



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Estimates of Expenditure for 2013/14

On April 4th, 2013, the Government of Jamaica (GOJ) tabled the Estimates of Expenditure for fiscal year 2013/14. The Estimates shows that the GOJ plans to spend approximately J\$520.89 billion in the upcoming financial year compared to J\$602.53 billion in 2012/13.

In money terms, this level of expenditure is about J\$81.64 billion or 13.5% less than expenditures during FY 2012/13 and 2.9% less than the J\$536.44 billion spent two years ago during FY 2011/12. The reduction in the 2013/14 Budget is not as severe as it seems however, as it largely reflects a J\$91 billion reduction in debt repayment as a consequence of the National Debt Exchange. Still, outlays for most ministries and departments were shaved, or only slightly increased from one year ago, and with inflation projected to average about 7.0% for 2013/14, many

	2013/14	2012/13	Variance
Recurrent	\$370.5b	\$367.7b	\$2.77b
Capital A	\$124.1b	\$211.3b	-\$87.2b
Capital B	\$26.3b	\$23.47b.	\$2.8b
Total Capital (A+B)	\$150.38b	\$234.80	-\$84.4b
Total Recur + Cap	\$520.89	\$602.53b	-\$81.9b

Main Areas of Expenditure			
Interest	\$119.6b	\$129.5b	-\$9.92b
Amortization	\$105.7b	\$196.4b	-\$90.7b
Interest & Amortization	\$225.24b	\$335.3	-\$100.6b
<i>%age of Budget</i>	<i>43.2%</i>	<i>54.8%</i>	<i>-11.6%</i>
Wages & Salaries	\$160.0b	\$142.9	\$17.1b
<i>%age of Budget</i>	<i>30.7%</i>	<i>23.1%</i>	<i>7.6%</i>
Programs & Overheads	\$135.6b	\$136	-\$0.4b
<i>%age of Budget</i>	<i>26.0%</i>	<i>22.1%</i>	<i>3.9%</i>

ministries and departments will experience real reductions in their allocations.

Table 1(a) shows the allocation of the Budget according to broad accounting categories and general objet. The figures show that as in the past several years, the largest allocation in the budget goes to Interest and Amortization. In 2013/14, these expenditures are down to 43.2% of the Budget compared to J\$335.3 billion or 54.8% one year ago. Table 1 (a) also shows that the main growth area of the budget are wages and salaries of public sector workers which are estimated to grow by almost 12% to J\$160.0 billion compared to J\$142.9 billion in 2012/13 and now account for 30% of public expenditure. Though the GOJ and public sector unions have agreed to a wage freeze, some J\$17.0 billion was allocated in the budget to enable the GOJ to honour wage agreements with workers from as far back as seven years ago. When the J\$105 billion in debt repayment is subtracted from total capital expenditures of J\$150.4 billion, actual expenditures on capital works will amount to only J\$44.0 billion.

The question on many person's minds is whether such a closely-cropped budget can positively impact economic growth.

Growth can be impacted from both the revenue or expenditure side of the budget. Though the Government has not yet outlined its plans on how the

budget will be funded, Finance Minister Peter Phillips introduced a J\$15.9 billion Tax Package in February 2013 as part of the pre-condition for a new Agreement with the International Monetary Fund and has indicated that the Government will implement no new taxes when the financing of the budget is announced.

Some of these taxes, especially those which return the taxes on unregulated companies to 33.3% from 25% will negatively impact the level of output and employment and indirectly aggregate demand. Along with the widely mooted property tax increase for later in 2013, these increases will have a contractionary effect on the economy.

On the expenditure side of the budget, the most notable provision with an expansionary impulse is the J\$34.4 billion infrastructure improvement project to be largely funded by a US\$350 million loan from China Ex-Im Bank supported by a contribution of J\$5.1 billion from the Jamaican Government. It is likely too that expansionary impulses should flow from the infrastructure and civil engineering works from public bodies like the National Water Commission when they are announced.

But possibly more than these expenditure measures, economic growth could be positively impacted by the GOJ's actions making it easier to do business in Jamaica and other structural reforms to Government and the business environment. (Contd. On Page 10.)

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Net International Reserves (NIR)

During February 2013, Net International Reserves declined by an additional -US\$69.52 million to US\$939.53 million compared to US\$1,009.05 million at the end of January 2012. February's decline continues the decline in NIR, which apart from small month over month gains has steadily declined over the past 20 months from US\$2,602.4 million in April 2011. This is not unexpected, as the factors driving the decline in NIR - weak export performance and declining confidence in the Jamaican economy and currency - have not abated. Year over year (Feb 2012 to Feb 2013) the NIR is down by -US\$935.12 million; while for the first two months of 2013, the NIR has declined by -US\$186.05 million - almost double the rate of decline for the first two months of 2012.

At the end of February 2013, gross reserves were adequate to finance 11.92 weeks of "goods and services" imports, dipping below the 12 weeks international benchmark of reserves adequacy for the first time in 4 years. This was still above the 9.6 weeks of reserves that obtained in February 2009.

Foreign Currency Deposits

At the end of December 2012, foreign currency deposits (FCD's) in the local financial system increased by US\$100.62 million or 4.05% to US\$2.486 billion compared to US\$2.385 billion at the end of November 2012. During 2012, FCD's were fairly steady and even increased by US\$180 million or 7.5% despite the bleeding of NIR. This seeming lack of nervousness, probably reflects the fact, that in this technological age, transfers can be effected at the click of a mouse.

Foreign Exchange Rate

US DOLLAR: During February 2013, the Jamaican dollar depreciated by an additional J\$2.97 to J\$97.11 compared to J\$94.14 at the end of January 2013. Indeed, throughout March 2013, the J\$ continued its decline to J\$98.62 and seem well on its way to breaching the J\$100 to US\$1.00 level. For the first two months of 2013, the Jamaican

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Feb -13	939.53	-69.52	-935.12	-186.05	11.92
Feb -12	1,874.65	-7.98	-596.75	-92.36	18.63

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

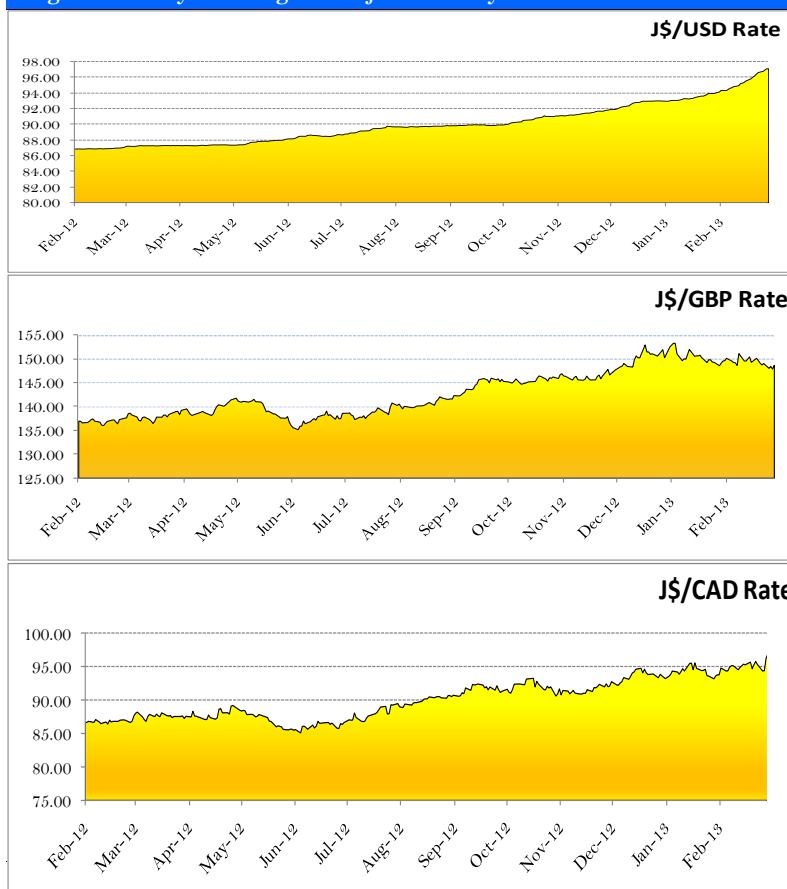
	US\$000 Dec '12	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,902,625	130,839	186,475	6.88	10.87
Building Societies.	537,895	-29,130	-8,570	-5.42	-1.57
Merchant Banks	46,316	-1,085	2,392	-2.34	5.45
Total Deposits	2,486,836	100,624	180,297	4.05	7.82

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2012—2/29/13 *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2013	-4.13	-4.44	3.86	2.53	-3.69	-3.96
2012	-0.46	-0.53	-4.13	-3.07	-3.50	-4.16
2011	0.03	0.03	-5.09	-3.81	-2.29	-2.68
	MOM Feb - 2012					
Actual Rate	97.11	3.15	148.79	-0.62	97.00	3.32
Mth Change	2.97	3.15	-0.94	-0.62	3.12	3.32

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

Figure 1: Daily % Change in Major Currency Rates


dollar is down -J\$4.13 or 4.44% against the USD compared to -J\$0.46 or 0.53% in for all of 2012. This retreat into the safe haven USD is largely driven by uncertainty about when and what will be the terms of a new GOJ/IMF agreement; but more fundamentally, by diminishing confidence in the medium to longer-term prospects for the Jamaican economy.

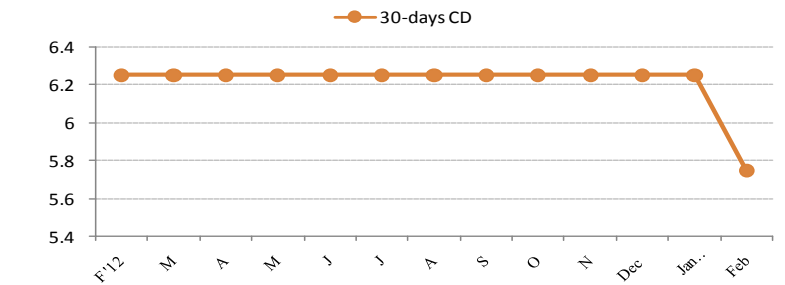
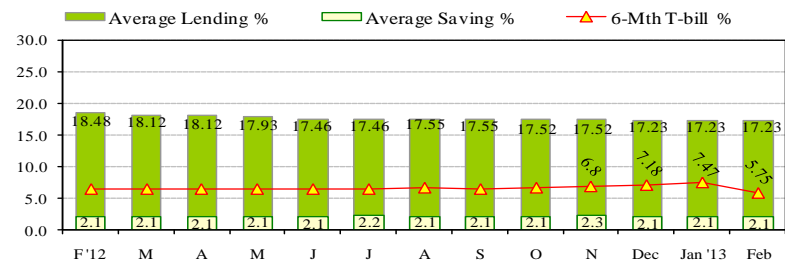
POUND & CANADIAN DOLLAR: During February 2013, the J\$ appreciated by an additional J\$0.94 or 0.62% against the GBP to J\$148.79 from J\$149.72 in January 2012. Against the CAD, the J\$ depreciated in February 2013 by J\$3.32 or 3.12% to sell for J\$97.00 compared to J\$93.88 in January 2012. Usually, the J\$ trades in a proxy relation with the USD in regards to GBP and CAD demonstrating sharp up and down movements aligned to similar movements of USD on international markets. Despite the divergent movements of J\$ in relation to GBP and CAD in February 2013, the J\$ proxy relation to the USD continued to hold true. Due to differing prospects for the British and Canadian economy, GBP depreciated sharply against USD during February 2013, while CAD rose based on improving prospects for the Canadian economy. The movements in the J\$ reflected these differing perceptions.

Interest Rates

Though the average saving rate and the average lending rate held steady in February 2013 (and over the past three months) at 2.07% and 17.23% respectively, there were notable movements and initiatives concerning interest rates.

To recall, in January 2013, Finance Minister Peter Phillips announced the outlines of a tentative agreement with the IMF which included a new 'National Debt Exchange' (NDX) that involved exchanging approximately J\$860 billion in existing GOJ bonds for instruments with lower interest and longer maturities. The immediate effect of this NDX was a reduction in interest rates of 1-5% on bonds included in the exchange. As with the earlier JDX, one conse-

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Feb-13	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	5.75%	-0.50%	-0.50%	-0.50%
60-days CD*	11.00%	0.00%	0.00%	0.00%
90-days CD*	13.50%	0.00%	0.00%	0.00%
120-days CD*	13.70%	0.00%	0.00%	0.00%
180-days CD*	15.00%	0.00%	0.00%	0.00%
Avg Savings Rate	2.07%	0.00%	-0.03%	0.00%
Avg Loan Rate	17.23%	0.00%	-1.25%	0.00%
6-Month T-Bill	5.75%	-1.72%	-0.82%	-1.43%

Source: Bank of Jamaica (BOJ Preliminary) * Not issued since Dec.2009

quence of the NDX was a recalibration of rates to lower levels on a number of GOJ instruments. Prior to the NDX, interest rate on the 6-month Treasury Bill had jumped by 66 bps in the two previous months to 7.47% in January 2013. But at the February T-Bill auction, after the NDX was announced, interest rate on the 6-month T-Bill fell to 5.75%. Taking their cue from what was happening to treasuries, the BOJ announced a 50 bps cut in its 30-days CD to 5.75%. It is noteworthy however, that at the March 2013 treasury bill auction, interest rate on the 6-month T-Bill had again risen

to 6.22%, showing that administrative actions by the GOJ cannot hold rates below the risk premium demanded by the market. In another initiative the BOJ had in October 2012 introduced a 49-day CD at 6.81%; a 182-day CD at 7.18% and a 364-day CD at 7.38% - the longest instruments issued by the BOJ in three years - to mop-up Jamaican dollar liquidity that was putting pressure on the exchange rate.

These rate movements and initiatives illustrate that Jamaica's money markets are under stress because of uncertainty and Jamaica's weak economic fundamentals.



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Base Money & Money Supply

During September 2012, M1 contracted sharply by -4.78% to J\$114,914.46 million reflecting equally sharp month over month contractions of -4.0% in 'currency with the public' and -5.3% in 'demand deposits'. These sharp contractions likely reflects currency redemptions by the BOJ in the case of the former and payouts by consumers in the case of the latter following the expansion of the money supply and spending during Jamaica's Independence holiday in August 2012. Quasi money also contracted (by -1.05%) in September 2012 to J\$236,102.6 million. This also likely reflects post-holiday seasonal adjustments in saving and spending with 'Time' deposits contracting by 8.9% while 'Savings' deposits were rebuilt by 1.76%. Given the contractions in M1 and Quasi money, M2—the broadest measure of money supply - also contracted by (-2.30%) to J\$351,014.6 million.

In November 2012, the monetary base expanded by 1.49% to J\$87,775.2 million as the run-up to the Christmas holidays began.

Inflation

The rate of inflation increased by 0.6% during February 2013. The ongoing devaluation of the Jamaican dollar was a major influence on higher prices given Jamaica's high imports dependence. The divisions recording the highest increase in the consumer price index were "Alcoholic Beverages and Tobacco" - up 2%; and "Clothing and Footwear" - up 1.4%.

Higher prices for 'Wines and Spirits' contributed to the rise in 'Alcoholic Beverages and Tobacco'; while a 1.6% rise for 'Clothing' and a 1.4% rise for 'Footwear' contributed to the rise in 'Clothing and Footwear'.

Table 5: Base Money and Money Supply

	J\$M Sep-12	Percentage Change (%)	
		Mthly	12 Mth
M1	114,912.46	-4.78	2.85
Quasi Money	236,102.16	-1.05	4.11
M2	351,014.61	-2.30	3.70
	Nov '12	Mthly	12 Mth
Base Money	87,775.21	1.49	7.97

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Feb	12-Mth	YTD	Fiscal
2013	0.62	8.15	0.62	7.62
2012	0.78	7.90	0.78	7.28

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

Table 7: Mining Production

	000 tonnes			YTD	
	Feb-13	Dec-12	%	Feb-13	13/12 %
Production					
Alumina	143.2	151.17	-5.24	288.8	-6.77
C. Bauxite	387.5	364.3	6.38	774.9	-0.03
Export					
Alumina	153.7	108.4	41.7	291.3	13.8
C. Bauxite	381.0	330.2	15.4	757.4	2.63

Source: Jamaica Bauxite Institute (JBI)

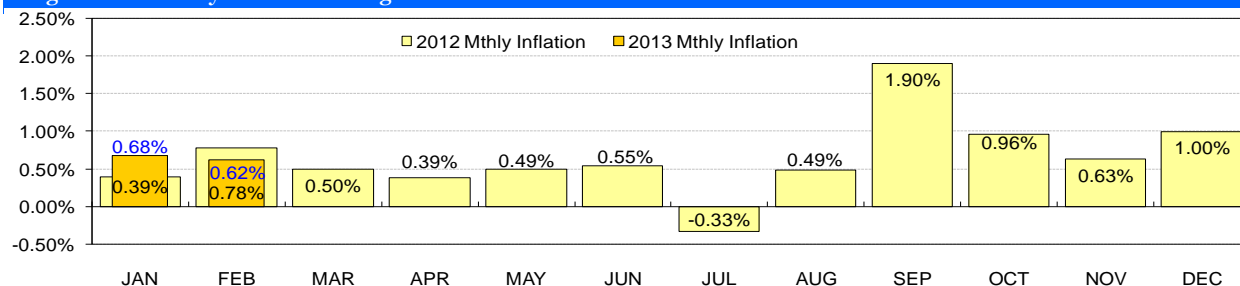
Two divisions - "Housing, Water, Electricity, Gas and Other Fuels" and "Furnishings, Household Equipment and Routine Household Maintenance" each recorded increases of 1.0%. The increase in the former reflected rising costs for electricity, gas and other fuels as well as tradesmen fees; while the rise in the latter, was due to wide-ranging increases on household furnishings, equipment and kitchen utensils. "Miscellaneous Goods and Services" rose by 0.9% due to higher prices for personal grooming items and services, jewelry, and visa and legal services.

Two divisions - "Health" and

"Transport" each recorded increases of 0.5%. The increase in "Health" reflected higher prices for 'Medical Products, Appliances and Equipment' and for 'Health Services'. The rise in "Transport" was due to higher prices for new cars, fuels and lubricants and spare parts.

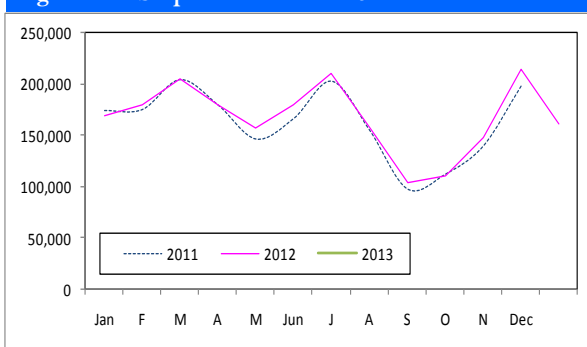
Prices rose by only 0.4% in the most heavily-weighted "Food and Non-Alcoholic Beverages" division and this served to restrain the overall rise in inflation in February 2013. The two groups that make up this division, 'Food' and 'Non-Alcoholic Beverages' recorded increases of 0.2% and 2.7% respectively. In the group 'Food' increases were recorded for 'Milk,

Figure 3: Monthly Inflation Changes



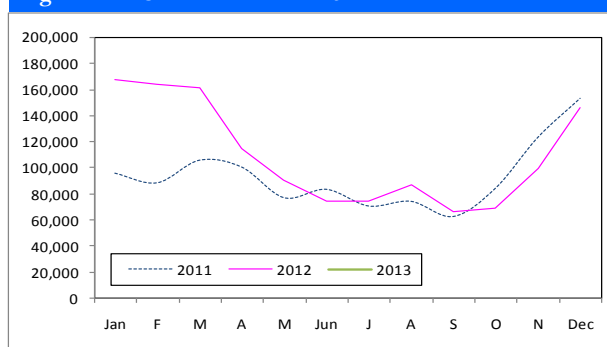
Source: STATIN and PSOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Cheese and Eggs' - up 1.0%; and 'Fruits' and 'Oils and Fats' - up 0.8% and 0.7% respectively. These increases however were tempered by a 1.4% decline in prices for 'Vegetable and Starchy Foods' Within the group - 'Non-alcoholic Beverages', prices rose by 2.6% for 'Coffee, Tea and Cocoa' and by 2.8% for 'Mineral Waters, Soft Drinks, Fruit and Vegetable Juices'.

Two divisions - "Transport" and "Communication" were flat on the month while "Recreation and Culture" rose by 0.2%.

For the calendar year to date, the rate of inflation⁷ was 1.3%; the point-to-point rate (Feb '12 to Feb '13) of inflation was 8.1%, compared to 6.6% one year ago and the fiscal year to date rate was 7.6%. These rates are all higher than in 2012.

Bauxite & Alumina

Production of alumina in February 2013 declined by -5.24% to 143,242 tons compared to 151,165 tons in February 2012. For its part, production of crude bauxite in February 2013 increased by 6.38% to 387,506 tons relative to 364,267 tons in February 2012.

The soft conditions in the global economy during 2012 resulted in Jamaica's production of alumina falling by -10.86% to 1,753,505 tons compared to 1,959,238 tons during 2011. Production of crude bauxite was also down -7.46% to 4,759,647 million tons relative to 5,143,463 million tons during 2011.

For the first two months of 2013, alumina production is down -6.77% to 288,815 relative to 309,781 in 2012; while production of crude bauxite at 774,945 tons is also slightly below output during the first two months of 2011 which was 775,185 tons.

Tourist Arrivals

	2012	2013	%Change	
			YTD (JAN)	YOY
Stopover	169,355	161,455	-4.7%	-24.7%
Foreign	159,295	151,976	-4.6%	20.9%
Non-Resident	10,060	9,479	-5.8%	-57.5%
Cruise	167,745	179,910	7.3%	23.2%
Total Arrivals	337,100	341,365	1.3%	-5.3%

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

Tourism

Stopover arrivals in January 2013 were 161,455 - a decrease of -4.7% below the 169,355 stopovers recorded in January 2012. However, the number of cruise passengers increased by 7.3% in January 2013 to 179,910 visitors, compared to 167,745 in January 2012.

Regionally, stopovers from the US increased by 0.9% in January 2013 to 86,301 compared to 85,571 in January 2012. This extends the increase from the US market recorded in calendar year 2012, when stopovers increased by 2.6% with 1,257,669 arrivals compared to 1,225,565 in 2011. From the Canadian market, stopovers decreased by 14.5% during January 2013 (the second consecutive monthly decrease in 19 months) with 47,765 arrivals compared to 55,839 in January 2012. The number of visitors from Canada were up 6.4% to 403,200 visitors compared to 378,938 visitors during 2011.

Visitors from Europe, including the UK, declined by -4.6% in January 2013 to 19,845 visitors compared to 20,798 arrivals in January 2012. For calendar year 2012, visitors from Europe declined by -12.1% to 208,568 compared to 222,428 in 2011, which also declined

by 12.1% from 253,000 in 2010. January 2013 decline therefore extends the two year decline recorded in calendar year 2012 and 2011.

Stopover arrivals from the Caribbean recorded a small -1.9% decline during calendar year 2012 to 64,984 visitors compared to 66,216 visitors in 2011. For the first month of 2013, stopovers from the Caribbean are down 5.8% to 4,279 visitors compared to 4,029 in January 2012. On the other hand, stopovers from Latin America were up by 27.0% in January 2013 to 2,500 continuing their strong 50.9% increase (to 25,037) recorded in 2012.

During calendar year 2012, cruise visitors to the Island increased by 17.3% to 1,320,083 visitors on top of a strong 23.4% increase in 2011 reflecting the impact of the opening of the Falmouth Port. In January 2013, cruise visitors are up 7.3% to 179,910 visitors compared to 167,745 arrivals in January 2012. Total Visitors to Jamaica during January 2013 were 341,365 - a 1.3% increase relative to 337,100 visitors during January 2012.

External Trade

During January to November 2012, Jamaica's exports increased by

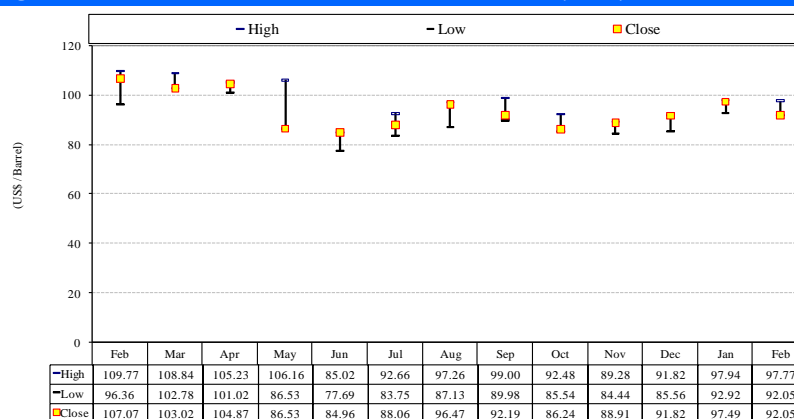
US\$34.8 million or 2.3% to US\$1.525 billion compared to US\$1.490 during the corresponding 10 month period of 2011. Imports for the period increased by about the same percent— 2%, to US\$6.15 billion, which given their larger mass, more than cancelled-out the export gain. Thus the traditional negative imbalance in Jamaica's merchandise trade worsened in Jan-Nov 2012 by -US\$83.4 million or 1.8% to (US\$4.63 billion) compared to (US\$4.54 billion) in January-Nov 2011.

Traditional Exports: During the first ten months of 2012, traditional domestic exports earned US\$694.8 million, a decrease of -US\$95.6 million or -12.1% relative to the US\$790.4 million earned during the corresponding period of 2011. The share of traditional exports in total domestic exports also decreased to 45.6% in Jan-Nov 2012 from 53.0% during the Jan-Nov 2011.

The decreased earnings from traditional exports were mainly due to a US\$102.7 million or -15.6% contraction in Mining and Quarrying to US\$414.9 million relative to US\$555.57 million in Jan-Nov 2011. This was hardly offset by a US\$9.5 million rise (8.6%) in Manufacturing exports to US\$120.0 million. The decreased earnings from Mining and Quarrying, largely resulted from a decline of US\$97.5 million (or 18.4%) in alumina earnings to US\$431.12 million and a smaller drop of US\$5.42 million in bauxite earnings to US\$124.09 million.

Also contributing to the decline in traditional exports was a substantial - US\$23.4 million or -51.7% decline in 'Rum' exports to US\$21.91 million from US\$45.33 million during the corresponding period in 2011. Adding to these declines, there was also a US\$2.24 million or -11.1% decline in 'Agriculture' exports to US\$19.23 million compared to US\$21.64 million in Jan-Nov 2012. This was greatly due to a decline of -20.5% in Coffee exports to US\$13.6 million compared to US\$17.1 million during the corresponding period of 2011. As noted, partly off-setting these declines, was a significant US\$9.48 million increase in 'Manufacturing' exports to US\$120.0 million from US\$110.5 million one year earlier. This largely reflected a US\$31.5 million or 50.7% increase in 'Sugar' exports to US\$93.69 million from US\$62.16 million during Jan-Nov 2011.

Figure 5: West Texas Intermediate Crude Oil Prices (WTI) US\$ / Barrel



Source: PSOJ Compilation from Union Pacific (<http://www.uprr.com/customers/surcharge/wti.shtml>)

Table 9: External Trade (US\$M)

	Jan-Nov '11	Jan-Nov '12	Change	% Change
TOTAL EXPORTS (fob)	1,489.89	1,524.74	34.85	2.3%
Major Traditional Exports	790.40	694.80	-95.60	-12.1%
<i>by Sector:-</i>				
Agriculture	21.64	19.23	-2.41	-11.1%
Mining & Quarrying	658.23	555.57	-102.66	-15.6%
Manufacturing	110.52	120.00	9.48	8.6%
<i>by Industry:-</i>				
Bauxite	129.49	124.09	-5.40	-4.2%
Alumina	528.64	431.12	-97.52	-18.4%
Sugar	62.16	93.69	31.52	68.0%
Rum	45.33	21.91	-23.42	-51.7%
Bananas	0.06	0.12	0.07	0.0%
Coffee	17.10	13.60	-3.50	-20.5%
Other	7.62	10.28	2.66	34.9%
Non-Traditional Exports	622.72	769.51	146.78	23.6%
Re-exports	76.77	60.43	-16.34	-21.3%
TOTAL IMPORTS	6,033.02	6,151.25	118.23	2.0%
Food	853.33	873.03	19.69	2.3%
Beverages & Tobacco	71.78	75.62	3.84	5.3%
Crude Materials (excl. Fuels)	57.82	45.11	-12.71	-22.0%
Mineral Fuels, etcetera	2,253.55	2,313.92	60.37	2.7%
Animal & Vegetable Oils & Fats	51.74	50.65	-1.09	-2.1%
Chemicals	792.47	823.10	30.64	3.9%
Manufactured Goods	601.51	583.89	-17.62	-2.9%
Machinery and Transport Equip.	871.08	849.14	-21.94	-2.5%
Misc. Manufactured Articles	427.45	435.35	7.91	1.8%
Other	52.31	101.45	49.14	94.0%
TRADE BALANCE	(4,543.14)	(4,626.52)	-83.38	1.8%

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

Non-traditional exports continued to grow during Jan-Nov 2012, expanding by 23.6% to US\$769.51 million, compared to US\$622.72 million in Jan-Nov 2011. Three of four categories of non-traditional exports recorded growth during the period and one declined.

In the category **"Food"**, there was a 4.1% increase in earnings to US\$131.5

million relative to US\$126.3 million in Jan-Nov 2011. Ten of seventeen groups recorded increases and seven declined. Among the groups recording increased earnings were: 'Papaya' - up 96.6% to US\$4.3 million from US\$2.18 million; 'Other Fruits and Fruit Preparations' - up 36.6% to US\$6.99 million from US\$5.11 million; and 'Animal Feed' - up 22.1% to

US\$8.3 million from US\$6.77 million. Notable increases were also recorded for 'Juices excl. Citrus' - up 21.0% to US\$7.95 million from US\$6.57 million; 'Ackee' - up 7.7% to US\$12.43 million from US\$11.54 million; and 'Sauces' - up 12.8% to US\$13.4 million.

There were however, notable decreases in earnings from some 'Food' groups in Jan-Nov 2012 relative to the corresponding period of 2011. Earnings from 'Yams' were down -8.6% to US\$17.10 million from US\$18.7 million; 'Baked Products' were down -10.8% to US\$10.85 million from US\$12.16 million; and exports of 'Other Vegetables & Preparations thereof' were down -11.8% to US\$2.25 million from US\$2.55 million in Jan-Nov 2011. Exports of 'Dairy Products and Bird Eggs' declined by -8.4% to US\$6.2 million compared to US\$6.8 million in Jan-Nov 2011, while 'Other Food Exports' declined by -6.0% to US\$21.21 million compared to US\$22.56 million during the corresponding period of 2011.

"Beverages & Tobacco (excl. Rum)" was another one of the three Non-Traditional export categories that recorded growth in Jan-Nov 2012. This category grew by 20.7% to US\$73.52 million, due largely to a 29.7% increase in 'Alcoholic Beverages (excl. Rum)' to US\$65.01 million from US\$50.18 million in Jan-Nov 2011.

In addition, **"Other"** non-traditional exports, generally, the largest category of non-traditional exports, increased by 36.9% to US\$539.4 million relative to US\$393.97 million in Jan-Nov 2011. This mainly resulted from a 446% increase in 'Chemicals (incl. Ethanol)' to US\$168.97 million compared to US\$37.88 million in Jan-Nov 2011; plus a smaller rise of 5.0% in 'Mineral Fuels etc' to US\$355.9 million compared to US\$388.9. However, six of the eight groups in 'Other' non-traditional exports recorded declines ranging from -9.3% to -47.1%.

"Crude Materials", which has been the fastest growing group of non-traditional exports in recent years, was down -39.0% during Jan-Nov 2012. This decline was largely due to a 42.6% drop in exports of 'Waste and Scrap Metals' from US\$36.6 million to US\$21.04 million during Jan-Nov 2012. This was compounded by declines of -29.2% and -8.8% in exports of 'Limestone' and 'Other' crude materials respectively.

Imports. Reflecting more buoyant con-

Table 10: Balance Of Payments (US\$M)

	Jan-Dec 2011	Jan-Dec 2012	\$ Change	% Change
Current Account	(2,116.5)	(1,575.2)	541.3	25.6%
Goods Balance	(4,257.6)	(4,158.0)	99.6	2.3%
Exports	1,664.8	1,746.7	81.9	4.9%
Imports	5,922.4	5,904.7	(17.7)	-0.3%
Services Balance	669.8	751.5	81.7	12.2%
Transportation	(576.1)	(605.8)	(29.7)	-5.2%
Travel	1,853.6	1,881.2	27.6	1.5%
Other Services	(607.7)	(523.9)	83.8	13.8%
Income	(518.4)	(277.4)	241.0	46.5%
Compensation of empl	36.5	58.1	21.6	59.2%
Investment Income	(554.9)	(335.6)	219.3	39.5%
Current Transfers	1,989.8	2,108.7	118.9	6.0%
Official	141.3	236.1	94.8	67.1%
Private	1,848.4	1,872.7	24.3	1.3%
Capital & Financial Account	1,326.4	1,957.7	631.3	47.6%
Capital Account	(9.1)	(174.0)	(164.9)	-1812.1%
Capital Transfers	(9.1)	(174.0)	(164.9)	-1812.1%
Official	29.0	5.9	(23.1)	-79.7%
Private	(38.2)	(179.8)	(141.6)	-370.7%
Acq/disp.	-	-	-	0.0%
Financial Account	1,335.5	2,131.6	796.1	59.6%
Other Official Invst	497.9	238.6	(259.3)	-52.1%
Other Private Invst	632.4	1,052.5	420.1	66.4%
Reserves	205.2	840.5	-	0.0%

ditions in the local and global economy, during 2011, imports surged by 24.2% to US\$6.6 billion. This growth slowed during the first ten months of 2012 reflecting the tightening grip of recession in the local economy. For the period Jan-Nov 2012, imports grew modestly by US\$118.0 million (2.0%) to US\$6.15 billion compared to US\$6.03 billion in Jan-Nov 2011.

Largely responsible for the growth of imports in Jan-Nov 2012 was a 4.4% rise in imports of **Consumer Goods** to US\$1.612 billion compared to US\$1.544 billion in Jan-Nov 2011. This was mainly due to a US\$55.4 million or 12.9% increase in imports of 'Non-durable Goods' to US\$484.26 million from US\$428.79 million, as well as a 1.8% rise in 'Food' imports to US\$678.11 million relative to US\$661.11 million one year earlier. The rise in these two sub-categories of consumer goods were only partially offset by modest declines of 0.5% for both 'Semi-Durable Goods' and 'Other Durable Goods (excl. Motor Cars)'

However further contributing to the rise in imports was a 57.9% rise in imports of 'Passenger Motor Cars'

from US\$132.56 million to US\$209.3 million.

The two other categories of imports recorded modest declines during Jan-Nov 2012. **'Raw Materials/ Intermediate Goods'** - generally the largest category of imports - declined by -0.3% to US\$3.890 billion from US\$3.903 billion. The sub-category - 'Parts and Accessories of Capital Goods' declined by -23.3% from US\$324.34 million to US\$248.8 million. This was reinforced by a -1.2% decline in imports of intermediate 'Food' which declined from US\$324.34 million to US\$248.8 million. The three other groups within the category recorded increases. 'Crude Oil' imports was up 4.5% to US\$909.76 million from US\$870.95 million due largely to higher prices for 'Crude'. 'Other Fuels and Lubricants' was up 1.5% to US\$1.4 billion from US\$1.379 billion; while 'Industrial Supplies' grew by 0.5% to US\$1.062 billion from US\$1.057 billion.

The other main category of imports - **'Capital Goods (excl. Motor Cars)'** - declined (by -3.0%) to US\$439.4 million during Jan-Nov 2012 from US\$453.25 million in Jan-Nov 2011.

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Feb (Fiscal—2012/13)				Apr-Feb (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	300,985.4	316,887.1	-15,901.7	-5.02	16,148.8	5.7
Tax Revenue	280,451.1	294,555.2	-14,104.1	-4.79	23,802.0	9.3
Non-Tax Revenue	14,956.4	15,783.3	-826.9	-5.24	-585.3	-3.8
Bauxite Levy	1,072.7	1,514.4	-441.7	-29.17	-340.5	-24.1
Capital Revenue	844.4	901.9	-57.5	-6.38	-7,372.0	-89.7
Grants	3,660.9	4,132.3	-471.4	-11.41	791.5	26.3
Expenditure	363,624.6	383,359.9	-19,735.3	-5.15	-1,625.8	-0.4
Recurrent Expenditure	338,509.5	348,233.4	-9,723.9	-2.79	13,959.5	4.3
Programmes	78,906.8	84,281.9	-5,375.1	-6.38	1,287.2	1.7
Wages & Salaries	135,906.3	134,827.7	1,078.6	0.80	7,055.6	5.5
Interest	123,696.4	129,123.8	-5,427.4	-4.20	5,616.6	4.8
Domestic	86,909.8	89,672.2	-2,762.4	-3.08	5,878.6	7.3
External	36,786.6	39,451.6	-2,665.0	-6.76	-262.2	-0.7
Capital Expenditure	25,115.1	35,126.5	-10,011.4	-28.50	-15,585.2	-38.3
Capital Programmes	25,115.1	35,126.5	-10,011.4	-28.50	-15,585.2	-38.3
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-62,639.2	-66,472.8	3,833.6	5.77	17,774.5	22.1
Loan Receipts	139,239.1	246,072.8	-106,833.7	-43.42	-21,631.4	-13.4
Domestic	129,457.3	138,703.9	-9,246.6	-6.67	-11,851.3	-8.4
External	9,781.8	107,368.9	-97,587.1	-90.89	-9,780.1	-50.0
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	84,637.0	173,641.0	-89,004.0	-51.26	-37,203.0	-30.2
Domestic	35,839.8	122,589.5	-86,749.7	-70.76	-29,055.1	-44.7
External	48,797.2	51,051.5	-2,254.3	-4.42	-8,147.8	-14.0
Overall Balance (Surplus [+ve])	-8,037.1	5,959.0	-13,996.1	-234.87	47,848.0	134.5
Primary Balance (Surplus [+ve])	61,057.3	62,651.0	-1,593.7	-2.54	23,391.2	62.1

Source: Ministry of Finance and Planning

'Other Industrial Transport Equipment' fell by -6.5% to US\$83.9 million relative to US\$89.78 million in Jan-Nov 2011; while 'Construction Materials' declined by -7.4% to US\$105.25 million compared to US\$113.70 million one year earlier. Imports of 'Machinery and Equipment' also declined by -0.9% to US\$242.17 million relative to US\$244.46 million for the corresponding period of 2011. These declines were partially offset by an increase of 52.4% in imports of 'Other Capital Goods' to US\$8.09 million compared to US\$4.25 million in Jan-Aug 2011.

Oil: At the end of February 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$92.05 per 42 gallon barrel - a decrease in price of US\$5.44 relative to the closing price of US\$97.49 the previous month. During February 2012 the price ranged between a high of US\$97.77 and a low of US\$92.05.

Balance of Payments

During 2012, there was a current account deficit of US\$1,575.2 million, which represented an improvement of US\$541.3 million relative to the corresponding period in 2011. This deficit represents a continuation of the decline experienced in the last two corresponding periods. The improvement in the Current Account emanated from all sub-accounts.

During the period, the **Goods balance** recorded a deficit of US\$4,158.0 million, an improvement of US\$99.6 million when compared to 2011. This resulted primarily from an increase of US\$81.9 million in exports, which was reinforced by a decrease of US\$ 17.6 million in imports. The increase in exports stemmed mainly from an increase of US\$ 32.0 million in sugar exports. The increase in imports was significantly influenced by a decrease of US\$51.6 million in mineral fuel, as well as a decline of US\$23.4 million and US\$20.3 million in Manufac-

ured Goods and Machinery & Transport Goods, respectively.

In relation to the **Services sub-account**, there was an increase of US\$81.7 million in its surplus position. This resulted primarily from an increase of US\$46.9 million in Other Business Services inflows and a reduction of US\$72.6 million in Construction Services outflows.

The **Income sub-account** improved by US\$241.0 million for the review year. This increase emanated primarily from a decrease of US\$139.4 million in profits remitted by foreign direct investment companies.

During 2012 **Current Transfers** increased by US\$119.0 million to US\$2 108.7 million, relative to 2011. This improvement resulted primarily from an increase of US\$94.7 million in net official grant flows.

Flows from official and private sources were insufficient to finance the current account deficit. Consequently, the NIR declined by US\$ 840.5 million during the period.

Fiscal Accounts

During the eleven month period (Apr-Feb) of fiscal year 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$62.64 billion. This fiscal deficit was J\$3.83 billion or 5.8% better than the -J\$66.47 billion budgeted and J\$17.77 billion or 22.1% better than the -J\$86,074.3 billion deficit recorded during the corresponding period of FY2011/12. This better than expected out-turn on the fiscal deficit largely resulted from a severe J\$19.74 cutback in expenditure which more than compensated for an equally sharp shortfall of J\$15.90 billion in Revenues and Grants.

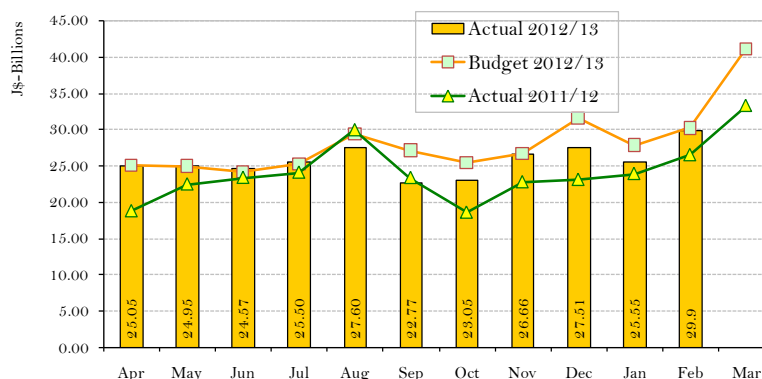
REVENUE: Total Revenues & Grants to the GOJ during Apr-Feb 2012/13 was J\$300.99 billion. This was -J\$15.90 billion or 5.02% short of the budgetary target of J\$316.89 billion though it was J\$16.15 billion or 5.7% greater than Revenues and Grants collected during Apr-Feb 2011/12.

Of 25 revenue heads, only 5 came in (moderately) above target during the eleven months of FY2012/13. This largely reflects the recession in the Jamaican economy. The main outperformers were: 'SCT' - up J\$1,730.2 billion; 'Tax on Interest' - up J\$1001.0 million and 'Stamp Duty (Local)' - up J\$656.2 million. 'Tax on Dividend' - up J\$314.6 million; and 'Motor Vehicle Licenses' - up J\$14.1 million, also came in above budget.

Among the main underperformers on the revenue account were: 'PAYE' - down -J\$4,154.3 million below budget; 'SCT (Imports)' down -J\$2,892.8 million; and 'GCT (Imports)' - down -J\$2,258.5 million. 'Customs Duty' also underperformed budget to the tune of -J\$2,245.1 million, while 'Other Companies Taxes' came in at -US\$1,705.6 million below budget.

EXPENDITURE: With one month to report before the end of FY2012/13 total expenditure was J\$363.6 billion. This was -J\$19.74 billion or -5.15% less than the J\$383.36 billion budgeted, and J\$1.63 billion or -0.4% less than expenditures for the corresponding eleven months of FY2011/12. To meet the

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



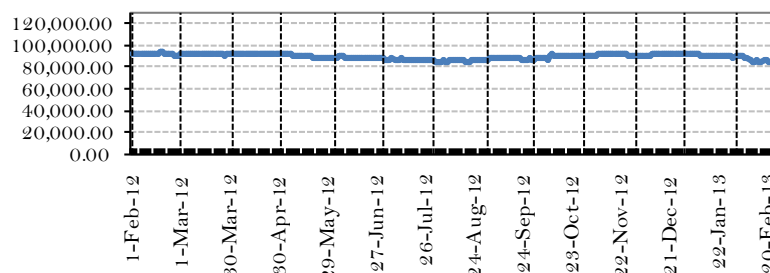
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Feb 2012/13
Revenue Surpluses	
SCT	1,730.2
Tax on Interest	1001.0
Stamp Duty (Local)	656.2
Tax on Dividend	314.6
Motor Vehicle Licenses	14.1
Revenue Shortfalls	
PAYE	-4,154.3
SCT (Imports)	-2,892.8
GCT (Imports)	-2,258.5
Customs Duty	-2,245.1
Other Companies	-1,707.6
Expenditure Changes	
Capital Programmes	-10,011.4
Recurrent Programmes	-5,375.1
Domestic Interest	-2,762.4
External Interest	-2,665.0
Wages and Salaries	1,078.6

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index Feb '12 - Feb '13



Source: Jamaica Stock Exchange (Online Database) and PSOJ

IMF Primary Surplus requirement of 7.5% of GDP and to compensate for the below target performance of Revenues, the GOJ was forced to slash expenditures. The main areas of under expenditure were: 'Capital Programmes' - down J\$10.01 billion; and 'Recurrent Programmes' which were under-spent by J\$5.38 billion or 6.4% below the J\$84.28 billion budgeted. The GOJ

also achieved significant savings on interest payments totalling J\$5.4 billion paying out J\$53.4 billion with saving of J\$2.67 billion on 'Domestic Interest' relative to the J\$56.17 billion budgeted while savings of J\$2.2 billion or 6.27% on 'External Interest' (J\$32.86 billion) were also realized. Expenditures of J\$135.9 billion on 'Wages and Salaries' were however modestly above budget to the tune of J\$1,078 million. The GOJ is clearly making a draconian effort to contain expenditures to achieve the agreed primary surplus target of 7.5% of gross domestic product recently agreed with the IMF.

FISCAL OUTTURN

The fiscal deficit for FY2011/12 (Apr-Mar 2011) was -J\$80.74 billion. For FY2012/13, the GOJ is projecting a fiscal deficit of J\$48.0 million. It seems quite likely that the GOJ will meet the fiscal deficit target during the typically revenue-rich month of March.

The Primary Surplus - a measure of the country's ability to service its debt

Table 13: Top & Bottom Five (5) performers on JSE (price per share)

	2013 Jan 2	2013 Feb 28	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Palace Amusements Co.	60.00	95.00	35.00	58.33%
LIME	0.16	0.18	0.02	12.50%
Barita Investments Ltd.	2.76	3.05	0.29	10.51%
Kingston Wharves	5.00	5.50	0.50	10.00%
Carreras Ltd.	50.01	53.01	3.00	6.00%
Bottom Five (unadjusted for dividends or transact. Costs)				
Sagicor Investments Ja	22.14	14.20	(7.94)	-35.86%
Radio Jamaica	1.99	1.30	(0.69)	-34.67%
Sagicor Life Ja. Ltd.	10.11	7.05	(3.06)	-30.27%
Berger Paints (Jamaica)	2.56	1.80	(0.76)	-29.69%
Scotia Investments Ja.	30.50	23.15	(7.35)	-24.10%

Source: Compiled from the JSE

from revenues, was J\$39.97 billion in 2011/12. Under pressure from the IMF, the GOJ has upwardly revised its primary surplus target from J\$60 billion to J\$75.0 billion for FY2012/13. With one month before the end of FY2012/13, the primary surplus of J\$61.06 billion was roughly in line with the new 11 month target of J\$62.65

billion which was largely achieved by a J\$19.74 cutback in expenditures on capital and recurrent programs.

PUBLIC DEBT

At the end of September 2012 the total public debt stood at J\$1,712.67 trillion - an increase of J\$50.1 billion over the J\$1,662.3 trillion recorded at the start of FY 2012/13. For the first seven

Stock Market

months of FY2012/13, the domestic debt has increased by J\$63.5 billion to J\$976.86 billion or 57.0% of the total, while the external debt has declined by J\$13.4 billion to J\$736.23 billion (US\$8,186.7 billion).

During February 2013, market capitalization decreased by J\$30.12 billion or -5.2% to close at J\$553.0 billion. All six indices on the Jamaican Stock Exchange declined. The main **JSE Market Index** declined by 5,069.8 points or -5.69% to close at 84,049 points. The **JSE Combined Index** declined by 5,149 points or -5.69% to close at 85,339 points. The **JSE All Jamaican Composite Index** declined by 7,580 points or (-8.81%) to close at 78,414 points and the **JSE Select Index** declined by 179.5 points or (-7.70%) to close at 2,152 points. Also declining were the **Junior Market Index** - down 36.04 points or 5.73% to close at 592.5 points and the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, which fell by 16.6 points or 1.90% to close at 857.4 points.

Market volume was moderate in February 2013 with 224.839 million units valued at J\$1.974 billion changing hands compared with 51.5 million units valued at J\$719.3 million in January 2012.

Overall market activity resulted from trading in 49 stocks of which 11 advanced, 29 declined and 9 traded firm. The Gleaner Company Ltd. was the market leader with 76.19 million units or 33.88% of market volume; followed by National Commercial Bank with 33.77 million units or 15.0% of market volume; while Jamaica Broilers Group was third with 22.14 million units or 9.85% of market volume.

The leading advancers in February 2013 were: Palace Amusements Co. Ltd; LIME; Barita Investments Ltd; Kingston Wharves and Carreras Ltd. The leading decliners were: Sagicor Investments Jamaica Ltd; Radio Jamaica; Sagicor Life Jamaica; Berger Paints (Jamaica); and Scotia Investments Jamaica.

Economic Highlights

contd. from page 1.)

The Global Picture

Global data for the first quarter of 2013 was decidedly mixed, but the emerging consensus is that economic performance in many regions of the world during Q1 2013 was less than expected. In the United States, Weekly Jobless Claims appeared to peak in February 2013 at 330,000, but in March 2013 jobless claims climbed

for three consecutive weeks and had risen to 385,000 in the last reading. US Non-farm Payrolls of 88,000 for March 2013 also disappointed coming in well below the 190,000 expected. US Monthly Auto-sales and ISM Manufacturing came in less than expected; but Construction Spending beat expectations; and for the first time in 4 years the Case/Schiller House Price Index indicated that median home prices in the US were rising instead of falling.

Though there were notable improvements in the data for many countries, the situation in Europe continued to roil markets. To qualify for a bailout of its financial system, Cyprus was forced to agree to a massive 60% cut on deposits within its banks greater than US\$100,000. This fed fears the precedent had been set for large cuts in saver's deposits in the event of future bailouts of countries.

China's data showed signs of increasing stabilization, but in Japan's three decade fight against deflation, the new Finance Minister commenced a massive quantitative easing program which will involve the Bank of Japan purchasing 70% of Japanese Government bonds. Investors are now anticipating Q1 2013 company earnings to see more clearly where the global economy is headed.

INFLATION (JAN - 2013) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.62%	0.619		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.39%	0.147	1	
Food	0.26%			
Bread and Cereals	0.64%			
Meat	0.57%			
Fish and Seafood	0.33%			
Milk, Cheese and eggs	1.01%			
Oils and Fats	0.73%			
Fruit	0.76%			
Vegetables and Starchy Foods	-1.39%			
Vegetables	-2.18%			
Starchy Foods	0.74%			
Sugar, Jam, Honey, Chocolate and Confectionery	1.87%			
Food Products n.e.c.	0.77%			
Non-Alcoholic Beverages	2.74%			
Coffee, tea and Cocoa	2.64%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	2.77%			
ALCOHOLIC BEVERAGES AND TOBACCO	2.01%	0.028	8	
CLOTHING AND FOOTWEAR	1.49%	0.050	6	
Clothing	1.56%			
Footwear	1.28%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	1.06%	0.135	2	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	3.09%			
Water Supply and Misc. Serv Related to the Dwelling	-0.56%			
Electricity, Gas and Other Fuels and Routine	1.63%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.96%	0.047	7	
Furniture and Furnishings (including Floor Coverings)	1.12%			
Household Textiles	0.84%			
Household Appliances	1.10%			
Glassware, Tableware and Household Utensils	1.05%			
Tools and Equipment for House and Garden	1.27%			
Goods and Serv. for Routine Household Maint	0.92%			
HEALTH	0.54%	0.018	9	
Medical Products, Appliances and Equipment	0.59%			
Health Services	0.48%			
TRANSPORT	0.48%	0.062	4	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.25%	0.008	10	
EDUCATION	0.00%	0.000	11	
RESTAURANTS AND ACCOMMODATION SERVICES	0.91%	0.057	5	
MISCELLANEOUS GOODS AND SERVICES	0.95%	0.079	3	

INFLATION YTD (JAN –FEB 2013) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	1.30%	1.299		
FOOD AND NON-ALCOHOLIC BEVERAGES	1.23%	0.461	1	
Food	1.04%			
Bread and Cereals	1.29%			
Meat	1.10%			
Fish and Seafood	0.90%			
Milk, Cheese and eggs	2.36%			
Oils and Fats	2.34%			
Fruit	2.40%			
Vegetables and Starchy Foods	-0.49%			
Vegetables	-1.81%			
Starchy Foods	3.08%			
Sugar, Jam, Honey, Chocolate and Confectionery	2.38%			
Food Products n.e.c.	1.50%			
Non-Alcoholic Beverages	4.03%			
Coffee, tea and Cocoa	4.64%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	3.71%			
ALCOHOLIC BEVERAGES AND TOBACCO	2.67%	0.037	9	
CLOTHING AND FOOTWEAR	2.28%	0.076	6	
Clothing	2.50%			
Footwear	1.96%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	0.48%	0.061	7	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	6.43%			
Water Supply and Misc. Serv Related to the Dwelling	-0.14%			
Electricity, Gas and Other Fuels and Routine	0.24%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	1.72%	0.085	5	
Furniture and Furnishings (including Floor Coverings)	1.72%			
Household Textiles	2.44%			
Household Appliances	1.91%			
Glassware, Tableware and Household Utensils	1.53%			
Tools and Equipment for House and Garden	1.82%			
Goods and Serv. for Routine Household Maint	1.68%			
HEALTH	1.33%	0.044	8	
Medical Products, Appliances and Equipment	1.42%			
Health Services	1.29%			
TRANSPORT	1.03%	0.131	4	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	0.94%	0.032	10	
EDUCATION	0.00%	0.000	11	
RESTAURANTS AND ACCOMMODATION SERVICES	3.63%	0.225	2	
MISCELLANEOUS GOODS AND SERVICES	2.31%	0.193	3	

FISCAL ACCOUNTS (APR-FEB 2012/13)

REV. & EXPEN. (APR-FEB '12/13)	JSm	PROVISIONAL RESULTS	JSm	BUDGET DEVIATION	JSm	YOY - CHANGE
Revenue & Grants	300,985.4		-15,901.7		16,148.80	
Tax Revenue	280,451.1		-14,104.1		23,802.00	
Non-Tax Revenue	14,956.4		-826.9		-585.30	
Bauxite Levy	1,072.7		-441.7		-340.50	
Capital Revenue	844.4		-57.5		-7,372.00	
Grants	3,660.9		-471.4		791.50	
Expenditure	363,624.6		-19,735.3		-1,625.80	
Recurrent Expenditure	338,509.5		-9,723.9		13,959.50	
Programmes	78,906.8		-5,375.1		1,287.20	
Wages & Salaries	135,906.3		1,078.6		7,055.60	
Interest	123,696.4		-5,427.4		5,616.60	
Domestic	86,909.8		-2,762.4		5,878.60	
External	36,786.6		-2,665.0		-262.20	
Capital Expenditure	25,115.1		-10,011.4		-15,585.20	
Capital Programmes	25,115.1		-10,011.4		-15,585.20	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-62,639.2		3,833.6		17,774.50	
Loan Receipts	139,239.1		-106,833.7		-21,631.40	
Domestic	129,457.3		-9,246.6		-11,851.30	
External	9,781.8		-97,587.1		-9,780.10	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	84,637.0		-89,004.0		-37,203.00	
Domestic	35,839.8		-86,749.7		-29,055.10	
External	48,797.2		-2,254.3		-8,147.80	
Overall Balance (Surplus [+ve])	-8,037.1		-13,996.1		47,848.00	
Primary Balance (Surplus [+ve])	61,057.3		-1,593.7		23,391.20	

REV. & EXPEN. (APR-FEB '12/13)	JSm	PROVISIONAL RESULTS	JSm	BUDGET DEVIATION	JSm	YOY - CHANGE
Revenue & Grants	300,985.7		-15,901.4		16,348.10	
Tax Revenue	280,451.3		-14,103.9		23,517.50	
Income and profits	94,669.3		-5,572.0		9,814.70	
Bauxite/alumina	0.0		-60.1		-0.10	
Other companies	21,312.2		-1,705.6		8,358.20	
PAYE	56,062.8		-4,154.3		498.70	
Tax on dividend	1,361.5		314.6		324.10	
Other individuals	1,954.3		-967.8		39.60	
Tax on interest	13,978.3		1,001.0		1,438.50	
Environmental Levy	1,827.8		-360.2		-223.20	
Production and consumption	88,354.2		28.9		6,823.10	
SCT	10,938.5		1,730.2		957.30	
Motor vehicle licenses	2,150.6		14.1		566.80	
Other Licenses	302.1		-63.8		-37.30	
Betting, gaming and lottery	1,726.2		-231.0		275.90	
Education Tax	13,655.5		-476.8		16.20	
Contractors levy	1,109.2		-31.9		87.80	
GCT (Local)	47,686.5		-1,093.3		938.00	
Stamp Duty (Local)	6,867.7		656.2		107.50	
International Trade	95,600.0		-8,200.6		7,102.80	
Custom Duty	21,965.6		-2,245.1		2,806.90	
Stamp Duty	1,528.0		-62.0		171.20	
Travel Tax	4,792.2		-742.3		117.00	
GCT (Imports)	41,634.8		-2,258.5		3,381.10	
SCT (Imports)	25,679.4		-2,892.8		626.90	
Non-Tax Revenue	14,956.4		-826.9		-395.00	
Bauxite Levy	1,072.7		-441.7		-339.30	
Capital Revenue	844.4		-57.5		-7,419.20	
Grants	3,660.9		-471.4		984.20	

Statistical Index
Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur- Dep	Inflation		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 '11	78,380	-7.89	n/a	n/a	2,088.97	n/a	-0.18	-0.2	8.5	85.69	7.46	18.52	2.4	813,805.6	8,436.2
Feb	77,963	-0.53	340,301	1.23	2,471.40	2,245.9	-0.42	-0.6	6.3	85.84	6.75	18.52	2.4	760,227.2	8,856.7
Mar	78,919	1.23	332,828	2.20	2,553.16	n/a	1.04	0.5	n/a	85.75	6.70	18.52	2.34	760,997.9	8,874.8
Apr	81,399	3.14	342,336	n/a	2,602.40	2,336.53	0.47	1.0	7.5	85.73	6.74	18.43	2.24	763,624.7	8,907.5
May	79,357	-2.51	342,497	n/a	2,334.38	n/a	0.77	1.7	n/a	85.78	6.58	17.98	2.24	836,417.3	8,521.1
Jun	80,560	1.52	341,652	-0.25	2,267.13	2,275.4	0.76	2.5	1.4	85.91	6.61	17.98	2.24	839,103.7	8,587.5
Jul	81,443.4	1.10	338,018.	1.06	2,156.37	n/a	0.75	2.8	-1.0	86.15	6.44	18.07	2.24	842,200.0	8,590.0
Aug	82,207.2	0.94	n/a	n/a	2,126.32	2,255.48	0.58	3.3	2.7	86.12	6.51	n/a	n/a	868,318.9	8,575.0
Sep	80,479.2	-2.10	338,501.	-0.73	2,080.6	2,308,044	0.74	4.1	5.9	86.30	6.56	18.54	2.27	868,990	8,550.0
Oct	80,597.7	0.15	342,310.	1.15	2,032.17	2,240,633	0.45	5.1	1.8	86.49	6.29	18.32	2.13	868,936	8,674.6
Nov.	81,296.7	0.87	346,348.	1.18	1,961.74	2,285,800	0.45	5.1	4.0	86.70	6.27	18.3	2.1	880,569	8,625.5
Dec	91,710.2	12.81	361,211	n/a	1,967.01	2,306,539	0.40	6.0	-1.6	86.60	6.46	18.3	2.1	883,388.6	8,626.1
Jan '12	83,564.3	-8.8	353,939.	-2.01	1,882.63	2,357,286	0.40	6.6	-2.8	86.83	6.53	18.48	2.10	888,486.9	8,626.4
Feb	84,950.7	1.66	n/a	n/a	1,874.65	2,379,213	0.8	6.7	3.1	87.06	6.57	18.48	2.10	875,211.40	8,605.4
Mar	83,696.6	-1.48	356,099	0.19	1,777.13	2,409,355	0.50	1.68	0.3	87.30	6.47	18.12	2.10	912,642.4	8,586.8
Apr	84,966.6	1.52	348,580	n/a	1,771.8	2,414,159	0.4	2.1	0.6	87.35	6.44	18.12	2.10	930,025.4	8,578.8
May	83,738.1	-1.45	352,407	1.10	1,718.8	2,441,863	0.5	2.6	1.5	88.12	6.39	17.93	2.10	935,140.9	8,506.5
Jun	84,337.4	0.72	351,410.	n/a	1,540.4	2,553,943	0.6	3.2	8.0	88.70	6.51	17.46	2.10	940,368.6	8,526.2
Jul	87,157.8	3.34	359,205.	0.69	1,483.82	n/a	-3.3	2.8	n/a	89.69	6.52	17.46	2.24	973,858.5	8,226.2
Aug	86,275.1	-1.01	359,293.9	n/a	1,428.60	2,438,745	0.5	3.3	1.8	89.82	6.63	17.55	2.07	976,159.2	8,200.5
Sep	85,193.8	-1.25	351,014.6	-2.30	1,257.8		1.85	5.3	n/a	89.93	6.57	17.55	2.07	976,126.3	8,186.8
Oct	86,488.1	n/a	n/a	n/a	1,132.8	n/a	0.9	6.3	n/a	91.09	6.69	17.52	2.07	n/a	n/a
Nov	87,775.2	1.49	n/a	n/a	1,078.2	n/a	0.63	6.9	-1.1	91.89	6.80	17.52	2.24	n/a	n/a
Dec	97,648.5	11.25	n/a	n/a	1,125.6	n/a	1.0	8.0	-2.8	92.98	7.18	17.28	2.1	n/a	n/a
Jan '13	n/a	n/a	n/a	n/a	1,009.05	n/a	0.7	8.4	n/a	94.14	n/a	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.

<u>Key:</u>	
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
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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