



PSOJ MONTHLY ECONOMIC BULLETIN



The Private Sector Organisation of Jamaica • 39 Hope Road, Kingston 6 • Tel: 927-6238/6957 •
Fax: 927-5137 • Email: psojinfo@psoj.org • Website: http://www.psoj.org

Economic Highlights

Contraction of Jamaica's Economy Continued in Q4 2012

The contraction of the Jamaican economy continued in the fourth quarter (Q4) of 2012 by the similar amount of -0.6% as was the case in the previous quarter. For calendar year 2012, initial estimates by the Planning Institute of Jamaica (PIOJ) is that the Jamaican economy contracted by -0.2%. During Q4 2012, Goods Producing Industries declined by -2.7% while Services Industries were flat.

Goods Producing Industries

All four industry groups within the Goods Producing Sector declined in Q4 2012 led by Mining and Quarrying which declined by -11.0%, roughly the same amount as the previous quarter. The decline in **Mining and Quarrying** resulted largely from contractions of -11.6% and -10.7% in the production of alumina and bauxite respectively. These declines reflected continuing

Inside this issue:

Economic Highlights	1
Net International Reserve	2
Foreign Currency Deposits	2
Foreign Exchange Rates	2
Interest Rates	3
Base Money & Money Supply ★	3
Inflation	4
Bauxite & Alumina	4
Tourism	5
External Trade	5
Balance of Payments	7
Fiscal Accounts ★	8
Stock Market	9
Economic Highlights (contd)	10
Appendix	11
Statistical Index	14
Key of Acronyms	15
Subscription Form	16

Year over Year Quarterly GDP Sep-Dec 2011 to Sep-Dec 2012

Industrial Sectors	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Total GDP	0.5	-0.1	-0.2	-0.6	-0.6
Goods Producing Industries	6.6	-0.2	-0.1	-1.8	-2.7
Agric, Forestry & Fishing	14.7	6.5	9.5	0.2	-4.5
Mining & Quarrying	7.3	-5.0	-10.2	-11.1	-11.0
Manufacture	6.5	0.5	-1.9	0.3	-0.1
Construction & Installation	0.2	-5.6	-3.4	-2.9	-1.5
Services Industries	-0.2	-0.2	-0.3	0.3	0.0
Electricity & Water Supply	3.5	0.2	0.3	0.0	-2.2
Trans, Storage & Communication	-2.8	-3.1	-4.1	0.1	0.0
Wholesale & Retail Trade etc.	1.1	0.9	0.3	0.6	0.4
Finance & Insurance Services	-1.1	0.6	0.0	1.1	1.0
Real Estate, Renting & Business Services	-0.3	-0.2	-0.2	-0.2	-0.2
Producers of Government Services	-0.6	-0.5	-0.2	-1.0	-0.5
Hotels & Restaurants	1.0	0.8	3.7	2.8	-1.3
Other Services	0.0	0.0	0.3	0.3	0.2

Source: PIOJ

weak demand conditions in the global economy and the allocation of production away from Jamaica due to inefficient plant and equipment in the Jamaican industry. As a consequence, capacity utilization in Jamaica's bauxite plants declined by 6.1 percentage points to 85.5% while capacity utilization at alumina refineries declined to 38.8%.

Also contributing to the decline in the Goods Producing Sector was a -4.5% decline in **Agriculture, Forestry and Fishing** with 'Traditional Export Crops' down -16.1% and 'Other Agricultural Crops' declining by -5.5%. These declines reflected the disruptive effects of Hurricane Sandy in October 2012.

The -1.5% decline in **Construction and Installation** was less than the -2.9% recorded in Q3 2012. This decline was contributed to by substantial declines of 72.3% and 14.8% in Housing Starts and Housing Completions, and significant slowdown in GOJ and private sector civil engineering works. The -0.1% decline in **Manufacture** largely reflected significant contractions in the 'Beverages and Tobacco' component of 'Food, Beverages and Tobacco', with declines of -17.7% in

production of Rum and Alcohol; 23.3% in Beer and Stout production; and -2.7% for Carbonated Beverages.

Services Industries

Four of eight Services industries recorded negative growth during Q4 2012. Leading the decliners was **Electricity and Water** - down -2.2% due to lower electricity generation and water production. **Hotels and Restaurants** contracted by 1.3% reflecting a 1.8% drop in stopover arrivals and a 12.8% fall in cruise passenger arrivals. **Producers of Government Services** declined by 0.5%; while **Real Estate and Building Services** declined by -0.2%.

Finance and Insurance Services was the leading growth sector among Services industries during Q4 2012 growing by 1.0%. Though loan and advances by commercial banks to the private sector declined in real terms, growth in Financial Services occurred from increasing interest income and rising fees and commissions.

(Contd on Page 10)



Net International Reserves (NIR)

During January 2013, Net International Reserves declined by -US\$116.5 million to US\$1,009.05 million compared to US\$1,125.6 million at the end of December 2012. January's decline in the NIR reverses the small increase in December 2012 and restores the twenty month trend of consecutive month over month decline. This is not unexpected as the factors driving the decline in NIR—weak export performance and declining confidence in the Jamaican dollar - have not abated. Year over year (Jan 2012 to Jan 2013) the NIR is down by -US\$873.6 million.

At the end of January 2013, gross reserves were adequate to finance 16.67 weeks of “goods” imports or 12.47 weeks of “goods and services” imports, just slightly above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

During October 2012, foreign currency deposits (FCD's) in the local financial system increased by US\$11.36 million or 0.47% to US\$2.396 billion compared to US\$2.385 billion at the end of September 2012. The increase in August 2012 is the sixth increase over the past seven months and likely reflects the current bias to hold foreign currency due to uncertainty over the stalled GOJ/IMF Arrangement and the weakening of the Jamaican dollar. YOY, FCD's are up US\$155 million or 6.9%.

Foreign Exchange Rate

US DOLLAR: During January 2013, the Jamaican dollar depreciated by an additional J\$1.16 to J\$94.14 compared to J\$92.98 at the end of December 2012. Indeed, at the end of February 2013, the J\$ was selling for J\$96.99 to US\$1 and seem well on its way to breaching the J\$100 to US\$1.00 level. For the first two months of 2013 the J\$ is down -J\$4.02 against the USD compared to -J\$6.38 or -7.36% during 2012 and by J\$0.74 or 0.86% during 2011. 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

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Jan-13	1,009.05	-116.53	-873.58	-116.53	16.67
Jan-12	1,882.63	-84.38	-206.34	-84.38	24.85

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Oct '12	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,786,608	12,731	134,906	0.71	8.17
Building Societies.	566,579	-1,017	22,480	-0.18	4.13
Merchant Banks	42,493	-350	-2,339	-0.82	-5.22
Total Deposits	2,395,680	11,364	155,047	0.47	6.92

Source: Compiled from the BOJ (Preliminary)

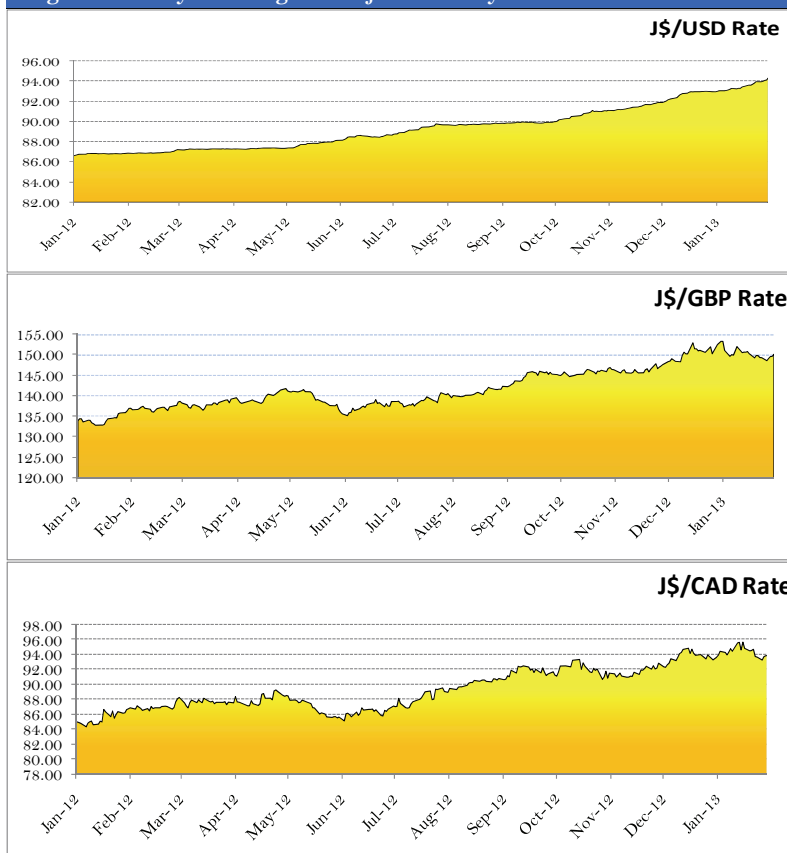
Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2012—1/31/13 *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2013	-1.16	-1.25	2.92	1.91	-0.58	-0.62
2012	-0.23	-0.27	-1.96	-1.45	-2.03	-2.41
2011	0.17	0.20	-2.52	-1.89	0.00	-0.01

	MOM Jan - 2012					
	Actual Rate					
Mth	94.14	1.25	149.72	-1.91	93.88	0.62
Change	1.16	1.25	-2.92	-1.91	0.58	0.62

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

confidence in the medium to longer-term prospects for the Jamaican economy.

POUND & CANADIAN DOLLAR:

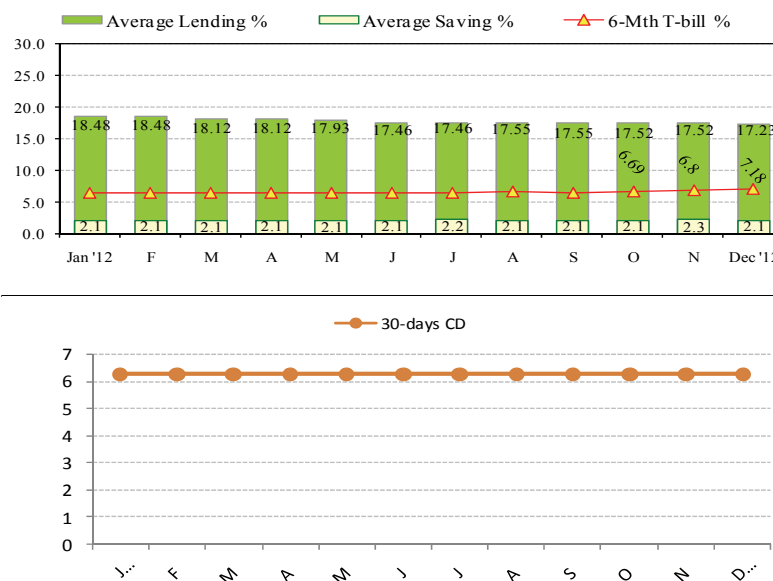
During January 2013, the J\$ appreciated by J\$2.92 or 1.91% against the GBP to J\$149.72 from J\$152.64 in December 2012. Against the CAD, the J\$ depreciated in January 2013 - by J\$0.58 or 0.62% to sell for J\$93.88 compared to J\$93.30 in December 2012. Usually, the J\$ trades in a proxy relation with the USD in regards to GBP and CAD demonstrating sharp up and down movements aligned to similar movements of USD on international markets. But now the overall appreciation of CAD and GBP appears part of the broader retreat from the J\$ because of uncertainty and lack of confidence regarding prospects for the Jamaican economy.

Interest Rates

Over the past 3 months there has been economically significant movements on four key interest rates. During December 2012, interest rates on the GOJ major benchmark - the 6-month Treasury Bill - jumped 38 bps to 7.18% after lingering below the critical 7.0% measure of debt sustainability for 22 months from February 2011. Then in January 2013, the rate on the 6-month T-Bill increased by an additional 28 bps to 7.46%. This clearly suggest that the market is exacting a higher premium from the GOJ to fund its short-term financial requirements. This is possibly linked to the unsustainable debt dynamics of Jamaica and the waning credibility of the GOJ to service its debts as originally agreed.

In another rate movement, in late February 2013, the Bank of Jamaica announced that it was slashing 50 bps off its 30-days certificate of deposit to 5.75%. As leeway and in justification, the BOJ cited weak demand conditions in the economy and the GOJ's efforts at fiscal consolidation as tempering the inflationary impulses of the reduction. It is possible however, that the BOJ was reducing the rate on 30-day CD - over which it has a greater measure of con-

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Dec-12	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.25%	0.00%	0.00%	0.00%
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%	-0.18%	-0.06%	-0.06%
Avg Loan Rate	17.23%	-0.29%	-1.07%	-1.07%
6-Month T-Bill	7.18%	0.38%	0.72%	0.72%

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

rol, to keep downward pressure on the more market driven 6-month T-Bill.

Also of significance, the average lending rate declined by 29 bps in December 2012 to 17.23% which was likely reflected competition by financial institutions to attract borrowers in the face of the decline of loans and advances to the private sector by commercial banks. The decline of the average saving rate to 2.07% is also possible reflective of weak economic conditions locally and indifferent competition for deposits.

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 holi-



C&WJ Broadband Telephone System for Business: Need efficient and economical telephony system across multiple locations? C&WJ Broadband Telephone system for Business is the perfect Solution.

Includes traditional PBX system capabilities with call transfer, call forwarding, voicemail, extension-to-extension dialing, central computer storage for email, voice, fax messages and more.
Call: 1-888-225-5295

NCB Receivables Financing: Give your business an unsecured line of credit that makes available up to 75% of invoiced goods and services up to a maximum of \$10m



Provide immediate cash to fill cash flow gaps and access to much needed working capital. Both NCB customers and those supplying goods and service to approved customers are eligible to apply.

day 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 0.7% during January 2013. While **"Housing, Water, Electricity, Gas and Other Fuels"** declined by -0.5% and **"Communication"** and **"Education"** were flat during the month, all nine other divisions recorded price increases of a somewhat firmer tone (0.6% and above) than in the past several months.

The highest increase (2.7%) for the month was recorded for the division **'Restaurants and Accommodation Services'**, due mainly to the increased cost of Meals Consumed Away From Home'. The second highest increase was recorded in the **'Miscellaneous Goods and Services'** division due to increased prices for 'Personal Care' and 'Personal Effect' items.

Prices continued to rise in the most heavily-weighted **"Food and Non-Alcoholic Beverages"** division increasing by 0.8%. The two groups that make up this division, 'Food' and 'Non-Alcoholic Beverages' recorded increases of 0.8% and 1.3% respectively. In the group 'Food' increases were recorded for 'Bread and Cereals' up 0.7% due to increased price of grains on the international market; 'Milk, Cheese and Eggs' - up 1.3%; 'Fruits'; Oils and Fats' - up a

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)		
		Sep-12	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			
	Jan	12-Mth	YTD	Fiscal
2013	0.68	8.33	0.68	6.95
2012	0.39	6.62	0.39	6.39

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

Table 7: Mining Production

	000 tonnes			YTD	
	Dec-12	Dec-11	%	Dec-12	10/11 %
Production					
Alumina	155.3	162.3	-4.29	1,757.7	-10.3
C. Bauxite	416.2	445.3	-6.52	4,770.6	-6.68
Export					
Alumina	173.5	145.3	19.4	1,753.5	-10.5
C. Bauxite	449.6	454.2	-1.00	4,759.6	-7.46

Source: Jamaica Bauxite Institute (JBI)

similar 1.6%.

Three other divisions recorded increases of 0.8% including: **"Clothing and Footwear"**; **"Furnishings, Household Equipment and Routine Household Maintenance"**; and **"Health"**. Prices for **"Recreation and Culture"** increased by 0.7% and **"Transport"** and **"Alcoholic Beverages and Tobacco"** both increased by 0.6%.

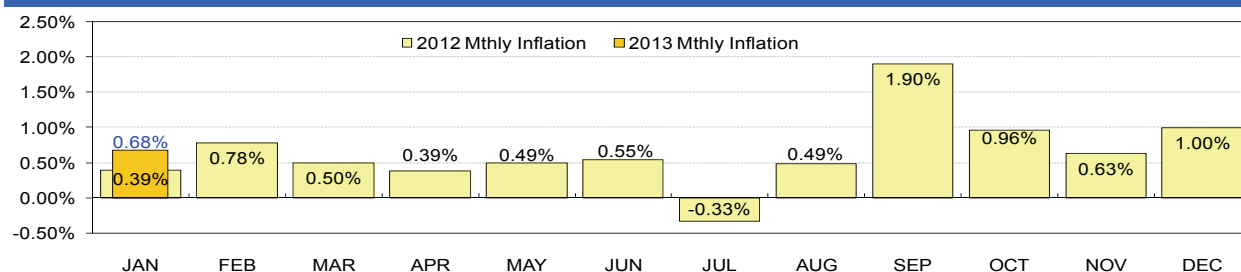
The point-to-point rate (Jan '12 to Jan '13) of inflation was 8.4%, compared to 6.6% one year ago and the fiscal year to date rate was 7.0%.

Bauxite & Alumina

Production of alumina in December 2012 declined by -4.3% to 155,347 tons compared to 162,312 tons in December 2011. For its part, production of crude bauxite in December 2012 declined by -6.5% to 416,240 tons relative to 445,265 tons in December 2011.

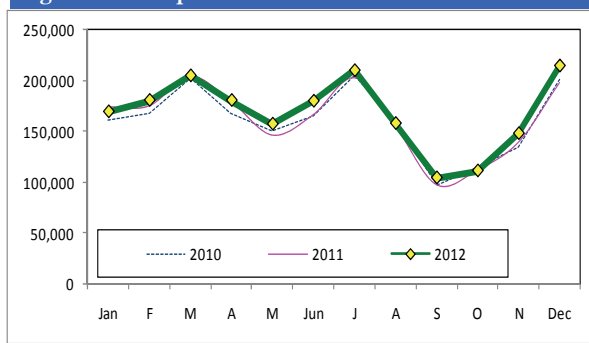
Reflecting the upturn in the global economy, during calendar year 2011, alumina production increased by 23.2% to 1.959 million tons; while production of crude bauxite was up 19.5% to 5.143 million tons relative to 2010.

Figure 3: Monthly Inflation Changes



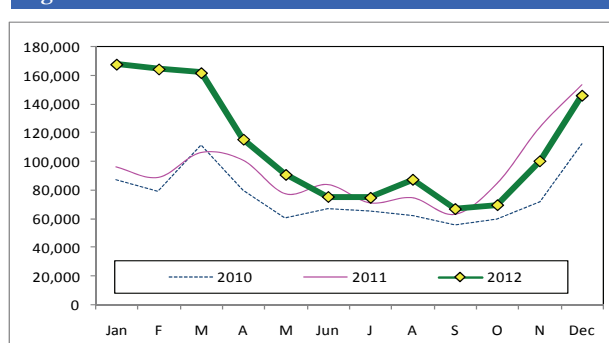
Source: STATIN and PSJO compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

However, the soft conditions in the global economy during 2012 has resulted in Jamaica's production of alumina falling by -10.86% during 2012 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.

Tourism

Stopover arrivals in December 2012 were 192,158 - a decrease of -2.8% over the 197,713 stopovers recorded in December 2011. The number of cruise passengers also decreased in December 2012 by 4.9% to 146,050 visitors, compared to 153,561 in December 2011.

Regionally, stopovers from the US declined by -1.5% in December 2012 to 113,530 compared to 115,252 in December 2011. For calendar year 2012, stopovers from the US are up 2.6% with 1,257,669 arrivals compared to 1,225,565 in 2011. From the Canadian market, stopovers decreased for the first time in 18 months by 5.1% in December 2012 with 47,007 arrivals compared to 49,558 in December 2011. For 2012, the number of visitors from Canada are up 6.4% to 403,200 visitors compared to 378,938 visitors during 2011.

Visitors from Europe, including the UK, declined by -8.5% in December 2012 to 21,597 visitors compared to 23,612 arrivals in December 2011. For calendar year 2012, visitors from Europe are down -12.1% to 222,428 compared to 208,568 in 2011. This extends the decline recorded in calendar year 2011 in which stopovers from Europe declined by -6.7% to 253,049 compared to 271,315 in 2010.

Stopover arrivals from the Caribbean recorded a 13.6% increase in 2011 to 66,216 reversing a -10.8% decline in 2010. For calendar year 2012 however,

Tourist Arrivals

	2011		2012		%Change	
	YTD (JAN-DEC)		YOY		MOM	
Stopover	1,951,752	2,017,874	3.4%	45.0%		
Foreign	1,800,280	1,864,118	3.5%	-38.8%		
Non-Resident	151,472	153,756	1.5%	134.4%		
Cruise	1,125,481	1,320,083	17.3%	45.7%		
Total Arrivals	3,077,233	3,337,957	8.5%	45.3%		

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

stopovers from the Caribbean are down -1.9% to 64,984 visitors compared to 66,216 visitors in 2011. On the other hand, stopovers from Latin America were up by 50.9% to 25,037 in 2012 compared to 16,589 visitors in 2011 extending their 23.4% rise during 2011.

During calendar year 2011, cruise visitors to the Island increased by 23.7% to 1,125,481 visitors. During 2012, cruise arrivals are up by 17.3% to 1,320,083 visitors reflecting the impact of the opening of the Falmouth Port. Total Visitors to Jamaica during 2012 were 3,337,957 - a 8.5% increase relative to 3,077,233 visitors during 2011.

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.

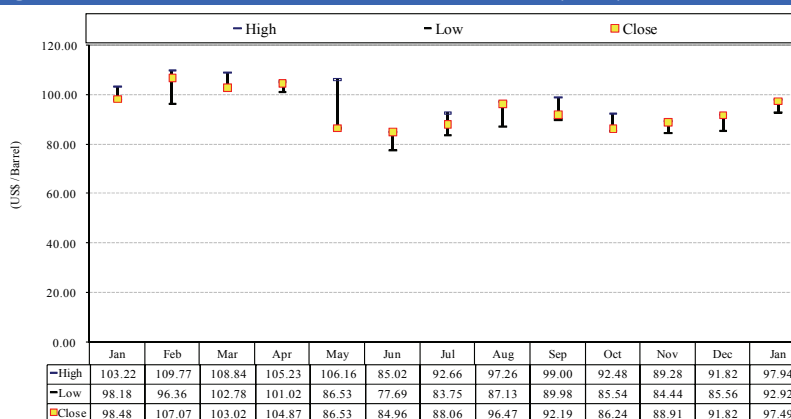
Non-traditional exports continued to grow during Jan-Nov 2012, expanding by 23.6% to US\$769.51 million, compared to US\$622.72 million in Jan-Nov 2011. Three of four categories of non-traditional exports recorded growth during the period and one declined.

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-

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%
by Sector:-				
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%
by Industry:-				
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)

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 conditions 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\$6.033 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.

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

	Jan-Jun 2011	Jan-Jun 2012	Change
1. Current Account	-790.7	-639.3	151.5
A. Goods	-1952.1	-1933.9	18.1
Exports	879.8	866.1	-13.8
Imports	2831.9	2800	-31.9
B. Services	450.4	447.5	-2.9
C. Income	-269.1	-156.4	112.7
D. Current Transfers	979.9	1003.6	23.6
2. Capital & Financial Account	790.7	639.3	-151.5
A. Capital Account	-10	-17.1	-7
B. Financial Account	800.8	656.3	-144.4
Official Investment	177.5	353.4	175.9
Private Investment	719	-122.7	-841.8
Reserves	-95.8	425.7	

Source: BOJ & Statistical Update:

million. ‘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. ‘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 January 2012, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$97.49 per 42 gallon barrel - an increase in

price of US\$5.67 relative to the closing price of US\$91.82 the previous month. During January 2012 the price ranged between a high of US\$97.94 and a low of US\$92.92.

Balance of Payments

During the first half of 2012, Jamaica ran a **Current Account** deficit of US\$639.3 million on the external accounts, which represented an improvement of US\$151.5 million relative to the first half of 2011. The improvement in the Current Account emanated from all sub-accounts except the Services sub-account

During the period, the **Goods Balance** recorded a deficit of US\$1 933.9 million, an improvement of US\$18.1 million when compared to the corresponding period in 2011. This resulted primarily from a US\$31.9 million decrease in imports, which was significantly influenced by a decrease in chemicals of US\$48.2 million and a US\$43.3 million decrease in mineral fuels. The decrease in exports of US\$13.8 million stemmed mainly from a decrease in alumina exports of US\$41.5 million.

In relation to the **Services balance**, there was a decline of US\$2.9 million in its surplus position. This was pri-

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Dec (Fiscal—2012/13)				Apr-Dec (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	240,427.1	254,966.6	-14,539.5	-5.70	10,783.7	4.7
Tax Revenue	224,991.1	236,577.8	-11,586.7	-4.90	18,670.0	9.0
Non-Tax Revenue	12,259.2	12,868.8	-609.6	-4.74	-748.9	-5.8
Bauxite Levy	882.6	1,236.9	-354.3	-28.64	-286.5	-24.5
Capital Revenue	672.5	710.0	-37.5	-5.28	-5,515.6	-89.1
Grants	1,621.8	3,573.0	-1,951.2	-54.61	-1,188.4	-40.3
Expenditure	287,618.5	300,392.4	-12,773.9	-4.25	-708.6	-0.2
Recurrent Expenditure	265,101.0	272,761.1	-7,660.1	-2.81	13,044.4	5.2
Programmes	66,038.0	69,173.7	-3,135.7	-4.53	3,473.0	5.5
Wages & Salaries	112,787.3	112,350.3	437.0	0.39	6,379.0	6.0
Interest	86,275.7	91,237.0	-4,961.3	-5.44	3,192.3	3.8
Domestic	53,411.1	56,174.1	-2,763.0	-4.92	3,421.0	6.8
External	32,864.6	35,062.9	-2,198.3	-6.27	-228.9	-0.7
Capital Expenditure	22,517.5	27,631.3	-5,113.8	-18.51	-13,752.9	-37.9
Capital Programmes	22,517.5	27,631.3	-5,113.8	-18.51	-13,752.9	-37.9
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-47,191.4	-45,425.8	-1,765.6	-3.89	11,492.1	19.6
Loan Receipts	101,694.6	143,285.3	-41,590.7	-29.03	-17,187.2	-14.4
Domestic	95,100.2	104,547.6	-9,447.4	-9.04	-5,188.7	-5.2
External	6,594.4	38,737.7	-32,143.3	-82.98	-11,998.5	-64.5
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	68,552.1	70,692.8	-2,140.7	-3.03	-9,508.4	-12.0
Domestic	25,918.2	26,037.4	-119.2	-0.46	-1,411.4	-5.1
External	42,633.9	44,655.5	-2,021.6	-4.53	-8,096.9	-15.6
Overall Balance (Surplus [+ve])	-14,048.9	27,166.6	-41,215.5	-151.71	18,315.2	151.9
Primary Balance (Surplus [+ve])	39,084.5	45,811.2	-6,726.7	-14.68	14,684.5	60.2

Source: Ministry of Finance and Planning

marily attributed to an increase in estimated freight cost associated with imports. The **Income sub-account** improved by US\$112.7 million during the review period. This increase emanated primarily from a decrease of US\$74.4 million in profits remitted by foreign direct investment companies.

During the review period, Current Transfers increased by US\$23.6 million to US\$1 003.6 million. This improvement resulted primarily from an increase in net private transfers of US\$30.0 million. Flows from official and private sources were insufficient to finance the Current Account deficit. Consequently, the NIR declined by **US\$425.7 million** during the period.

Fiscal Accounts

During the nine month period (Apr-Dec) of fiscal year 2012/13, the Government of Jamaica ran a fiscal deficit of -J\$47.2 billion. This fiscal deficit was J\$1.77 billion

or 3.9% larger than the -J\$45.43 billion budgeted but was J\$11.5 billion or 19.6% lower than the -J\$58.76 billion deficit recorded during the corresponding period of FY2011/12. The worse than expected out-turn on the fiscal deficit resulted from a J\$14.54 billion shortfall in Revenues and Grants which was incompletely offset by expenditure cutbacks of J\$12.77 billion.

REVENUE: Total Revenues & Grants to the GOJ during Apr-Dec 2012/13 was J\$240.43 billion. This was -J\$14.54 billion or 5.70% short of the budgetary target of J\$254.97 billion though it was J\$10.78 billion or 4.7% greater than Revenues and Grants collected during Apr-Dec 2011/12.

Of 25 revenue heads, only 6 came in (moderately) above target during the first nine months of FY2012/13. This largely reflects the recession in

the Jamaican economy. The main outperformers were: 'SCT' - up J\$1,104.9 billion; 'Stamp Duty (Local)' - up J\$576.4 million; and 'Tax on Interest' - up J\$240.3 million. Tax on Dividend' - up J\$147.7 million; and 'Motor Vehicle Licenses' - up J\$39.0 million also came in above budget.

Among the main underperformers on the revenue account were: 'PAYE' - down -J\$2.25 billion below budget; 'SCT (Imports)' down -J\$2,105.5 million; and 'Custom Duty' - down -J\$1,694.4 million. 'GCT (Imports)' also underperformed budget to the tune of -J\$1,861.9 million, while 'GCT (Local)' came in at -US\$1,247.4 million below budget.

EXPENDITURE: The expenditure budget for 2012/13 is J\$612 billion. For the first nine months of FY2012/13 total expenditure was

J\$287.6 billion. This was -J\$12.77 billion or -4.25% less than the J\$300.39 billion budgeted, and marginally (J\$708.6 million or -0.2%) less than expenditures for the first nine months of FY2011/12. The main areas of under expenditure were: 'Capital Programmes' - down J\$5.11 billion; and 'Recurrent Programmes' which were under-spent by -J\$3.14 billion or 4.53% below the J\$69.17 billion budgeted. The GOJ also achieved significant savings of 4.92% on 'Domestic Interest', paying out J\$53.4 billion relative to the J\$56.17 billion budgeted. Savings of J\$2.2 billion or 6.27% on 'External Interest' (J\$32.86 billion) were also realized. Expenditures of J\$112.79 billion on 'Wages and Salaries' were however modestly above budget to the tune of J\$437.0 million. The GOJ is clearly making an effort to hew to its budgetary targets, to possibly impress the IMF that it can run a tight ship, but it seems also that expenditure curtailment is being driven by falling revenues.

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 or 4.2% of GDP implying an average monthly deficit of about J\$4.00 billion. As noted, the fiscal deficit for the first nine months of 2012/13 was -J\$47.9 billion or J\$5.3 billion per month which is well above the projected monthly average.

The Primary Surplus - a measure of the country's ability to service its debt from revenues, was J\$39.97 billion in 2011/12. For FY2012/13, the GOJ is targeting a primary surplus of J\$60 billion. For Apr-Dec 2012/13, the primary surplus was J\$39.08 billion which was J\$6.7 billion below the J\$45.8 billion budgeted.

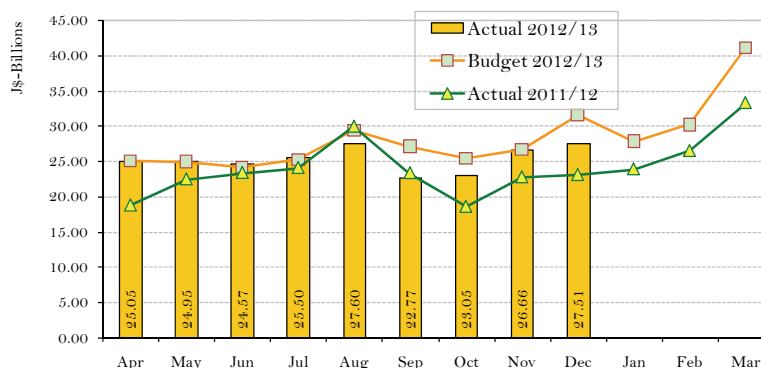
PUBLIC DEBT

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 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).

Stock Market

During January 2013, market capitalization decreased by J\$28.34 billion or -4.6% to close at J\$583.12 billion. Five of

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



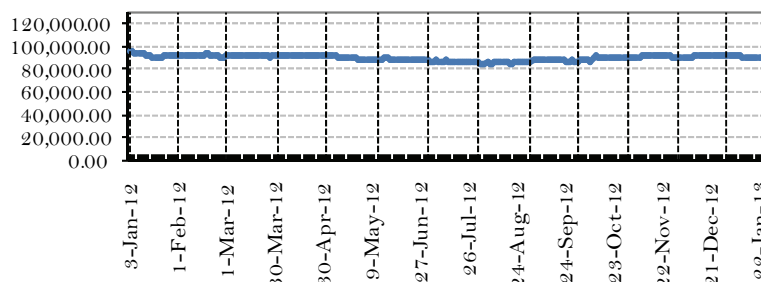
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Dec 2012/13
Revenue Surpluses	
SCT	1,104.9
Stamp Duty (Local)	576.4
Tax on Interest	240.3
Tax on Dividend	147.7
Motor Vehicle Licenses	39.0
Revenue Shortfalls	
PAYE	-2,251.8
SCT (Imports)	-2,105.5
Customs Duty	-1,694.4
GCT (Imports)	-1,861.9
GCT (Local)	-1,247.4
Expenditure Changes	
Capital Programmes	-5,113.8
Recurrent Programmes	-3,135.7
Domestic Interest	-2,763.0
External Interest	-2,198.3
Wages and Salaries	-437.0

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSOJ

six indices on the Jamaican Stock Exchange declined and one was unchanged. The main **JSE Market Index** declined by 2,983 points or -3.24% to close at 89,118 points. The **JSE Combined In-**

dex declined by 3,015.7 points or -3.23% to close at 90,488 points. The **JSE All Jamaican Composite Index** declined by 5,167 points or (-5.67%) to close at 85,994 points and the **JSE**

Select Index declined by 158 points or (-6.35%) to close at 2,331.6 points. Also declining were the **Junior Market Index** - down 19.26 points or 2.97% to close at 628.5 points; while the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica was unchanged during the month at 873.9 points.

Market volume was very modest in January 2013 with 51.5 million units valued at J\$719.3 million changing hands compared with 141.8 million units valued at J\$2.11 billion in December 2012.

Overall market activity resulted from trading in 30 stocks of which 9 advanced, 17 declined and 4 traded firm. LIME was the market leader with 14.87 million units or 28.88% of market volume; followed by Carreras Ltd. with 6.13 million units or 11.9% of market volume; while National Commercial Bank was third with 5.02 million units or 9.75% of market volume. The leading advancers in January 2013 were: Palace Amusements Co.

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

	2013 Jan 2	2013 Jan 31	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Palace Amusements Co.	60.00	95.00	35.00	58.33%
Barita Investments Ltd.	2.76	3.33	0.57	20.65%
LIME	0.16	0.19	0.03	18.75%
Seprod Ltd.	15.50	16.50	1.00	6.45%
Berger Paints Ja. Ltd.	2.56	2.69	0.13	5.08%
Bottom Five (unadjusted for dividends or transact. Costs)				
Gleaner Co Ltd.	1.50	1.22	(0.28)	-20.00%
Caribbean Cement Co	1.00	0.81	(0.19)	-19.00%
Sagicor Life Ja. Ltd.	10.11	8.51	(1.60)	-64.38%
Jamaica Producers Gp.	17.80	15.02	(2.78)	-15.62%
Hardware & Lumber	2.85	2.41	(0.44)	-15.44%

Source: Compiled from the JSE

Ltd; Barita Investments Ltd; LIME; Seprod Ltd; and Berger Paints Ja. Ltd. The leading decliners were: Gleaner Co. Ltd; Caribbean Cement Company; Sagicor Life Ja. Ltd; Jamaica Producers Group and Hardware & Lumber.

Economic Highlights

contd. from page 1.) →

Real value-added in the **Wholesale and Retail Trade, Repair and Installation of Machinery (WRTRIM)** increased by 0.4% due to increased activity associated with Hurricane Sandy and (Christmas) seasonal expenditure. Notable increases in expenditure occurred for 'Minerals, Fuels, Lubricants and Petroleum Products' -

up 8.6%; Hardware, Building Supplies & Electrical Goods - up 15.9%; Chemicals, Pharmaceuticals and Cosmetics - up 9.0%; and Furniture, Furnishings, Office Equipment and Jewelry - up 30.1%.

Other Services recorded growth of 0.2% in Q4 2013, while **Transport, Storage and Communication** was flat reflecting a decline of 2.5% in air passenger movements and a 6.2% decline in the volume of cargo handled at the nation's ports. For the Jan-March 2013, the PIOJ is projecting growth in the range of 0.1% - 1.00%.

The Global Picture

Economic data for the First Quarter (Q1) of 2013 has been decidedly mix, with the majority falling below expectations. But the pallor of uncertainty that hung over the market seems to have more of a political than economic genesis. In the United States, there was additional proof of consolidation in the housing market, with 'Pending Home Sales' rising to 4.5% beating expectations for a 1.7% rise while 'New Home Sales', was also five times higher than forecast. The Institute of Supply Management Manufacturing Index came in better than expected and the 'Empire Manufacturing Index' and the 'Richmond Fed' Manufacturing Index' also turned positive reversing the negative print of the past month. Though 'Personal Income' of -3.6% came

in below expectations, 'Retail Sales' were slightly better than expected and the University of Michigan Consumer Confidence came in better than expected at 77.6.

Despite the positive print on these US data, the issue that dominated market sentiment and discussions was 'sequestration' - the automatic spending cuts that began to take effect at midnight on March 1st, 2013 in the absence of agreement among US lawmakers on ways to reduce the Federal deficit. Opinions among some analysts are that the US\$85 billion in spending cuts are unlikely to affect the economy. But others think that the demoralizing disagreements among US lawmakers are likely to affect business and consumer confidence and could shave as much as 0.5% from US GDP growth during the first half and costs as many as 750,000 jobs.

In Europe, uncertainty about the outcome of Italian elections seem to have a greater dampening effect on market sentiment than the usual litany of bad economic news coming out of the various countries. A further decline of -0.6% for Euro-zone Q4 2012 GDP showed that the four-year long recession in the Euro-zone continues unabated. This view is supported by readings of the forward-looking Purchasing Manager's Index (PMI) for three of the

larger economies in the European Union - Italy, France, and Britain - which all persisted below the 50 mark indicative of future economic expansion. Nonetheless, this dreary economic news was overshadowed by the uncertainty surrounding the Italian elections which was felt to have the potential of again pushing-up borrowing costs and reigniting the Euro-zone funding crisis.

In China, the lowest reading (50.1) of PMI (Manufacturing) in four months cast a pall over robust imports and export figures and renewed fears that the Chinese manufacturing juggernaut might be slowing. In Japan, the Government's efforts to lift its economy out of its fourth recession in 12 years and decades long deflation by committing to open-ended asset purchases which weakened the Yen, sparked fears of a currency war adding to uncertainty.

Micro news of positive earnings reports and mergers and acquisitions gave a fillip to equities markets, but uncertainty and weak macro conditions capped gains in over-stretched markets challenging historic highs which appeared to be unsupported by economic fundamentals.

INFLATION (JAN - 2013) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.68%	0.675		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.84%	0.313	1	
Food	0.78%			
Bread and Cereals	0.64%			
Meat	0.53%			
Fish and Seafood	0.57%			
Milk, Cheese and eggs	1.34%			
Oils and Fats	1.60%			
Fruit	1.63%			
Vegetables and Starchy Foods	0.91%			
Vegetables	0.38%			
Starchy Foods	2.32%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.50%			
Food Products n.e.c.	0.73%			
Non-Alcoholic Beverages	1.26%			
Coffee, tea and Cocoa	1.96%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.91%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.65%	0.009	9	
CLOTHING AND FOOTWEAR	0.78%	0.026	6	
Clothing	0.92%			
Footwear	0.67%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	-0.58%	-0.073	12	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	3.24%			
Water Supply and Misc. Serv Related to the Dwelling	0.42%			
Electricity, Gas and Other Fuels and Routine	-1.38%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.75%	0.037	5	
Furniture and Furnishings (including Floor Coverings)	0.59%			
Household Textiles	1.59%			
Household Appliances	0.80%			
Glassware, Tableware and Household Utensils	0.48%			
Tools and Equipment for House and Garden	0.55%			
Goods and Serv. for Routine Household Maint	0.76%			
HEALTH	0.78%	0.026	7	
Medical Products, Appliances and Equipment	0.82%			
Health Services	0.81%			
TRANSPORT	0.54%	0.070	4	
COMMUNICATION	0.00%	0.000	10	
RECREATION AND CULTURE	0.69%	0.023	8	
EDUCATION	0.00%	0.000	10	
RESTAURANTS AND ACCOMMODATION SERVICES	2.69%	0.166	2	
MISCELLANEOUS GOODS AND SERVICES	1.35%	0.113	3	

INFLATION YTD (JAN 2013) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.68%	0.675		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.84%	0.313	1	
Food	0.78%			
Bread and Cereals	0.64%			
Meat	0.53%			
Fish and Seafood	0.57%			
Milk, Cheese and eggs	1.34%			
Oils and Fats	1.60%			
Fruit	1.63%			
Vegetables and Starchy Foods	0.91%			
Vegetables	0.38%			
Starchy Foods	2.32%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.50%			
Food Products n.e.c.	0.73%			
Non-Alcoholic Beverages	1.26%			
Coffee, tea and Cocoa	1.96%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.91%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.65%	0.009	9	
CLOTHING AND FOOTWEAR	0.78%	0.026	6	
Clothing	0.92%			
Footwear	0.67%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	-0.58%	-0.073	12	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	3.24%			
Water Supply and Misc. Serv Related to the Dwelling	0.42%			
Electricity, Gas and Other Fuels and Routine	-1.38%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.75%	0.037	5	
Furniture and Furnishings (including Floor Coverings)	0.59%			
Household Textiles	1.59%			
Household Appliances	0.80%			
Glassware, Tableware and Household Utensils	0.48%			
Tools and Equipment for House and Garden	0.55%			
Goods and Serv. for Routine Household Maint	0.76%			
HEALTH	0.78%	0.026	7	
Medical Products, Appliances and Equipment	0.82%			
Health Services	0.81%			
TRANSPORT	0.54%	0.070	4	
COMMUNICATION	0.00%	0.000	10	
RECREATION AND CULTURE	0.69%	0.023	8	
EDUCATION	0.00%	0.000	10	
RESTAURANTS AND ACCOMMODATION SERVICES	2.69%	0.166	2	
MISCELLANEOUS GOODS AND SERVICES	1.35%	0.113	3	

FISCAL ACCOUNTS (APR-DEC 2012/13)

REV. & EXPEN. (APR-DEC '12)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	240,427.1		-14,539.5		10,783.70	
Tax Revenue	224,991.1		-11,586.7		18,670.00	
Non-Tax Revenue	12,259.2		-609.6		-748.90	
Bauxite Levy	882.6		-354.3		-286.50	
Capital Revenue	672.5		-37.5		-5,515.60	
Grants	1,621.8		-1,951.2		-1,188.40	
Expenditure	287,618.5		-12,773.9		-708.60	
Recurrent Expenditure	265,101.0		-7,660.1		13,044.40	
Programmes	66,038.0		-3,135.7		3,473.00	
Wages & Salaries	112,787.3		437.0		6,379.00	
Interest	86,275.7		-4,961.3		3,192.30	
Domestic	53,411.1		-2,763.0		3,421.00	
External	32,864.6		-2,198.3		-228.90	
Capital Expenditure	22,517.5		-5,113.8		-13,752.90	
Capital Programmes	22,517.5		-5,113.8		-13,752.90	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-47,191.4		-1,765.6		11,492.10	
Loan Receipts	101,694.6		-41,590.7		-17,187.20	
Domestic	95,100.2		-9,447.4		-5,188.70	
External	6,594.4		-32,143.3		-11,998.50	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	68,552.1		-2,140.7		-9,508.40	
Domestic	25,918.2		-119.2		-1,411.40	
External	42,633.9		-2,021.6		-8,096.90	
Overall Balance (Surplus [+ve])	-14,048.9		-41,215.5		18,315.20	
Primary Balance (Surplus [+ve])	39,084.5		-6,726.7		14,684.50	

REV. & EXPEN. (APR-DEC '12)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	240,427.3		-14,539.3		10,982.80	
Tax Revenue	224,991.1		-11,586.7		18,385.30	
Income and profits	74,441.8		-4,660.1		8,345.70	
Bauxite/alumina	0.0		-57.3		-0.10	
Other companies	19,684.9		-1,944.0		8,305.20	
PAYE	44,754.1		-2,251.8		179.60	
Tax on dividend	996.9		147.7		36.50	
Other individuals	1,601.6		-795.1		-19.50	
Tax on interest	7,404.2		240.3		688.50	
Environmental Levy	1,523.2		-254.2		-140.40	
Production and consumption	70,473.2		-700.1		4,922.40	
SCT	8,741.5		1,104.9		830.10	
Motor vehicle licenses	1,767.7		39.0		481.30	
Other Licenses	241.0		-61.1		-32.00	
Betting, gaming and lottery	1,415.5		-186.7		254.70	
Education Tax	10,870.0		-110.7		-96.50	
Contractors levy	955.1		-515.8			
GCT (Local)	38,157.8		-312.7		49.00	
Stamp Duty (Local)	5,717.4		14.2		823.90	
International Trade	78,552.9		-1,247.4		11.60	
Custom Duty	18,047.4		576.4		5,257.50	
Stamp Duty	1,212.9		-5,972.4		1,915.10	
Travel Tax	3,835.1		-1,694.4		139.80	
GCT (Imports)	34,079.5		-70.8		-252.00	
SCT (Imports)	21,378.0		-239.7		2,133.50	
Non-Tax Revenue	12,259.2		-1,861.9		1,321.50	
Bauxite Levy	882.6		-2,105.5		-558.60	
Capital Revenue	672.5		-609.6		-285.30	
Grants	1,621.8		-37.5		-5,562.80	
			-1,951.2		-995.70	

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)	

The contents of this bulletin are only for use by the addressee. The information is provided on a strictly confidential basis to subscribers.

All **opinions and estimates** constitute the PSOJ's judgement as of the date of the bulletin and are subject to change without notice.

Copyright Reserved © 2003.

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

SUBSCRIBE TO THE ECONOMIC BULLETIN

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

FAX # : (876) 927-5137

Subscriber: _____ (Company / Individual)

Address: _____

Contact Person Information (Matters pertaining to Subscription)

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

Position: _____

Telephone: (_____) _____

Fax: (_____) _____

Email: _____

Annual Subscription (Jan-Dec)

PSOJ Members:
\$7,000.00
(Plus G.C.T.)

Non-members:
\$10,000.00
(Plus G.C.T.)

Payment Options

Cheque
Money Order
(No Cash Payment)

(Payment must be included with your order form)

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

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

Position: _____

Email: _____

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

Position: _____

Email: _____

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

Bring to the Attention of EARL BARTLEY