CONFIDENTIAL ECONOMIC BULLETIN

PRIME ASSET MANAGEMENT LTD • Focused pension professionals

The Private Sector Organisation of Jamaica • 39 Hope Road, Kingston 6 • Tel: 927-6238/695 • Fax: 927-5137 • Email: psojinfo@psoj.org • Web site: http://www.psoj.org

OVERVIEW

The Budget Debates: The 2008/09 budget debate commenced on March 27th 2008 when the Governor General opened Parliament with the Throne Speech. He first highlighted the various challenges that the new political administration faced immediately after beginning their new term in office. These challenges include the damaging effects of Hurricane Dean; the flooding that ensued; escalating commodity prices including for oil and grains and the looming turbulence in the international financial markets following the sub-prime fallout in the US.

The Governor General sought to highlight the main issues facing Jamaican citizen and the directions that are being taken by the Government to adequately deal with these. Addressed were issues of administrative, legal, economic, and social significance.

Among those mentioned were concerns about food and energy security, capitalizing on investment opportunities such as tourism, the EPA and joint relations with the Diaspora. Developmental goals for education, health, the needs of families and youth in general were highlighted as essential areas to be addressed.

The high levels of crime and the need to update and improve the justice system to better serve the citizens of Jamaica were pinpointed. Issues of corruption and the general strengthening of legislation were all issues placed on the table for discussion in the debates to come. (See schedule of 2008/09 Budget Debates on pg.10—Development & Outlook)

In this report: In the month of February 2007 the local currency appreciated by 37 cents Jamaican (or 0.5%) against the US dollar.

Inflation for February 2008 was 1.76%. This was largely attributed to the higher prices of bread and cereal items within the *'Food & Non-Alcoholic Beverages'* division. The second largest stimulus to inflation was classified under the *'Housing, Water, Electricity, Gas & Other Fuels'* divisions. Approximately 70% of this was attributed to electricity, gas and other fuels. Inflation for the first two months of 2008 is 4.02% which more than doubles the 1.34% recorded for the corresponding period in 2007.

In January 2008, total tourist arrivals increased by 5.1% when compared to January 2007. This reflected a 10.1% increase in stopover arrivals that was further complemented by a 0.7% increase in cruise arrivals in the period of observation.

Over the first ten (10) months of the Fiscal Year 2007/08 the fiscal deficit amounted to J$43.0B and was (2.9%) less than the period's budgeted deficit. This was produced by a more than 22% cutback in planned Capital Expenditure alongside increased Tax Revenue. Grants were 42% less than anticipated resulting in a balance to sufficiently offset the additional Tax Revenue gained.

Inside this issue:

Net International Reserves (NIR)

During the month of February 2007, Net International Reserves increased by US$137.1M to offset more than half (1/2) the net decline over the past 12 months. At the end of the month the reserve balance stood at US$1,956.2M. This represents a 10% reduction since February of last year.

During the latter part of 2007, the Bank of Jamaica (BOJ) actively used foreign currency sales in policy initiatives directed at stabilizing the increasingly volatile FX market. The market was relatively liquid during 2007 putting pressure on the local currency to depreciate as investors sought to increase their holdings in foreign currency denominated assets. This resulted in a substantial 16% drawdown of NIR in the last half of 2007.

In February 2008 the gross reserves represented 17.2 weeks falling from 23.0 weeks in the corresponding month of 2007. This remains a strong indicator when compared to the 12 weeks international standard (see Table 1— page 2).

Foreign Currency

For the month of November 2007 total foreign currency deposits amounted to US$2,419.64 million, approximately US$12 million more than the previous month's figure (see Table 2). This was attributed to increased levels of foreign currency holdings by both Commercial Banks (US$9.1M) and Building Societies (US$5.2M). Merchant Banks was the only group that had a reduction in foreign currency holdings (down by US$2.8M).

During the 12 month period to November 2007, Commercial Banks and Building Societies accumulated the largest portion of foreign currency deposits, together representing approximately 90% of the total increase. Merchant Banks captured the remaining 10% (see Table 2).

Foreign Exchange Rate

US DOLLAR: The local currency appreciated by 37 cents Jamaican (0.5%) against the US counterpart during the month of February 2008. On the last trading day of the month the Jamaican dollar sold for an average rate of J$71.37 per US$1 (see table 3). Since the start of 2008 the local currency depreciated by 75 cents Jamaican (or 1.1%) against the US-dollar. Despite the appreciation in February, the accumulated depreciation over the first two months of 2008 (76 cents Ja.) compares less than favourable to the 40 cents depreciation for the corresponding period of 2007.

POUND: The domestic currency also appreciated against the pound sterling in February by an approximate 80 cents Jamaican (or 0.57%) (see table 3). Since the start of 2008 the local tender lost 83 cents Jamaican (or 0.6%) to the British pound sterling.

CANADIAN: In February 2008 the Jamaican dollar depreciated by J$1.36 against the Canadian dollar (see Table 3). For the first (2) two months of 2008 the Jamaican dollar depreciated by J$1.60 (or 2.2%).

Table 1: Changes in the NIR

	US$M	Change US$M			Imports
	NIR	*Mthly*	*12 Mth*	*YTD*	(Weeks)
Feb-08	1,956.2	137.1	-229.4	78.5	17.2
Feb-07	2,185.6	-102.8	161.3	-132.0	23.0

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US$000	Change (US$000)		%
	Nov '07	mthly	12 mth	12 mth
Commercial Banks	1,753,560	9,132	81,053	4.85%
Building Societies.	474,575	5,158	78,229	19.74%
Merchant Banks	191,505	(2,772)	18,512	10.70%
Total Deposits	2,419,640	11,518	177,794	7.93%

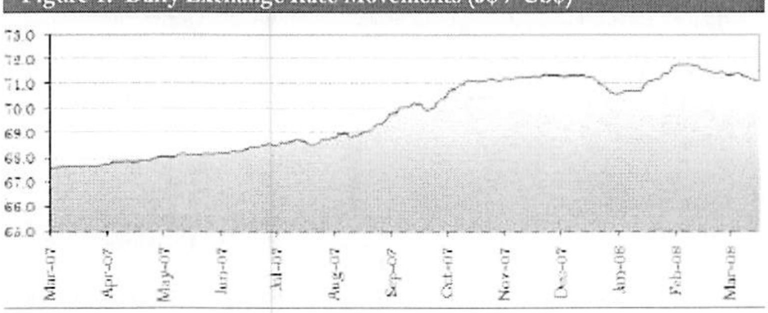
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends (Feb-2008)

	Year to Date Currency Rate Change*					
	J$ / US$	%	J$ / UK£	%	J$ / Can$	%
2008	0.76	1.1	0.83	0.6	1.60	2.2
2007	0.40	0.6	0.73	0.6	0.66	1.1
2006	0.78	1.2	3.66	3.3	2.38	4.3
	February 2008					
Actual Rate	71.37	-0.52	141.15	-0.57	72.99	1.91
Mth Change	-0.37	-0.52	-0.80	-0.57	1.36	1.91

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

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



Source: Bank of Jamaica Database (BOJ)

Table 5: Interest Rate Movements

		Change (%age pts)		
	Jan-08	Monthly	12-Mth	YTD
Avg Savings Deposit	4.88%	0.00%	0.00%	0.00%
Avg Loan Rate	21.64%	0.82%	-0.26%	0.82%
6 Month T-Bill (Mar-08)	14.22%	0.00%	2.57%	0.88%
12 Month T-Bill	n/a	n/a	n/a	n/a

Source: Bank of Jamaica (BOJ Preliminary)

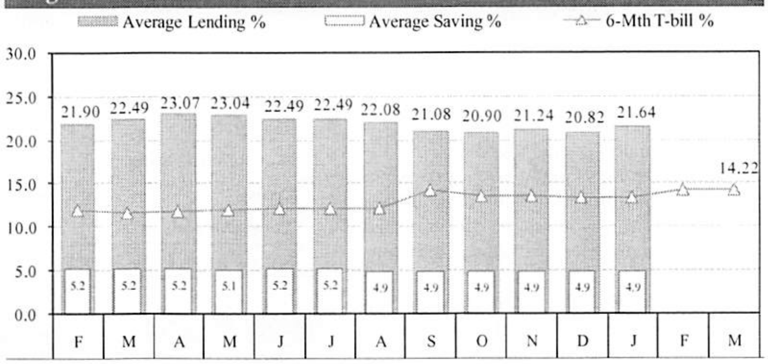
Interest Rates

In both January and February 2008, the BOJ made adjustments to the rates offered on Open market instruments. Effective January 2008 was a 100 bps increase in the range of (30-days to 180-days) instruments. This was to bring the rates in line with the market so as to strengthen BOJ's liquidity management policies. The second rate adjustment took effect on February 4th with adjustments ranging from 85bps at the lowest end of the yield curve to 150 bps on the 365 days instrument. This was aimed at making corrections for the heightened level of inflation.

As at March 24 2008 the six-month T-bill cleared the market at an average yield of 14.22%. This is equivalent to the rate stated for the end of February 2008 (see table 5 & Figure 2).

In January 2008, the Average Lending Rate increased by 82-bps to close the month at 21.64%. There was no change to the Average Savings Rate that remained at 4.88% for the sixth consecutive month.

Figure 2: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Base Money & Money Supply

The monetary base increased by 0.34% during the month of February 2008. For the month of November 2007, all monetary aggregates grew except for Quasi Money. M1 increased by 2.29% while M2 increased by 0.24%. Quasi money supply declined by 0.7% (see table 6).

Table 6: Base Money and Money Supply

	J$M	Percentage Change (%)	
	Nov-07	Mthly	12 Mth
M1	95,615.30	2.20	25.97
Quasi Money	193,970.88	-0.70	16.35
M2	289,586.18	0.24	19.36
	Feb-08	Mthly	12 Mth
Base Money	57,796.78	0.34	11.22

Source: BOJ Economic Statistics

Inflation

Inflation for the month of February 2008 was 1.76%. In the corresponding month of 2007 the inflation was 0.33% (see Table 7 and figure 3).

Table 7: Inflation Trends

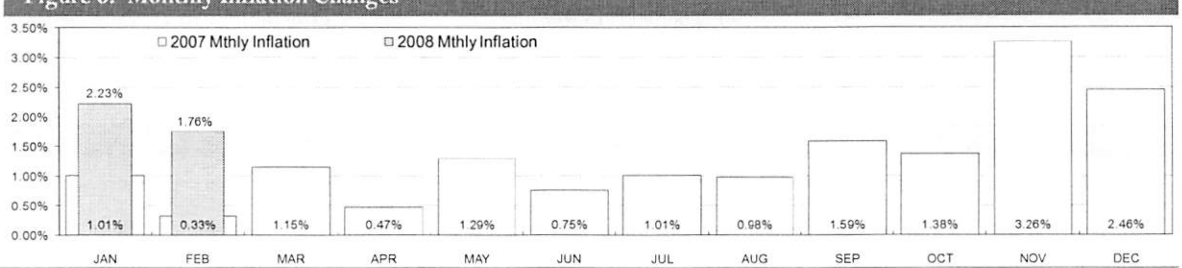
	% Percent Changes			
	February	12-Mth	YTD	Fiscal
2008	1.76	19.90	4.02	18.54
2007	0.33	6.94	1.34	6.81

Source: STATIN & BOJ Statistical Digest - Fiscal : represents fiscal year to date

Over the period approximately 40% of the CPI increase was attributed to the "Food & Non-Alcoholic Beverages" division. All items registered price increases. Within this division Bread and Cereals was the single largest contributing component to inflation during the month. Food prices in February have become less volatile than observed in January 2008. The price of non-alcoholic beverages showed some moderation with an average 1.6% increase for February. This was approximately half the increase experienced in the preceding month (see INFLATION chart in Appendix, p.11).

The second largest price inflator for the month was the division "Housing, Water, Electricity, Gas and Other Fuels". It contributed just below 20% of the month's inflation. This was

Figure 3: Monthly Inflation Changes



Source: STATIN and PSOJ compilation

fuelled largely by the higher prices associated with "electricity, gas and fuels etc" which contributed over 70% of the inflationary stimulus to this division.

Additionally, wage increases for industry workers such as masons, electricians, plumbers, painters and carpenters contributed to the upward pressure on prices within the division.

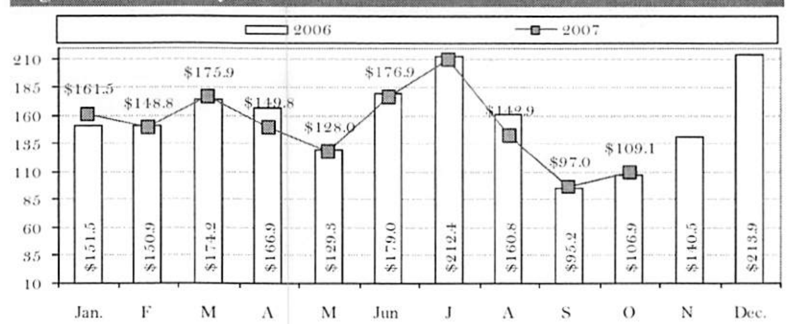
Over the 11 (eleven) months of the fiscal year 2007/08, inflation stood at 18.54%. Among the factors contributing to the accelerated growth in inflation during the course of the fiscal year were the higher international oil prices; higher prices for wheat and other grains; and the damaging effects of Hurricane Dean resulting in food shortages; and instability in the FX market. (See Developments and Outlook -pg.9- for a calendar year review of inflation).

Table 9: Tourist Arrivals

	2006	2007	% Change	
	YTD (Jan)		YOY (Jan)	Jan (08/06)
Stopover	**129756**	**142861**	**10.1%**	**10.1%**
Foreign Natls	124199	134248	8.1%	8.1%
Non-Resident Natls	5557	8613	55.0%	55.0%
Cruise	**143728**	**144671**	**0.7%**	**0.7%**
Total Arrivals	**273484**	**287532**	**5.1%**	**5.1%**

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

Figure 5A: Currency and Tourism Trends



Source: Jamaica Tourist Board (preliminary data) & BOJ Statistical Update (Revised values)

Tourism

Stopovers: Stopover arrivals for January 2008, when compared to the same period last year, increased by 10.1% (see Table 9 & Figure 5B). This was attributed to both a 10,049 (8.1%) increase in 'Foreign Nationals' and a 3,056 (55%) increase in Non-Resident Jamaicans visiting the country.

In January 2008 approximately 59% of all stopover arrivals emanated from the North American region. In 2007 the proportion was 61%. Canada's share grew from 17.6% in January 2007 to 20.3% in January 2008. UK maintains approximately the same proportion of 10% for the fist month of the calendar year.

While the US remains the strongest tourism market to Jamaica, initiatives are currently being made by the Ministry of Tourism to expand Jamaica's reach into the European markets.

Minister Bartlett has, in the media, indicated the initiatives taken to increase airlifts from Europe especially from the two fastest growing areas in recent times, Spain and Portugal. The region is noted for having strong economies, a strong currency, and long holidays. The main hindrance, however, iss limited air lift from that region. Alongside these initiatives, efforts are also being made to increase airlift from the US for regions such as Dallas and Fort Lauderdale (Source: Gleaner and JIS websites).

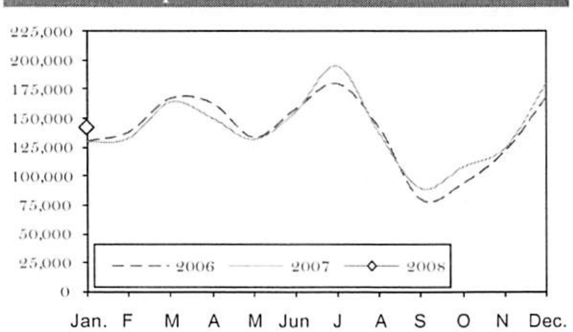
Cruise Passengers: Cruise arrivals for January 2008 increased by 943 (0.7%) when compared to the corresponding month of 2007 (see Table 9 & Figure 5C).

Total Visitors: Total visitor arrivals for January 2008 was 5.1% greater than that of the corresponding month of 2007.

External Trade

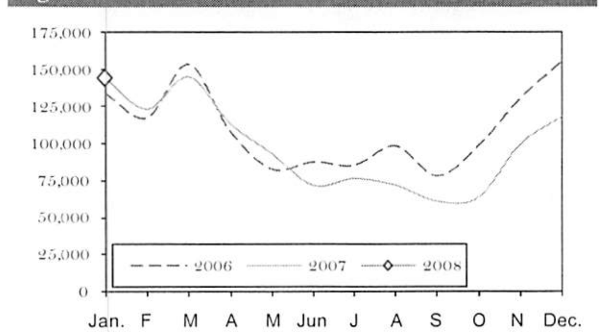
The trade deficit worsened by approximately 13.9% when the first ten (10) months of 2007 was compared with the corresponding period of 2006. The trade account reveals a growth in import value more than quadrupling the growth in export value. (see table 10).

Fibure 5B: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 5C: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

The ratio of Imports to Exports is currently (2.9 : 1). As such, for every US$1 earned, approximately US$3 are spent on consumption of foreign goods. (Figure-6) depicts the relationship between total Exports and the accumulated trade balance. A representation of total imports is achieved by combining the two bars (export and trade balance). In the first 10 months of 2007, all three variables, (export, import, trade balance) have already exceeded the levels attained in 2005 and also each of the eight (8) years preceding that.

The rising price of oil on the international market has contributed a substantial share of the import bill. This however has been significantly subsidized through the Petrocaribe initiative made effective in 2005. This arrangement allows for 40% of the cost of oil imported from Venezuela to be converted into 25 year (long-term) loans to be paid back at an interest rate cost of 1%.

In retrospect, this bilateral agreement has benefitted the Jamaican economy considering the escalating price of oil over the previous months. The foregone negative impacts include:

- Greater foreign exchange instability (depreciation) and a more significant drawdown of the NIR;
- Higher inflation rates due to a depreciating dollar and the increased cost of acquiring foreign goods.
- The likelihood of greater increases in interest rates on BOJ—Open Market Instruments due to confidence issues surrounding a depletion of NIR.

During the review period, the external trade segments that contributed substantially to the rise in the import bill were: Chemicals (23% of the increase), Machinery & Transport Equipment (22%), Food (15%), Misc. Manufactured Articles (13%), and Mineral Fuels etc. (13%). Crude Materials, excluding fuels, were responsible for a 2% reduction in the import bill over the review period.

Exports: Both Traditional and Non-Traditional exports grew during the first ten (10) months of 2007.

Table 10: External Trade (US$M)

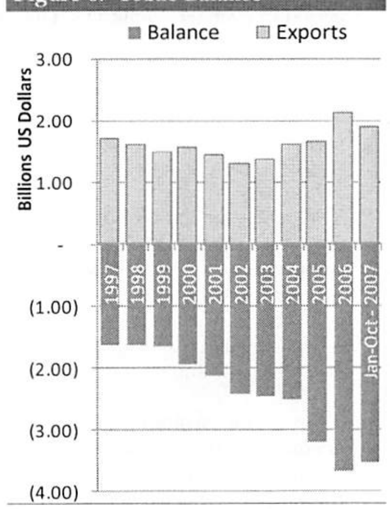
	Jan-Sep 06	Jan-Sep 07	Change	% Change
TOTAL EXPORTS (fob)	**1,770.55**	**1,897.19**	**126.64**	**7.2%**
Major Traditional Exports	1,122.31	1,209.93	87.62	7.8%
by Sector:-				
Agriculture	41.68	36.72	-4.96	-11.9%
Mining & Quarrying	950.18	1,031.09	80.91	8.5%
Manufacturing	130.46	142.13	11.67	8.9%
by Industry:-				
Bauxite	94.90	95.50	0.60	0.6%
Alumina	854.07	934.67	80.60	9.4%
Sugar	89.69	100.28	10.58	11.8%
Rum	35.97	36.79	0.82	2.3%
Bananas	11.45	9.22	-2.23	-19.4%
Coffee	30.11	26.73	-3.38	-11.2%
Other	6.13	6.74	0.62	10.1%
Non-Traditional Exports	494.55	519.67	25.11	5.1%
Re-exports	27.87	40.94	13.07	46.9%
Free Zone & Ports	125.81	126.65	0.84	0.7%
TOTAL IMPORTS	**4,864.37**	**5,420.10**	**555.73**	**11.4%**
Food	511.76	596.65	84.89	16.6%
Beverages & Tobacco	56.94	77.14	20.20	35.5%
Crude Materials (excl. Fuels)	68.37	57.42	-10.95	-16.0%
Mineral Fuels, etcetera	1,516.68	1,589.25	72.57	4.8%
Animal & Vegetable Oils & Fats	21.80	30.11	8.30	38.1%
Chemicals	586.38	712.76	126.39	21.6%
Manufactured Goods	575.45	631.03	55.58	9.7%
Machinery and Transport Equip.	933.53	1,056.35	122.83	13.2%
Misc. Manufactured Articles	407.05	481.27	74.23	18.2%
Other	186.42	188.12	1.70	0.9%
TRADE BALANCE	**(3,093.82)**	**(3,522.90)**	**-429.08**	**13.9%**

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

Traditional Exports increased by approximately 7.8% during the review period "Mining & Quarrying" remains the largest contributor to this category, fuelled almost wholly by a 9.4% growth in alumina exports. Alumina export accounts for approximately 77% of total traditional exports during the review period. The increase in foreign currency flows from Alumina exports accounted for 92% of the net increase in revenue from traditional exports for the period.

The "Manufacturing" sector grew by 8.9% for the review period. This improvement was due largely to the 11.8% expansion in Sugar and to a lesser extent the doubling of coffee products exported (see Table 10).

Figure 6: Trade Balance



Source: BOJ (Import = Export + Balance)

"Agriculture" was the only declining segment within the traditional sector for the review period compared to the corresponding period of 2006. This was attributed to declining exports of both coffee (-20%) and banana (-19%) over the comparable period of 2006 and 2007.

In the Non-Traditional sector, exports increased by approximately 5.1%. This was influenced largely by a rise in Mineral Fuels exports that recorded a 6.5% increase when matched against the corresponding period of 2006. Both Alcoholic and Non-Alcoholic beverages contributed to the higher levels of non-traditional exports for the period. 'Waste and Scrap Metals', however, was 5% below the comparable value in 2006 *(See Table 10 on page 6)*

Balance of Payments

In the ten months January—October 2007, the current account deficit worsened by a substantial 45% when matched against the corresponding period of 2006 (see Table 11). This was greatly impacted by the spiralling import bill that has outpaced the growth in export value by a ratio of (3.8 : 1). When matched against the corresponding period of 2006, the Services balance also declined and was attributed to unfavourable trends in both inflow and outflow items.

Within the Current Account, '***Current Transfers***' remain the only surplus category with net-flows exceeding that of the corresponding period in 2006 (see table 11). This is due to private remittances contributing in excess of 93% of the inflows. During the (10) ten month period, matched against the corresponding period of 2006, inflows from private transfers grew by 11%.

The deficit on the ***Goods Account*** grew by 14% over the periods being compared. This was due to the greater level of imports that substantially exceeded the additional revenue gained from exported goods (see table 11—sub "Goods Balance").

There was a surplus on the ***Services account*** for the review period. This amount, however, was 26% below the surplus reported for the corresponding period of 2006. This was attributed to both lower inflows and higher outflows from both the Transportation and Travel sub-accounts (see table 11).

Table 11: Balance Of Payments (US$M)

	Jan-Oct'06	Jan-Oct'07	Change	% Change
Current Account	-1066.5	-1541.5	-475.0	-45%
Goods Balance	-2491.0	-2840.1	-349.1	-14%
Exports	1770.6	1897.0	126.4	7%
Imports	4261.5	4737.0	475.5	11%
Services Balance	493.4	363.8	-129.6	26%
Transportation	-360.1	-442.5	-82.3	-23%
Travel	1299.9	1257.5	-42.4	3%
Other Services	-446.4	-451.3	-4.8	-1%
Income	-500.9	-675.2	-174.3	-35%
Compensation of emplys	71.7	63.0	-8.7	12%
Investment Income	-572.5	-738.2	-165.6	-29%
Current Transfers	1432.0	1610.0	178.0	12%
Official	119.0	119.7	0.8	1%
Private	1313.1	1490.3	177.2	13%
Capital & Financial Account	1066.5	1541.5	475.0	45%
Capital Account	-0.3	-5.0	-4.7	-1567%
Capital Transfers	-0.3	-5.0	-4.7	-1567%
Official	3.8	0.7	-3.2	84%
Private	-4.1	-5.7	-1.5	-37%
Acq/disp.	0.0	0.0	0.0	0%
Financial Account	1066.7	1546.5	479.7	45%
Other Official Invst	351.2	578.2	227.1	65%
Other Private Invst	934.6	575.2	-359.4	38%
Reserves	-219.0	393.0		

Source: BOJ & Statistical Update:

The ***Income Account*** deficit was 35% more than the corresponding period in 2006. This was largely attributed to increased outflows within the 'Investment Income' subsection. The other sub-account was 'Compensation of Employees' that generated a surplus. This was, however, less than the surplus recorded for the corresponding period in 2006 and was also attributed to increased levels of outflows.

Currency flows to the Financial account during the 10 month period was US$393Million less than the amount needed to fund the Current and Capital account deficits. This balance was funded from the NIR during the period.

Fiscal Accounts

For the first ten (10) months of FY 2007/08 the Government's fiscal deficit amounted to $42.97 billion which was $1.27B (3%) below the period's budgeted deficit. Revenues & Grants exceeded budget by $1.54B. Approximately 17% of this, however, was offset by Expenditure deviation from budget amounting to 264.9M (see table 12A).

REVENUE: All categories within the Revenue and Grants segment reflected budget surpluses except for Grants and Non-Tax Revenue that fell short of budget by $1.24-B (43%) and $167.9-M (1.5%) respectively. Tax Revenue exceeded budget by $1.19-B (0.58%). This was mainly attributed to the higher than planned collections from PAYE, 'Tax on Dividends' and 'Other Companies' (see table 12B). Other positively contributing categories include Capital Revenue, Bauxite Levy and GCT on Imports.

<u>*Tax Revenue*</u> — Within the Tax revenue category the five (5) largest tax income generating components for the ten (10) month period were PAYE, Local GCT, GCT on Imports, Tax on Interest, and Custom Duty (*see Table 12A and Fiscal Account chart on page 12*). When combined, these items represented approximately 72% of all tax income revenue.

Table 12A: Fiscal Accounts (J$ Million)

	April-January (Fiscal—2007/08)				Apr-Jan (YOY)	
	J$ million		Deviation		06/07 - 07/08	
	Provisional	Budget	J$M	(%)	J$M	(%)
Revenue & Grants	**195,799.4**	**194,263.8**	**1,535.7**	**0.79**	**27,959.6**	**16.7**
Tax Revenue	175,271.6	174,086.4	1,185.3	0.68	25,035.8	16.7
Non-Tax Revenue	10,876.0	11,043.9	-167.9	-1.52	133.2	1.2
Bauxite Levy	4,300.5	3,432.5	868.0	25.29	933.6	27.7
Capital Revenue	3,680.9	2,788.2	892.7	32.02	1,683.4	84.3
Grants	1,670.4	2,912.8	-1,242.4	-42.65	173.8	11.6
Expenditure	**238,771.6**	**238,506.7**	**264.9**	**0.11**	**32,496.5**	**15.8**
Recurrent Expenditure	211,009.6	202,857.1	8,152.5	4.02	23,731.5	12.7
Programmes	51,987.7	42,535.7	9,452.0	22.22	11,012.4	26.9
Wages & Salaries	72,235.7	73,399.3	-1,163.7	-1.59	7,379.1	11.4
Interest	86,786.1	86,922.0	-135.9	-0.16	5,339.8	6.6
Domestic	60,286.6	61,051.4	-764.9	-1.25	515.4	0.9
External	26,499.6	25,870.6	629.0	2.43	4,824.4	22.3
Capital Expenditure	27,762.1	35,649.7	-7,887.6	-22.13	8,765.0	46.1
Capital Programmes	27,762.1	35,649.7	-7,887.6	-22.13	8,765.0	46.1
IMF #1 Account	0.0	0.0	0.0		0.0	
Fiscal Balance (Surplus [+]ve)	**-42,972.2**	**-44,243.0**	**1,270.7**	2.87	**-4,537.0**	**-11.8**
Loan Receipts	119,865.9	109,559.0	10,306.9	9.41	-16,343.7	-12.0
Domestic	105,038.5	93,114.4	11,924.2	12.81	-22,556.3	-17.6
External	14,827.4	16,444.7	-1,617.3	-9.83	6,212.5	75.2
Divestment Proceeds	0.0	0.0	0.0		0.0	
Amortization	89,707.7	89,383.6	324.1	0.36	-14,174.8	-13.6
Domestic	59,425.5	59,211.3	214.2	0.36	-30,385.1	-33.8
External	30,282.2	30,172.3	109.9	0.36	16,210.4	115.2
Overall Balance (Surplus [+]ve)	**-12,813.9**	**-24,067.5**	**11,253.5**	**46.76**	**-6,706.0**	**-112.9**
Primary Balance (Surplus [+]ve)	**43,813.9**	**42,679.0**	**1,134.9**	**2.66**	**802.9**	**1.9**

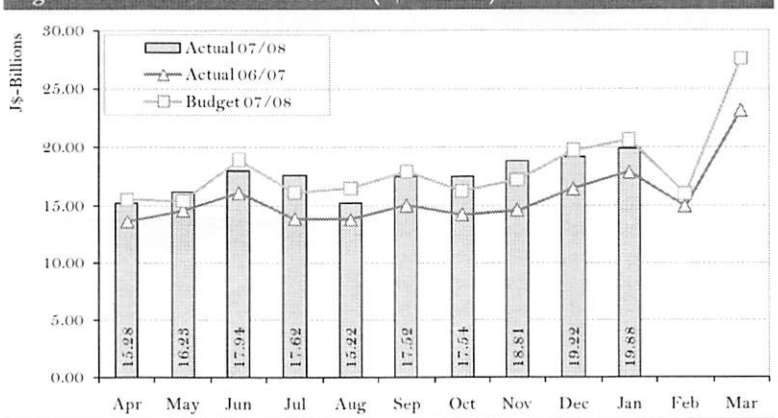
Source: Ministry of Finance and Planning

Revenue items that were less than budgeted for the period were Special Consumption Tax (SCT) on Imports, Tax on Interest, Grants, SCT and Bauxite / Alumina (see table 12B).

EXPENDITURE: Expenditure for the 10 months to January 2008, exceeded budget by 0.1%. Despite a relatively small net deviation from budget, there was a significant restructuring of the way funds were distributed during the fiscal period to date. Programmes Expenditure in particular, exceeded budget by 22% resulting in the $8.15 billion increase in Recurrent Expenditure. This was, however, offset by a contraction in Capital Expenditure by $7.89 billion (22%) for the review period.

During the review period Loan Receipts exceeded budget by 9.4%. This reflected an increase in domestic borrowing of $12 billion (12.8%) above the budgeted level. External borrowing was cut short by approximately 10% but had little offsetting power on the substantial increase in domestic market borrowing. (see table 12A).

Figure 7: Tax Revenue Collections (J$-Billions)



Source: Ministry Of Finance and Planning (Jamaica)

Debt Amortization was 0.36% off target for the 10 month period. The Primary Balance (overall balance excluding interest payments) was approximately $44 billion and exceeded the target by $1.13 billion or

2.7%.

PUBLIC DEBT: Total public debt at the end of December 2007 stood at $990.80 billion, some $68 billion increase over the first nine (9) months of the fiscal year. Between April 2007 and December 2007 the Domestic Debt stock increased by $44.5 billion (9%) to end the month at $558.43 billion. For the same period External Debt increased by approximately US$87 million to close December 2007 at US$6,122.8 M

Stock Market

The Jamaica Market Index declined by 29.75 points or 0.03% during February 2008 to close at 108,463.97 points on its last trading day.

Market capitalization declined by $240 million or 0.03% over the month of February. At the end of the month Market Capitalization value was approximately $881.80 billion.

For the first two months of 2008, Ciboney Group recorded the largest price increase. This represents a 4 cent increase per share representing a 400% increase over the period. Towards the middle of January, the company published its 2nd quarter financial reports. Losses were made for the period that exceeded the Operating Revenue for the period. The company made substantial exchange rate gains. This, however was insufficient to fully offset the Group's expenses.

Pulse Investments emerged as having the second largest price appreciation for the review period. The stock price increased by 130.8% over the two months, January and February. At the end of December 2007, Mr Kingsley Cooper sold 5 million of the company's shares and then another 2 million on February 2, 2008. The other major price appreciators were Salada Foods climbing by $35 or (81.8%) since the start of the year. Montego Freeport also appreciated by a noticeable 45.9% over the period.

First Caribbean International Bank recorded a noticeable 14.5% ($22) decline over the first two months of 2008. The Company issued its first quarter review at the end of February 2008. The P&L account revealed a 32% decline in net income. Other companies reflecting a significant price decline include the Gleaner Company (-10.5%)

Table 12B: Major Deviations in Fiscal Revenue and Expenditure

J$-Millions		Apr-Jan 07/08
Revenue (Revenue Surpluses)		
PAYE		1,907.90
Tax on Dividend		1,705.10
Other Companies		1,520.40
Capital Revenue		892.70
Bauxite Levy		868.00
GCT (Imports)		861.80
Revenue (Revenue Shortfalls)		
SCT (imports)		-1,956.30
Tax on Interest		-1,767.10
Grants		-1,242.40
SCT		-882.60
Bauxite / Alumina		-429.20
Expenditure (Changes)		
Programmes	(Over-run)	9,452.00
External - Interest	(Over-run)	629.00
Domestic - Interest	(Savings)	-764.9
Wages & Salaries	(Savings)	-1,163.70

Source: Ministry Of Finance and Planning (Jamaica)

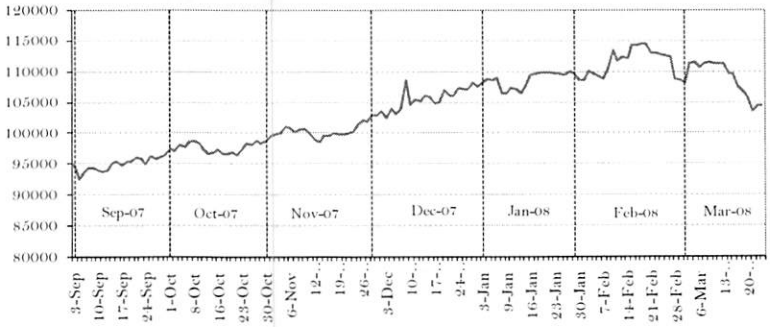
Table 13: Returns for Listed Companies on the JSE

Year-to-Date Performers on the Jamaica Stock Exchange

	31-Dec-07	29-Feb-08	$ change	% change
Top Five (unadjusted for dividends or transaction costs)				
Ciboney Group	0.01	0.05	0.04	400.0%
Pulse Investments	2.60	6.00	3.40	130.8%
Salada Foods	44.00	80.00	36.00	81.8%
Mobay Ice Company	13.20	20.20	7.00	53.0%
Montego Freeport	1.60	2.35	0.75	46.9%
Bottom Five (unadjusted for dividends or transact. Costs)				
First Carib. Intl. Bnk	152.00	130.00	(22.00)	-14.5%
Gleaner Company	4.30	3.85	(0.45)	-10.5%
Guardian Hold. Ltd	290.00	261.00	(29.00)	-10.0%
First Carib Intl Bnk Ja.	27.00	24.50	(2.50)	-9.3%
Jamaica Prod. Group	35.05	34.01	(1.04)	-3.0%

Source: Compiled from the JSE

Figure 8: Main JSE Index, Sep-07 - Mar-08



Source: Jamaica Stock Exchange (Online Database) and PSOJ and Guardian Holdings Ltd (-10%) (see Table 13).

Developments & Outlook

Inflation Results for 2007

The year 2007 began with little inflationary stimulus due to lagged effects of higher prices for grains on the international commodity markets. Variations in international crude oil prices were moderate. This was complemented by a relatively stabile foreign exchange rate during that early phase. s

The period also began with improved supply of ground provision. This was attributed to favourable weather conditions that continued through from 2006. The resulting effect was a reduction in the price of food items during the first half of 2007. This provided a countervailing effect on the inflationary pressures caused by the continual rise in the cost of both grains and oil on the international commodity markets.

In the first half of 2007, the increased excise tax on cigarettes also provided additional inflationary stimulus, but was also made less evident because of lower food prices during that period. These conditions did not prevail however. In late August, Hurricane Dean struck Jamaica and disrupted the agriculture sector. The conditions were worsened by prolonged rainfall in the subsequent months which prevented a timely recovery. In a short space of time, locally cultivated food items were considered scarce commodities.

The revised CPI index provided by STATIN reflected a 14.6% increase in the price of Vegetables and Starchy Food items in the September quarter. The situation worsened even more when the price of oil and grains began to increase at a faster rate. The West Texas Intermediary (WTI) crude oil price index increased by 11.9%, 16.2% and 20.1% in the Jun. Sep. and Dec. quarter's respectively. The higher international crude oil prices were attributed to a build up of tensions within the Middle East and in Nigeria. Additionally, the increased demand from territories such as China and India placed increased pressure on the price of oil.

The higher price of grains has been attributed to the increasing demand for this commodity as an input in the process of bio fuel generation. This demand-side pressure has largely contributed to the 41% and 35% increase in US hard and Soft Red Winter Wheat over the 2007 period (BOJ-Q4 report). The higher cost for wheat and grains resulted in a 40% increase in the price of flour in the third quarter. This also explained the increase in the price for Bread and Cereal items in the CPI.

The higher price of oil has led to an increase in the cost of generating energy such as electricity and other household products such as Kerosene, Liquid Petroleum Gas (LPG – cooking gas) and petrol lubricants. This culminated in an increase in the transportation and processing costs for food and other manufactured items.

The high inflationary tendencies resulting from increased prices of imported commodities and the shortage of ground provisions were further exacerbated by the depreciation of the local currency. This was largely due to instability within the FX market during the December quarter of 2007. Additionally, seasonally high demand pressures induced an even further increase in prices of (and in particularly) those items already made scarce by the devastating impact of Hurricane Dean. Inflation for the calendar year 2007 stands at 16.8% and represents the highest annual inflation rate since 1995.

JMMB EconoMix Seminar—Budget 2008/2009 Opportunities & Challenges AND CaPRI Forum on Jamaica's Public Debt:

On Wednesday March 19th, 2008, JMMB held their second quarterly Economic Seminar "EconoMix". The event was very well attended and featured presentations on Jamaica's Debt Challenges (Dr. Damien King, UWI & CaPRI); Budget Perspectives (Mr. Jermaine Burrell from JMMB); Opportunities & Challenges (Dr. Omar Davies, Former Minister of Finance); and Opportunities, Policy initiatives and challenges facing Jamaica from a rating perspective (Mrs. Olga Kalinina—Standard & Poor's Rating Services).

Dr. Damien King presented the Caribbean Policy Research Institute's (CaPRI) perspective on the Debt Challenges facing Jamaica. The presentation was further elaborated at the CaPRI discussion Forum on Jamaican's Public Debt, held on March 26th, 2008 at the UWI, Mona Campus.

To put in perspective the situation in Jamaica, Dr. King indicated that Jamaica ranked 4th in indebtedness when compared to other countries around the world. Among other regional territories that ranked among the top 10 most indebted countries in the world, all territories except Jamaica incurred fiscal-slippages due to inadequate revenue to meet interest payments. To highlight the severity of the problem Dr. King noted that debt per capita in Jamaica was approximately US$8,000 and if the total debt were to be allocated equally to each resident Jamaican, each person would owe approximately J$570,000.

Dr. Kings' presentation focused on extrapolating the main causes for the rising debt during the period 1997-2003. The evidence shows that the main factors contributing to expanded debt was the increased level of Non-Government central liabilities arising from the FINSAC resolution to the financial crisis in the mid to late 1990's.

CaPRI utilized a debt model using basic assumptions on the debt mix, inflation, and other economic variables in order to simulate a similar economic environment as the (1997-2003) review period. A number of forecasts were then simulated to depict the impact of changing assumptions (policy actions) on achieving a 'balanced budget' and a '80% Debt/GDP ratio' (international benchmark).

The Recommendations were guided by the largest impacting policy initiatives. These include (by order of significance):

1. Achieving economic growth of 4% to 6%.
2. Tax reform for a more equitable tax system yielding greater compliance.
3. Removing contingent liabilities such as those for which FINSAC

was vested.

By implementing any of these policy initiatives, the debt model, reflected a significant drop in the number of years it takes to achieve a fiscal surplus and also a debt/GDP ratio of less than 80%.

Assuming that all things remain as they currently are, the model projects a default time period of 7 years to achieve a balanced budget. Additionally, it would take 11 years to attain a Debt / GDP ratio of less than 80%. Using the model, a policy geared at recomposing the mix of debt instruments generated no significant impact on the default time period it takes to balance the budget and reduce Debt / GDP to less than 80%. For this simulation the portfolio was restructured to comprise an increased share of external and multilateral debt.

The ineffectiveness of portfolio restructuring is based on the long-term nature of the public debt stock. Deciding to borrow now at concessionary rates to eliminate the enormous debt, is a policy measure that can only see gains over the long-term. The current debt portfolio will still be largely composed of high interest yielding bonds to be maintained over the medium to long-term haul.

Dr. King therefore recommends a joint implementation of policies geared at improving economic growth through infrastructure development; tax reform with the purpose of increasing compliance levels; and eliminating the non-central government contingent liabilities that resulted from taking on the burden of the financial crisis (FINSAC).

The debt model highlighted that utilizing any of these policy initiatives will significantly reduce the time frame required to achieved a balanced budget and bring Debt/GDP ratio below 80%.

To balance the budget, the model projects that the recommended policy actions will reduce the achievable time frame from the default 7 yeas to a period of 3 to 6 years, to achieve a Debt/GDP ratio of less than 80%. The recommended policies will cut the required time from a default of 11 years to a period of 5 to 9 years.

Mr. Jermaine Burrell from JMMB gave one private sector perspective on the Jamaican Budget. His presentation was a two tiered one consisting of, firstly, a review of the past and projected budget targets resulting from the two political administrations; and secondly, an alternative recommendation to achieving economic success in the medium to long-term period.

Step 1: In the review of fiscal and monetary targets, Burrell unveiled the stark similarity between the fiscal targets set out by the current administration for the next 5 years and that of the former political administration at the beginning of the previous 5 years. The evidence of the former shows a significant deviation from the planned medium term parameters.

He pointed to the significant role of external factors that contributed to the missed targets in previous years (2007 being no exception). GDP has been frequently disrupted by weather related activities that are quite common during the third quarter. Yet these expectations are not reflected in the PIOJ projections year after year. A resulting adjustment is made in the specific period of disruption despite a general knowledge that Jamaica is prone to weather related disasters.

In a recap of 2007, Burrell attributed missed targets to both local and international factors such as:

1. The damaging impact of Hurricane Dean in August
2. Local confidence issues that generated instability in the Net International Reserves (NIR)
3. Volatile prices in oil and grains market
4. US Subprime impact on earnings from tourism, remittance, bauxite export, and the related tax revenue from these components.
5. Increased global risk aversion putting Jamaica's debt instruments in a less desirable category as higher rates will be required for the given level of risk.

Step 2: Reflecting on the dismal performance of the economy in recent years and the characteristic of being susceptible to shocks; the evident infrastructure limitations; and the high debt burden faced by the country, Burrell sought to provide an alternative solution to achieving economic success.

To combat the high risk exposure to weather related external shocks, Burrell radically suggests a strengthening of the local infrastructure by significantly boosting fiscal expenditure in 2009. This, while costly on the budget, would (theoretically) ensure greater resilience to external shocks and the increased likeliness of meeting the planned GDP growth rates of 3% and over.

When tested with JMMB internal economic models, the desired growth rates were not achieved. This he attributed to the hampering effects of soft costs such as efficiency problems (value for money), crime and violence, corruption among others. He points to the need to effectively deal with these costs to ensure success in the recommended policy initiative.

Burrell noted the difficulty/delays in acquiring cheaper donor aided funds; and also the alternatively higher cost of funding on the international private markets. He recommends the route of issuing sinking fund bonds on the international market that can then be redeemed periodically as donor aided funds are made available.

Figure 9: 2008/09 Schedule for Budget Debates

Dates	Presentations
27-Mar-08	Opening of Parliament
1-Apr-08	Standing Finance Committee
2-Apr-08	Standing Finance Committee
3-Apr-08	Standing Finance Committee
10-Apr-08	Finance Minister (Opening)
15-Apr-08	Opposition on Finance
16-Apr-08	Govt. Opposition Spokesperson
17-Apr-08	Leader of the Opposition
23-Apr-08	Prime Minister
24-Apr-08	Finance Minister (Closing)

Source: http://www.jis.gov.jm/special_sections/BudgetDebate2008/insideParliament.html

APPENDIX

INFLATION (FEBRUARY 2008 CPI)

INFLATION - FEBRUARY 2008	%Change	Weighted Δ	Rnk	Infl. Contribution
All GROUPS	1.76%	1.759		
FOOD AND NON-ALCOHOLIC BEVERAGES	1.87%	0.700	1	
Food	1.86%			
Bread and Cereals	2.07%			
Meat	1.12%			
Fish and Seafood	1.56%			
Milk, Cheese and eggs	2.68%			
Oils and Fats	5.46%			
Fruit	2.51%			
Vegetables and Starchy Foods	**1.99%**			
Vegetables	1.52%			
Starchy Foods	5.01%			
Sugar, Jam, Honey, Chocolate and Confectionery	2.45%			
Food Products n.e.c.	2.68%			
Non-Alcoholic Beverages	**1.58%**			
Coffee, tea and Cocoa	0.60%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	1.89%			
ALCOHOLIC BEVERAGES AND TOBACCO	1.52%	0.021	8	
CLOTHING AND FOOTWEAR	3.04%	0.101	5	
Clothing	2.01%			
Footwear	4.71%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	2.68%	0.342	2	
Rentals for Housing	0.73%			
Maint and Repair of Dwelling	5.25%			
Water Supply and Misc. Serv Related to the Dwelling	1.87%			
Electricity, Gas and Other Fuels and Routine	5.39%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	3.95%	0.195	3	
Furniture and Furnishings (including Floor Coverings)	0.56%			
Household Textiles	1.12%			
Household Appliances	0.49%			
Glassware, Tableware and Household Utensils	2.22%			
Tools and Equipment for House and Garden	1.81%			
Goods and Serv. for Routine Household Maint	5.20%			
HEALTH	0.47%	0.015	9	
Medical Products, Appliances and Equipment	1.01%			
Health Services	0.10%			
TRANSPORT	0.65%	0.085	7	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.36%	0.012	10	
EDUCATION	-0.09%	-0.002	12	
RESTAURANTS AND ACCOMMODATION SERVICES	1.62%	0.100	6	
MISCELLANEOUS GOODS AND SERVICES	1.62%	0.155	4	

FISCAL ACCOUNT (Apr-Jan — 2007/08)

REV & EXPN (APR'07 - JAN'08)	J$m PROVISIONAL Resutls	J$m BUDGET DEVIATION	J$m YOY - CHANGE
Revenue & Grants	195,799.4	1,535.7	27,959.60
Tax Revenue	175,271.6	1,185.3	25,035.80
Non-Tax Revenue	10,876.0	-167.9	133.20
Bauxite Levy	4,300.5	868.0	933.60
Capital Revenue	3,680.9	892.7	1,683.40
Grants	1,670.4	-1,242.4	173.80
Expenditure	238,771.6	264.9	32,496.50
Recurrent Expenditure	211,009.6	8,152.5	23,731.50
Programmes	51,987.7	9,452.0	11,012.40
Wages & Salaries	72,235.7	-1,163.7	7,379.10
Interest	86,786.1	-135.9	5,339.80
Domestic	60,286.6	-764.9	515.40
External	26,499.6	629.0	4,824.40
Capital Expenditure	27,762.1	-7,887.6	8,765.00
Capital Programmes	27,762.1	-7,887.6	8,765.00
IMF #1 Account	0.0	0.0	0.00
Fiscal Balance (Surplus [+]ve)	-42,972.2	1,270.7	-4,537.00
Loan Receipts	119,865.9	10,306.9	-16,343.70
Domestic	105,038.5	11,924.2	-22,556.30
External	14,827.4	-1,617.3	6,212.50
Divestment Proceeds	0.0	0.0	0.00
Amortization	89,707.7	324.1	-14,174.80
Domestic	59,425.5	214.2	-30,385.10
External	30,282.2	109.9	16,210.40
Overall Balance (Surplus [+]ve)	-12,813.9	11,253.5	-6,706.00
Primary Balance (Surplus [+]ve)	43,813.9	1,134.9	802.90

REV. Only (APR'07 - JAN'08)	J$m PROVISIONAL Resutls	J$m BUDGET DEVIATION	J$m YOY - CHANGE
Revenue & Grants	195,799.4	1,535.7	28,020.2
Tax Revenue	175,271.6	1,185.3	25035.8
Income and profits	70,842.8	3,147.4	12255.5
Bauxite/alumina	726.7	-429.2	130.8
Other companies	11,582.1	1,520.4	1452.8
PAYE	38,936.6	1,907.9	5637.9
Tax on dividend	1,920.5	1,705.1	1736.7
Other individuals	1,583.6	210.2	328.7
Tax on interest	16,093.3	-1,767.1	2968.6
Environmental Levy	1,295.3	320.2	1295.5
Production and consumption	53,031.4	-838.3	5410
SCT	3,147.4	-882.6	98.2
Motor vehicle licenses	852.0	-27.2	52.7
Other licenses	265.5	38.6	30.1
Betting, gaming and lottery	1,002.0	21.0	106.8
Education Tax	8,290.9	132.4	815.9
Contractors levy	710.1	-11.7	32.5
GCT (Local)	30,718.7	-338.8	3303
Stamp Duty (Local)	8,044.7	230.0	970
International Trade	50,102.1	-1,443.9	6075.3
Custom Duty	15,717.7	-283.2	1757.7
Stamp Duty	952.6	-98.9	16.5
Travel Tax	1,795.9	32.7	201.1
GCT (Imports)	24,517.9	861.8	4171
SCT (Imports)	7,118.0	-1,956.3	-70.6
Non-Tax Revenue	10,876.0	-167.9	133.2
Bauxite Levy	4,300.5	868.0	933.6
Capital Revenue	3,680.9	892.7	1683.4
Grants	1,670.4	-1,242.4	173.8

Statistical Index
Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur-Dep	CPI		Tourism	J$/US$	T-bill	Loan	Sav	Dom Debt	Fgn Debt
	M	P	M	P	US$M	US$M	M	P	P		%	%	%	J$M	US$M
Jan '05	-11.8	10.5	-0.50	14.44	1,847.58	1,904.47	0	12	-2.27	61.87	14.4	24.9	6.5	449,259.38	5,068.79
Feb	-1.6	9.25	-0.29	12.56	1,831.07	1,918.71	0.4	13	-0.08	61.91	14	24.9	6.5	451,895.38	5,062.87
Mar	6.5	15.1	0.01	9.86	1,901.60	1,935.11	1	13	15.08	61.54	13.5	24.9	6.4	449,247.55	5,044.36
Apr	-3.52	11.4	1.40	9.10	2,010.42	1,944.10	1.9	15	-7.73	61.65	13.4	24.9	6.4	456,393.56	5,055.21
May	0.92	10.6	0.37	9.35	2,074.49	1,916.93	2.2	17	5.19	61.71	13.4	24.9	6.4	466,840.52	4,968.13
June	-1.16	9.47	-0.55	9.75	2,152.80	1,940.56	1.5	18	-1.84	61.84	12.9	24.9	5.5	467,233.58	4,952.24
July	2.5	9.12	0.89	9.44	2,149.25	1,983.67	1.6	18	-7.56	62.23	13	22	5.5	471,668.82	5,282.35
Aug	0.98	9.11	0.89	9.50	2,117.51	1,974.33	0.1	17	-2.67	62.24	13	22	5.5	472,452.67	5,327.40
Sep	-2.68	5.17	0.25	8.42	2,118.97	2023.12	2.6	19	25.74	62.89	13.2	22	5.5	478,216.66	5,293.49
Oct.	1.06	5.39	3.04	11.68	2,078.99	2,061.63	0.6	16	6.42	64.04	13.2	22	5.5	478,118.96	5,452.00
Nov	1.84	5.44	-0.71	8.96	2,093.80	2,067.88	0.3	14	18.37	64.67	13.2	22	5.5	478,436.18	5,407.83
Dec	18.93	9.68	4.27	9.32	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	-1.70	8.01	2,093.50	2,028.59	0.1	13	15.87	64.99	13.3	21.84	5.30	489,671.66	5,398.74
Feb	-12.84	11.71	0.71	9.10	2,024.24	2,045.44	-0.03	12.4	9.01	65.36	13.2	21.84	5.30	486,690.28	5,621.88
Mar	-0.18	4.71	-0.27	8.80	2,078.10	2,027.75	0.09	11.7	5.05	65.50	13.18	21.84	5.30	482,712.53	5,567.42
Apr	3.12	11.91	0.54	7.87	2,151.80	2,033.37	1.14	12.3	22.55	65.63	13.07	21.84	5.30	489,664.97	5,622.32
May	-0.44	10.41	0.34	7.84	2,162.80	2,044.98	0.40	8.6	17.2	65.73	12.84	21.84	5.30	490,098.32	5,639.65
Jun	0.40	12.15	0.96	9.46	2,110.10	2,056.72	1.27	8.4	19.7	66.03	12.82	22.50	5.39	502,404.45	5,611.53
Jul	3.24	12.96	1.18	9.78	2,087.90	2,049.93	1.36	8.2	25.9	65.99	12.81	22.50	5.39	510,481.97	5,617.45
Aug	2.20	12.33	-0.46	8.31	2,215.60	2,178.41	0.31	8.5	24.3	65.93	12.79	22.5	5.39	513,805.41	5,618.38
Sep	-0.23	17.20	-0.04	8.00	2,342.00	2,119.49	0.75	6.5	11.7	66.06	12.49	21.80	5.36	520,394.81	5,619.32
Oct	-0.53	15.37	1.12	5.99	2,306.40	2,104.08	-0.08	5.8	24.1	66.50	12.30	21.80	5.36	530,109.25	5,622.95
Nov	2.67	16.30	2.44	9.55	2,352.99	2,241.85	-0.18	5.3	9.5	66.92	12.31	21.80	5.36	539,864.26	5,827.13
Dec	19.97	17.32	5.69	12.30	2,317.55	2,185.37	0.51	5.8	9.4	67.15	12.31	21.90	5.20	536,673.14	5,795.64
Jan '07	-12.04	15.01	n/a	n/a	2,288.40	2,183.07	0.29	6.0	3.2	67.55	11.99	21.90	5.20	527,998.13	5,760.19
Feb	1.91	18.96	-0.78	10.18	2,185.56	2,146.56	0.18	6.2	-0.2	67.55	11.94	21.90	5.20	521,305.93	5,746.97
Mar	-0.28	18.84	0.45	10.98	2,329.40	2,120.34	0.50	6.6	-3.8	67.80	11.65	22.49	5.15	513,930.86	6,035.34
Apr	-0.17	15.05	1.69	11.77	2,292.36	2,205.28	0.68	6.1	-3.0	68.08	11.81	23.07	5.15	536,441.87	6,065.20
May	1.13	16.86	2.04	13.65	2,252.22	2,215.39	0.67	6.4	3.7	68.22	11.96	23.04	5.13	535,788.09	6,031.10
Jun	1.28	17.88	1.46	14.73	2,238.87	2,244.91	0.51	5.6	-7.5	68.58	12.16	22.49	5.17	500,100.28	6,130.82
Jul	2.58	17.12	2.13	15.81	2,146.18	2,246.79	1.01	7.3	2.14	68.81	12.21	22.49	5.17	544,839.92	6,163.47
Aug	1.24	16.02	1.92	23.37	2,067.29	2,320.14	0.98	8.1	-13.4	69.83	14.29	22.08	4.88	546,490.38	6,178.10
Sep	-1.01	15.11	1.21	20.06	1,916.19	2,359.20	1.59	9.0	-5.5	70.41	13.61	21.08	4.88	552,027.91	5,980.52
Oct	1.20	17.11	2.92	21.98	1,924.53	2,408.12	1.38	10.59	-11.3	71.18	13.61	20.90	4.88	561,489.06	6,140.70
Nov	1.70	16.00	0.24	19.36	1,808.45	2,419.64	3.26	14.43	-4.5	71.36	13.57	21.24	4.88	560,400.21	6,134.51
Dec	16.41	12.56	n/a	n/a	1,877.73	n/a	2.46	16.80	n/a	70.62	13.34	20.82	4.88	558,426.33	6,122.76
Jan	-11.73	12.95	n/a	n/a	1,819.08	n/a	2.23	18.21	n/a	71.74	13.33	n/a	n/a	n/a	n/a
Feb	0.34	11.22	n/a	n/a	1,956.20	n/a	1.76	19.90	n/a	71.37	14.22	n/a	n/a	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:	
ACP— Africa Caribbean Pacific States	Loan – Average Loan Rate
BM – Base Money	M – Monthly Percentage Change
BP — Basis Points	M2 – Money Supply
CaPRI— Caribbean Policy and Research Institute	MT – Million tonnes
CARICOM— Caribbean Community & Common Market	N/A – Not Available
CARIFORUM— CARICOM and Dominican Republic	NIR – Net International Reserves
CPI – Consumer Price Index	OMO – Open Market Operation
CSME— Caribbean Single Market & Economy	P – Point-to-Point Percentage Change
EC— European Commission	R – Revised
EPA—Economic Partnership Agreement	S – Stopover
EU—European Union	Save – Average Savings Deposit Rate
FX Dep – Foreign Exchange Deposit	Tbill – 6-month Treasury Bill Yield
JCB – Jamaica Conference Board	Tourism – Total Tourist Arrivals
JCC – Jamaica Chamber of Commerce	WATBY- weighted average Treasury bill yield
KMA — Kingston and Metropolitan Area	WTO—World Trade Organization
WTI — West Texas Intermediate (Spot Oil Price)	

The Private Sector Organisation of Jamaica, 39 Hope Road, Kingston 6
Tel: 927-6238/6958 Fax: 927-5137 Email: Web site: http://www.psoj.org

SUBSCRIBE TO THE ECONOMIC BULLETIN

Please **complete form** and return to PSOJ by fax as soon as possible. Thank you.
(Complete form in **Capital Letters** and make a **mark** where appropriate)

Annual Subscription (Jan-Dec)

Members: $6,000.00
Non-members: $6,600.00
(Plus G.C.T.)

Payment Options

Cheque
Money Order
(No Cash Payment)

(Payment must be included with your order form)

FAX # : (876) 927-5137

Subscriber: ______________________________ **(Company / Individual)**

____

Address: ______________________________

____

Contact Person Information *(Matters pertaining to Subscription)*

Name: ______________________ (Mr. / Mrs. / Miss. / Dr. / Hon)

Position: ______________________________

Telephone: (______) ______________

Fax: (______) ______________

Email: ______________________________

Bulletin Recipients (additional recipients) **[*first then last name*]**

NAME 1: ______________________________ (Mr. / Mrs. / Miss. / Dr. / Hon)

Position: ______________________________

Email: ______________________________

NAME 2: ______________________________ (Mr. / Mrs. / Miss. / Dr. / Hon)

Position: ______________________________

Email: ______________________________

The Economic Bulletin is a monthly synopsis of the major developments impacting the Jamaican economy. It covers a wide range of areas including inflation, the financial markets, fiscal accounts, tourism, the productive sectors and external trade. In addition to tracking changes in the main indicators, it also goes behind the numbers to examine the underlying factors driving those changes. The Bulletin also provides insight into how current trends may shape developments going forward in order to help inform your business decisions.

Bring to the Attention of JAMES ROBINSON