



PSOJ MONTHLY ECONOMIC BULLETIN



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Economic Highlights

Business Confidence Improves in Q2 2013, Consumers still in Doldrums

Business Optimism, according to the Jamaica Chamber of Commerce 'Conference Board', improved markedly in the Second Quarter of 2013 propelling the overall level of confidence higher for the third consecutive quarter. The Index of Business Confidence was 101.4 in Q2 2013, up from 95.0 in Q1 2013 and 92.3 in Q4 2012. The increase in business confidence was not unexpected and is likely tied to Government of Jamaica finally concluding a new agreement with the International Monetary Fund. According to the Conference Board, what many businesses found attractive was the "ongoing shift in economic policies that favours competitiveness, productive investments and exports". Nonetheless, very few businesses expected quick turn-around in the economy. Many anticipated continued tough economic times with flat economic

growth during 2013. Only 47% expected their financial balance sheets to improve in the year ahead; 43% expected rising profits; and 27% anticipated worsening profits.

Still, 43% believed it was a good time to invest to take advantage of a strengthening economy (up from 31% in Q2 2012) rather than to decrease investments to reduce exposure in a faltering economy.

Consumer Confidence was not as bullish in Q2 2013 compared to business confidence. Indeed, the Consumer Confidence Index was 99.7 in Q2 2013 about the same as the 99.9 recorded in Q1 2013 but well below the 111.0 recorded in Q2 2012. Consumers assessment of the current economic situation (81) were the lowest on record, but their future economic expectations rose slightly in Q2 2013 to 106.0 compared to 103.4 in the previous quarter.

According to the Conference Board, "ongoing fundamental changes in economic policies have been understood by consumers to have a near-term detrimental impact on their disposable incomes and living standards".

While consumers were equally split in terms of their income expectations for 2013, close to 90% expected jobs to continue to be scarce and hard to get. In addition, overall buying intentions remained at relatively low levels with only 14% expressing vehicle buying intentions; 9% house buying intentions; and 27% making vacation plans.

The good thing, while 52% of Jamaicans viewed the current economic conditions as horrible, many consumers seem to believe that the economy may have bottomed-out with slightly fewer people (44% compared to 46% in the previous quarter) expecting the economy to worsen, while 20% expected the economy to improve next year.

Tax Reform - The Power to Transform or Wreck our Economy - Excerpts fr. Article By Christopher Zacca - President of the PSOJ

I believe that the long-term failure to grow Jamaica's economy is the single greatest reason for most, if not all, the ills we suffer from, including crime, poor education, a deterioration of institutional capacity, increased poverty, and an extremely worrisome widening of the gap between the rich and the poor.

By now, most of us should be aware that the absolutely essential fiscal consolidation central to an IMF agreement is, by itself, countercyclical to economic growth. The key to growing our economy will be to replace reduced Government spending with greater private investment.

Clearly, to achieve growth we have to transform our stifling bureaucracy into a business-friendly one, fix our crippling high cost of energy, and strengthen the rule of law. But what else?

Growth in a time of IMF austerity cannot rely on the local market which, in the short run, will have less money to spend. Growth should focus on exporting goods and selling services to markets overseas. In doing this, Jamaica needs to focus on its strengths, on areas where we may have a competitive advantage. The areas of manufacturing to include agriculture and agro-processing, tourism, Information and Communication Technology (ICT) and business process outsourcing, international financial services, and logistics, come to mind.

One way of encouraging exports of goods and services is through tax and incentive reform. (Cont'd on P. 10)

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Net International Reserves (NIR)

During June 2013, Net International Reserves increased by US\$14.36 million to US\$1,003.2 million compared to US\$988.7 million at the end of May 2013. The NIR was boosted in June 2013 by two open market operations by the Bank of Jamaica which garnered some US\$20.6 million from investors. Another two open market operations to mop-up J\$ liquidity reduced pressure on the NIR. Year over year (June 2012 to June 2013), the NIR is down by -US\$537.2 million; while for the first six months of 2013, the NIR is down by -US\$122.36 million.

At the end of June 2013, gross reserves were adequate to finance 13.3 weeks of “goods and services” imports, (17.6 weeks of ‘goods’ imports) slightly above the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

At the end of April 2013, foreign currency deposits (FCD's) in the local financial system stood at US\$2.54 billion—an increase of US\$9.56 million or 0.38% over the previous month. Year over year, FCD's are up US\$122.18 million. During 2012, FCD's were fairly steady and even increased by US\$180 million or 7.5% despite the bleeding of NIR. This moderate build-up in FCD's was likely due to the tendency to hold hard currency in times of uncertainty.

Foreign Exchange Rate

US DOLLAR: During June 2013, the Jamaican dollar depreciated by an additional J\$2.03 to J\$101.38 compared to J\$99.45 at the end of May 2013. Indeed, on June 7th, 2013, the J\$/USD exchange rate finally broke through strong resistance at the J\$100 to US\$1.00 level and dipped as low as J\$101.60 during June 2013. If before May 2013, the J\$/USD rate was being driven by uncertainty over delay in the GOJ concluding a new IMF Agreement, the current depreciation likely reflects the market's vote on the long-standing severe structural imbalance of imports over exports in the Jamaican economy. For the first six months of

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Jun-13	1,003.22	14.36	-537.20	-122.36	17.63
Jun-12	1,540.42	-178.33	-726.71	-426.59	20.92

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

	US\$000 Apr '13	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,901,799	-8,459	90,281	-0.44	4.98
Building Societies	572,100	7,722	12,745	1.35	2.28
Merchant Banks	62,442	10,296	19,156	16.49	44.25
Total Deposits	2,536,341	9,559	122,182	0.38	5.06

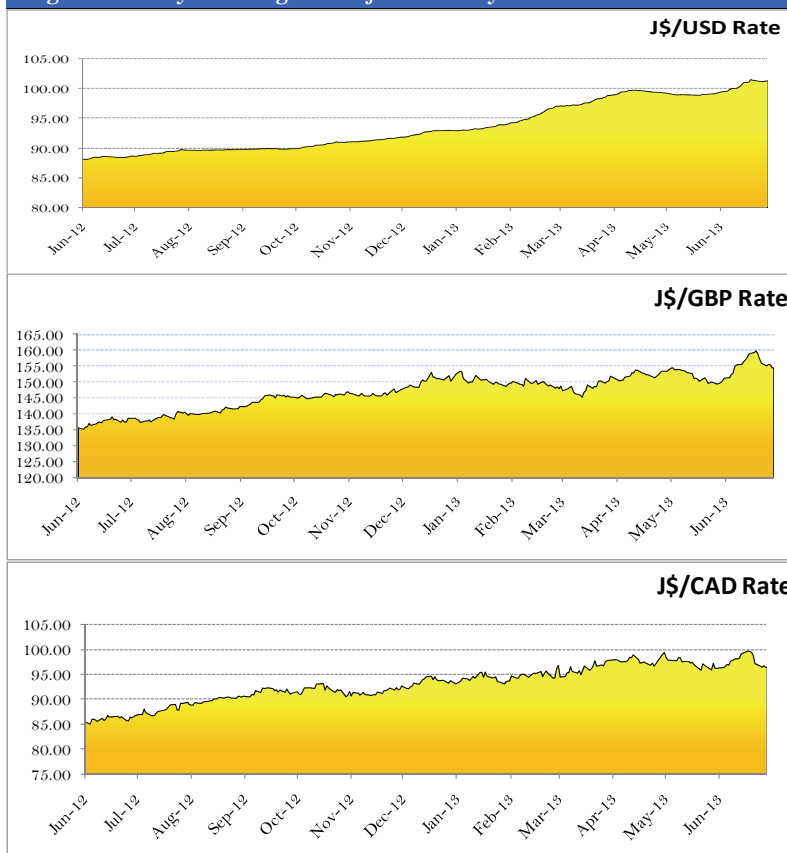
Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2012—6/28/13 *)					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2013	-8.40	-9.03	-1.84	-1.20	-3.39	-3.64
2012	-2.10	-2.42	-4.22	-3.14	-2.51	-2.98
2011	-0.05	-0.06	-4.03	-3.01	-3.27	-3.83
	MOM Jun - 2012					
Actual Rate	101.38	2.04	154.48	0.30	96.70	-2.92
Mth Change	2.03	2.04	0.46	0.30	-2.91	-2.92

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

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

2013, the J\$ is down J\$8.40 or -9.08% against the USD.

POUND & CANADIAN DOLLAR:

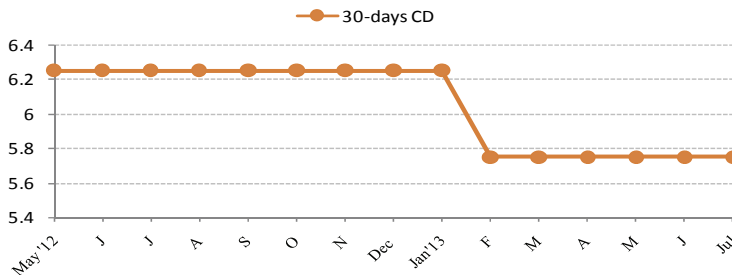
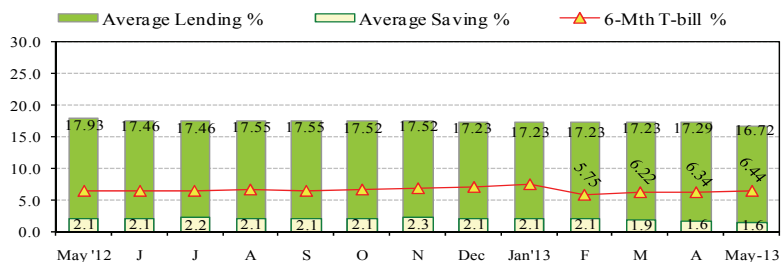
In the 'relief rally' in May 2013 following the new GOJ/IMF Agreement, the J\$ appreciated by -J\$2.73 or 1.77% against the GBP to J\$151.29 from J\$154.02 in April 2013. Against the CAD, the J\$ also appreciated by J\$3.13 or 3.14% in May 2013 to sell for J\$96.48 compared to J\$99.60 in April 2013. As Jamaica's external imbalance started to weigh on sentiment during June 2013, the J\$ gave up the gains of May 2013, dropping to historic lows of J\$159.85 against GBP and to J\$99.94 against the CAD. Towards the end of June, the J\$ recovered some ground against GBP and CAD closing at J\$154.48 and J\$96.70 respectively. It is clear however, that the J\$ remains under extreme pressure against GBP, CAD and USD and key questions are whether J\$100:US\$1.00 is now a new support base, and if so, how much lower will the J\$/USD exchange rate depreciate.

Interest Rates

Over the past three months, (since May to July 2013), the Bank of Jamaica has engaged in a flurry of open market operations issuing ten certificates of deposits to mop-up Jamaican dollar liquidity to reduce pressure on the Jamaican dollar exchange rate and/or to support the net international reserves. The most noteworthy thing about these issuances is that a few of them are in the mid-range of maturities, that is, longer than 6 months.

To recall, in February 2010, soon after the JDX was announced, the Bank of Jamaica advised that to allow Jamaican interest rates to recalibrate at lower levels, after decades of double-digit interest rates, both the GOJ and the BOJ would seek to raise funds mainly by tapping the short-end of the market. For the past two years, the BOJ has issued only 30-days CD's while the longest maturity issued by the GOJ was the 6-month treasury bill with an occasional longer maturity instrument. Now, driven by the necessity of stabilizing the

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	May-13	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	5.75%	0.00%	-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**	7.37%	0.60%	-7.63%	-7.63%
365-days CD**	7.35%	0.50%	-9.35%	-16.65%
Avg Savings Rate	1.55%	-0.04%	-0.55%	-0.52%
Avg Loan Rate	16.72%	-0.57%	-1.21%	-0.51%
6-Month T-Bill	6.44%	0.10%	0.05%	-0.02%

Source: Bank of Jamaica (BOJ Preliminary) * Not issued since Dec.2009; **Reissued in Q2 2013

J\$, the BOJ has moved to test the market's readiness to support lower, more sustainable interest rates, by tapping the mid-range of the market. Among the issues:

- May 2013**
18-month CD initial coupon of 6.93%
276-day CD initial coupon of 6.88%
- June 2013**
183 day CD variable rate @ 6.77%
365 day CD variable rate @6.85%
365 day USD indexed bond at 4.0%
- July 2013**
365 day variable rate CD @ 7.35%
18 month variable rate CD@ 7.37%
336 day fixed rate CD @ 7.35%

Interestingly, as rates on the 365 day held steady, the BOJ offer evolved from variable to fixed rate.

In other noteworthy interest rate movements in June 2013, the average saving rate and average loan rates fell to multi-decades low of 1.55% and 16.72% respectively.

Base Money & Money Supply

During May 2013, M1 declined by 1.53% to J\$136,136.2 million as a J\$3.4 million decrease in demand



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deposits exceeded a smaller J\$1.4 million increase in currency with the public. Quasi money for its part increased by J\$264,061.5 million as a J\$1.0 million increase in time deposits was exceeded by an J\$8.4 million in savings deposits. Given that the increase in Quasi money exceeded the decline in M1 components, M2 - the broadest measure of money supply - increased by 1.36% to J\$400,197.8 million during May 2013.

In May 2013, the monetary base contracted by -0.32% to J\$90,221.9 million, possibly reflecting BOJ efforts to mop-up excess Jamaican dollar liquidity to reduce pressure on the exchange rate and the net international reserve.

Inflation

The rate of inflation increased by about 0.2% in June 2013. This is the lowest rate of inflation since the start of the year. The overall rate of inflation, seems unusually low considering that there were significant increases in some of the most heavily weighted divisions in the Consumer Price Index.

The highest increase of 2.0% was recorded in the second most heavily weighted division **"Health"**. This resulted from higher prices for out-patient services and laboratory fees and for 'Medical Products, Appliances and Equipment'. Three divisions recorded increases of 0.7% including the first and third most heavily weighted divisions - **"Food and Non-Alcoholic Beverages"**, and **"Miscellaneous Goods and Services"**. **"Alcoholic Beverages and Tobacco"** also rose by 0.7%

The rise in 'Food and Non-Alcoholic Beverages' was due to significant contributions from a number of classes within the 'Food' Group. 'Fruit' increased by 2.2%; 'Milk, Cheese and Eggs' and 'Oil and Fats' - both increased by 1.1%; and 'Vegetables and Starchy Foods' rose by 1.0%. The Non-Alcoholic Beverages Group, rose by 0.8% as the two classes within the group 'Mineral Water, Soft

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	May-13	Mthly	12 Mth
M1	136,136.23	-1.53	18.36
Quasi Money	264,061.54	2.92	11.24
M2	400,197.77	1.36	13.56
	Jun '13	Mthly	12 Mth
Base Money	90,221.88	-0.32	6.98

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Jun	12-Mth	YTD	Fiscal
2013	0.15	8.76	3.15	1.11
2012	0.55	6.67	2.74	1.66

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

Table 7: Mining Production

	000 tonnes			YTD	
	May-13	May-12	%	May-13	13/12 %
Production					
Alumina	171.3	148.1	15.6	741.5	-4.32
C. Bauxite	359.4	436.7	-17.7	1,973.3	1.73
Export					
Alumina	177.7	108.0	64.6	748.2	-1.82
C. Bauxite	373.2	419.6	-11.1	1,949.1	2.56

Source: Jamaica Bauxite Institute (JBI)

Drinks and Fruit Juices' and 'Coffee, Tea and Cocoa' increased by 0.9% and 0.6% respectively.

Higher prices for 'Jewelry, Clocks and Watches' and for personal care items drove the increase in **"Miscellaneous Goods and Services"** while **"Alcoholic Beverages and Tobacco"** rose by 0.7% reflecting higher prices for 'Wines and Spirits'.

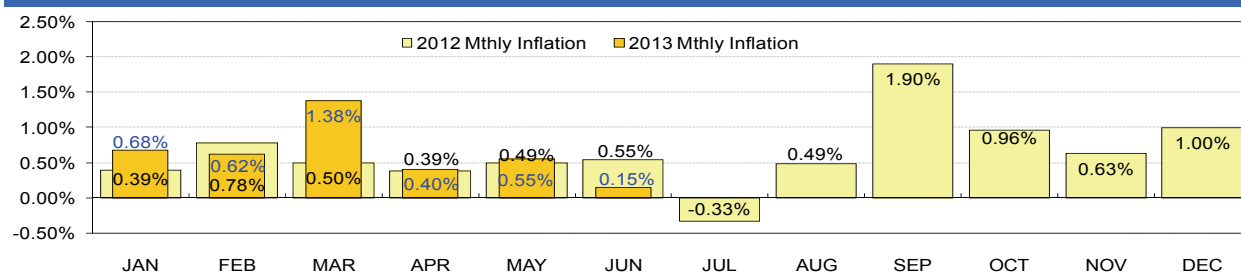
"Furnishings, Household Equipment and Routine Household Maintenance" rose by 0.5%, while **"Recreation and Culture"** and **"Clothing and Footwear"** both increased, by 0.4%. For the second consecutive month **"Restaurants and Accommodation Services"** in-

creased by 0.3%. Despite higher oil prices and air fares **"Transport"** increased by only 0.2% while **"Education"** and **"Communication"** were flat (0.0%) on the month.

"Housing, Water, Electricity, Gas and Other Fuels" recorded the only decline - a substantial -2.5% drop due to lower prices for items within the groups 'Electricity, Gas and Other Fuels and for 'Water Supply and Miscellaneous Services Related to Dwelling'.

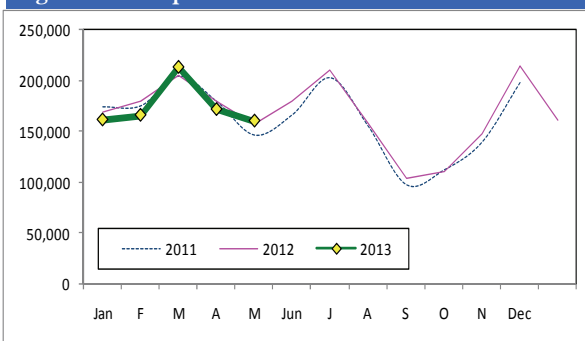
For January to June 2013, the rate of inflation was 3.9%. The fiscal year to date rate was 1.1% and the point to point rate was 8.8%.

Figure 3: Monthly Inflation Changes



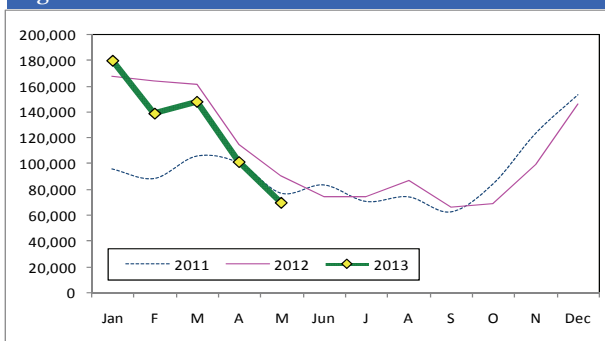
Source: STATIN and PSOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Bauxite & Alumina

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 five months of 2013, alumina production is down -4.32% to 741,528 tons compared to 774,986 tons in 2012; while production of crude bauxite is up by 1.73% to 1,973,258 tons compared to 1,939,719 tons during the corresponding five months of 2012.

Tourism

Stopover arrivals in May 2013 was 160,785 - an increase of 2.3% compared to the 157,233 stopovers recorded in May 2012. However, the number of cruise passengers declined by -23.3% in May 2013 to 69,607 visitors, compared to 90,704 recorded in May 2012.

Regionally, stopovers from the US declined by -1.0% in May 2013 with a total of 109,298 arrivals compared to 110,270 in May 2012. For Jan-May 2013, stopovers from the US is down -0.3% with 523,076 visitors compared to 524,733 during Jan-May 2012. From the Canadian market, stopovers increased by 9.0% during May 2013 (the first increase in four months after a blockbuster 2012) with 24,208 arrivals compared to 22,217 in May 2012. Year to date, the number of visitors from Canada is down -8.9% to 213,197 compared to 234,142 in Jan-May 2012.

Visitors from Europe, including the UK, increased by 6.8% in May 2013 to 18,504 visitors compared to 17,319 arrivals in May 2012. This is the third consecutive

Tourist Arrivals

	2012	2013	%Change	
	YTD (JAN-MAY)	YOY	YOY	MOM
Stopover	892,415	872,989	-2.2%	-6.3%
Foreign	837,558	820,484	-2.0%	6.5%
Non-Resident	54,857	52,505	-4.3%	-2.9%
Cruise	700,005	637,679	-8.9%	-31.3%
Total Arrivals	1,592,420	1,510,668	-5.1%	18.4%

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

monthly increase after many months of decline dating from Q1 2012. For Jan-May 2013, visitors from Europe are up 0.9% to 96,997 compared to 96,137 during the corresponding period of 2012.

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 five months of 2013, stopovers from the Caribbean are down by -3.2% to 22,473 visitors compared to 23,219 visitors during Jan-May 2012. On the other hand, stopovers from Latin America are up strongly by 27.4% in Jan-May 2013 to 11,994 compared to 9,415 in Jan-May 2012, extending their strong 50.9% increase 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. This reflected the impact of the opening of the Falmouth Port. For the first five months of 2013 however, cruise arrivals are down -8.9% to 637,679 visitors compared to 700,005 in Jan-May 2012.

Total Visitors to Jamaica during Jan-May 2013 were 1,510,668 - a -5.1% decrease compared to 1,592,420 visi-

tors during Jan-May 2012.

External Trade

During Jan-Mar 2013, Jamaica's exports increased by US\$16.14 million or 3.7% to US\$450.7 million relative to US\$434.6 million during Jan-Mar 2012. Imports for the period increased by US\$81.05 million or 5.0% to US\$1.70 billion compared to US\$1.62 billion in Jan-Mar 2012. Given the faster growth of imports over exports, the traditional negative imbalance in Jamaica's merchandise trade worsened in Jan-Mar 2013 by -US\$64.9 million or -5.5% to (US\$1.25 billion) compared to (US\$1.19 billion) in Jan-Mar 2012.

Traditional Exports: During Jan-Mar 2013, traditional domestic exports earned US\$212.97 million, a decrease of -US\$21.84 million or 9.3% relative to the US\$234.8 million earned during Jan-Mar 2012. The share of traditional exports in total domestic exports also decreased to 47.3% in Jan-Mar 2013 from 54.0% during Jan-Mar 2012.

The decreased earnings from traditional exports were mainly due to a -60.4% fall in 'Manufacturing' exports to US\$28.34 million compared to US\$71.58 million in Jan-Mar 2012.

This largely reflected decreased earnings from sugar exports during Jan-Mar 2013 which declined by -68.0% to US\$16.8 million compared to US\$56.2 million in Jan-Mar 2012. A -20.1% decline in Rum exports to -US\$10.8 million relative to US\$13.5 million, as well as a 10.4% decline in 'Other' exports to US\$3.4 million in Jan-Mar 2012 also contributed to the decline in manufacturing and traditional exports during Q1 2013.

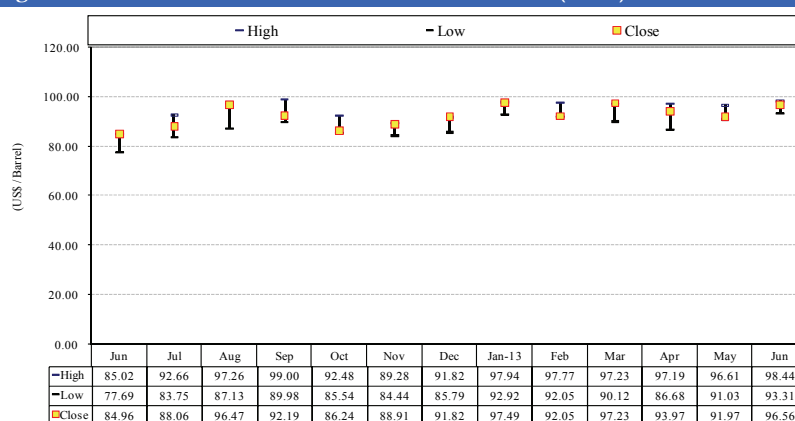
On the positive side, 'Mining and Quarrying' grew by US\$18.3 million or 11.5% to US\$177.60 million relative to US\$159.3 million in Jan-Mar 2012; while 'Agriculture' grew by US\$3.10 million or 79.1% to US\$7.01 million compared to US\$3.9 million in Q1 2012. The former mainly reflected a US\$16.0 million increase in alumina exports to US\$144.0 million; while a 123% increase in Coffee exports to US\$4.37 million from US\$1.96 million largely accounted for the increase in Agriculture exports.

Non-traditional exports grew by 22.8% in 2012 to US\$828.4 million, relative to US\$674.7 million in 2011. During the first quarter of 2013, non-traditional exports continued their strong expansion growing by 18.0% to US\$169.8 million compared to US\$187.6 million during Jan-Mar 2012. Two of four categories of non-traditional exports increased and two declined.

The two categories recording increases were "**Food**" - up 6.1% to US\$37.9 million compared to US\$35.73 million in Q1 2012 as twelve of seventeen groups recorded increases and five declined. "**Other**" non-traditional exports, generally, the largest category of non-traditional exports, also increased by 34.4% to US\$169.6 million in Jan-Mar 2013 compared to US\$126.2 million to Jan-Mar 2012. This was largely due to a seven-fold (69.5%) increase in 'Chemicals (incl. Ethanol)' to US\$68.62 million from US\$8.63 million in Jan-Mar 2012.

The two categories of non-traditional exports declining were "**Beverages & Tobacco (excl. Rum)**" down -25.1% to US\$48.25 million from US\$64.45 million; and "**Crude Materials**" which declined by -24.4% to J\$6.56 million from US\$8.67 million in Q1 2012. The decline in the former was mainly due to a -63.6% reduction in exports of 'Alcoholic Beverages (excl. Rum)' to US\$5.38 million from US\$14.77 mil-

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-Mar '12	Jan-Mar '13	Change	% Change
TOTAL EXPORTS (fob)	434.59	450.72	16.14	3.7%
Major Traditional Exports	234.81	212.97	-21.84	-9.3%
<i>by Sector:-</i>				
Agriculture	3.92	7.01	3.10	79.1%
Mining & Quarrying	159.32	177.62	18.30	11.5%
Manufacturing	71.58	28.34	-43.24	-60.4%
<i>by Industry:-</i>				
Bauxite	31.27	33.59	2.31	7.4%
Alumina	128.05	144.04	15.99	12.5%
Sugar	56.22	16.81	-39.41	-68.0%
Rum	13.51	10.79	-2.72	-20.1%
Bananas	0.04	-	-0.04	0.0%
Coffee	1.96	4.37	2.41	123.0%
Other	3.77	3.38	-0.39	-10.4%
Non-Traditional Exports	187.60	221.33	33.73	18.0%
Re-exports	12.17	16.42	4.25	34.9%
TOTAL IMPORTS	1,623.42	1,704.47	81.05	5.0%
Food	237.60	276.13	38.53	16.2%
Beverages & Tobacco	18.40	20.03	1.64	8.9%
Crude Materials (excl. Fuels)	10.85	14.33	3.47	32.0%
Mineral Fuels, etcetera	706.33	565.77	-140.56	-19.9%
Animal & Vegetable Oils & Fats	14.91	15.44	0.52	3.5%
Chemicals	144.43	328.97	184.54	127.8%
Manufactured Goods	149.23	135.09	-14.14	-9.5%
Machinery and Transport Equip.	223.55	221.67	-1.88	-0.8%
Misc. Manufactured Articles	98.77	99.29	0.52	0.5%
Other	19.35	27.76	8.40	43.4%
TRADE BALANCE	(1,188.83)	(1,253.75)	-64.92	5.5%

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

lion in Jan-Mar 2012; as well as a 15.7% decline in Non-Alcoholic Beverages to US\$1.89 million compared to US\$2.24 million in Q1 2012. The decline in "**Crude Materials**", continued their 24 month decline, because though the GOJ has permitted the resumption of exports of scrap metals, the stricter regime to prevent pilferage appears to be constraining supply.

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 2012 to only 2.4% due to the tightening grip of recession in the local economy with imports expanding by US\$155.5 million to US\$6.59. During the first three months of

2013, imports grew by 5.0% to US\$1.704 billion compared to US\$1.623 billion in Q1 2012.

Two categories of imports recorded increases and two declined. Imports of **Consumer Goods** rose by 8.2% to US\$419.16 million reflecting increased imports of 'Food' - up 11.7% to US\$195.6 million; 'Non-Durable Goods' - up 8.9% to US\$121.38 million; 'Semi-Durable Goods' up 1.8% to US\$29.56 million; and 'Durable Goods' - up 0.9% to US\$72.64 million. Imports of **Passenger Motors** rose 2.0% contributing US\$41.69 million to imports.

Also increasing, **'Raw Materials/Intermediate Goods'** - generally the largest category of imports, rose by 5.8% to US\$1.125 billion, due mainly to the 90.4% increase of imports of 'Industrial Supplies' to US\$399.4 million compared to US\$209.76 million in Q1 2012. Intermediate 'Food' imports increased by 11.9% to US\$92.3 million, while 'Parts and Accessories of Capital Goods' increased by 0.9% to US\$67.83 million. These increases were counter-balanced by declines of -16.5% in imports of 'Crude Oil' to US\$252.21 million relative to US\$302.17 million in Q1 2012 and a -21.9 decrease in 'Other Fuels and Lubricants' to US\$313.16 million compared to US\$401.15 million in Jan-Mar 2012.

The other main category of imports - **'Capital Goods (excl. Motor Cars)'** - also declined by 4.2% to US\$109.25 million during Q1 2013 from US\$114.04 million in Jan-Mar 2012. This largely reflected decreases in three categories of Capital Goods imports. 'Other Industrial Transport Equipment' fell by -14.5% to US\$16.97 million relative to US\$19.85 million in Q1 2012; 'Construction Materials' fell by -5.3% to US\$27.09 million compared to US\$28.6 million in Jan-Mar 2012, while imports of 'Machinery and Equipment' fell by -2.2% to US\$63.03 million relative to US\$64.7 million during Jan-Mar 2012. 'Other Capital Goods' however, rose 118.5% to US\$1.88 million.

Oil: At the end of June 2013, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$96.56 per 42 gallon barrel - an increase in price of US\$4.59 relative to the closing price of US\$91.97 the previous month. During June 2013 the price ranged between a high of US\$98.44 and a low of US\$93.31.

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)	(14,158.0)	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	222.6	269.4	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)	
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/dis. p.	-	-	-	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%

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 Manufactured 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 first two months (April to May) of fiscal year 2013/14, the Government of Jamaica ran a fiscal deficit of -J\$4.14 billion. This fiscal deficit was J\$2.31 billion or 35.8% better than the -J\$6.44 billion budgeted and J\$3.79 billion better than the deficit of -J\$8.46 billion recorded during April-May 2012. The improvement in the fiscal deficit largely resulted from a better-than-expected out-turn of J\$1.57 billion

Table 11: Fiscal Accounts (J\$ Million)

	Apr– May (Fiscal—2013/14)				Apr-May (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	56,170.7	54,603.7	1,567.0	2.87	5,634.2	11.3
Tax Revenue	52,457.7	51,153.3	1,304.4	2.55	4,894.2	10.3
Non-Tax Revenue	3,100.7	2,500.0	600.7	24.03	437.0	18.5
Bauxite Levy	199.9	218.2	-18.3	-8.39	-28.9	-12.6
Capital Revenue	104.3	121.6	-17.3	-14.23	42.9	69.9
Grants	308.0	610.6	-302.6	-49.56	288.9	1512.6
Expenditure	60,304.6	61,046.1	-741.5	-1.21	1,841.0	3.1
Recurrent Expenditure	54,652.1	55,010.6	-358.5	-0.65	-461.9	-0.8
Programmes	15,136.8	14,897.1	239.7	1.61	2,380.6	18.7
Wages & Salaries	27,681.7	28,336.2	-654.5	-2.31	-91.1	-0.3
Interest	11,833.7	11,777.2	56.5	0.48	-2,751.3	-18.9
Domestic	5,923.5	7,003.2	-1,079.7	-15.42	-4,464.1	-43.0
External	5,910.2	4,774.0	1,136.2	23.80	1,712.9	40.8
Capital Expenditure	5,652.5	6,035.5	-383.0	-6.35	2,302.9	68.8
Capital Programmes	5,652.5	6,035.5	-383.0	-6.35	2,302.9	68.8
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-4,133.9	-6,442.4	2,308.5	35.83	3,793.3	44.8
Loan Receipts	12,078.6	12,758.3	-679.7	-5.33	-12,217.1	-50.3
Domestic	2,376.8	2,376.9	-0.1	0.00	-21,010.5	-89.8
External	9,701.9	10,381.4	-679.5	-6.55	8,793.4	967.9
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	0.0
Amortization	6,838.3	6,940.8	-102.5	-1.48	-1,413.1	-20.6
Domestic	2,454.8	2,527.9	-73.1	-2.89	-222.2	-8.8
External	4,383.5	4,412.9	-29.4	-0.67	-1,190.9	-27.6
Overall Balance (Surplus [+ve])	1,106.4	-625.0	1,731.4	277.02	-8,417.3	-93.7
Primary Balance (Surplus [+ve])	7,699.8	5,334.8	2,365.0	44.33	1,041.9	17.0

Source: Ministry of Finance and Planning

(2.9%) in Revenues and Grants reinforced by Expenditure curtailments of J\$741.5 million.

REVENUE: Total Revenues & Grants to the GOJ during April-May 2013 was J\$56.17 billion. This was J\$1.57 million or 2.9% more than the J\$54.6 billion budgeted and it was J\$5.63 billion or 11.3% greater than Revenues and Grants collected during April-May 2012. This improvement was largely due to J\$1.3 billion increase in Tax Revenue and J\$600.7 million in Non-Tax Revenue.

Of 25 revenue heads, fourteen (14) came in above target during the first two months of FY2013/14. The main outperformers were: 'SCT' - up J\$1,672.3 million; 'Travel Tax' - up J\$1,067.7 million; 'Tax on Interest' - up J\$794.0 million; and 'Non-Tax Revenue' - up J\$600.7 million. 'Other Companies Taxes' also came in J\$468.1 million above budget.

Among the main underperformers on the revenue account were: 'SCT (Imports)' -

down -J\$1,435.7 million below budget; 'PAYE' - down-J\$726.5 million; and 'Tax on Dividends' - down -J\$338.6 million. 'Education Tax' - down -J\$338.6 million and 'Custom Duty' - down -J\$323.6 million also underperformed.

EXPENDITURE: During April-May 2013, total expenditure was J\$60.3 billion. This was -J\$741.5 million or -1.21% less than the J\$61.05 billion budgeted, but was J\$1.84 billion or 3.1% more than expenditure during April-May 2012.

Continuing the strict expenditure controls of recent years, during the first two months of fiscal year 2013/14, the GOJ achieved significant savings from already tight budgetary allocations. Not unexpectedly, the largest savings of J\$1,079.7 million (15.4% below budget) were recorded on domestic interest payments reflecting the impact of the

National Debt Exchange. External interest payments however, exceeded budget by J\$1,136.2 million as the lumpy repayment of certain external loans came due.

Budgetary savings of -J\$654.5 million were also achieved on 'Wages and Salaries' with J\$27.68 billion spent relative to J\$28.34 billion budgeted; while savings of -J\$383.0 million were realized on Capital Programmes with expenditures of J\$5.65 billion compared to J\$6.035 billion budgeted. Recurrent Programmes however, were overspent by J\$239.7 million or 1.6% with J\$15.14 billion spent relative to J\$14.90 billion budgeted.

FISCAL OUTTURN

The fiscal deficit for FY2012/13 (Apr 2012 to Mar 2013) was -J\$52.97 billion. For FY2013/14, the GOJ is projecting a fiscal deficit of -J\$8.045 billion or 0.5% of GDP. Projections

are that the deficit will average about – J\$2.5 billion monthly during the first half of 2013/14. The –J\$2.06 billion average monthly deficit for April-May 2013 of is therefore in line with expectations.

The Primary Surplus - a measure of the country's ability to service its debt from revenues, was J\$72.34 billion in 2012/13 or about 6% of GDP. For FY2013/14, the GOJ is projecting a primary surplus of J\$111.52 billion or about 9.5% of GDP. For April-May 2013, the primary balance was J\$7.7 billion which was J\$2.37 billion greater than the J\$5.33 billion budgeted and J\$1.04 billion more than the J\$6.12 billion recorded during April-May 2012.

PUBLIC DEBT

At the end of May 2013 the total public debt stood at J\$1.832 trillion - an increase of J\$64.56 billion over the J\$1,768.01trillion recorded at the start of 2013. For the first five months of 2013 the domestic debt has increased by J\$14.8 billion to J\$1.010 trillion or 56.2% of the total, while the external debt has increased by US\$15.44 million to US\$8.25 billion.

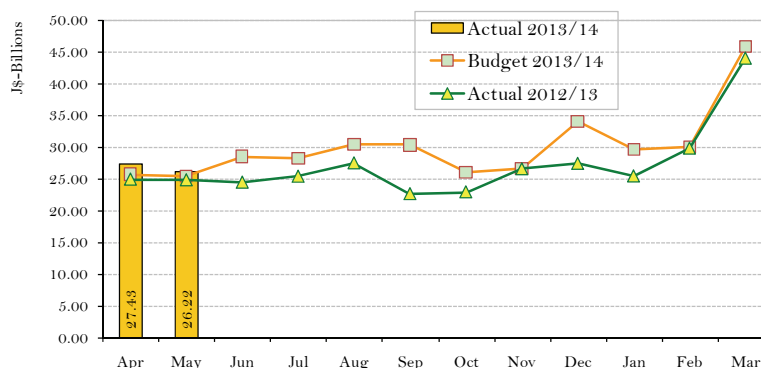
Stock Market

During June 2013, market capitalization decreased by J\$2.9 billion or 0.53% to close at J\$547.90 billion. Five of six indices on the Jamaican Stock Exchange declined and one advanced. The main **JSE Market Index** declined by 724 points or 0.83% to close at 86,854 points. The **JSE Combined Index** declined by 472 points or 0.53% to close at 89,252 points. The **JSE All Jamaican Composite Index** declined by 400 points or (0.45%) to close at 88,043 points and the **JSE Select Index** declined by 8.2 points or (0.34%) to close at 2,434 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, declined by 10.8 points or 1.33% to close at 799.5 points. The **Junior Market Index** was the only advancer in June 2013 advancing by 41.4 points or 5.4%, to close at 801 points.

Market volume was quite high in June 2013 with 233.95 million units valued at J\$1.43 billion changing hands compared to 123.051 million units valued at J\$796.7 million in May 2013.

Overall market activity resulted from trading in 48 stocks of which 28 advanced, 16 declined and 4 traded firm.

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



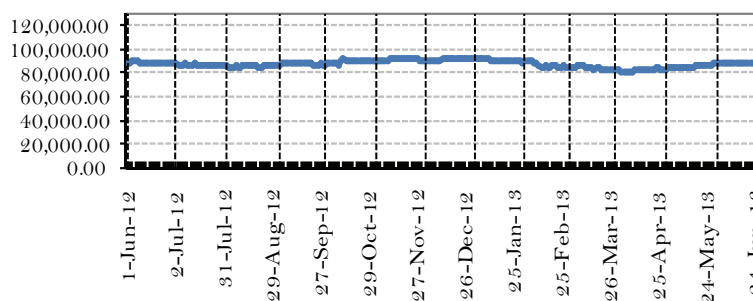
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-May 2013
Revenue Surpluses	
SCT	1,672.3
Travel Tax	1,067.7
Tax on Interest	794.0
Non-Tax Revenue	600.7
Other Companies	468.1
Revenue Shortfalls	
SCT (Imports)	-1,435.7
PAYE	-726.5
Tax on Dividend	-382.5
Education Tax	-338.6
Custom Duty	-323.6
Expenditure Changes	
Domestic Interest	-1,079.7
External Interest	1,136.2
Capital Programmes	-383.0
Wages and Salaries	-654.5
Recurrent Programmes	239.7

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSOJ

Supreme Ventures with 71.157 million units or 30.4% of market volume was the volume leader; followed by LIME with 45.98 million units or 19.7% of market

volume; while Jamaica Money Market Brokers Ltd. was third with 20.7 million units or 8.9% of market volume.

The leading advancers in April 2013 were: Pulse Investments; Palace Amusements Co. Ltd; Kingston Wharves; Carreras Ltd and GraceKennedy Ltd. The leading decliners were: Radio Jamaica Ltd; Caribbean Cement Co; Sagicor Investments Jamaica Ltd; National Commercial Bank Ltd and Sagicor Life Ja.

Economic Highlights

contd. from page 1.)

Jamaica's tax system fails in many of these areas. It is estimated that as much as 40 per cent of our economy operates informally, thus leaving the paying of taxes to a small percentage of registered companies and PAYE workers. Currently, Jamaica is among the worst tax jurisdictions in the world, and is ranked 163rd of 185 countries in the Doing Business Report, in terms of ease of paying taxes. It is based on these reasons why the PSOJ has consistently advocated tax reform. This is absolutely critical in order for us to create a facilitative business environment, and for the

ous damage on our already fragile economy.

There is currently a mechanism for consultation with the private sector termed the Incentives Working Group, which is a joint public/private sector committee. But time is short, as the IMF deadline for this new law is extremely tight, and I have some concerns about the thinking of the multilaterals and indeed some of our Government officials on the subject.

Some of these local and international advisors believe that incentives create a huge drain on tax revenue and that businesses benefit the most from these exceptions to the normal tax rates. The PSOJ was recently given a detailed breakdown of these "tax expenditures" which measure the theoretical cost of statutory reduced rates, incentives, and discretionary waivers, for the last seven years, listed by category. We did a detailed analysis of this document and what we found was quite surprising.

Yes, the amounts of these so-called "tax expenditures" are significant amounting to \$69 billion or nearly 6% of GDP in 2011. But when a detailed analysis is done one sees huge sums relating to a number of less obvious and interesting

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

	2013 Jan 2	2013 Jun 28	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Ciboney Group	0.03	0.08	0.05	166.6%
Pulse Investments	1.00	1.60	0.60	60.00%
Kingston Wharves	5.00	8.00	3.00	60.00%
Palace Amusement	60.00	95.00	35.00	58.33%
GraceKennedy Ltd	50.01	60.00	9.99	19.98%
Bottom Five (unadjusted for dividends or transact. Costs)				
Radio Jamaica	1.99	1.30	(0.69)	-34.67%
Sagicor Investments Ja	22.14	17.00	(5.14)	-23.22%
Gleaner Company	1.40	1.16	(0.24)	-17.14%
National Comm. Bank	23.92	20.11	(3.81)	-15.93%
Sagicor Life Jamaica	10.11	8.55	(1.56)	-15.43%

Source: Compiled from the JSE

country to be internationally competitive and attract investments. The IMF agrees with us. In fact, several key structural benchmarks in the IMF agreement requires us to move to complete tax and incentive reform during the next nine months. The most imminent is the requirement for a new Omnibus Incentives Act (OIA) to be tabled

in Parliament by September this year. The OIA will replace all existing incentive laws on the books including those relating to the bauxite industry, the free zones, export encouragement, tourism etc, and could have either a far-reaching and transformative impact on our economic development or, if poorly structured, could inflict seri-

categories: A few examples for 2011:

- Basic food exemptions \$8 billion
- Public transportation and bus incentives \$3.3 billion
- Charities waivers \$3.5 billion
- Health care supplies exemptions \$1.6 billion
- Residential rent GCT exemptions \$1.7 billion
- Water supply GCT exemption \$1 billion

In fact, after taking out education, charities, health, government, petroleum, public transportation, residential rent, water, financial services, etc and then further stripping out incentives for bauxite/alumina, our analysis has shown that general business-specific tax reductions and incentives total a little over one per cent of GDP for 2011, split almost equally between tourism and manufacturing.

PSOJ Recommendations

So what does the PSOJ recommend as the basis of a new Omnibus Incentives Act?

1. On the input side, we believe that there should be no taxes on inputs to productive enterprises that have the potential to sell goods and services to the inter-

national market. These would include, but are not limited to, manufacturing, tourism, ICT, and logistics.

2. On the output side, we recommend reduction of the corporate income tax rate to an extremely competitive level internationally, (about 15%) for any productive entity that actively performs in the real economy.

With these two relatively simple reforms we could eliminate a host of complex distortionary incentives and create a globally competitive economic environment for investment in Jamaica.

If Jamaica can finally implement effective tax and incentive reform, then I am confident that this will be a big boost for competitiveness, for economic growth and for jobs. But it definitely requires a culture shift and new way of thinking about overall tax policy.

INFLATION (JUN - 2013) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.15%	0.150		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.68%	0.254	1	
Food	0.67%			
Bread and Cereals	0.58%			
Meat	0.37%			
Fish and Seafood	0.19%			
Milk, Cheese and eggs	1.14%			
Oils and Fats	1.05%			
Fruit	2.18%			
Vegetables and Starchy Foods	1.03%			
Vegetables	0.84%			
Starchy Foods	1.73%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.20%			
Food Products n.e.c.	0.66%			
Non-Alcoholic Beverages	0.79%			
Coffee, tea and Cocoa	0.59%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.86%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.69%	0.010	9	
CLOTHING AND FOOTWEAR	0.35%	0.012	8	
Clothing	0.46%			
Footwear	0.23%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	-2.48%	-0.316	12	
Rentals for Housing	0.10%			
Maint and Repair of Dwelling	1.18%			
Water Supply and Misc. Serv Related to the Dwelling	-0.13%			
Electricity, Gas and Other Fuels and Routine	-4.54%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.41%	0.020	6	
Furniture and Furnishings (including Floor Coverings)	0.47%			
Household Textiles	0.33%			
Household Appliances	0.56%			
Glassware, Tableware and Household Utensils	0.41%			
Tools and Equipment for House and Garden	1.34%			
Goods and Serv. for Routine Household Maint	0.42%			
HEALTH	2.07%	0.068	2	
Medical Products, Appliances and Equipment	1.24%			
Health Services	2.61%			
TRANSPORT	0.24%	0.030	4	
COMMUNICATION	0.00%	0.000	10	
RECREATION AND CULTURE	0.43%	0.014	7	
EDUCATION	0.00%	0.000	10	
RESTAURANTS AND ACCOMMODATION SERVICES	0.36%	0.022	5	
MISCELLANEOUS GOODS AND SERVICES	0.70%	0.059	3	

INFLATION YTD (JAN –JUN 2013) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	3.84%	3.844		
FOOD AND NON-ALCOHOLIC BEVERAGES	4.62%	1.730	1	
Food	4.44%			
Bread and Cereals	4.69%			
Meat	4.27%			
Fish and Seafood	2.37%			
Milk, Cheese and eggs	7.23%			
Oils and Fats	7.05%			
Fruit	10.56%			
Vegetables and Starchy Foods	3.59%			
Vegetables	1.98%			
Starchy Foods	8.87%			
Sugar, Jam, Honey, Chocolate and Confectionery	3.63%			
Food Products n.e.c.	3.86%			
Non-Alcoholic Beverages	7.27%			
Coffee, tea and Cocoa	8.31%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	6.78%			
ALCOHOLIC BEVERAGES AND TOBACCO	7.08%	0.098	10	
CLOTHING AND FOOTWEAR	5.18%	0.172	7	
Clothing	5.87%			
Footwear	4.21%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	2.02%	0.257	4	
Rentals for Housing	0.72%			
Maint and Repair of Dwelling	10.91%			
Water Supply and Misc. Serv Related to the Dwelling	7.23%			
Electricity, Gas and Other Fuels and Routine	0.76%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	4.24%	0.209	6	
Furniture and Furnishings (including Floor Coverings)	4.46%			
Household Textiles	4.37%			
Household Appliances	5.46%			
Glassware, Tableware and Household Utensils	4.87%			
Tools and Equipment for House and Garden	5.15%			
Goods and Serv. for Routine Household Maint	3.97%			
HEALTH	4.31%	0.142	8	
Medical Products, Appliances and Equipment	3.89%			
Health Services	4.59%			
TRANSPORT	1.81%	0.232	5	
COMMUNICATION	0.14%	0.006	11	
RECREATION AND CULTURE	3.38%	0.114	9	
EDUCATION	0.00%	0.000	12	
RESTAURANTS AND ACCOMMODATION SERVICES	5.25%	0.325	3	
MISCELLANEOUS GOODS AND SERVICES	5.36%	0.448	2	

FISCAL ACCOUNTS (APR- 2013/14)

REV. & EXPEN. (APR-MAY '13/14)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	56,170.7		1,567.0		5,634.20	
Tax Revenue	52,457.7		1,304.4		4,894.20	
Non-Tax Revenue	3,100.7		600.7		437.00	
Bauxite Levy	199.9		-18.3		-28.90	
Capital Revenue	104.3		-17.3		42.90	
Grants	308.0		-302.6		288.90	
Expenditure	60,304.6		-741.5		1,841.00	
Recurrent Expenditure	54,652.1		-358.5		-461.90	
Programmes	15,136.8		239.7		2,380.60	
Wages & Salaries	27,681.7		-654.5		-91.10	
Interest	11,833.7		56.5		-2,751.30	
Domestic	5,923.5		-1,079.7		-4,464.10	
External	5,910.2		1,136.2		1,712.90	
Capital Expenditure	5,652.5		-383.0		2,302.90	
Capital Programmes	5,652.5		-383.0		2,302.90	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+ve])	-4,133.9		2,308.5		3,793.30	
Loan Receipts	12,078.6		-679.7		-12,217.10	
Domestic	2,376.8		-0.1		-21,010.50	
External	9,701.9		-679.5		8,793.40	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	6,838.3		-102.5		-1,413.10	
Domestic	2,454.8		-73.1		-222.20	
External	4,383.5		-29.4		-1,190.90	
Overall Balance (Surplus [+ve])	1,106.4		1,731.4		-8,417.30	
Primary Balance (Surplus [+ve])	7,699.8		2,365.0		1,041.90	

REV. & EXPEN. (APR-MAY '13/14)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	56,170.8		1,567.1		5,634.20	
Tax Revenue	52,457.8		1,304.5		4,894.20	
Income and profits	13,090.9		69.4		-420.40	
Bauxite/alumina	0.0		0.0		0.00	
Other companies	1,408.5		468.1		81.10	
PAYE	10,433.0		-726.5		362.00	
Tax on dividend	93.3		-382.5		-126.60	
Other individuals	426.2		-83.7		3.00	
Tax on interest	729.9		794.0		-739.80	
Environmental Levy	290.2		-32.5		-75.90	
Production and consumption	22,408.3		1,890.3		5,734.80	
SCT	3,199.1		1,672.3		1,212.40	
Motor vehicle licenses	673.1		318.7		372.90	
Other Licenses	72.7		-17.4		6.80	
Betting, gaming and lottery	409.6		-253.0		73.90	
Education Tax	2,824.1		161.9		353.40	
Contractors levy	187.0		-50.9		-13.90	
GCT (Local)	11,116.6		-167.9		1,131.90	
Stamp Duty (Local)	2,444.1		396.1		1,115.40	
International Trade	16,668.4		-622.9		-344.30	
Custom Duty	3,932.1		-323.6		270.20	
Stamp Duty	309.0		10.4		24.10	
Travel Tax	2,088.5		1,067.7		1,453.30	
GCT (Imports)	7,723.2		58.3		384.50	
SCT (Imports)	2,615.6		-1,435.7		-2,476.50	
Non-Tax Revenue	3,100.7		600.7		437.00	
Bauxite Levy	199.9		-18.3		-28.90	
Capital Revenue	104.3		-17.3		42.90	
Grants	308.0		-302.6		288.90	

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 '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	348,180.6	-1.6	1,874.65	2,379,213	0.8	7.9	3.1	87.06	6.57	18.48	2.10	875,211.40	8,605.4
Mar	83,696.6	-1.48	356,099	2.2	1,777.13	2,409,355	0.50	7.3	0.3	87.30	6.47	18.12	2.10	912,642.4	8,586.8
Apr	84,966.6	1.52	348,580	2.2	1,771.8	2,414,159	0.4	7.2	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	6.9	1.5	88.12	6.39	17.93	2.10	935,140.9	8,506.5
Jun	84,337.4	0.72	351,410.	-0.28	1,540.4	2,553,943	0.6	6.7	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	-33	5.5	3.6	89.69	6.52	17.46	2.24	973,858.5	8,226.2
Aug	86,275.1	-1.01	359,293.9	0.02	1,428.60	2,438,745	0.5	5.4	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	2,384,316	1.85	6.7	6.2	89.93	6.57	17.55	2.07	976,126.3	8,186.8
Oct	86,488.1	n/a	356,314.3	1.51	1,132.8	2,395,680	0.9	7.2	-1.1	91.09	6.69	17.52	2.07	981,077.7	8,154.5
Nov	87,775.2	1.49	361,573.3	1.48	1,078.2	2,386,212	0.63	7.4	-1.1	91.89	6.80	17.52	2.24	991,336.1	8,233.3
Dec	97,648.5	11.25	374,467.3	3.57	1,125.6	2,486,625	1.0	8.0	-2.8	92.98	7.18	17.28	2.1	995,239.9	8,255.5
Jan '13	88,567.80	-9.2	383,878.1	2.51	1,009.05	2,520,022	0.7	8.4	-4.7	94.14	7.47	17.23	2.1	994,053.4	8,221.6
Feb	88,381.3	-0.2	397,292.1	3.5	939.53	2,556,640	0.62	8.1	-8.1	97.11	5.75	17.23	2.1	1,000,841.6	8,192.5
Mar	91,294.5	3.30	396,423.0	-0.22	884.25	2,536,331	1.38	9.1	-3.9	98.89	6.22	17.29	1.94	1,008,348.7	8,133.4
Apr	89,614.0	-1.84	256,574.8	n/a	866.18	2,536,341	0.4	9.1	-4.9	99.35	6.34	17.29	1.55	1,009,466.3	8,194.0
May	91,294.45	3.30	264,061.5	1.36	988.86	n/a	0.5	9.2	2.3	99.45	6.44	16.72	1.51	1,010,031.4	8,271.0
Jun	90,221.88	-0.32	n/a	n/a	1,003.2	n/a	0.2	8.8	n/a	101.38	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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