



MONTHLY ECONOMIC BULLETIN

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The CEO'S Remarks

The Statistical Institute of Jamaica (STATIN), just last week presented to final GDP results for Q1 2017, which showed that for the quarter the economy in fact declined 1.4 percent.

This follows on the preliminary report by the Planning Institute of Jamaica (PIOJ), which pointed to a flat Q1 2017.

This discrepancy is surprisingly wide, and I would expect that there should be some analysis, on the part of both entities, to determine why the very wide disparity, as a 1 percent GDP deviation is significant.

What both point to though, is that the economy performed very poorly in Q1 2017, and there are indications that this poor performance will continue into Q2 2017, as in that quarter we were faced with significant rainfall, property tax fiasco, and the crime continued unabated. There is therefore no doubt that these would have impacted economic activity during the quarter. The second quarter even felt worst than the first quarter, and given the decline in Q1, this could provide some momentum in that direction going into Q2.

What is clear from this is that the performance gap between the current GDP performance and the targeted 5 percent growth target, is significant and could be growing.

A look at the sector performances, published in the STATIN numbers, show that agriculture declined by 6.9 percent (no doubt because of the drought at the start of the year, going to too much rain in Q2), Food, Beverages & Tobacco down 1.9 percent,

Transport. Storage & Communications down 3.8 percent, and Producers of Government Services down 3.6 percent. Construction rose by a mere 0.2 percent, and Hotels & Restaurants (Tourism) up by 0.9 percent.

When one looks at these results alongside the macroeconomic indicators (inflation, interest rates, exchange rates, etc.), we see that stability in the indicators are being maintained, but one could say at the expense of growth. The fact is that the fiscal programme is in th most part contractionary, and this shows from the fact that the economy has not seen any significant growth numbers since the start of the Economic Reform Programme (ERP).

The correct rhetoric has been touted, which is that now that we have achieved stability, then the only logical solution is growth. Growth, however, is far more difficult to achieve than stability, as the latter means restraint more than anything else but growth requires strategy and initiative. It also means that we need to do things differently, as doing things as they were being done in the past when there was no growth, will only result in no growth.

This lack of any demonstration to make this change is the real issue we face, as to date our policies have not shown any understanding of what needs to be done to achieve growth.

Capital is still being restricted, crime and indiscipline are still major impediments, and government bureaucracy is still impeding value added development.

The fact is that unless these obstacles to doing business easily and efficiently are addressed then high levels of growth will continue to be elusive.

Economic Highlights July 2017

- ◇ At the end of July 2017, the monthly average value of the Jamaican Dollar appreciated against the US dollar while the value of the Dollar depreciated against the Canadian dollar and the Great Britain Pound. The Dollar appreciated against the US\$ by \$1.04 or 0.8038% to end at J\$128.34=US\$1.00. The value dollar depreciated by J\$3.72 or 3.790% against the Canadian Dollar to end at CAD\$1.00=J\$101.87. The value of the Great Britain Pound depreciated by J\$0.90 or 0.543% to end at GBP1.00=J\$166.42.
- ◇ Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.6% for the period July 2017 over June 2017. The increase in the rate for July 2017 over June 2017 brought inflation calendar year-to-date to 2.7% and inflation for the fiscal year to July 2017 was 1.7% and the point-to-point rate was 4.5%.
- ◇ Data for the month ending July 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$349.076 billion (US\$2,736.35 million). For the month of July 2017 relative to June 2017, yields on the Government of Jamaica 91-day decreased by 14bps while yields on the 182-day remained the same.
- ◇ Stopover tourist arrivals for June 2017 were 211,119. This month’s total was 29,450 or 16.21% higher than the 181,669 in May 2017. This year’s June total is an increase of 8.8% over the 194,088 recorded in May 2016. A total of 93,453 cruise passengers visited Jamaica in June 2017. This represented a 17,259 or 15.59% overall decrease compared to the 110,712 recorded in May 2017.
- ◇ At the end of April 2017 net remittance inflows were US\$179.9 million. When compared to the corresponding month of the previous year net remittance decreased by US\$3.6 million or 3.6%. Net remittances inflows for January to April were US\$674.1 million, which represented a growth of US\$14.5 million or 2.2% relative to the corresponding period of 2016.
- ◇ There were price reductions observed in 22% (4) of the commodities monitored for July 2017. Both the price of Brent and the WTI increased for the period July relative to June. The Brent increased by 3.84% and the WTI increased by 3.28%. Natural gas price increased by 0.77% for the period July over June.

Annual Economic Forum Highlights July 2017

PSOJ and JMMB Economic Forum 2017

On the 18th of July, the PSOJ and the JMMB held the eleventh annual PSOJ and JMMB Economic Forum under the theme “*Global Expectations: Predicting Economic Trends in an uncertain global environment - Implications for Jamaican Companies*”. The Guest Speaker for the event was Mr. Sree Ramaswamy, Partner and Lead Researcher on digitization, competition, and the impact of multinational companies on the global economy at McKinsey and Company Global Institute in Washington DC. In his presentation, he shared the findings of a recent survey conducted by his company while talking about the challenges, opportunities and potential policy shifts in the Global Environment. The presentation was divided into four sections the Economic Sentiment, Structural issues, Policy Response and What is needed.

Under the section Economic Sentiment, he shared that economic outlook is more positive for this year in comparison to last year as reflected by respondents. He mentioned ten risk factors to economic growth present in the global economy for

the next 12 years. The top three threats chosen by respondents were Geopolitical instability, Transitions of political leadership and slowdown in global trade. While on the other end inflation, volatile commodity prices and volatile exchange rates were the least likely to pose a risk. He briefly mentioned a few geopolitical tensions rising and their impact on economic progress. These included a shortfall of Russian tourists, as a result of ban of agency tours to Turkey tons of Norwegian trout and salmon banned from Russian markets, the percentage of London properties listed online that have had their price cut after the UK referendum to leave the EU and direct flights between Iran and Saudi Arabia halted. He also shared that there is great uncertainty in the perception of the current system and the credibility of current leaders.

Under Structural Issues, he discussed employment and income within the United States. The research showed that steady growth in the past six years in the US is reflected in consistent job gains. More than 80 percent of US households were in segments with flat or falling market incomes from 2005 to 2014. He revealed that the US faced challenges in five areas namely, jobs created in past decades, investment as a share of GDP, labor force participation, productivity growth rate and

Annual Economic Forum Highlights July 2017

current GDP. Mr. Ramaswamy showed four issues that are yet to be addressed. These are; labor incomes for everyone, except the highest quintile, are no higher in real terms than they were in the late 1990s, income growth varies widely across the country, mobility in the United States has been declining since 1990 within and across county and state boundaries as well as regional disparities, growing over time, became more pronounced in the recession and subsequent recovery.

Responses highlighted by Mr. Ramaswamy included a new proposal on trade, tax, and immigration by the US government. The US administration is considering three potential trade policy levers. These are an established import tariff, a decrease in corporate taxes and a change the way taxes are applied. Despite the United States efforts they still face several economic challenges such as a growing trade deficit, slackness in the labor market, concentration of income gains among the highest paid workers, regional disparities, loss of competitiveness and too little inflation. The global forecast has shown that global aging would slow GDP growth by 40 percent if past rates of productivity growth continue.. Productivity growth

has slowed when it needs to accelerate. He showed the link between income, demand and production and how they work together in a cycle to produce economic growth. In the US, The workforce training pipeline struggles to keep pace with technology-induced job displacement—which could accelerate over the next decade. In addition, Sectors that have already come under wage pressure are among those most susceptible to automation

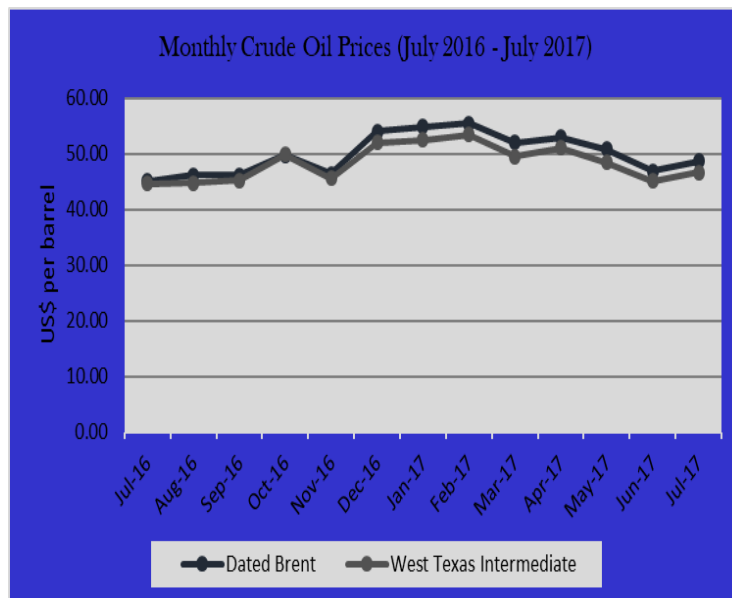
Suggestion presented for the United States included the building of a more dynamic, inclusive economy through action in five areas. Namely, Accelerating the digitization of lagging sectors and firms, broadening participation in global trade and investment, developing rapid training pathways for the workforce, investing in urban housing and transport infrastructure and facilitating productivity growth in the energy sector. To close Mr. Ramaswamy stated that Inclusive growth is about restoring American dynamism through broader participation, nimbler responses, and wider productivity improvements .

International Commodity Prices

July 2017 Issue

Crude Oil Prices

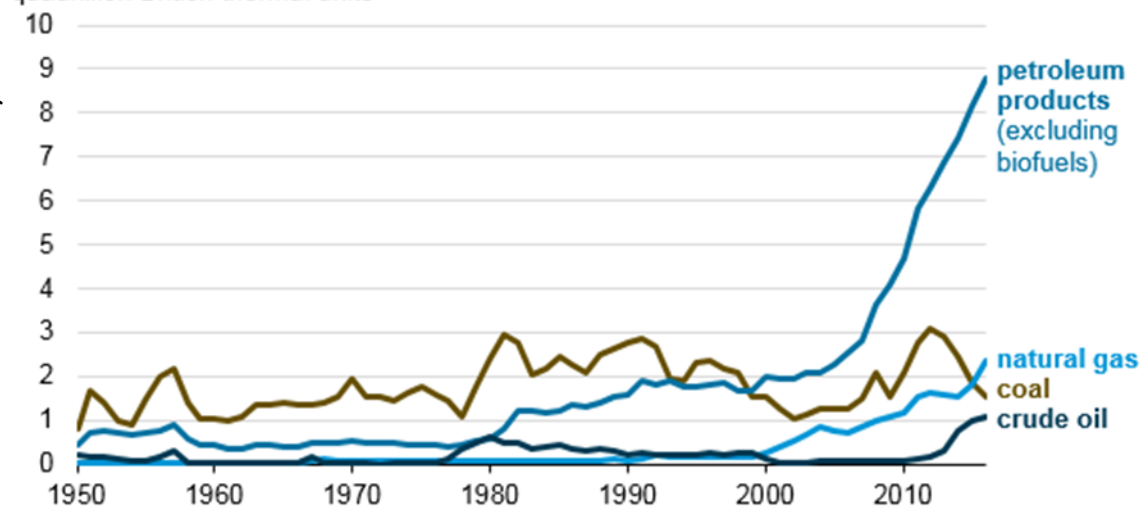
For the month ending July 2017, the average price of both the Dated Brent and the West Texas Intermediate (WTI) increased. The Brent ended the month of July at **US\$48.69 per bbl**. This represented a **US\$1.8** or **3.84%** increase from the **US\$46.89 per bbl** recorded for the previous month. The West Texas Intermediate (WTI) ended the month at **US\$46.65**. This represented a **US\$1.48** or **3.28%** increase relative to last month. A one-year comparison of prices revealed that this year's price for the Brent is **8.03%** or **US\$3.62 per bbl** higher. When compared to last year's price, this year's WTI price is **4.386%** or **US\$1.96** higher. When compared to the price level two years ago, the Brent is **12.85%** below



The West Texas Intermediate (WTI) crude oil price increased by \$1.96/b during the same period, settling at \$49.03/b. Brent and WTI monthly average spot prices

and the WTI is **8.35%** below. The 5-year average of prices ranging from July 2012 to June 2017 for the Dated Brent and the West Texas Intermediate are **US\$77.08 per bbl** and **US\$70.61 per bbl**

U.S. gross energy exports of selected fuels (1950-2016)
quadrillion British thermal units



eia

respectively. This month's price was **37%** below the 5-year average of prices for the Brent and **33.93%** for the WTI.

The US Energy Information Administration (EIA) reported that the Crude oil benchmark Brent front-month futures prices increased by \$2.33 per barrel (b) from July 3, settling at \$52.01/b on August 3.

in July were \$2.11/b and \$1.45/b higher, respectively, than the June averages.

U.S. crude oil production averaged an estimated 8.9 million barrels per day (b/d) in 2016 and is forecast to average 9.3 million b/d in 2017. EIA forecasts production to average 9.9 million b/d in 2018, which would mark the highest annual average production in

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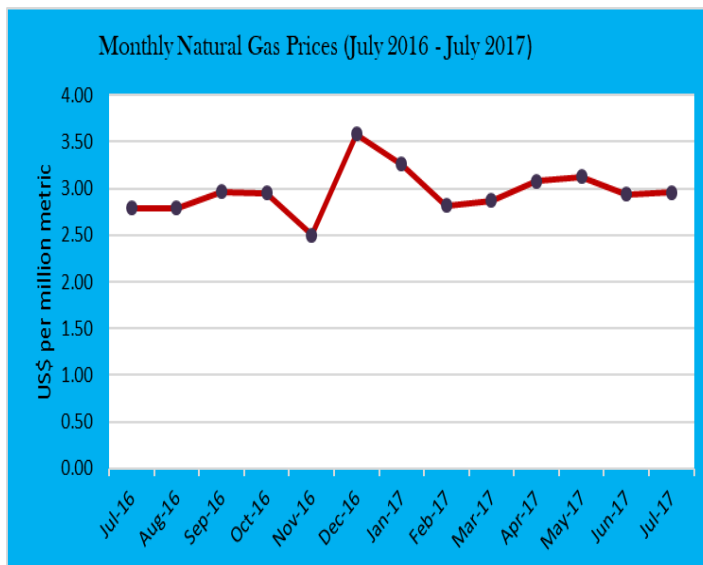
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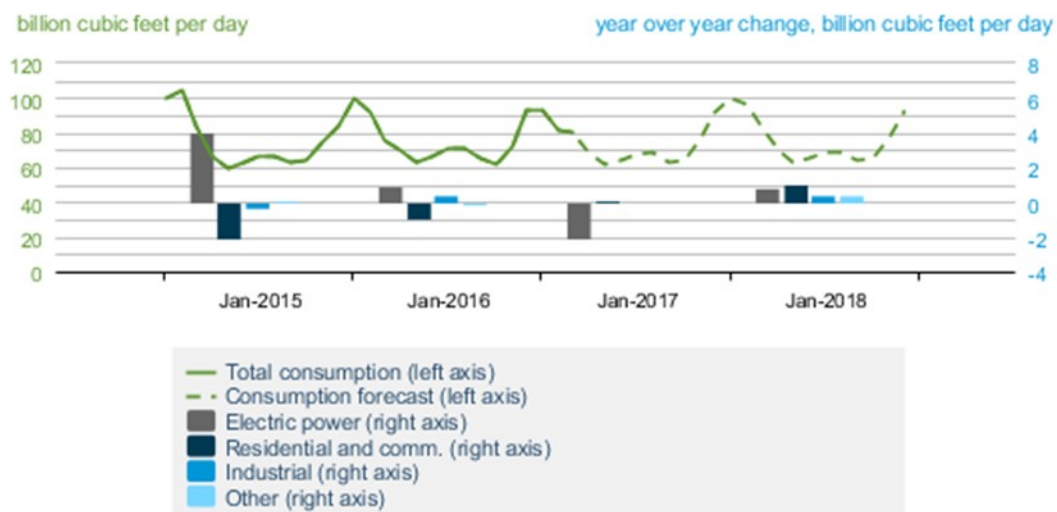
U.S. history, surpassing the previous record of 9.6 million b/d set in 1970.

Natural Gas

For the month ending July 2017, natural gas price increased. The price for natural gas ended at **US\$2.96** per million metric which represented an increase of **US\$0.0226** or **0.77%**. In July 2016, natural gas per million metric was valued at **US\$2.79** signifying that this year's price is **US\$0.1735** or **6.22%** higher. A two-year comparison revealed that natural gas prices have increased by **US\$0.1314** or **4.643%** per million metric. The five-year average monthly price for natural gas ranging from July 2012 to June 2017 is **US\$3.26** per million metric, hence, this year's July price was **US\$0.2948** or **9.05%** below.



U.S. natural gas consumption



In July, the average Henry Hub natural gas spot price

was \$2.98 per million British thermal units (MMBtu), about the same as in June. Higher natural gas exports and growing domestic natural gas consumption in 2018 contribute to the forecast Henry Hub natural gas spot price rising from an annual average of \$3.06/MMBtu in 2017 to \$3.29/MMBtu in 2018.

The EIA projects that natural gas inventories will be

3,940 Bcf at the end of October 2017, which would be 2% higher than the five-year average but 2% lower than the record high end-of-October level from 2016.

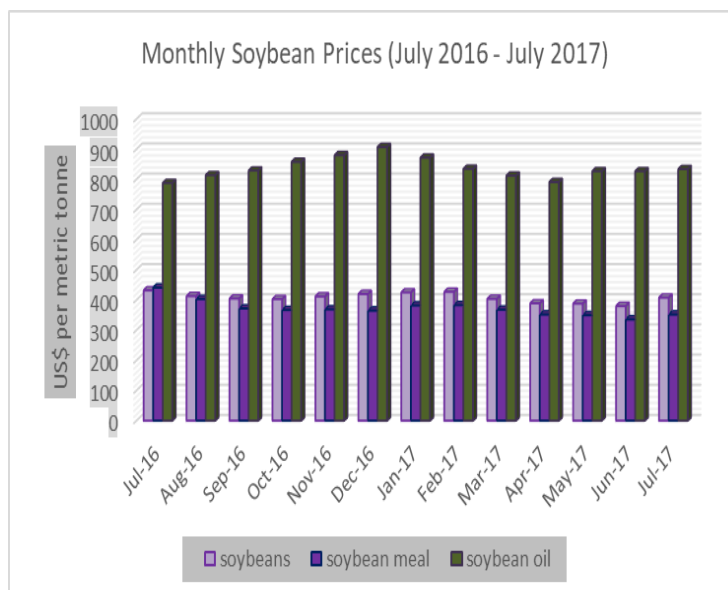
Soybean Prices

For the month ending July 2017, soybean price per metric tonne was **US\$408.00**. This denoted a

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US\$28.00 or **7.37%** increase from June's value of **US\$380** per metric tonne. In July, this year, the average price of soybean meal and soybean oil increased. Soybean meal prices ended the month at **US\$352.00** per metric tonne. This represented an increase of **US\$16.00** or **4.76%**. At the end of July, the price per metric tonne for soybean oil stood at **US\$834** representing a **US\$7.00** or **0.85%** decrease compared to the previous month. A one-year comparison revealed that prices for soybean decreased by **5.56%** or **US\$24**. This month soybean price was **US\$3.00** or **0.741%** higher than its price two years ago. When compared to the corresponding period last year the soybean meal price was **US\$89.00** or **20.18%** lower. Soybean oil price was above last year's price by **US\$46.00** or **5.837%**. A two-year comparison of prices for soybean meal revealed that this year's price is below the two year price by **US\$63** or **15.18%**. When the July 2017 soybean oil price was compared to corresponding period in 2015 this year's price is **US\$83** or **11.05%** below. The five-year average monthly price for soybean ranging from July 2012 to June 2017 is **US\$469.29** per metric tonne, which means that July's price was **US\$61.29** or **13.06%** lower. The five-year average monthly price for soybean meal ranging from July 2012 to June 2017 is **US\$466.56** per metric tonne, which means that July's price was **US\$114.56** or **24.55%** lower. The five-year average monthly price for soybean oil ranging from July 2012 to June 2017 is **US\$909.87** per metric tonne, which means that July's price was **US\$75.87** or **8.34%** lower.



Sugar Prices

At the end of July 2017, the average price of the Free Market Sugar ended the month at **US\$0.32** per kg. This represented an increase of **US\$0.014** or **4.89%** when compared to the previous month. For the US Sugar imports, the average price decreased from **US\$0.61** in June to **US\$0.59** in July this year. This represented a decrease of **US\$0.0242** or **3.95%** per kg. At the end of July 2017, the European Sugar imports ended the month at **US\$0.38** per kg. This represented a **US\$0.009** or **2.49%** increase compared to the previous month. For the period July 2017 relative to July 2016, the price of Free Market sugar decreased by **US\$0.1107** or **25.61%** dollar per kg. A one-year comparison revealed that the price of the US Sugar imports has decreased by **US\$0.0313** or **5.044%**, while the European sugar imports price has increased by **US\$0.0144** or **3.976%** for the same period. In July 2015, the price for the Free Market sugar was **US\$0.28** per kg, which means that this year's July price is **US\$0.0385** or **13.64%** higher. The price of the US sugar imports is **US\$0.0454** or **8.35%** higher than the 2015 price and the price of the



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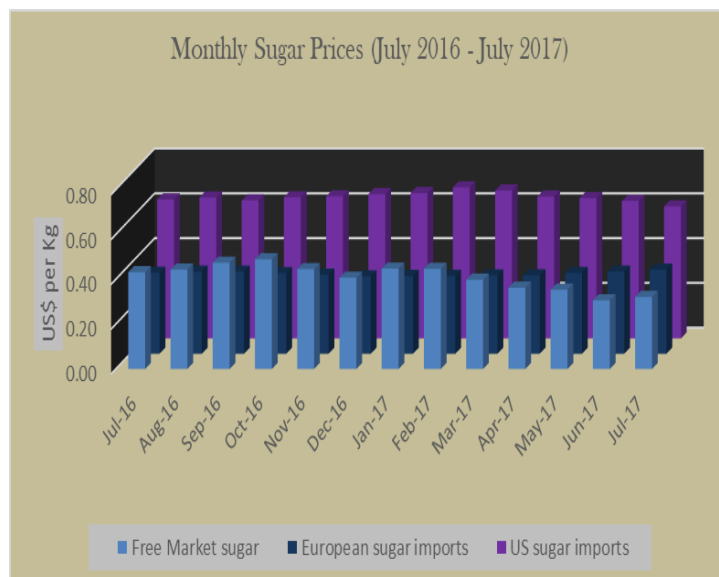
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European Sugar imports is **US\$0.016** or **4.571%** higher than the 2015 price. The 5-year average of prices ranging from July 2012 to June 2017 for the US imports and the European imports are **US\$0.5481** per kg and **US\$0.3953** per kg respectively. Hence, the price of US imports is above its long-term average by **7.52%** while the European imports is below its average by **4.95%**.

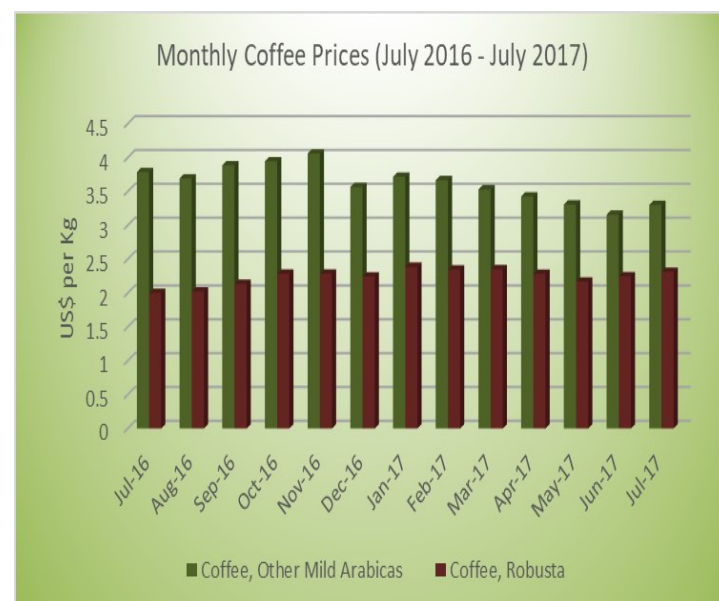
Coffee Prices

For the month ending July 2017 the average prices of the Coffee of the Other Mild Arabicas and Robusta coffee increased. The price per kg for coffee of the Other Mild Arabicas category was **US\$3.299** per kg representing an increase of **US\$0.1419** or **4.50%**. A one-year comparison revealed that this month's price was **US\$0.4872** or **12.87%** lower than last year's July price. Robusta Coffee ended the month at **US\$2.313** per kg. This month's price is above the previous month's price by **US\$0.0659** or **2.93%**. A one-year comparison revealed that the price of coffee in the Robusta category has increased by **US\$0.3112** or **15.54%**. A two-year comparison revealed that prices have fallen by **3.10%** for coffee of the 'Other Mild Arabica's category while prices rose by **20.45%** for coffee in the Robusta category. The five-year average monthly prices ranging from July 2012 to June 2017 for Arabica and Robusta are **US\$3.65** and **US\$2.09** respectively. This implies that this year's July price for the Arabica was **9.67%** lower than the average price while the Robusta coffee was **10.49%** higher than its average price.



Orange Prices

Orange prices for the month ending July 2017 decreased relative to June using data from the World Bank Commodity Price Data. In this regard prices decreased by **3.56%** or **US\$0.0257** to end at **US\$0.6969** per kg. For July 2017, relative to July 2016, oranges prices decreased by **US\$0.2708** or **0.2798%** per metric tonne. A two-year comparison revealed that this year's price is above the July 2015 price of **US\$0.6422** per metric tonne by **US\$0.0546** or





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International Commodity Prices

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8.507%. The five-year average monthly prices ranging from July 2012 to June 2017 is **US\$0.8409**, this means that this year's price was **US\$0.1439** or **0.1712%** below.

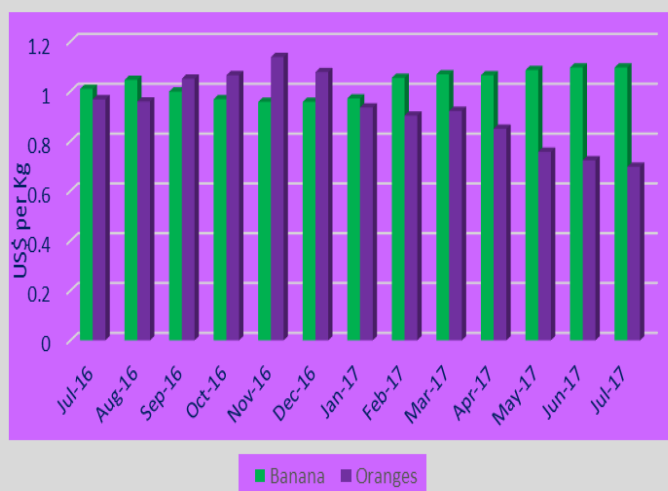
Banana Prices

For the month ending July 2017, banana prices remained the same relative to the previous month using the World Bank Commodity Price Data. In this regard prices remained at US\$1.10 per kg. When compared to the same period in 2016, this year's price was **US\$0.09** or **8.532%** higher. A two-year comparison revealed that prices have risen by **US\$0.1571** or **17%**. The five-year average monthly price ranging from July 2012 to June 2017 is **US\$0.96**, indicating that this month's price was **US\$0.13** or **13.76%** lower.

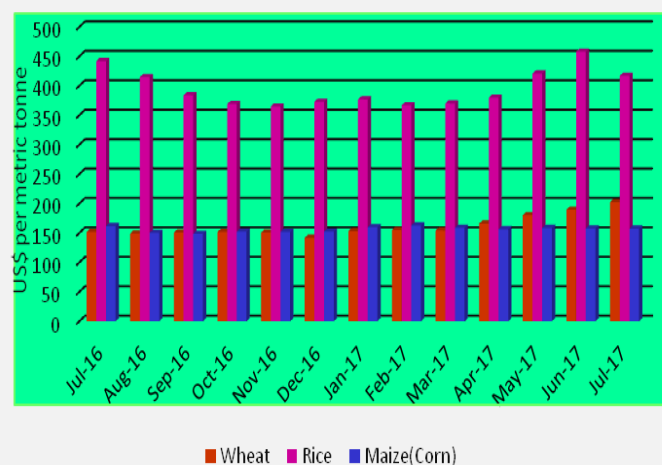
Corn Prices

For the month ending July 2017, corn prices decreased. Prices decreased by **US\$0.4212** or **0.27%** relative to June, to close the month at **US\$157.51** per metric tonne. Between July 2017 and July 2016 prices decreased by **US\$4.24** or **2.62%**. A two-year price comparison showed that this year's price was **US\$22.08** or **12.30%** lower. The five-year monthly average for corn prices ranging from July 2012 to June 2017 is **US\$204.44** per metric tonne, this means that this month's price was **US\$46.93** or **22.95%** lower.

Monthly Banana and Orange Prices (July 2016 - July 2017)



Monthly Cereal Price (July 2016 - July 2017)



Wheat

For the month ending July 2017 wheat prices increased using data from the World Bank Commodity Price Data. Prices increased by **US\$12.86** or **6.78%** relative to June 2017 to end at **US\$202.46** per metric tonne. Relative to July 2016, prices have increased by **US\$50.71** or **33.41%** per metric tonne. A two-year comparison of wheat prices showed that this year's July's price was **US\$5.144** or **2.61%** above the July 2015's price. The average five-year monthly prices

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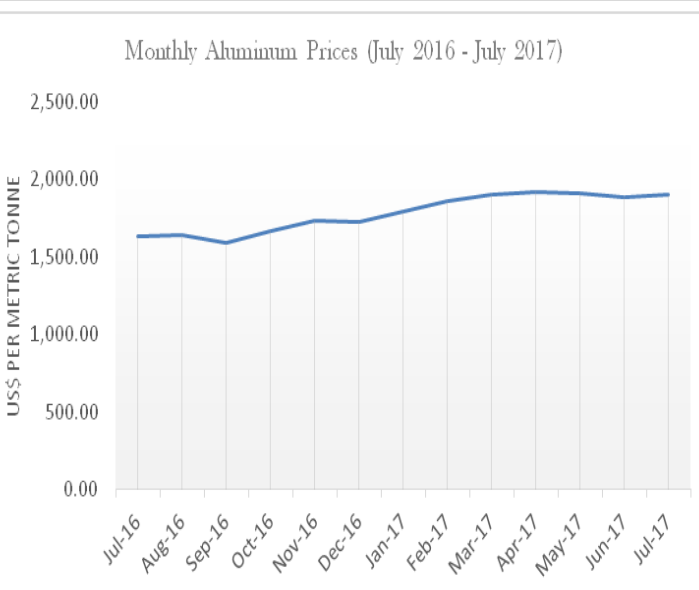
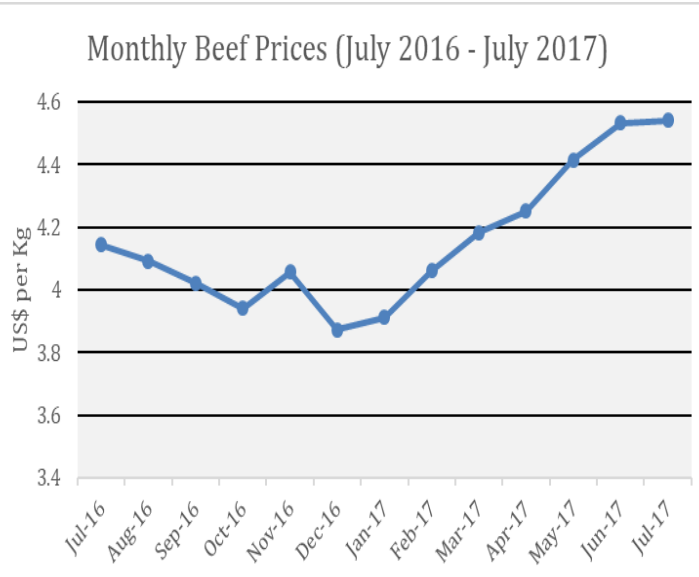
ranging from July 2012 to June 2017 is **US\$245.55** per metric tonne, meaning that this year's July price was **US\$43.09** or **17.55** below.

Rice

For the month ending July 2017 the price of the 5 percent Tai rice using data from the World Bank Commodity Price Data ended at **US\$417** per metric tonne. This value was **US\$41.00** or **5 -8.95%** above the **US\$458** in June. This month's price is below the July 2016 price by **US\$25** or **5.66%**. A two-year comparison revealed that the commodity's price was **US\$25** or **6.38%** higher than its price in 2015. The five-year monthly price average for rice prices ranging from July 2012 to June 2017 is **US\$438.06** per metric tonne, indicating that July's price was **US\$21.06** or **4.808%** below the long term average.

Beef Prices

In July 2017, beef prices increased using data from the World Bank Commodity Price Data. Prices increased by **US\$4.54** per kg or **0.21%** when compared to the previous month, to close at **US\$4.542** per kg. When compared to July 2016, prices have risen by **US\$0.3974** or **9.587%** cents per pound. In July 2015 prices were **US\$4.495** cents per pound hence this year's price was **US\$0.0468** or **1.042%** above the 2015 price. The five-year average for prices ranging from July 2012 to June 2017 is **US\$4.307** cents per pound indicating that this month's price was **US\$0.2350523** or **5.457%** above.



Aluminum Prices

The price of aluminum increased in July 2017 relative to the previous month. Prices increased by **US\$17.67** or **0.94%** to end the month at **US\$1,781.07** per metric tonne. For July 2017 relative to July 2016, prices increased by **US\$273.91** or **16.81%** per metric tonne. A two-year comparison revealed that this year's price was **US\$263.46** or **16.07%** above the price for the corresponding period in 2015. The five-year average for monthly prices ranging from July 2012 to June 2017 for aluminum is **US\$1,781.07** per metric tonne,

International Commodity Prices

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this means that this year's July price was **US\$121.89** or **6.844%** higher.

Impact of global prices on Jamaica

There were price reductions observed in **22% (4)** of the commodities monitored for July 2017. Both the price of Brent and the WTI increased for the period July relative to June. The Brent increased by **3.84%** and the WTI increased by 3.28%. Natural gas price increased by **0.77%** for the period July over June. Data relating to the IMF Price indices for July 2017 was available at the time of publication.

The Food and Agriculture Organization of the

United Nations (FAO) Food Price Index (FFPI) averaged 179.1 points in July 2017, up 3.9 points (2.3%) from June and the third successive month of increases. This latest rise put the Index nearly 16.6 points (10.2 percent) above last year's level and at its highest since January 2015. The FAO Cereal Price Index averaged 162.2 points in July, up almost 8 points (5.1%) from June and 14.1 points (9.5 percent) from July 2016. Cereal prices have risen consistently over the past three months, driven by stronger wheat prices. Wheat values rose the most in July. The FAO sugar price index averaged 207.5 points in July, up 10.2 points (5.2 percent) from June, but still 26 percent below its value a year earlier.

Commodity	Unit	June Price	July Price	Monthly Change %
Aluminum	Metric tonne	1885.29	1902.96	0.94
Bananas	Kilogram	1.1	1.1	0
Beef	Kilogram	4.533	4.542	0.21
Coffee-Arabicas	Kilogram	3.157	3.299	4.5
Coffee-Robusta	Kilogram	2.2248	2.313	2.93
Corn-Maize	Metric tonne	157.93	157.51	-0.27
Natural gas	MMBTU	2.94	2.96	0.77
Crude Brent	Barrel	46.89	48.69	3.84
Crude West Texas Intermediate	Barrel	45.17	46.65	3.28
Oranges	Kilogram	0.7227	0.6969	-3.56
Rice	Metric tonne	458	417	-8.95
Soybean	Metric tonne	380	408	7.37
Soybean meal	Metric tonne	336	352	4.76
Soybean oil	Metric tonne	827	834	0.85
Sugar (free market)	Kilogram	0.31	0.32	4.89
Sugar US (Import)	Kilogram	0.61	0.59	-3.95
Sugar European (Import)	Kilogram	0.37	0.38	2.49
Wheat	Metric tonne	189.6	202.45	6.78

International Commodity Prices

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Actual prices through
20-Jan-2016

Table 2. Medium Term Commodity Price Baseline
(In U.S. Dollars)

Commodities	Units	2009A1	2010A1	2011A1	2012A1	2013A1	2014A1	2015A1	2016A1	2017A1	2018A1	2019A1	2020A1	2021A1
					Actual					Projections				
Food														
Cereals														
Wheat	\$/MT	190.1	194.5	280.0	276.1	265.8	242.5	185.6	181.1	192.8	199.7	202.7	201.0	199.3
Maize	\$/MT	165.5	186.0	291.8	298.4	259.0	192.9	169.8	151.8	158.7	163.0	166.4	166.4	166.4
Rice	\$/MT	389.4	520.6	551.7	580.2	518.8	426.5	380.2	351.8	305.3	305.3	305.3	305.3	305.3
Barley	\$/MT	128.4	158.4	207.2	238.2	206.4	146.1	127.9	120.5	133.4	128.9	128.4	127.7	127.0
Vegetable oils and protein meals														
Soybeans	\$/MT	378.5	384.9	484.2	537.8	517.2	457.8	347.4	322.7	327.3	328.2	328.2	328.2	328.2
Soybean meal	\$/MT	359.3	331.3	378.9	473.3	477.3	467.0	352.7	302.4	311.6	314.9	316.9	316.9	316.9
Soybean oil	\$/MT	787.0	924.8	1215.8	1151.8	1011.1	812.7	672.2	664.1	682.6	681.0	681.0	681.0	681.0
Palm oil	\$/MT	644.1	859.9	1076.5	939.8	764.2	739.4	565.1	551.4	556.9	569.6	529.3	486.8	447.2
Fish meal	\$/MT	1255.9	1739.2	1519.3	1624.3	1710.5	1921.5	1759.2	1519.2	1210.6	1210.6	1210.6	1210.6	1210.6
Sunflower Oil	\$/MT	1041.7	1186.0	1621.8	1489.5	1341.1	1080.3	1022.2	1008.8	1001.0	1001.0	1001.0	1001.0	1001.0
Olive oil	\$/MT	3509.3	3171.3	3070.3	3135.7	3816.7	3911.8	4927.1	4232.2	4385.8	4385.8	4385.8	4385.8	4385.8
Groundnuts	\$/MT	994.6	1239.4	1724.0	1688.2	2314.5	2148.3	1946.2	1596.5	1574.7	1574.7	1574.7	1574.7	1574.7
Rapeseed oil	\$/MT	856.2	1011.7	1366.6	1239.1	1081.2	904.4	774.6	787.0	718.1	719.0	719.0	719.5	719.0
Meat														
Beef	cts/lb	119.6	152.5	183.2	187.9	183.6	224.1	200.5	158.3	152.2	152.2	152.2	152.2	152.2
Lamb	cts/lb	146.9	145.7	149.2	100.9	106.7	130.6	107.9	96.3	99.0	98.4	97.7	97.1	96.2
Swine Meat	cts/lb	55.8	74.4	89.1	82.8	86.5	102.8	67.9	51.7	46.9	47.4	46.9	46.1	45.5
Poultry	cts/lb	85.6	85.8	87.4	94.3	103.8	110.1	114.7	117.3	125.1	125.1	125.1	125.1	125.1
Seafood														
Salmon	\$/kg	4.9	6.1	5.9	4.8	6.8	6.6	5.3	5.4	4.8	4.8	4.8	4.8	4.8
Shrimp	\$/lb	9.5	10.1	11.9	10.1	14.0	16.6	14.1	9.7	9.0	9.0	9.0	9.0	9.0
Sugar														
Free market	cts/lb	18.2	20.9	26.2	21.4	17.7	17.1	13.2	13.9	13.9	13.6	14.5	14.5	14.5
United States	cts/lb	24.3	31.1	37.6	28.9	21.2	24.9	24.9	25.9	25.6	25.5	24.8	24.7	23.8
EU	cts/lb	26.0	25.7	26.7	26.4	26.0	27.4	25.4	25.0	25.2	25.2	25.2	25.2	25.2
Bananas	\$/MT	848.0	881.4	975.9	984.3	926.4	931.9	958.7	911.3	877.5	861.2	853.4	845.5	837.2
Oranges	\$/MT	909.0	1033.2	891.1	868.0	967.3	782.5	675.1	763.5	763.4	763.4	763.4	763.4	763.4
Beverages														
Coffee														
Other milds	cts/lb	141.6	194.4	273.2	187.6	141.1	202.8	160.5	120.9	125.7	132.2	137.3	137.3	137.3
Robusta	cts/lb	77.1	84.1	116.0	110.6	100.5	105.6	94.2	64.5	70.7	70.7	70.7	70.7	70.7
Cocoa Beans	\$/MT	2895.0	3130.6	2978.5	2377.1	2439.1	3062.8	3135.2	2872.9	2810.2	2760.0	2660.7	2557.4	2458.1
Tea	cts/kg	314.0	316.7	346.2	348.9	266.0	237.9	340.4	351.7	354.2	354.2	354.2	354.2	354.2
Agricultural raw materials														
Timber														
Hardwood														
Logs	\$/M3	287.2	278.2	390.5	360.5	305.4	282.0	246.0	244.6	254.6	254.6	254.6	254.6	254.6
Sawnwood	\$/M3	805.5	848.3	939.4	876.3	852.8	897.9	833.2	824.2	832.0	830.1	826.3	824.2	821.1
Softwood														
Logs	\$/M3	136.7	141.5	150.0	148.0	164.5	174.3	162.0	162.1	166.8	163.9	161.9	157.8	156.9
Sawnwood	\$/M3	291.0	281.8	280.9	284.7	301.4	307.3	311.0	317.3	311.0	309.0	304.6	301.3	298.3
Cotton	cts/lb	62.8	103.5	154.6	89.2	90.4	83.1	70.4	62.2	63.3	62.9	62.6	54.2	46.3
Wool														
Fine	cts/kg	778.5	1023.2	1638.2	1345.3	1197.7	1074.4	1005.8	1028.3	1028.3	1006.2	877.2	773.7	652.3
Coarse	cts/kg	611.4	820.1	1209.2	1212.6	1128.1	1030.4	922.8	866.8	724.3	608.7	601.8	540.2	485.4
Rubber	cts/lb	87.2	165.7	218.5	153.2	126.8	88.8	70.7	59.1	61.8	54.2	49.4	44.0	39.2
Hides	cts/lb	44.9	72.0	82.0	83.2	94.7	110.2	87.6	72.1	79.9	79.0	78.2	78.6	78.2
Metals														
Copper	\$/MT	5165.3	7538.4	8823.5	7958.9	7331.5	6865.4	5510.5	4362.0	4351.0	4360.8	4377.1	4394.7	4401.0
Aluminum	\$/MT	1689.2	2173.0	2400.6	2022.8	1846.7	1867.4	1664.7	1476.9	1513.1	1562.9	1625.4	1694.3	1751.7
Iron Ore	\$/MT	80.0	146.7	167.8	128.5	135.4	96.8	55.2	35.9	32.1	31.6	35.9	35.9	35.9
Tin	\$/MT	13602.7	20367.2	26051.4	21109.4	22281.6	21898.9	16066.6	13461.4	13339.3	13339.3	13339.3	13339.3	13339.3
Nickel	\$/MT	14672.4	21810.0	22909.1	17541.7	15090.0	16893.4	11862.6	8578.1	8705.2	8810.8	8900.8	8970.8	9017.0
Zinc	\$/MT	1638.4	2160.4	2195.5	1950.0	1910.2	2161.0	1931.7	1493.7	1524.3	1544.6	1553.8	1555.8	1555.8
Lead	\$/MT	1719.4	2148.2	2400.7	2063.6	2139.7	2095.5	1787.8	1617.0	1652.6	1659.3	1697.2	1735.0	1754.5
Uranium	\$/lb	46.7	46.0	56.2	48.9	38.6	33.5	36.8	32.9	33.5	33.5	33.5	33.4	33.5
Energy														
Spot Crude 1/	\$/bbl	61.8	79.0	104.0	105.0	104.1	96.2	50.8	29.9	35.8	39.7	43.1	45.3	46.5
Natural Gas														
Russian in Germany	\$/MMBTU	8.9	8.2	10.6	12.0	11.2	10.5	7.3	5.8	5.8	5.8	5.8	5.8	5.8
Indonesian in Japan (LNG)	\$/MMBTU	7.5	9.4	15.6	18.1	17.3	17.0	10.9	9.5	9.5	9.5	9.5	9.5	9.5
US, domestic market	\$/MMBTU	3.9	4.4	4.0	2.8	3.7	4.4	2.6	2.3	2.7	2.9	3.0	3.1	3.2
Coal														
Australian, export markets	\$/MT	77.0	106.0	130.1	103.2	90.6	75.1	61.6	51.0	51.7	51.7	51.7	51.7	51.7

1/ Petroleum price is average of spot prices for U.K. Brent, Dubai and West Texas Intermediate.

Monthly Inflation Rate and Treasury Bill Rates

Monthly Inflation Rate

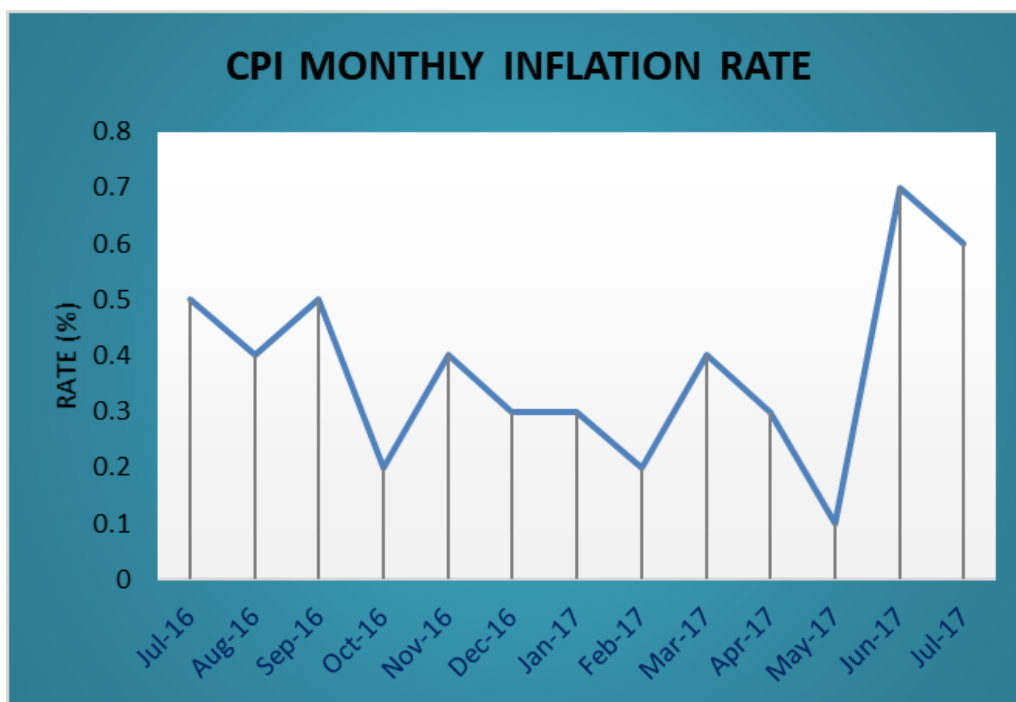
Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by **0.6%** for the period July 2017 over June 2017. The increase in the rate for July 2017 over June 2017 brought inflation calendar year-to-date to **2.7%** and inflation for the fiscal year to July 2017 was **1.7%** and the point-to-point rate was **4.5%**.

According to the Statistical Institute of Jamaica, the outturn for the month was largely influenced by the increase movement of 1.2% in the index for the division Food, Non-Alcoholic Beverages and Tobacco. The movement for this month was also affected by the 0.3 per cent increase in the ‘Transport’ division. Movements in the ‘Food and Non-Alcoholic Beverages’ division was primarily due to an upward movement in the class Vegetable

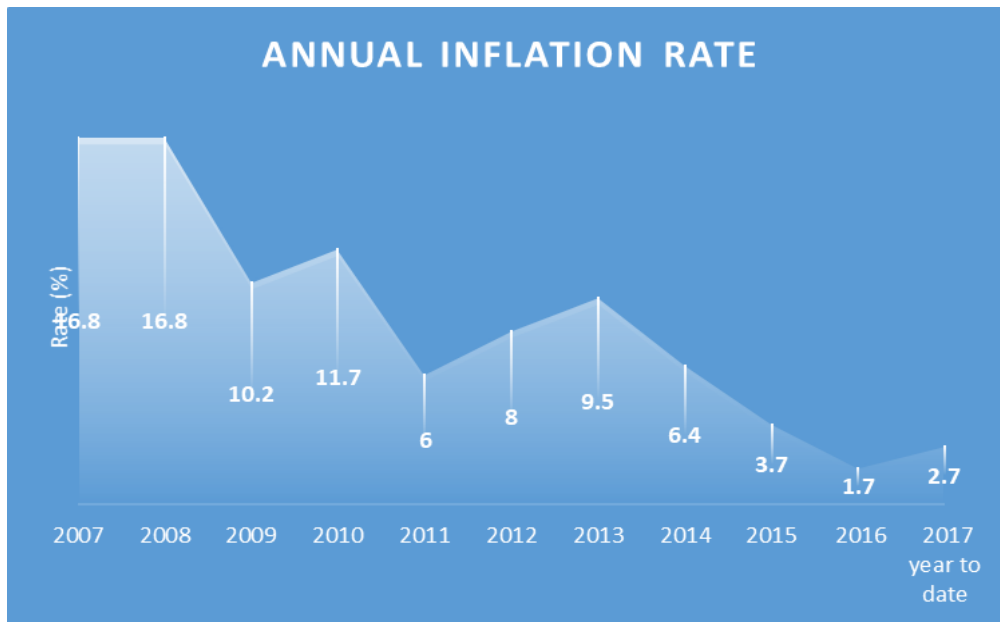
and Starchy Foods by 3.8%. Agricultural products are still being impacted by the flood rains in mid-May. The increase in the Transport division was influenced an upward movement in the cost for air travel.

These increases were impacted by a decrease in Housing, Water, Electricity, Gas and Other Fuels by 0.3%, the only division to record a negative movement. This was as a result of lower electricity rates for the month of July. However, this was tempered by an increase in the cost of water and sewage rates.

Inflation in all the three regional areas increased for the month of July 2017 relative to June 2017. Inflation in the Greater Kingston Metropolitan area (GKMA), Other Urban Centers (OUC) and Rural Areas increased by 0.1%, 0.4% and 0.3%, respectively.



Monthly Inflation Rate and Treasury Bill Rates

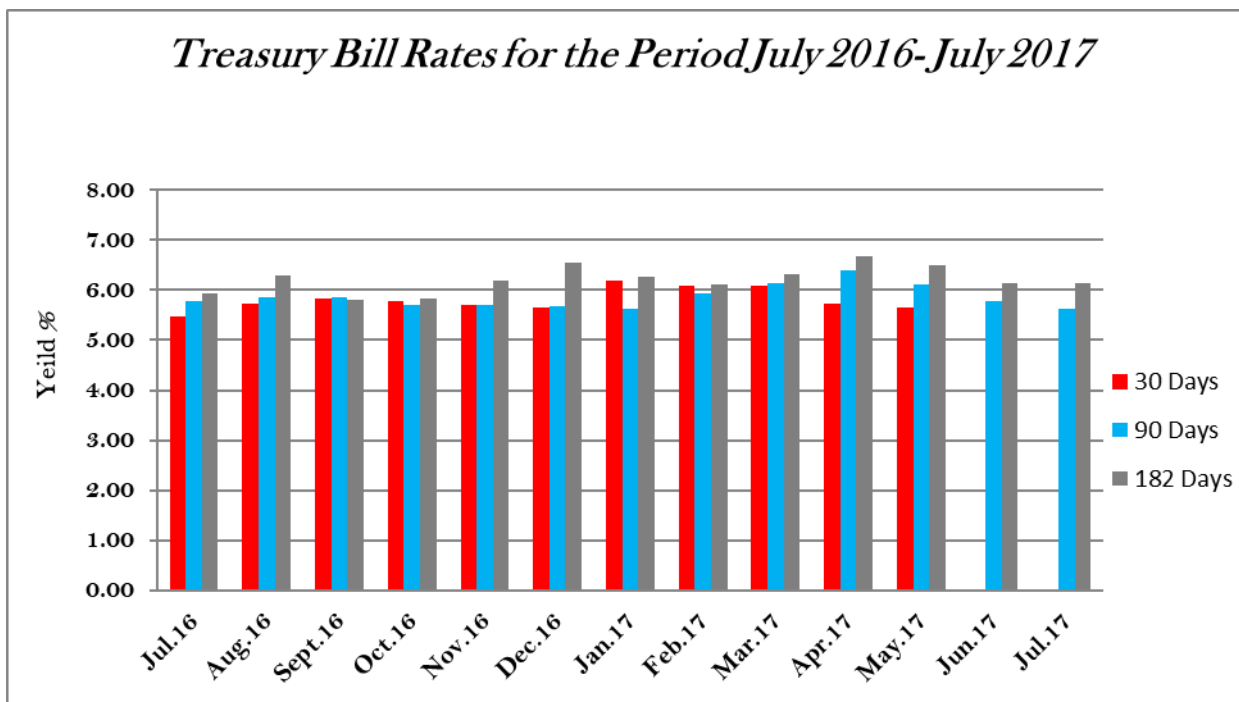


Treasury Bill Rates

For the month of July 2017 relative to June 2017, yields on the Government of Jamaica 91-day decreased by **14bps** while yields on the 182-day remained the same. There was no information available for the yields on 28-day treasury bill at the time. For the period July 2017 in comparison to July

2016, yields on GOJ 91-day treasury bills recorded a decrease of 15bps while yields on the 182-day recorded an increase of 19bps. A two-year comparison showed decreases in the rate of **82bps** and **46bps** on the yields of the 91-day, and 182-day.

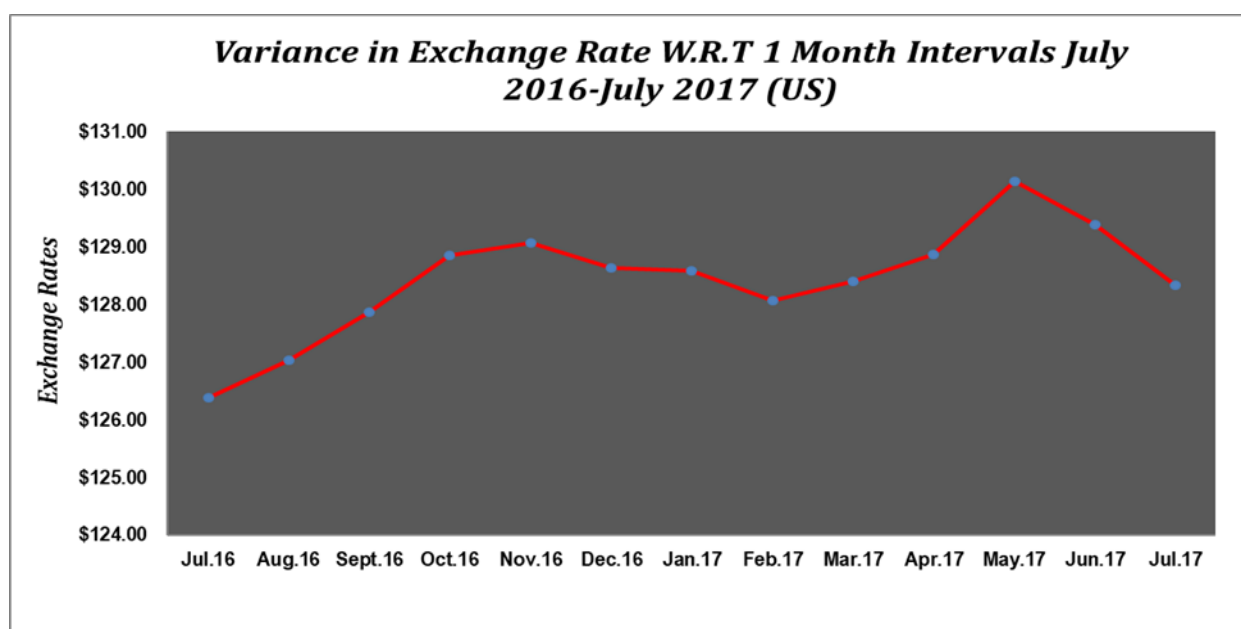
NB: All 90-day will now and hereafter by referred to as 91-day.



Monthly Exchange Rates Update

JMD:USD

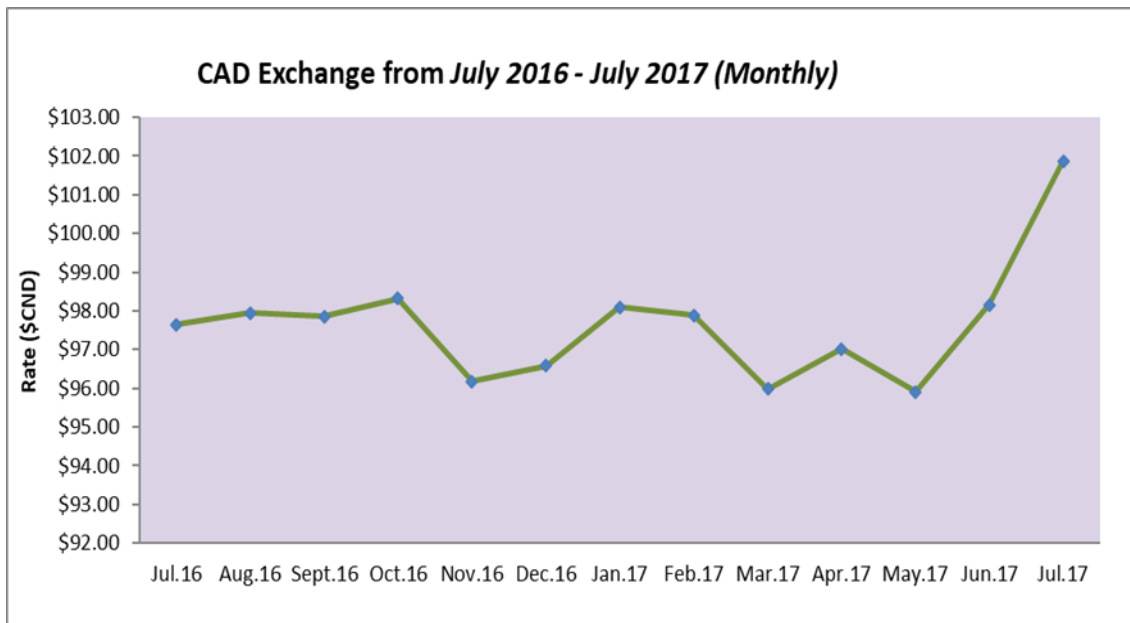
In analysis of the exchange rates over the period July 2017 to June 2017, the monthly average value of the Jamaican dollar appreciated by **\$1.04** or **0.8038%** relative to the US dollar. As a result, the exchange rate progressed to settle at **US\$1.00=J\$128.34**. A one-year comparison revealed depreciation in the currency ratio of J\$1.96, resulting in an overall increase in the value of the \$US by 1.550%. The month's exchange rate was further compared with the rate of the same month recorded previously in 2015, the comparison showed that there was an increase in the value of the \$US by J\$11.06 (percentage increase of 9.43).



JMD:CAD

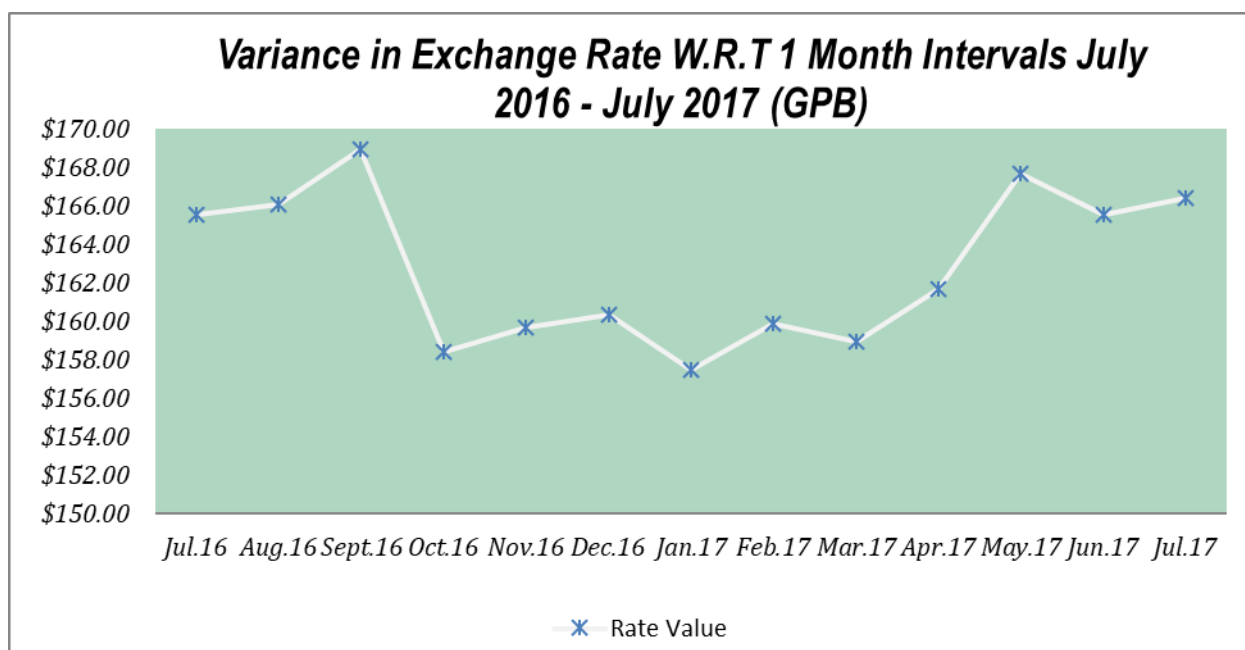
In relation to the exchange rate recorded for the month of July 2017, calculations accentuated the fact that the Jamaican dollar depreciated by **3.790%** (**J\$3.72**) relative to the previous month. In this regard, the value of the Jamaican dollar to the Canadian dollar at the end of July was **CAD\$1.00=J\$101.87**. The exchange rate of July 2017 was further set side by side with the rate 1 year earlier (July 2016) which revealed that the value of the Jamaican dollar depreciated by J\$4.22 or 4.32%. Furthermore, calculations comparing the exchange rate values for July 2017 and July 2015 made clear the overall depreciation of the dollar over the 2-year period. This conclusion was made because of the difference in the value of the dollar of J\$10.39 (depreciation of 11.36%).

Monthly Exchange Rates Update



JMD:GBP

The exchange rate's monthly variance of **J\$0.90** was seen to exist within the boundaries of July 2017 and June 2017, this indicates that the Jamaican dollar depreciated by some **0.543%**. The exchange rate at end July was **GPB1.00=J\$166.42** in comparison to the previous month **GPB1.00=J\$165.52**. The annual comparison of the exchange rates for the months July 2017 and July 2016 revealed that the Jamaican dollar depreciated in such a way that there was an increase in the price of the \$GPB equal to J\$0.90 (0.5437%). Further investigation of the exchange rate extending to July 2015 showed that the cost of the Pound decreased by J\$15.66 or 8.65%.



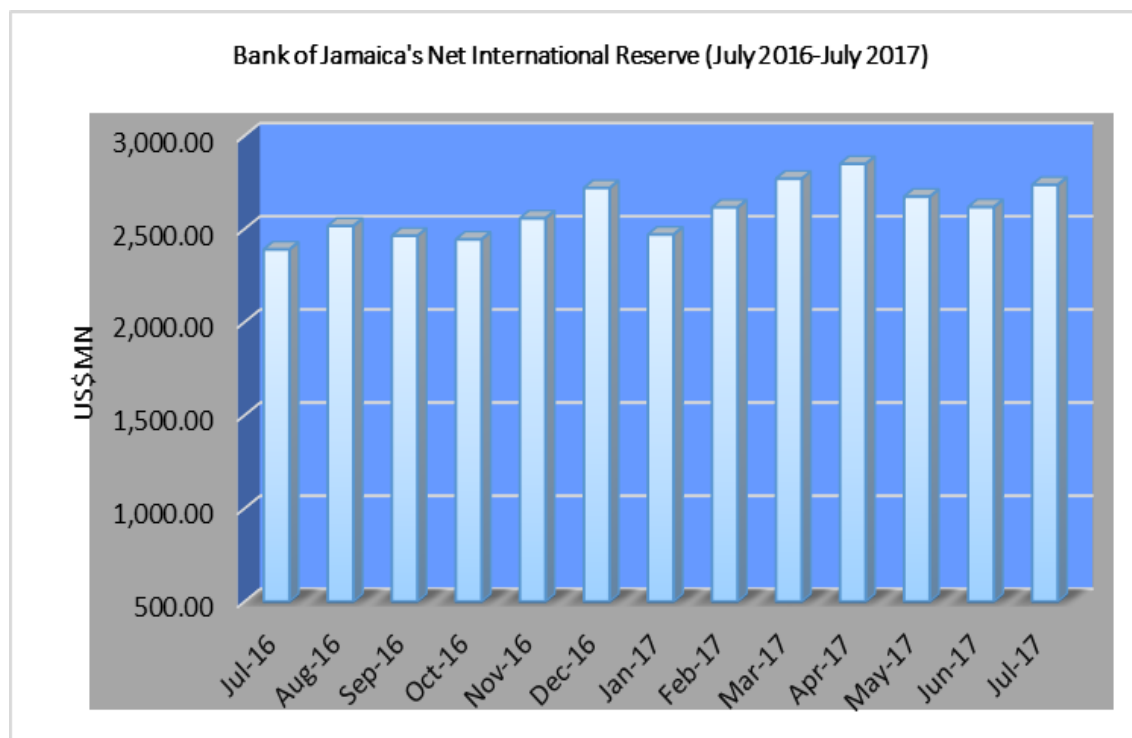
Net International Reserves & Money Base

July 2017 Issue

Net International Reserves

Data for the month ending July 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was **J\$349.076 billion (US\$2,736.35 million)**. This reflected an increase of **J\$2.555 billion (US\$119.54 million)** relative to June. The change in the NIR for the month was due to an increase in foreign assets and an increase in foreign liabilities. Under the category of foreign asset, SDR & IMF Reserve Position and Securities increased while Currency and Deposit decreased. SDR & IMF Reserve Position increased by **US\$3.23 million**, Securities increased by **US\$201.05 million**

while Currency and Deposit decreased by **US\$78.05 million** to end the month with total foreign asset **US\$3,311.88 million**. This represented a total increase of **US\$126.23 million**. Under foreign liabilities, IMF expenditures increased while Other expenses remained the same. Payments to IMF increased by **US\$6.69 million** which was the total increase in foreign liabilities. Foreign liabilities ended the month at **US\$575.53**. At the end of July, the gross reserves were sufficient to finance **35.86 weeks** of goods imports which represented **23.86 weeks** over the international benchmark of **12 weeks** of goods imports.

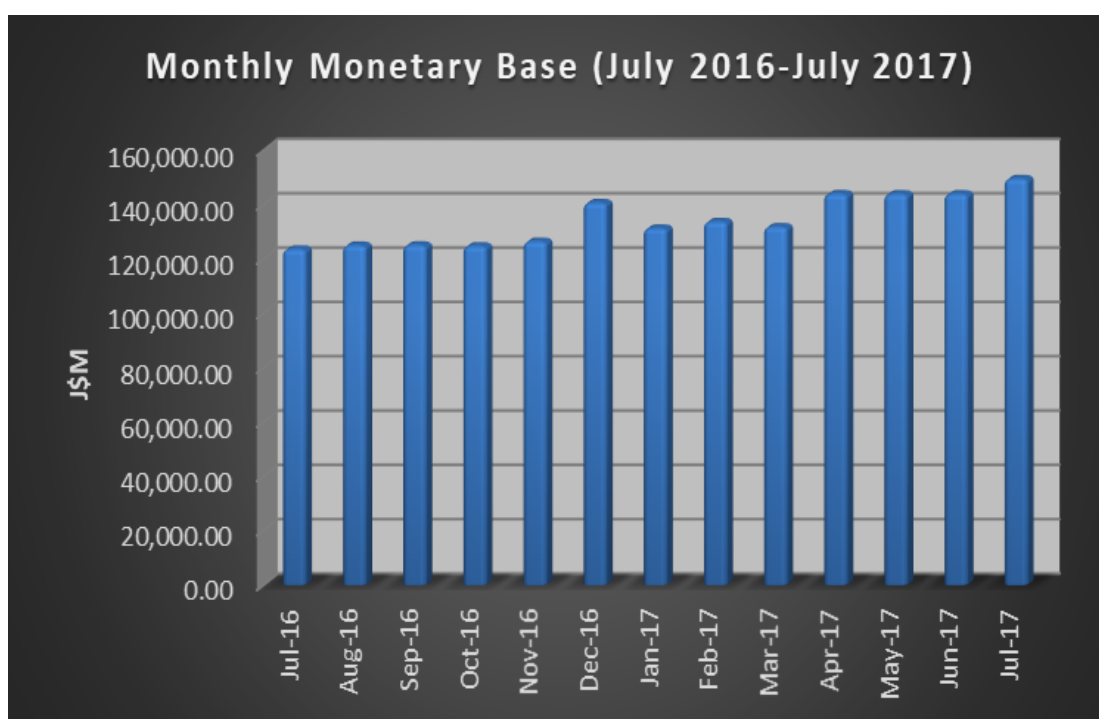


Net International Reserves & Money Base

July 2017 Issue

Monetary Base

The monetary base increased by **J\$2.555** billion to **J\$149.574** billion for July 2017 relative to June. The change in the base reflected increases in all three sources. Net Currency increased by **J\$1.711** billion to end at **J\$93.353** billion. The Commercial Banks' Statutory Reserves increased by **J\$0.834** billion to a total of **J\$55.112** billion. The Commercial Banks' Current Account increased by **J\$0.00976** billion to a total of **J\$1.108** billion.



Remittances

July 2017 Issue

At the end of April 2017 net remittance inflows were **US\$179.9 million**. When compared to the corresponding month of the previous year net remittance decreased by **US\$3.6 million** or **3.6%**. The decrease in total remittance inflows reflected a decrease of **US\$8.0 million** or **3.9%** in gross remittance inflows while outflows decreased by **US\$4.4 million** or **22.9%**. Inflows through Remittance Companies declined by 2.5% and a decrease of 12.7% was seen through Other Remittances.

Net remittances inflows for January to April were **US\$674.1 million**, which represented a growth of **US\$14.5 million** or **2.2%** relative to the corresponding period of 2016. The increase reflected growth of 1.7% or **US\$12.3 million** in remittance inflows coupled with a marginal decrease of 2.7% or US\$2.2 million in outflows. The increase in inflows was largely influenced by growth of 2.5 per cent through Remittance Companies while the Other Remittances sub- category recorded a 3.3% decline.

JAMAICA'S REMITTANCES				
(US\$MN)				
	2016 April	2017 April	Change	% Change
Total Remittance Inflows	202.7	194.7	-0.8	-3.9
Remittance Companies	173.8	169.4	-4.3	-2.5
Other Remittances	28.9	25.3	-3.7	-12.7
Total Remittance Outflows	19.2	14.8	-4.4	-22.9
Net Remittances	183.5	179.9	-3.6	2

Tourist Arrivals

July 2017 Issue

Stopover tourist arrivals for June 2017 were **211,119**. The overall impact of increases was offset by a decrease in arrivals from Asia. Stopover arrivals this month's total was **29,450** or **16.21%** higher than the 181,669 in May 2017. This year's June total is an increase of **8.8%** over the **194,088** recorded in May 2016.

For June 2017, the changes reflected in the total stopovers observed in the seven categories of destination were mostly that of increases. Out of the

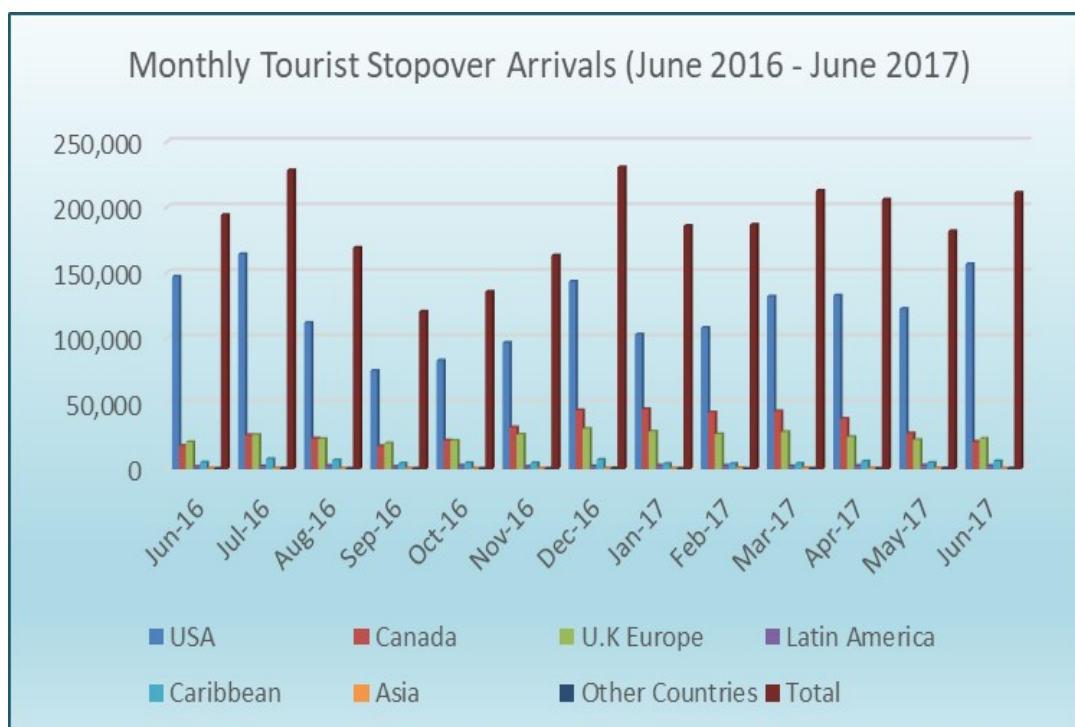
seven categories six recorded increases in numbers while one recorded a decrease when compared to June 2016. Increases in arrivals were reflected in stopovers from the Latin America, Canada, the Caribbean, Europe, the United States and Other Countries with **37.5%**, **17.9%**, **16.1%**, **12.3%**, **6.5%**

and **3.9%** respectively. Of the Other Countries Australia provided the most stopover arrivals to Jamaica, with 1,246 visitors in 2017 compared to 1,362 in 2016. This represented a decrease of 8.5%.

decreased by 6.9% in Asia. The market share of stopover visitors for the winter period, January to June 2017 was as follows: USA 63.7%; Canada 18.6%; UK 8.8%; Continental Europe 4.3%, the Caribbean 2.5%; and the other, including Latin America and Asia 2.1%.

A total of **93,453** cruise passengers visited Jamaica in June 2017. This represented a **17,259** or **15.59%** overall decrease compared to the **110,712** recorded in May 2017. For the corresponding period in 2016 total cruise passengers was **110,086** hence this year's total was **15.1%** less.

The January to June 2017 period saw 978,684 cruise passenger arrivals at the three major ports, an increase of 28,804 passengers or 3.0%.



Previous Highlights: June 2017 Summary

July 2017 Issue

- ⇒ At the end of June 2017, the monthly average value of the Jamaican Dollar appreciated against the US dollar and the Great Britain Pound while the value of the dollar depreciated against the Canadian dollar. The Dollar appreciated against the US\$ by \$0.75 or 0.576% to end at J\$129.38=US\$1.00. The value of the dollar depreciated by J\$2.24 or 2.335% against the Canadian Dollar to end at CAD\$1.00=J\$98.15. The value of the Great Britain Pound appreciated by J\$2.13 or 1.27% to end at GBP1.00=J\$165.52.
- ⇒ Inflation, measured by the All Jamaica “All Divisions” Consumer Price Index (CPI) increased by 0.7% for the period June 2017 over May 2017. The increase in the rate for June 2017 over May 2017 brought inflation calendar year-to-date to 2.1% and inflation for the fiscal year to May 2017 was 1.1% and the point-to-point rate was 4.4%.
- ⇒ Data for the month ending June 2017 revealed that the stock of Net International Reserves (NIR) at the Bank of Jamaica was J\$333.83 billion (US\$2,616.81 million).
- ⇒ The monetary base increased by J\$3.099 billion to J\$147.02 billion for June 2017 relative to May. The change in the base reflected increases in all three sources.
- ⇒ For the month of June 2017 relative to May 2017, yields on the Government of Jamaica 91-day and 182-day increased by 12bps and 3bps respectively.
- ⇒ Stopover tourist arrivals for May 2017 were 181,669. This month’s total was 24,153 or 11.73% lower than the 205,822 in April 2017. This year’s May total is an increase of 8.2% over the 167,884 recorded in May 2016. A total of 110,712 cruise passengers visited Jamaica in May 2017. This represented a 31,080 or 21.92% overall decrease compared to the 141,792 recorded in April 2017. For the corresponding period in 2016 total cruise passengers was 94,577 hence this year’s total was 17.1% more.
- ⇒ There were price reductions observed in 61.9% (13) of the commodities monitored for June 2017. Both the price of Brent and the WTI decreased for the period June relative to May. The Brent decreased by 7.82% and the WTI decreased by 6.98%. Natural gas price decreased by 5.77% for the period June over May.

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	T-bill – 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
KSA—Kingston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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