4.4	-0.7	-1.4	0.2	-1.1	1.9
Construction	11.4	8.5	10.2	-0.6	-5.5	-3.5	1.6	-4.6	5.5
<b>Services Sectors:</b>	1.9	0.2	0.9	2.7	2.4	3.4			
Electricity & Water	0.4	1.7	10.2	4.5	4.0	2.2	2.0	3.1	2.9
Transport, Storage & Communications	2.2	-0.6	0.4	2.7	2.6	3.5	2.8	3.1	3.6
Distribution	1.8	1.2	0.7	0.9	0.7	0.9	0.8	0.8	1.5
Finance & Insurance Services	-0.2	-0.7	0.2	2.5	2.0	1.5	1.8	1.8	0.6
Real Estate & Business Services	1.6	2.3	2.1	1.8	2.8	2.2	2.2	2.5	1.9
Government Services	0.6	-0.7	1.0	1.1	0.2	0.3	0.2	0.2	0.4
Miscellaneous Services	5.6	-0.7	-2.3	9.7	7.8	15.2	8.6	11.4	7
o/w: Hotels, Restaurant & Clubs	6.8	-1.7	-4.3	12.8	9.3	19.5	11.0	14.2	8.8

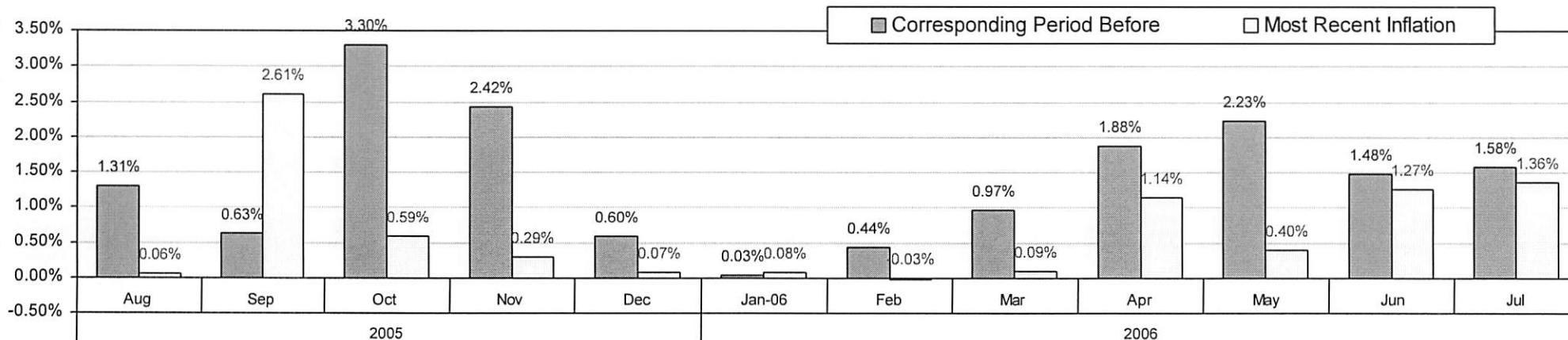
Source: Economic Update and Outlook (EU&O) —Planning Institute of Jamaica (PIOJ); PSQJ compilation

\*\* Projections taken from PIOJ - EU&O for December 2005

# APPENDIX

## INFLATION (July CPI)

CONSUMER PRICE INDEX	Percent %	Proportion of Index	MONTHLY INFLATION - JULY	Rnk	Percentage Change for Month (%)	INFLATION (End Dec-05 to End July-06)	YTD Percentage Change (%)
ALL GROUPS	100.0		ALL GROUPS	1	1.363 [1.3631 = (100 x 1.36)]	ALL GROUPS	4.4
FOOD AND DRINK	54.7		FOOD AND DRINK	1	1.366 [0.7463 = (54.6 x 1.36)]	FOOD AND DRINK	3.4
Meals Away from Home	14.5		Meals Away from Home		0.385	Meals Away from Home	3.1
Meat Poultry and Fish	29.3		Meat Poultry and Fish		0.466	Meat Poultry and Fish	7.5
Dairy Products Oils & Fats	12.0		Dairy Products Oils & Fats		0.439	Dairy Products Oils & Fats	4.9
Baked Products Cereal & Breakfast Drink	15.3		Baked Products Cereal & Breakfast Drink		0.261	Baked Products Cereal & Breakfast Drink	4.0
Starchy Foods	8.5		Starchy Foods		7.739	Starchy Foods	9.7
Vegetables & Fruit	11.5		Vegetables & Fruit		-0.219	Vegetables & Fruit	-16.0
Other Food & Beverages	9.0		Other Food & Beverages		0.134	Other Food & Beverages	7.3
FUELS & OTHER HOUSEHOLD SUPPLIES	7.4		FUELS & OTHER HOUSEHOLD SUPPLIES	6	0.415 [0.0307 = (7.39 x 0.41)]	FUELS & OTHER HOUSEHOLD SUPPLIES	6.0
Household Supplies	64.7		Household Supplies		0.331	Household Supplies	5.0
Fuels	35.3		Fuels		0.465	Fuels	6.6
HOUSING & OTHER HOUSING EXPENSES	8.4		HOUSING & OTHER HOUSING EXPENSES	2	3.888 [0.3283 = (8.44 x 3.88)]	HOUSING & OTHER HOUSING EXPENSES	11.1
Rental	24.3		Rental		1.644	Rental	12.7
Other Housing Expenses	75.7		Other Housing Expenses		4.474	Other Housing Expenses	10.6
HOUSEHOLD FURNISHINGS & FURNITURE	2.9		HOUSEHOLD FURNISHINGS & FURNITURE	7	0.928 [0.0272 = (2.93 x 0.92)]	HOUSEHOLD FURNISHINGS & FURNITURE	7.1
Furniture	27.9		Furniture		1.294	Furniture	9.6
Furnishings	72.1		Furnishings		0.749	Furnishings	5.6
HEALTHCARE & PERSONAL EXPENSES	7.1		HEALTHCARE & PERSONAL EXPENSES	4	0.586 [0.0414 = (7.08 x 0.58)]	HEALTHCARE & PERSONAL EXPENSES	5.2
PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	5.0		PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	8	0.133 [0.0066 = (5.01 x 0.13)]	PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES	4.6
Clothing Materials	11.0		Clothing Materials		0.202	Clothing Materials	3.3
Ready-made Clothing & Accessories	50.0		Ready-made Clothing & Accessories		0.110	Ready-made Clothing & Accessories	4.3
Footwear	31.3		Footwear		0.170	Footwear	3.8
Making & Repairs	7.6		Making & Repairs		0.076	Making & Repairs	9.0
TRANSPORTATION	6.5		TRANSPORTATION	5	0.536 [0.0348 = (6.50 x 0.53)]	TRANSPORTATION	1.8
MISCELLANEOUS EXPENSES	8.0		MISCELLANEOUS EXPENSES	3	1.302 [0.1037 = (7.97 x 1.30)]	MISCELLANEOUS EXPENSES	0.0



## EXTERNAL TRADE (Jan - Mar 2006)

EXTERNAL TRADE - (JAN - MAR 2006)	US\$M		EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2005 - 2006	EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
<b>TOTAL EXPORTS (\$b)</b>	<b>485.44</b>		<b>TOTAL EXPORTS (\$b)</b>	<b>133.36</b>		<b>TOTAL EXPORTS (\$b)</b>	<b>38.1%</b>	
Major Traditional Exports	336.73		Major Traditional Exports	53.83		Major Traditional Exports	19.0%	
by Sector:-			by Sector:-			by Sector:-		
Agriculture	12.52		Agriculture	6.88239		Agriculture	122.0%	
Mining & Quarrying	268.48		Mining & Quarrying	31.579055		Mining & Quarrying	13.3%	
Manufacturing	55.72		Manufacturing	15.371824		Manufacturing	38.1%	
by Industry:-			by Industry:-			by Industry:-		
Bauxite	27.47		Bauxite	1.716		Bauxite	6.7%	
Alumina	240.75		Alumina	30.158		Alumina	14.3%	
Sugar	44.59		Sugar	13.163		Sugar	41.9%	
Rum	10.40		Rum	2.075		Rum	24.9%	
Bananas	2.99		Bananas	2.99		Bananas	0.0%	
Coffee	8.84		Coffee	4.389		Coffee	98.5%	
Other	1.67		Other	-0.657731		Other	-28.2%	
Non-Traditional Exports	137.80		Non-Traditional Exports	76.475		Non-Traditional Exports	124.7%	
Re-exports	10.91		Re-exports	3.652		Re-exports	50.3%	
<b>TOTAL IMPORTS</b>	<b>1,388.48</b>		<b>TOTAL IMPORTS</b>	<b>260.721</b>		<b>TOTAL IMPORTS</b>	<b>23.1%</b>	
Food	158.65		Food	18.877		Food	13.5%	
Beverages & Tobacco	15.50		Beverages & Tobacco	2.77		Beverages & Tobacco	21.8%	
Crude Materials (excl. Fuels)	27.42		Crude Materials (excl. Fuels)	6.594		Crude Materials (excl. Fuels)	31.7%	
Mineral Fuels, etcetera	454.76		Mineral Fuels, etcetera	154.297		Mineral Fuels, etcetera	51.4%	
Animal & Vegetable Oils & Fats	7.21		Animal & Vegetable Oils & Fats	-0.847		Animal & Vegetable Oils & Fats	-10.5%	
Chemicals	153.96		Chemicals	25.557		Chemicals	19.9%	
Manufactured Goods	146.95		Manufactured Goods	-12.757		Manufactured Goods	-8.0%	
Machinery and Transport Equip.	257.77		Machinery and Transport Equip.	53.75		Machinery and Transport Equip.	26.3%	
Misc. Manufactured Articles	113.31		Misc. Manufactured Articles	6.383		Misc. Manufactured Articles	6.2%	
Other	52.96		Other	5.897		Other	12.5%	
<b>TRADE BALANCE</b>	<b>-903.04</b>		<b>TRADE BALANCE</b>	<b>-126.760731</b>		<b>TRADE BALANCE</b>	<b>16.3%</b>	

## BALANCE OF PAYMENTS (Jan - Mar 2006)

BALANCE OF PAYMENTS ANALYSIS SHEET		US\$M	Jan - Mar 2006	Change Jan - Mar (2006)	US\$M	Percentage change Jan - Mar (2006)	%
Current Account		-218.1	<div><div></div></div>	Current Account		-49.4	29%
Goods Balance		-700.3	<div><div></div></div>	Goods Balance		-99.1	16%
Exports		518.1	<div><div></div></div>	Exports		136.9	36%
Imports		1218.4	<div><div></div></div>	Imports		236	24%
Services Balance		240.4	<div><div></div></div>	Services Balance		39.6	20%
Transportation		-60.1	<div><div></div></div>	Transportation		-14	30%
Travel		407.5	<div><div></div></div>	Travel		55.3	16%
Other Services		-107	<div><div></div></div>	Other Services		-1.7	2%
Income		-162.2	<div><div></div></div>	Income		1.9	-1%
Compensation of employees		9.9	<div><div></div></div>	Compensation of employees		1.4	16%
Investment Income		-172.1	<div><div></div></div>	Investment Income		0.5	0%
Current Transfers		404	<div><div></div></div>	Current Transfers		8.2	2%
Official		35.7	<div><div></div></div>	Official		-6.7	-16%
Private		368.3	<div><div></div></div>	Private		14.9	4%
Capital & Financial Account		218.1	<div><div></div></div>	Capital & Financial Account		49.4	29%
Capital Account		-1.8	<div><div></div></div>	Capital Account		-0.9	100%
Capital Transfers		-1.8	<div><div></div></div>	Capital Transfers		-0.9	100%
Official		0	<div><div></div></div>	Official		-0.1	-100%
Private		-1.8	<div><div></div></div>	Private		-0.8	80%
Acq/dispos. of non-produced non-fin. assets		0	<div><div></div></div>	Acq/dispos. of non-prod non-fin. As's		0	0%
Financial Account		219.9	<div><div></div></div>	Financial Account		50.3	30%
Other Official Inv't. (incl. Gov. Rsn)		-38.8	<div><div></div></div>	Other Official Inv't. (incl. Gov. Rsn)		-52.2	-390%
Other Private Inv't. (incl. err & omis)		249.5	<div><div></div></div>	Other Private Inv't. (incl. err & omis)		50.2	25%
Reserves		9.2	<div><div></div></div>	Reserves		0	

## FISCAL ACCOUNT (Apr-Jun' 2006)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	JS\$m	Provisional figures Apr-Jun 2006
Revenue & Grants	49,230.2	
Tax Revenue	44,344.1	
Non-Tax Revenue	2,929.5	
Bauxite Levy	1,033.9	
Capital Revenue	320.8	
Grants	571.9	
Expenditure	56,856.8	
Recurrent Expenditure	52,439.9	
Programmes	10,156.4	
Wages & Salaries	17,396.0	
Interest	24,887.5	
Domestic	18,615.3	
External	6,272.2	
Capital Expenditure	4,406.9	
Capital Programmes	4,406.9	
IMF #1 Account	0.0	
Fiscal Balance (Surplus +/-)	-7,616.6	
Loan Receipts	50,607.4	
Domestic	48,611.4	
External	1,996.0	
Divestment Proceeds	0.0	
Amortization	41,500.8	
Domestic	37,196.0	
External	4,304.8	
Overall Balance (Surplus +/-)	1,400.1	
Primary Balance (Surplus +/-)	17,270.9	

BUDGET / PROVISIONAL DEVIATION	JS\$m	(Provisional - Budgeted) - Apr-Jun 2006
Revenue & Grants	964.1	
Tax Revenue	648.7	
Non-Tax Revenue	767.6	
Bauxite Levy	119.0	
Capital Revenue	-199.0	
Grants	-372.2	
Expenditure	-1,548.8	
Recurrent Expenditure	178.5	
Programmes	59.7	
Wages & Salaries	-525.0	
Interest	643.8	
Domestic	788.2	
External	-144.4	
Capital Expenditure	-1,727.3	
Capital Programmes	-1,727.3	
IMF #1 Account	0.0	
Fiscal Balance (Surplus +/-)	2,512.9	
Loan Receipts	10,965.8	
Domestic	11,571.1	
External	-605.3	
Divestment Proceeds	0.0	
Amortization	3,466.7	
Domestic	3,339.6	
External	127.1	
Overall Balance (Surplus +/-)	10,002.0	
Primary Balance (Surplus +/-)	3,156.6	

YTD Y-O-Y FISCAL DEVIATION	JS\$m	Apr-Jun (06/07 minus 05/06)
Revenue & Grants	7,980.50	
Tax Revenue	6,643.90	
Non-Tax Revenue	646.30	
Bauxite Levy	306.60	
Capital Revenue	-30.10	
Grants	413.60	
Expenditure	3,452.00	
Recurrent Expenditure	3,522.60	
Programmes	-337.20	
Wages & Salaries	1,609.60	
Interest	2,270.30	
Domestic	1,096.30	
External	1,174.00	
Capital Expenditure	-70.60	
Capital Programmes	-70.60	
IMF #1 Account	0.00	
Fiscal Balance (Surplus +/-)	4,528.50	
Loan Receipts	2,993.90	
Domestic	19,878.40	
External	-16,884.60	
Divestment Proceeds	0.00	
Amortization	5,383.60	
Domestic	21,047.70	
External	-15,661.90	
Overall Balance (Surplus +/-)	2,136.60	
Primary Balance (Surplus +/-)	6,798.70	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)	JS\$m	Provisional figures Apr-Jun 2006
Revenue & Grants	49,230.2	
Tax Revenue	44,344.1	
Income and profits	18,590.3	
Bauxite/alumina	215.6	
Other companies	3,150.5	
PAYE	8,757.7	
Tax on dividend	77.3	
Other individuals	422.5	
Tax on interest	6,006.6	
Environmental Levy	0.0	
Production and consumption	14,038.6	
SCT	602.6	
Motor vehicle licenses	244.9	
Other licenses	177.6	
Betting, gaming and lottery	250.0	
Education Tax	2,057.2	
Contractors levy	148.6	
OCT (Local)	8,435.8	
Stamp Duty (Local)	2,122.0	
International Trade	11,652.2	
Custom Duty	3,635.9	
Stamp Duty	240.5	
Travel Tax	585.7	
OCT (Imports)	5,043.7	
SCT (Imports)	2,139.4	
Non-Tax Revenue	2,929.5	
Bauxite Levy	1,033.9	
Capital Revenue	320.8	
Grants	571.9	

BUDGET / PROVISIONAL DEVIATION	JS\$m	(Provisional - Budgeted) - Apr-Jun 2006
Revenue & Grants	964.1	
Tax Revenue	648.7	
Income and profits	1,076.4	
Bauxite/alumina	-36.3	
Other companies	-533.3	
PAYE	-661.2	
Tax on dividend	-17.0	
Other individuals	-188.7	
Tax on interest	2,513.0	
Environmental Levy	0.0	
Production and consumption	-626.8	
SCT	-548.1	
Motor vehicle licenses	-38.6	
Other licenses	48.8	
Betting, gaming and lottery	-23.1	
Education Tax	-141.1	
Contractors levy	30.2	
OCT (Local)	-9.9	
Stamp Duty (Local)	45.1	
International Trade	199.1	
Custom Duty	-321.4	
Stamp Duty	5.2	
Travel Tax	-11.1	
OCT (Imports)	43.4	
SCT (Imports)	433.0	
Non-Tax Revenue	767.6	
Bauxite Levy	119.0	
Capital Revenue	-199.0	
Grants	-372.2	

YTD Y-O-Y FISCAL DEVIATION	JS\$m	Apr-Jun (06/07 minus 05/06)
Revenue & Grants	7,980.5	
Tax Revenue	6,643.9	
Income and profits	3149.8	
Bauxite/alumina	66.1	
Other companies	489.2	
PAYE	4745.5	
Tax on dividend	0.6	
Other individuals	58.1	
Tax on interest	2060.4	
Environmental Levy	0	
Production and consumption	2536.1	
SCT	-333.9	
Motor vehicle licenses	1.3	
Other licenses	50	
Betting, gaming and lottery	-10.6	
Education Tax	365.6	
Contractors levy	48.1	
OCT (Local)	1980.8	
Stamp Duty (Local)	435.3	
International Trade	957.9	
Custom Duty	-44.9	
Stamp Duty	10.1	
Travel Tax	77.5	
OCT (Imports)	474.3	
SCT (Imports)	440.6	
Non-Tax Revenue	646.3	
Bauxite Levy	306.6	
Capital Revenue	-30.1	
Grants	413.6	



### Statistical Index Major Macro-Economic Indicators

	BM		M2		NIR	Fx Dep	CPI		Tourism	J\$/US\$	T-bill	Loan	Sav	Dom Debt	Fx Debt
	M	P	M	P	US\$M	US\$M	M	P	P		%	%	%	J\$M	US\$M
Jan '03	-10.9	3.72	-3.04	11	1,510.25	1,428.27	-0.3	7	21.29	52.98	18.5	23.9	8.9	357,519.32	4,389.10
Feb	2.01	0.04	-1.82	6.32	1,252.94	1,421.05	-0.6	5.7	28.9	53.74	18.5	24.7	8.6	363,846.41	4,152.56
Mar	-0.14	7.54	2.35	7.47	1,339.67	1,499.96	0.5	6.2	23.12	56.24	33.5	24.7	8.2	366,158.13	4,180.00
April	-0.48	9.61	5.9	11.7	1,362.10	1,501.76	1.6	7.3	24.9	57.31	30.3	24.7	8.2	376,664.71	4,178.82
May	1.22	9.2	-0.02	12.6	1,233.33	1,530.56	1.9	9	21.68	59.42	29.3	25.2	8.2	384,739.26	4,198.03
June	-1.02	7.36	-0.73	10.8	1,127.39	1,514.18	2.5	11	20.05	59.01	28.5	25.2	8.2	388,125.86	4165.3
July	1.2	5.31	0	10.5	1,124.92	1,468.85	1.5	11	18.9	59.16	26.3	25.2	8.2	393,970.29	4,133.00
August	0.84	7.63	n/a	n/a	1,080.10	1,586.08	1.4	12	17.61	59.39	25.7	25.6	8.2	396,498.28	4,096.65
Sept	-1.32	4.09	n/a	n/a	1,182.63	1,627.60	1.6	13	17.2	59.71	23.4	25.6	8.4	402,317.57	4,129.12
Oct	2.89	7.46	n/a	n/a	1,131.13	1,655.11	1.6	14	7.7	60.44	none	25.6	8.4	404,949.94	4,164.23
Nov	3.17	8.21	n/a	n/a	1,103.25	1,637.24	0.9	14	6.1	60.65	23.5	25.6	8.4	410,984.43	4,185.10
Dec	17.03	13.3	n/a	n/a	1,164.98	1,670.59	0.8	14	n/a	60.62	22.1	25.6	7.2	417,834.25	4,192.06
Jan '04	-11.3	12.9	n/a	n/a	1,251.01	1,691.67	0.6	15	6.3	60.73	17.2	25.6	7.2	427,363.66	4,169.33
Feb	-0.45	10.2	n/a	n/a	1,473.96	1,727.51	0.6	17	n/a	60.95	16.3	25.6	6.8	419,763.43	4,459.14
Mar	1.1	11.3	n/a	n/a	1,568.66	1,770.19	0.5	17	n/a	61.01	15.6	25.4	6.8	417,571.30	4,529.00
Apr	-0.36	11.5	n/a	n/a	1,741.62	1,769.12	0.4	15	n/a	60.65	15.1	25.2	6.7	417,358.68	4,665.57
May	1.66	12	n/a	n/a	1,715.66	1,799.65	0.6	14	n/a	60.93	15	25	6.6	420,503.45	4,745.42
June	-0.11	13	n/a	n/a	1,604.10	1,757.84	0.8	12	n/a	61.22	15	25	6.6	429,251.39	4,773.46
July	2.83	14.8	0.99	17.2	1,594.69	1,721.50	1	12	n/a	61.8	15	25	6.6	440,539.38	5,029.49
Aug	1	15	n/a	n/a	1,643.46	1,922.93	1.3	12	n/a	61.9	15	25.1	6.6	440,433.32	4,838.02
Sep	0.97	17.7	n/a	n/a	1,616.52	1,867.23	0.6	11	n/a	61.89	14.8	25	6.6	438,123.75	4,856.86
Oct	0.84	15.3	n/a	n/a	1,826.66	1,833.56	3.3	12	n/a	61.88	14.8	25	6.5	439,614.97	5,075.17
Nov	1.79	13.8	n/a	n/a	1,816.06	1,855.79	2.4	14	n/a	61.98	14.9	24.9	6.5	444,214.54	5,118.92
Dec	14.33	11.2	n/a	n/a	1,858.52	1,925.98	0.6	14	n/a	61.63	14.9	24.9	6.5	446,961.92	5,120.44
Jan '05	-11.8	10.5	n/a	n/a	1,847.58	1,904.47	0	12	n/a	61.87	14.4	24.9	6.5	449,259.38	5,068.79
Feb	-1.6	9.25	n/a	n/a	1,831.07	1,918.71	0.4	13	n/a	61.91	14	24.9	6.5	451,895.38	5,062.87
Mar	6.5	15.1	n/a	n/a	1,901.60	1,935.11	1	13	n/a	61.54	13.5	24.9	6.4	449,247.55	5,044.36
Apr	-3.52	11.4	n/a	n/a	2,010.42	1,944.10	1.9	15	15.1	61.65	13.4	24.9	6.4	456,393.56	5,055.21
May	0.92	10.6	n/a	n/a	2,074.49	1,916.93	2.2	17	-7.7	61.71	13.4	24.9	6.4	466,840.52	4,968.13
June	-1.16	9.47	n/a	n/a	2,152.80	1,940.56	1.5	18	5.2	61.84	12.9	24.9	5.5	467,233.58	4,952.24
July	2.5	9.12	n/a	n/a	2,149.25	1,983.67	1.6	18	-1.8	62.23	13	22	5.5	471,668.82	5,282.35
Aug	0.98	9.11	n/a	n/a	2,117.51	1,974.33	0.1	17	-7.6	62.24	13	22	5.5	472,452.67	5,327.40
Sep	-2.68	5.17	3.04	n/a	2,118.97	2023.12	2.6	19	20.8	62.89	13.2	22	5.5	478,216.66	5,293.49
Oct	1.06	5.39	n/a	n/a	2,078.99	2,061.63	0.6	16	5.22	64.04	13.2	22	5.5	478,118.96	5,452.00
Nov	1.84	5.44	n/a	n/a	2,093.80	2,067.88	0.3	14	18.4	64.67	13.2	22	5.5	478,436.18	5,407.83
Dec	18.93	9.68	4.17	8.96	2,087.40	2,025.45	0.1	13	9.92	64.58	13.6	22	5.48	480,099.16	5,375.40
Jan '06	-10..28	11.57	n/a	n/a	2,093.50	2,028.59	0.1	13	15.9	64.99	13.3	21.84	5.30	489,671.66	5,398.74
Feb	-12.84	11.71	n/a	n/a	2,024.24	2,045.44	-0.03	12.4	9.5	65.36	13.2	21.84	5.30	486,690.28	5,621.88
Mar	-0.18	4.71	-0.27	8.8	2,078.10	2,027.75	0.09	11.7	5.0	65.50	13.18	21.84	5.30	482,712.53	5,567.42
Apr	3.12	11.91	n/a	n/a	2,151.80	2,033.37	1.14	12.3	22.6	65.63	13.07	21.84	5.30	489,664.97	5,622.32
May	-0.44	10.41	n/a	n/a	2,162.80	n/a	0.40	8.6	17.2	65.73	12.84	21.84	5.30	n/a	n/a
Jun	0.40	12.15	n/a	n/a	2,110.10	n/a	1.27	8.4	19.7	66.03	12.82	22.50	5.39	n/a	n/a
Jul	3.24	12.96	n/a	n/a	2,087.90	n/a	1.36	8.2	25.9	65.99	12.81	22.50	5.39	n/a	n/a

Sources: Bank of Jamaica, Statistical Institute of Jamaica, Ministry of Finance and Planning, Jamaica Tourist Board and the PIOJ.

Revised periodically when necessary.

Key:	
BM – Base Money	M2 – Money Supply
NIR – Net International Reserves	FX Dep – Foreign Exchange Deposit
CPI – Consumer Price Index	Tourism – Total Tourist Arrivals
Tbill – 6-month Treasury Bill Yield	Loan – Average Loan Rate
Save – Average Savings Deposit Rate	M – Monthly Percentage Change
P – Point-to-Point Percentage Change	R – Revised
N/a – Not Available	S – Stopover
WATBY- weighted average Treasury bill yield	OMO – Open Market Operation
JCB – Jamaica Conference Board	JCC – Jamaica Chamber of Commerce
MT – Million tonnes	BP — Basis Points
KMA — Kingston and Metropolitan Area	

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