



PSOJ MONTHLY ECONOMIC BULLETIN

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Economic Highlights

Business & Consumer Confidence Plunge in Q3 2013

The Jamaica Conference Board reported a sharp deterioration in Business and Consumer Confidence to some of the lowest levels in a decade during Jul-Sep 2013.

The Index of Business Confidence was 84.1, which was the second lowest level recorded, and compares to 101.4 in the Second Quarter (Q2) of 2013.

All components of the confidence index declined, but especially, how firms viewed the outlook for the economy.

The biggest problems cited by companies were high unemployment and the accelerated depreciation of the Jamaican dollar. These problems have weakened domestic demand and reduced revenues and profits.

Profits were at record low with 50% of all firms, the highest level ever recorded, reporting worse than expected profits. A moderate silver lining, a significant 38% expected profits to improve. (Cont'd P 10).

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	7
Stock Market	10
Economic Highlights (contd)	10
Appendix	11
Statistical Index	14
Key of Acronyms	15
Subscription Form	16

CEO's VIEWS

The economic indicators shows that Jamaica is at a cross roads, having now being in the middle of the IMF agreement. It is apparent from the indicators that the policy measures being undertaken are now having an impact on the economy.

Unemployment is at record 16 year highs, business and consumer confidence is at multi-year lows, interest rates have been climbing, the J\$ has been depreciating, and inflation is reflecting the declining value of the J\$.

At the same time we are seeing the government meeting the fiscal targets, under the IMF agreement, albeit as a result of under expenditure as we have also failed to meet the revenue targets to the end of August 2013.

What these numbers are saying to us is:

- The economy is contracting as a result of the government pulling back through fiscal expenditure restraint, and as is also evidenced by the revenue underperformance.
- The declining J\$, higher interest rates, and higher inflation is as a result of prices finding more realistic levels, given our balance of payments and fiscal accounts deficits. The fact is that these adjustments were also unavoidable given our historical economic inefficiencies.
- The lower confidence numbers implies that although Jamaicans are aware of the necessity of the fiscal adjustments, there is still little confidence in the future policy directions, given the consistent slide of the J\$, high crime rates, high energy vulnerability, and uncertainty surrounding the future.

All these no doubt will manifest itself in

higher unemployment, and labour productivity remains relatively low.

The economy is therefore now at a very fragile place, where the fiscal adjustments are headed in the right direction but all the economic indicators seem to be worsening.

This of course is understandable, as our labour remains highly unskilled and uncompetitive, and bureaucracy is a significant problem for SMEs. The irony is that game changing growth will only come from the SMEs, including reduced unemployment.

At the same time that this is happening there is a definite move by large and small businesses to focus on exports, but at the same time, the inefficient bureaucracy and regulations makes it difficult for our businesses to access the export market.

This is the crossroads that Jamaica finds itself at.

This situation can be resolved, however, if the government adopts policy initiatives that bring greater efficiency to markets and greater confidence to business and consumers. To do so government policy must be aimed at reducing bureaucracy, improving energy costs, improving law and order, and promoting a competitive tax environment.

These are of course the focus areas of the PSOJ and what we have been pushing advocacy around, as seen in our public comments and seminars. The PSJ has also forged partnerships with other civil society groups to promote a focus on changing these main areas preventing the enabling environment for growth. Failure to do so would result in the wrong path from the crossroads.



Net International Reserves (NIR)

During September 2013, Net International Reserves increased by US\$28.54 million to US\$910.14 million compared to US\$881.6 million at the end of August 2013. The small bump up in NIR in September 2013 was largely due to an increase in 'currency and deposits', and broke a 17 month decline in the NIR. Nonetheless, NIR remain at their lowest levels in more than ten years due to weak confidence in the Jamaican economy which is prompting individuals and entities to hoard the safe-haven USD rather than sell into and replenish the market for foreign exchange. Year to date, the NIR is down US\$215.4 million, while year over year (Sep 2012 to Sep 2013), the NIR is down by US\$347.7 million.

At the end of September 2013, gross reserves were adequate to finance 11.40 weeks of "goods and services" imports, (15.19 weeks of 'goods' imports) just below the 12 weeks international benchmark of reserves adequacy.

Foreign Currency Deposits

At the end of June 2013, foreign currency deposits (FCD's) in the local financial system stood at US\$2.56 billion—an increase of US\$36.11 million or 1.41%, over the previous month. Year to date, FCD's are up about US\$40.0 million. This continues the build-up from 2012 when FCD's increased by US\$180 million or 7.5% despite the bleeding of NIR. This steady build-up in FCD's is likely due to the tendency to hold hard currency in times of uncertainty.

Foreign Exchange Rate

US DOLLAR: During September 2013, depreciation of the Jamaican dollar accelerated by an additional J\$1.52 to J\$103.60 compared to J\$102.08 at the end of August 2013.

After rising above the J\$100 level on June 7th, 2013, the J\$/USD exchange rate held below the J\$102 level over the next seven weeks before breaching that level on Aug 21, 2013. Indeed, during September and October 2013, depreciation of the J\$ accelerated and

Table 1b: Changes in the NIR

	US\$M	Change US\$M			Imports (Weeks)
	NIR	Mthly	12 Mth	YTD	
Sep-13	910.14	28.54	-347.67	-215.44	15.19
Sep-12	1257.81	-170.79	-822.76	-709.2	18.85

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

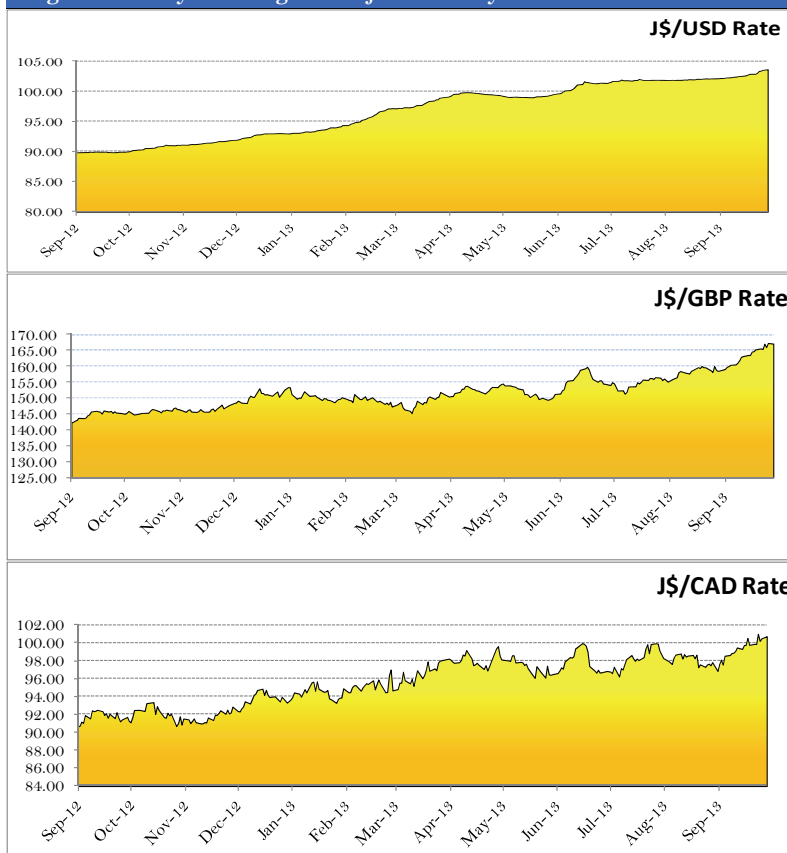
	US\$000	Change (US\$000)		% Change	
	Jun '13	mthly	12 mth	mthly	12 mth
Commercial Banks	1,918,852	25,554	-43,091	1.33	-2.20
Building Societies.	572,557	6,033	21,639	1.05	3.93
Merchant Banks	71,131	4,518	30,049	6.35	73.14
Total Deposits	2,562,540	36,105	8,597	1.41	0.34

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2012—9/30/13 *					
	J\$ / US\$	%	J\$ / UK,£	%	J\$ / Can\$	%
2013	-10.62	-11.42	-14.52	-9.51	-7.41	-7.94
2012	-3.33	-3.85	-10.94	-8.14	-7.22	-8.58
2011	-0.44	-0.51	-0.96	-0.72	2.03	2.37
	MOM Sep - 2013					
Actual Rate	103.60	1.48	167.16	5.44	100.71	2.96
Mth Change	1.52	1.48	8.62	5.44	2.89	2.96

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

is today trading above the J\$105.00 level.

For the nine month period from Jan-Sep 2013, the J\$ is down -J\$10.62 or 11.4%, against the USD compared to a decline of J\$3.25 during the corresponding period of 2012 and J\$0.26 in Jan-Sep 2011.

POUND & CANADIAN DOLLAR:

The general weakness of the Jamaican dollar in relation to the USD over the past four months has also extended to the British pound and Canadian dollar. Since July 2013, the depreciation of J\$ against both currencies have resumed reversing the J\$ short-lived rally after the GOJ/IMF Agreement was signed in May 2013. In September 2013, the J\$ depreciated by J\$8.62 against GBP and J\$2.89 against the CAD reaching historic lows of J\$167.1 and J\$100.98 respectively. Year to date, the J\$ is down by -J\$14.52 or 9.51% against GBP and -J\$7.41 or 7.94% against CAD.

Interest Rates

During September 2013, the Bank of Jamaica continued its liquidity management open market operations to mop-up Jamaican dollar liquidity in order to reduce pressure on the Jamaican dollar exchange rate and/or to support the net international reserves. In Sept 2013, the BOJ issued two certificates of deposit - a 237 day CD at 7.65% and a 364-day CD at 7.65%. These were followed in October 2013 by four (4) issuances ranging in maturities from 272-days to 48 months all with initial coupons of 7.42%. In total, since the beginning of calendar year 2013, the BOJ has made 42 issuances, 26 of which has occurred since the start of FY2013/14.

The BOJ has been testing whether its two year long efforts (begun in Jan 2010) of recalibrating Jamaica's interest rates at lower sustainable levels has taken hold, and it has resumed issuing longer tenors (above the 30-day) at much lower interest rates than the double digit rates of the previous two decades.

But though BOJ rates appear to be stabilizing in Oct 2013, an examination of

Figure 2A & 2B: Interest Rate Movements

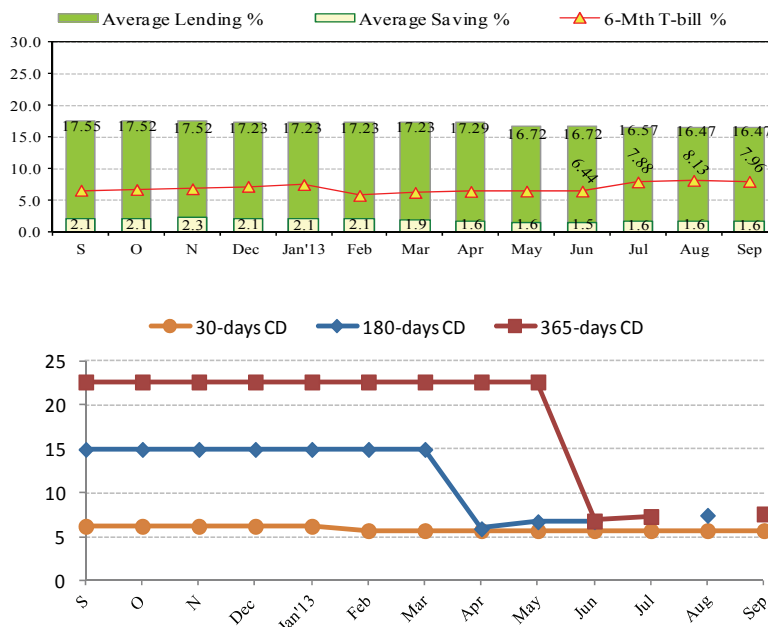


Table 4: Interest Rate Movements

	Sep-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**	6.77%	0.00%	-8.23%	-8.23%
365-days CD**	7.65%	0.30%	-15.02%	-15.02%
Avg Savings Rate	1.62%	0.00%	-0.45%	-0.45%
Avg Loan Rate	16.47%	0.00%	-1.08%	-0.76%
6-Month T-Bill	7.96%	-0.17%	1.39%	0.78%

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

the interest rate trend since the start of FY2013/14 shows that the BOJ is experiencing difficulty keeping interest rates at sustainable levels - generally regarded as below 7.0%. Since April 2013, the interest rate on the 180-days CD has increased from 5.97% to 7.49% in August 2013. The rate on the 365-day CD increased from 6.85% in June 2013 to 7.65% in September 2013, falling back to 7.42% in Oct 2013. In addition, the rate on the 18-month CD has increased from 6.07% in April 2013 to 7.37% at last issue in July 2013. the rate on the MOF 6-month T-Bill has also seem-

ingly reversed a 2-year downtrend increasing from 6.44% in June 2013 to 8.13% in August 2013, though falling back by 17 bps in September 2013.

What is notable is these higher rates have not stabilized the exchange rate nor stemmed the decline in the NIR.

Base Money & Money Supply

During August 2013, M1 increased by 1.5% to J\$139,630.9 million due entirely to a J\$1,548.5 million increase in currency with the public,



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quite likely due to increased expenditure during August holidays. Quasi money for its part rose by 2.05% to J\$273,447.2 million. This largely reflected a J\$4,578.4 million increase in time deposits. Given the increase in both its components - Quasi money and M1 - broad money (M2) increased by 1.85% to J\$413,078.1 million during August 2013 compared to the previous month.

In September 2013, the monetary base expanded by 0.98% to J\$92,083.3 million as commercial banks beefed-up their statutory reserves and demand deposits possibly responding to the BOJ efforts to restrain liquidity to reduce pressure on the Jamaican dollar.

Inflation

The rate of inflation increased by 2.8% in September 2013. This is the highest monthly increase since July 2008. However, it is likely a one-off increase that will fade in subsequent months as the impact of the rise in bus fares which drove the increase peters out throughout the economy.

Within the Consumer Price Index (CPI) all but one of the twelve divisions (Communication was flat) that make up the CPI recorded increases in September 2013. The highest increase of 17.1% was recorded for the "Transport" division. This reflected the 25% increase in bus fares and taxi fares granted by the Government in all three regions of the country; as well as, continuing increases in the prices for petrol and related products.

The second highest increase (3.6%) was recorded for "Education" due to higher tuition fees at the start of the school year. "Housing, Water, Electricity, Gas and Other Fuels" recorded the third highest increase of 3.3% because although there was a fall in water rates this was more than offset by a larger increase in electricity rates.

All eight other divisions within the CPI

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)		
		Aug -13	Mthly	12 Mth
M1	139,630.87		1.46	15.70
Quasi Money	273,447.20		2.05	14.60
M2	413,078.06		1.85	14.97
		Sep -'13	Mthly	12 Mth
Base Money	92,083.29		0.98	1.05

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Sep	12-Mth	YTD	Fiscal
2013	2.78	10.45	6.91	4.81
2012	1.90	6.65	4.86	4.09

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

Table 7: Mining Production

	000 tonnes			YTD	
	Sep-13	Sep-12	%	Sep-13	13/12 %
Production					
Alumina	166.9	132.9	25.6	1,353.9	2.25
C. Bauxite	388.0	418.4	-7.3	3,474.0	-3.23
Export					
Alumina	157.0	155.9	0.74	1,362.8	1.52
C. Bauxite	374.0	418.5	-10.6	3,485.9	-2.48

Source: Jamaica Bauxite Institute (JBI)

recorded increases of less than 1.0%. The "Clothing and Footwear" division recorded a 0.7% increase due to increases of 1.0% and 0.2% respectively for the two groups 'Clothing' and 'Footwear' that make up the division.

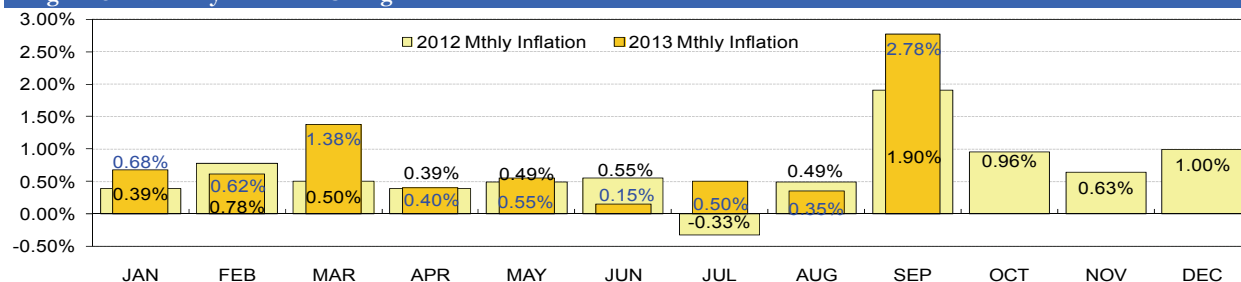
Two divisions, "Miscellaneous Goods and Services" and the most heavily weighted "Food and Non-Alcoholic Beverages" division recorded increases of 0.6%. The increase for the former was due to the continued rise in prices for personal care items; while the rise in the latter reflected increases of 0.6% and 0.7% for the two groups 'Food' and 'Non-Alcoholic Beverages' that make up

the division. The increase within the 'Food' group was contributed to by a 1.6% rise for 'Fruit'; while 'Oils and Fats' and 'Milk, Cheese and Eggs' each rose by 1.1%. The two classes within the 'Non-Alcoholic Beverage' group - 'Coffee, Tea and Cocoa' and 'Mineral Water, Soft Drinks and Juices' rose by 1.0% and 0.5% respectively.

Three divisions each rose by 0.3%; while another two rose by 0.2%.

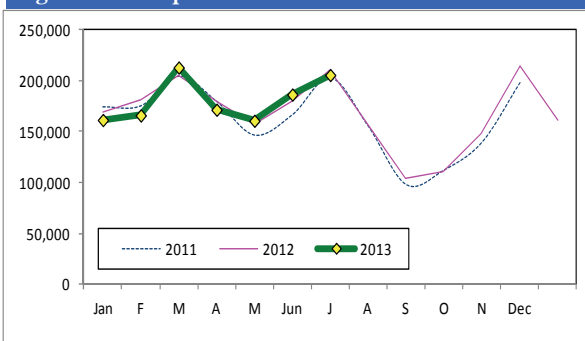
For January to September 2013, the rate of inflation was 7.7%. The fiscal year to date rate was 4.8% and the point to point rate was 10.5%.

Figure 3: Monthly Inflation Changes



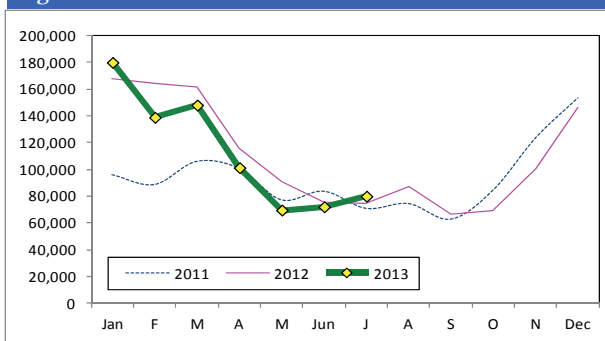
Source: STATIN and PSOJ compilation

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 Jan-Sep 2013, alumina production is up 2.5% to 1,353,906 tons compared to 1,324,077 tons during the corresponding period of 2012. Production of crude bauxite is down however, by 3.23% to 3,474,016 tons relative to 3,589,954 tons during the corresponding nine month period of 2012.

Tourism

Stopover arrivals in July 2013 was 205,655 - a decline of 2.0% compared to the 209,824 stopovers recorded in July 2012. However, the number of cruise passengers increased by 7.0% in July 2013 to 79,946 visitors, compared to 74,690 recorded in July 2012.

Regionally, stopovers from the US decreased by 2.1% in July 2013 with a total of 150,781 arrivals compared to 154,017 in July 2012. For the Jan - July period of 2013, stopovers from the US are down by 0.3% with 812,989 visitors compared to 815,345 visitors during Jan-Jul 2012. From the Canadian market, stopovers increased by 3.3% during July 2013 with 23,356 arrivals compared to 22,607 in July 2012. Year to date, the number of visitors from Canada is down 6.9% to 256,018 compared to 274,918 in the Jan-July 2012 period.

Visitors from Europe, including the UK, increased notably by 4.5% in July 2013 to 21,204 visitors relative to 20,284 arrivals in July 2012. This is the fourth con-

Tourist Arrivals

	2012	2013	%Change	
	YTD (JAN-JUL)	YOY	YOY	MOM
Stopover	1,282,053	1,265,125	-1.3%	10.3%
Foreign	1,192,932	1,180,488	-1.0%	-8.3%
Non-Resident	89,121	84,637	-5.0%	35.2%
Cruise	850,002	789,679	-7.1%	11.0%
Total Arrivals	2,132,055	2,054,804	-3.6%	18.4%

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

secutive monthly increase after several months of decline dating from Q1 2012. For Jan-Jul 2013, visitors from Europe are up 3.6% to 137,189 compared to 132,449 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 seven months of 2013, stopovers from the Caribbean have continued to decline (by -9.4%) to 34,124 visitors compared to 37,683 visitors during Jan-Jul 2012. On the other hand, stopovers from Latin America are up strongly by 12.2% in Jan-July 2013 to 17,173 compared to 14,498 during the corresponding period of 2012, extending their strong 50.9% growth in 2012.

During calendar year 2012, cruise visitors to the Island increased by 17.3% to 1,320,083 visitors topping a strong 23.4% increase in 2011. This reflected the impact of the opening of the Falmouth Port. For the first seven months of 2013 however, cruise arrivals are down 7.1% to 789,679 visitors compared to 850,002 in Jan-July 2012.

Total Visitors to Jamaica during Jan-July 2013 were 2,054,804, a 3.6% decline compared to 2,132,055 visitors during Jan-July 2012.

External Trade

During the first half (Jan-Jun) of 2013, Jamaica's total exports were basically flat - US\$851.8 million compared to US\$852.4 million during Jan-Jun 2012. Imports for the period declined by a more significant - US\$129.6 million or 0.4% to US\$3.11 billion relative to US\$3.24 billion in Jan-Jun 2012. Given the larger absolute and relative decline of imports over exports, the traditional negative imbalance in Jamaica's merchandize trade improved in Jan-Jun 2013 by US\$129.10 million or -5.4% to US\$2.26 billion, compared to US\$2.39 billion in Jan-Jun 2012.

Traditional Exports: During Jan-Jun 2013, earnings from traditional exports declined by US\$30.1 million or 6.6%, to US\$851.8 million compared to US\$852.4 million during Jan-Jun 2012. The share of traditional exports in total domestic exports also decreased to 50.34% in Jan-Jun 2013 from 53.8% during Jan-Jun 2012.

Of the three main categories of traditional exports, earnings from "Agriculture" and "Mining & Quarrying" both recorded increases, but these were exceeded by a larger drop in "Manufacturing" exports due to a

43.3% decline in sugar exports. However, Agriculture exports grew by 29.1% to US\$14.5 million from US\$11.23 million reflecting increased earnings from 'Coffee' which grew by 32.5% to US\$10.92 million from US\$8.24 million during the first half of 2012. Increased earnings from 'Alumina' - up 2.8% to US\$267.8 million and 'Bauxite' - up 3.8% to US\$65.5 million contributed to the rise in "Mining & Quarrying".

Non-traditional exports grew by 22.8% in 2012 to US\$828.4 million, compared to US\$674.7 million in 2011. During the first six months of 2013, non-traditional exports continued their strong expansion, but at the slower rate of 7.8% to US\$387.10 million relative to US\$359.12 million during Jan-Jun 2012. Two of four categories of non-traditional exports increased and two declined.

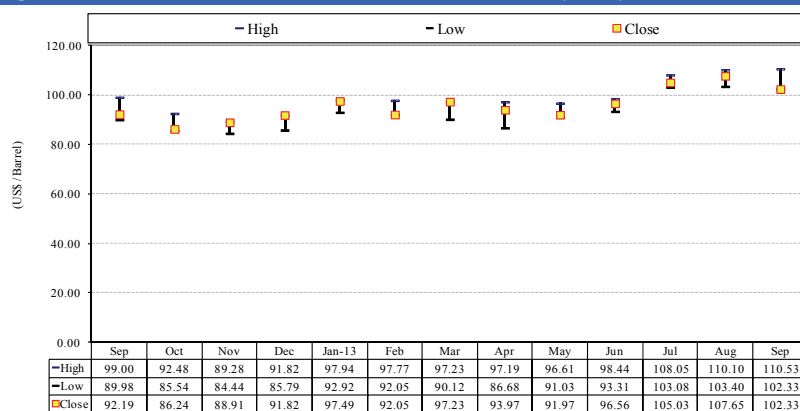
The two categories recording increases were **"Food"**, up slightly by 0.8% to US\$71.84 million compared to US\$71.26 million in Jan-Jun 2012. **"Other"** non-traditional exports, generally, the largest category of non-traditional exports, increased by a more substantial 17.4% to US\$283.91 million in Jan-Jun 2013 compared to US\$241.79 million in Jan-Jun 2012.

Within the **"Food"** category, ten of seventeen groups recorded increased earnings including 'Yams', up 24.8% to US\$11.08 million from US\$8.88 million; 'Sweet Potatoes' - up 26.5% to US\$1.75 million; and 'Fish, Crustaceans and Mollusks', up 21.1% to US\$2.68 million. 'Meat and Meat Preparations' - up 26.8% to US\$2.55 million and 'Baked Products', up 4.8% to US\$7.17 million also recorded significant increases. Notably declines were recorded however for 'Other Fruits and Fruit Preparations', down 44.5% to US\$2.2 million; 'Papayas', down 37.0% to US\$1.74 million and 'Dairy Products and Bird Eggs', down 28.1% to US\$3.47 million.

The increase in **"Other"** was largely driven by a US\$65.0 million or 214% increase in 'Chemicals (incl. Ethanol)' to US\$96.45 million from US\$30.69 million in Jan-Jun 2012.

The two categories of non-traditional exports declining were **"Beverages & Tobacco (excl. Rum)"** down 42.6% to US\$17.33 million from US\$30.19 million; and **"Crude Materials"** which declined by 11.6% to US\$14.03 million

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-Jun '12	Jan-Jun '13	Change	% Change
TOTAL EXPORTS (fob)	852.35	851.82	-0.53	-0.1%
Major Traditional Exports	458.79	428.71	-30.08	-6.6%
by Sector:-				
Agriculture	11.23	14.50	3.27	29.1%
Mining & Quarrying	323.49	333.27	9.77	3.0%
Manufacturing	124.06	80.94	-43.11	-34.8%
by Industry:-				
Bauxite	63.07	65.47	2.41	3.8%
Alumina	260.43	267.79	7.37	2.8%
Sugar	93.69	53.16	-40.53	68.0%
Rum	27.43	26.18	-1.25	-4.6%
Bananas	0.08	0.00	-0.07	0.0%
Coffee	8.24	10.92	2.68	32.5%
Other	5.85	5.18	-0.67	-11.5%
Non-Traditional Exports	359.12	387.10	27.98	7.8%
Re-exports	34.45	36.01	1.56	4.5%
TOTAL IMPORTS	3,238.51	3,108.87	-129.63	-4.0%
Food	464.20	476.44	12.24	2.6%
Beverages & Tobacco	40.43	38.17	-2.26	-5.6%
Crude Materials (excl. Fuels)	22.36	29.80	7.44	33.3%
Mineral Fuels, etcetera	1,334.27	1,116.20	-218.08	-16.3%
Animal & Vegetable Oils & Fats	32.10	23.07	-9.03	-28.1%
Chemicals	325.32	457.75	132.43	40.7%
Manufactured Goods	310.81	284.55	-26.26	-8.4%
Machinery and Transport Equip.	442.83	439.48	-3.35	-0.8%
Misc. Manufactured Articles	214.89	191.68	-23.22	-10.8%
Other	51.30	51.74	0.44	0.9%
TRADE BALANCE	(2,386.15)	(2,257.05)	129.10	-5.4%

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

from US\$15.87 million in Jan-Jun 2012. The decline in the former was mainly due to a 54.5% reduction in exports of 'Alcoholic Beverages (excl. Rum)' to US\$11.54 million from US\$25.36 million. The decline in **"Crude Materials"**, was largely due to a 16.5% decline in exports of 'Waste and Scrap' to US\$10.88 million from US\$13.03 million in Jan-Jun 2013, and

an 11.9% drop in exports of 'Limestone' to US\$1.30 million. It seems that though 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. During the first six months of 2013, imports declined by 4.0% to US\$3.11 billion compared to US\$3.24 billion in Jan-Jun 2012.

All categories of imports recorded declines. Imports of **Consumer Goods** declined by 5.7% to US\$790.7 million. Apart from 'Food' imports which recorded a small rise of 1.4% to US\$365.6 million, all other categories of consumer goods declined. 'Non-Durable Goods' declined by 11.7% to US\$229.4 million; 'Semi-Durable Goods' fell by 9.7% to US\$60.9 million; and 'Other Durable Goods' declined by 10.5% to US\$134.7 million from US\$150.5 million in Jan-Jun 2012.

Also declining, imports of '**Raw Materials/Intermediate Goods**' - generally the largest category of imports, fell by 3.4% to US\$1.98 billion from US\$2.05 billion in Jan-Jun 2012. Though there were notable increases in imports of 'Industrial Supplies' - up 33.7% to US\$595.9 million from US\$445.66 million; and 'Crude Oil' - up 3.0% to US\$448.6 million, these increases were not sufficient to counterbalance the 25.5% drop in imports of 'Other Fuels and Lubricants' to US\$666.77 million from US\$894.97 million and the 7.1% fall in intermediate 'Food' imports from US\$146.65 million to US\$136.21 million.

The other main category of imports - '**Capital Goods (excl. Motor Cars)**' also declined by 2.3% to US\$225.74 million during Jan-Jun 2013 from US\$230.96 million in Jan-Jun 2012. This was entirely due to a 9.9% fall in imports of 'Machinery and Equipment' from US\$136.80 million in Jan-Jun 2012 to US\$123.22 million during the first half of 2013. This outweighed a 23.1% increase in 'Other Industrial Transport Equipment' to US\$42.73 million from US\$34.73 million; and a marginal 0.3% increase in 'Construction Materials' to US\$56.61 million. 'Other Capital Goods' also rose 6.9% to US\$3.18 million. Imports of **Passenger Motors** for their part declined by 5.8% to US\$108.59 million during Jan-Jun 2013 relative to US\$115.25 million in the first half of 2012.

Oil: At the end of September 2013, the price of West Texas Intermediate (WTI) Crude Oil stood at US\$102.33

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.	-	-	-	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%

per 42 gallon barrel, a decrease in price of US\$5.32 relative to the closing price of US\$107.65 the previous month. During September 2013 the price ranged between a high of US\$110.53 and the low of US\$102.33 where it closed.

Balance of Payments

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

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

tured 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, emanating 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 five months (April to August) of the fiscal year 2013/14, the Government of Jamaica ran a fiscal deficit of J\$17.79 billion. This fiscal deficit was J\$4.89 billion or 21.7% better than the J\$22.68 billion budgeted and J\$16.41

Table 11: Fiscal Accounts (J\$ Million)

	Apr- Aug (Fiscal—2013/14)				Apr-Aug (YOY)	
	J\$ million		Deviation		11/12 - 12/13	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	144,954.5	150,105.0	-5,150.5	-3.43	12,161.2	9.2
Tax Revenue	132,343.4	138,238.1	-5,894.7	-4.26	7,426.4	5.9
Non-Tax Revenue	11,102.8	9,489.5	1,613.3	17.00	4,462.3	67.2
Bauxite Levy	491.4	490.1	1.3	0.27	-10.6	-2.1
Capital Revenue	301.0	341.4	-40.4	-11.83	111.6	58.9
Grants	715.7	1,545.9	-830.2	-53.70	24.6	3.6
Expenditure	162,741.4	172,780.4	-10,039.0	-5.81	-4,246.2	-2.5
Recurrent Expenditure	146,185.7	155,660.6	-9,474.9	-6.09	-12,431.3	-7.8
Programmes	35,283.1	38,450.0	-3,166.9	-8.24	-1,463.0	-4.0
Wages & Salaries	67,990.4	69,148.7	-1,158.3	-1.68	4,325.6	6.8
Interest	42,912.2	48,061.9	-5,149.7	-10.71	-15,294.0	-26.3
Domestic	26,570.9	31,939.1	-5,368.2	-16.81	-14,571.7	-35.4
External	16,341.2	16,122.8	218.4	1.35	-722.3	-4.2
Capital Expenditure	16,555.7	17,119.8	-564.1	-3.30	8,185.0	97.8
Capital Programmes	16,555.7	17,119.8	-564.1	-3.30	8,185.0	97.8
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-17,786.9	-22,675.4	4,888.5	21.56	16,407.5	48.1
Loan Receipts	21,056.8	32,691.0	-11,634.2	-35.59	-59,514.3	-73.6
Domestic	6,900.4	5,852.0	1,048.4	17.92	-70,096.3	-91.0
External	14,156.4	26,839.1	-12,682.7	-47.25	10,582.1	273.3
Divestment Proceeds	0.0	0.0	0.0		0.0	0.0
Amortization	19,831.9	20,243.0	-411.1	-2.03	-34,111.0	-63.2
Domestic	7,125.0	7,226.1	-101.1	-1.40	-12,175.8	-63.1
External	12,706.9	13,017.0	-310.1	-2.38	-21,935.3	-63.3
Overall Balance (Surplus [+ve])	-16,562.1	-10,227.4	-6,334.7	-61.94	-8,995.8	-125.1
Primary Balance (Surplus [+ve])	25,125.2	25,386.5	-261.3	-1.03	1,113.5	4.6

Source: Ministry of Finance and Planning

billion better than the deficit of J\$34 billion recorded during April-Aug 2012. The improvement in the fiscal deficit was almost entirely due to expenditure curtailment of J\$10.1 billion below the J\$172.78 billion that was programmed, as Revenues and Grants were significantly lower than budgeted.

REVENUE: Total Revenues & Grants to the GOJ during April-Aug 2013 was J\$144.95 billion. This was J\$5.2 billion or 3.43% less than the J\$150.11 billion budgeted but J\$12.16 billion or 9.2% greater than Revenues and Grants collected during April-Aug 2012.

Of 25 revenue heads, nine (9) came in above budget during the first five months of FY2013/14. The main outperformers were: 'Travel Tax' - up J\$1,851.9 million; 'Non-Tax Revenue' - up J\$1,613.3 million; 'GCT (Local)' up J\$821.8 million. 'SCT' - up J\$536.7 million and 'Other Companies Taxes' - up J\$186.7 million also came in above budget.

Among the main underperformers on the revenue account were: 'SCT (Imports)' - down J\$2,468.5 million; 'PAYE' - down J\$2,043.2 million; and 'Other Individual Taxes' - down J\$1,480.1 million. 'Custom Duty' which came in J\$1,061.2 million below budget and 'GCT (Imports)' - down J\$792.3 million also underperformed.

EXPENDITURE: During Apr-Aug 2013, total expenditure was J\$162.74 billion. As noted, this was J\$10.04 billion or 5.8% less than the J\$172.78 billion budgeted, and was J\$4.25 billion or 2.5% less than expenditure during Apr- Aug 2012.

Under pressure to meet the fiscal and primary surplus targets, under the IMF Agreement, the GOJ has been running a tight ship making significant expenditure curtailments from already tight budgetary allocations. The largest saving of J\$5,368.2 bil-

lion or -16.8% was achieved on 'Domestic Interest' with J\$26.57 billion spent relative to J\$31.94 billion budgeted. There was also a large 8.24% curtailment of outlays on 'Recurrent Programmes' with J\$35.28 billion spent compared to J\$38.45 billion budgeted. In addition, there was a J\$1.16 billion reduction in outlays on 'Wages and Salaries' with J\$67.99 billion disbursed relative to J\$69.15 billion budgeted.

Though in the past to meet targets, the GOJ has massively curtailed Capital Expenditure, for the first five months of FY2013/14, there was only a modest J\$564.1 million curtailment of CapEx, with J\$16.56 billion spent relative to J\$17.12 billion budgeted. It is also not clear whether the reduction in 'Domestic Interest' resulted from deferred payments or continuing savings from the National Debt Exchange. 'External Interest' payments for their part,

moderately exceeded budget by J\$218.4 million to J\$16.34 billion.

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\$17.79 billion deficit for April-Aug 2013, averaging -J\$3.6 billion monthly appears worse than targeted, but could be reduced during high revenue months.

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 9.5% of GDP. For April-Aug 2013, the primary balance was J\$25.15 billion which was roughly in line with projections. As noted however, both the primary surplus and fiscal deficit targets were mainly achieved through curtailment of expenditure rather than economic growth.

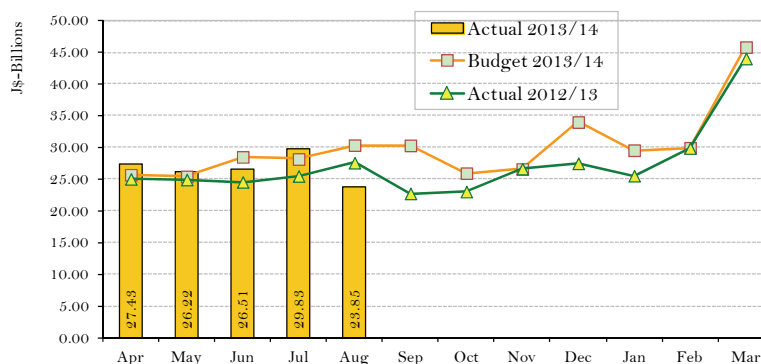
PUBLIC DEBT

At the end of July 2013 the total public debt stood at J\$1.857 trillion, an increase of J\$89.0 billion over the J\$1.768 trillion recorded at the start of 2013. For the first five months of 2013 the domestic debt has increased by J\$20.15 billion to J\$1.014 trillion or (54.6% of the total) while the external debt has increased by US\$59.45 million to US\$8.28 billion.

Stock Market

During September 2013, market capitalization decreased by J\$2.62 billion or 0.49% to close at J\$534.8 billion. Five of six indices on the Jamaican Stock Exchange declined and one advanced. The main **JSE Market Index** declined by 539.7 points or 0.63% to close at 84,500 points. The **JSE Combined Index** declined by 660.7 points or 0.76% to close at 86,770 points. The **JSE All Jamaican Composite Index** declined by 949.6 points, or 1.11%, to close at 84,372 points and the **JSE Select Index** declined by 29.6 points, or 1.26%, to close at 2,324 points. The **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, inched up 1.73 points or 0.22% to close at 792 points; but the **Junior Market Index** declined by 23.6 points or 3.07%, to

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



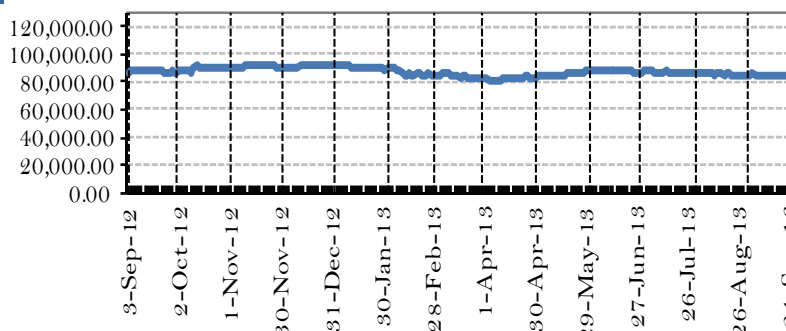
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Leading Sources of Revenues and Expenditure YTD

J\$-Millions	Apr-Aug 2013
Revenue Surpluses	
Travel Tax	1,851.9
Non-Tax Revenue	1,613.3
GCT (Local)	821.8
SCT	714.8
Other Companies	186.7
Revenue Shortfalls	
SCT (Imports)	-2,468.5
PAYE	-2,043.2
Tax on Interest	-1,480.1
Custom Duty	-1,061.2
GCT (Imports)	-792.3
Expenditure Changes	
Capital Programmes	-1741.8
Domestic Interest	-1,778.5
Recurrent Programmes	-1,352
Wages and Salaries	-882.7
External Interest	315.3

Source: Ministry Of Finance and Planning (Jamaica)

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



Source: Jamaica Stock Exchange (Online Database) and PSOJ

close at 768.8 points. Market volume continued to be moderate in September 2013 with 133 million units valued at J\$617.8 million changing

hands compared to 134 million units valued at J\$676.4 million in August 2013.

Overall market activity resulted from

trading in 48 stocks of which 16 advanced, 22 declined and 10 traded firm. Lime with 27.86 million units or 21% of market volume was the volume leader; followed by Proven Investments Ltd with 21.95 million units, or 16.5 % of market volume; while Lasco Financial Services was third with 17.8 million units, or 13.4 % of market volume.

The leading advancers in September 2013 were: Caribbean Cement Company Ltd; Ciboney Group; Palace Amusements Co. Ltd; Hardware & Lumber; Kingston Wharves. The leading decliners were Radio Jamaica Ltd; Sagicor Investments Jamaica Ltd; National Commercial Bank; Sagicor Life Jamaica; and Trinidad Cement Ltd.

Economic Highlights

contd. from page 1.)

Weaker Balance Sheets

Twenty-six percent (26%) of firms, double the percentage of Q3 2012, reported weakened balance sheets,

second lowest level during the past 12 years. The Consumer Confidence Index was 86.7, down from 99.7 in Q2 2013 and 118.2 in Q3 2012. The decline was largely due to less favourable prospects for incomes and jobs, especially in rural areas.

Pessimistic Outlook for Economy

Half of all consumers (49%) thought current economic conditions had worsened in Q3 2013 and only 5% thought that the economy was in good shape. More importantly, just 15% expected the economy to improve in the year ahead, while half of all consumers expected conditions to worsen.

Grim Job Prospects

Ninety-two percent reported that jobs were scarce and hard to get. The proportion that expected renewed job growth in the year ahead fell to just 16% in Q3 compared to 29% in Q2 and was the lowest proportion since the depths of the recession in 2009.

Weak Income Expectations

Income declines were expected by 33% of households. With rising inflation and a declining Jamaican dollar, only 47% of consumers expected their living standards to improve, down from 63% in Q3 2013, while close to one-quarter expected their living standards to fall.

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

	2013 Jan 2	2013 Sep - 30	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Caribbean Cement Co	1.00	2.08	1.08	108.0%
Ciboney Group	0.03	0.06	0.03	100.0%
Palace Amusement	60.00	95.00	35.00	58.3%
Hardware & Lumber	3.40	4.52	1.12	32.9%
Kingston Wharves	5.00	6.01	1.01	20.2%
Bottom Five (unadjusted for dividends or transact. Costs)				
Radio Jamaica	1.99	1.31	(0.68)	-34.17%
Sagicor Investments Ja	22.14	16.55	(5.59)	-25.25%
National Comm. Bank	23.92	18.80	(5.12)	-21.40%
Sagicor Life Jamaica	10.11	8.60	(1.51)	-14.94%
Trinidad Cement Ltd.	18.33	15.60	(2.73)	-14.89%

Source: Compiled from the JSE

Softer Investment Expectations

Even more worrisome, 60% of companies thought it was a bad time to make new investments, up from 42% in the Q2 2013. Nonetheless, a significant 37% of companies thought it was a good time to invest.

Overall, firms had a dismal outlook for

the future with some 62% expecting the economy to worsen in the year ahead and only 19% expecting improvement.

Consumer Confidence

The Conference Board also reported that Consumer confidence sunk to the

Purchasing Plans Weaken

Only 5% of consumers expressed home-buying intentions—the lowest on record; and a decade low 12% voiced vehicle buying intentions. Vacation intentions were expressed by 24% of consumers, only slightly below the 28% one year ago.

The Global Picture

During September 2013, economic recovery appeared to be consolidating in Europe, China, Japan and Britain, but softening slightly in the United States. In Europe, the forward-looking Purchasing Managers' Index (PMI), which canvases executives and managers about their investment and purchasing plans for (at least) the next six months, were mostly better than expected or firmly in the expansion zone above 50. There were also signs that business and consumer confidence were improving across the Euro-zone with a strong ZEW reading of 59.1 in August relative to 58.6 the previous month.

In China, there were also notable improvements in outlook, output and sales. China's PMI (Manufacturing) which came in at 51.0 was slightly better than the 50.6 expected; while the Services PMI of 55.4 exceeded the 53.9 of the previous month. Retail sales of 13.3%, were solidly in line

with expectations and so was Q3 GDP of 7.7%. Similarly, strong data was recorded for Japan with Q2 GDP of 3.8% being roughly in line with expectations, while Industrial Production of 1.8% beat expectations for a flat out-turn.

Britain continued its notable recovery, having surmounted fears of a triple-digit recession in Q1 2013. Q3 GDP of 0.8% and Retail Sales of 2.3% were in line with expectations, but its Manufacturing and Services PMI of 57.2 and 60.5 suggested prospects of strong expansion over the next six months.

In the United States, the housing market continued its recovery though Existing Home Sales slipped 1.9% in September. Nonetheless, the US labour market and Consumer Confidence appear to be softening. While Weekly Jobless Claims have dipped to 5-year lows in the 320,000 range, suggesting managers are not 'firing', Monthly Non-farms Payrolls, have come in below expectations over the past three months suggesting managers are not 'hiring' much either. Durable Goods Orders also fell in September and for the past three months the Univ. of Michigan Consumer Confidence Index has fallen from 82.1 in July to 73.2 in Sept. Further, the recent shutdown of the US Government is expected to cut 0.5% from Q3 GDP.

INFLATION (SEP - 2013) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	2.78%	2.778		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.63%	0.234	3	
Food	0.62%			
Bread and Cereals	0.37%			
Meat	0.41%			
Fish and Seafood	0.19%			
Milk, Cheese and eggs	1.15%			
Oils and Fats	1.09%			
Fruit	1.60%			
Vegetables and Starchy Foods	0.80%			
Vegetables	1.04%			
Starchy Foods	0.09%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.40%			
Food Products n.e.c.	0.74%			
Non-Alcoholic Beverages	0.63%			
Coffee, tea and Cocoa	0.94%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.50%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.32%	0.004	11	
CLOTHING AND FOOTWEAR	0.68%	0.023	6	
Clothing	0.97%			
Footwear	0.18%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	3.36%	0.429	2	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	0.15%			
Water Supply and Misc. Serv Related to the Dwelling	-0.96%			
Electricity, Gas and Other Fuels and Routine	6.12%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.26%	0.013	8	
Furniture and Furnishings (including Floor Coverings)	0.09%			
Household Textiles	0.16%			
Household Appliances	0.35%			
Glassware, Tableware and Household Utensils	0.30%			
Tools and Equipment for House and Garden	1.78%			
Goods and Serv. for Routine Household Maint	0.26%			
HEALTH	0.22%	0.007	10	
Medical Products, Appliances and Equipment	0.57%			
Health Services	0.00%			
TRANSPORT	17.11%	2.193	1	
COMMUNICATION	0.00%	0.000	12	
RECREATION AND CULTURE	0.30%	0.010	9	
EDUCATION	3.62%	0.077	4	
RESTAURANTS AND ACCOMMODATION SERVICES	0.24%	0.015	7	
MISCELLANEOUS GOODS AND SERVICES	0.63%	0.053	5	

INFLATION YTD (JAN –SEP 2013) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	7.64%	7.636		
FOOD AND NON-ALCOHOLIC BEVERAGES	6.16%	2.306	2	
Food	5.96%			
Bread and Cereals	5.80%			
Meat	5.70%			
Fish and Seafood	2.85%			
Milk, Cheese and eggs	10.26%			
Oils and Fats	9.84%			
Fruit	17.35%			
Vegetables and Starchy Foods	4.54%			
Vegetables	3.18%			
Starchy Foods	9.15%			
Sugar, Jam, Honey, Chocolate and Confectionery	4.55%			
Food Products n.e.c.	5.45%			
Non-Alcoholic Beverages	9.16%			
Coffee, tea and Cocoa	10.46%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	8.55%			
ALCOHOLIC BEVERAGES AND TOBACCO	8.20%	0.113	10	
CLOTHING AND FOOTWEAR	7.66%	0.255	7	
Clothing	7.72%			
Footwear	7.61%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	6.33%	0.808	3	
Rentals for Housing	0.92%			
Maint and Repair of Dwelling	11.51%			
Water Supply and Misc. Serv Related to the Dwelling	6.01%			
Electricity, Gas and Other Fuels and Routine	8.49%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	5.26%	0.259	6	
Furniture and Furnishings (including Floor Coverings)	5.74%			
Household Textiles	5.34%			
Household Appliances	6.79%			
Glassware, Tableware and Household Utensils	6.08%			
Tools and Equipment for House and Garden	7.39%			
Goods and Serv. for Routine Household Maint	4.83%			
HEALTH	4.93%	0.162	9	
Medical Products, Appliances and Equipment	4.87%			
Health Services	4.99%			
TRANSPORT	20.57%	2.637	1	
COMMUNICATION	-3.58%	-0.143	12	
RECREATION AND CULTURE	4.95%	0.166	8	
EDUCATION	3.62%	0.077	11	
RESTAURANTS AND ACCOMMODATION SERVICES	6.25%	0.387	5	
MISCELLANEOUS GOODS AND SERVICES	7.55%	0.632	4	

FISCAL ACCOUNTS (APR–AUG 2013/14)

REV. & EXPEN. (APR-AUG '13/14)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	144,954.5		-5,150.5		12,161.20	
Tax Revenue	132,343.4		-5,894.7		7,426.40	
Non-Tax Revenue	11,102.8		1,613.3		4,462.30	
Bauxite Levy	491.4		1.3		-10.60	
Capital Revenue	301.0		-40.4		111.60	
Grants	715.7		-830.2		24.60	
Expenditure	162,741.4		-10,039.0		-4,246.20	
Recurrent Expenditure	146,185.7		-9,474.9		-12,431.30	
Programmes	35,283.1		-3,166.9		-1,463.00	
Wages & Salaries	67,990.4		-1,158.3		4,325.60	
Interest	42,912.2		-5,149.7		-15,294.00	
Domestic	26,570.9		-5,368.2		-14,571.70	
External	16,341.2		218.4		-722.30	
Capital Expenditure	16,555.7		-564.1		8,185.00	
Capital Programmes	16,555.7		-564.1		8,185.00	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+]/ve)	-17,786.9		4,888.5		16,407.50	
Loan Receipts	21,056.8		-11,634.2		-59,514.30	
Domestic	6,900.4		1,048.4		-70,096.30	
External	14,156.4		-12,682.7		10,582.10	
Divestment Proceeds	0.0		0.0		0.00	
Amortization	19,831.9		-411.1		-34,111.00	
Domestic	7,125.0		-101.1		-12,175.80	
External	12,706.9		-310.1		-21,935.30	
Overall Balance (Surplus [+]/ve)	-16,562.1		-6,334.7		-8,995.80	
Primary Balance (Surplus [+]/ve)	25,125.2		-261.3		1,113.50	

REV. & EXPEN. (APR-AUG '13/14)	J\$M	PROVISIONAL RESULTS	J\$M	BUDGET DEVIATION	J\$M	YOY - CHANGE
Revenue & Grants	144,954.8		-5,150.2		12,161.40	
Tax Revenue	132,343.9		-5,894.2		7,426.70	
Income and profits	37,098.2		-4,153.9		-3,672.60	
Bauxite/alumina	0.0		0.0		0.00	
Other companies	7,618.8		186.7		-732.70	
PAYE	25,474.6		-2,043.2		704.40	
Tax on dividend	556.8		-620.5		-47.30	
Other individuals	978.2		-196.8		74.80	
Tax on interest	2,469.8		-1,480.1		-3,671.80	
Environmental Levy	809.8		2.3		-78.30	
Production and consumption	48,467.9		714.8		9,741.90	
SCT	5,177.2		536.7		1,124.20	
Motor vehicle licenses	1,089.2		157.6		12.60	
Other Licenses	159.6		-6.4		3.80	
Betting, gaming and lottery	974.9		-566.0		151.10	
Education Tax	7,177.3		-666.3		1,125.60	
Contractors levy	421.5		-146.3		-95.20	
GCT (Local)	25,309.9		821.8		2,697.80	
Stamp Duty (Local)	4,585.8		-123.5		1,400.90	
International Trade	45,967.9		-2,457.5		1,435.60	
Custom Duty	10,462.0		-1,061.2		842.90	
Stamp Duty	716.4		12.5		-89.20	
Travel Tax	4,453.4		1,851.9		2,793.10	
GCT (Imports)	20,274.3		-792.3		1,577.60	
SCT (Imports)	10,061.8		-2,468.5		-3,689.00	
Non-Tax Revenue	11,102.8		1,613.3		4,462.30	
Bauxite Levy	491.4		1.3		-10.60	
Capital Revenue	301.0		-40.4		111.60	
Grants	715.7		-830.2		171.40	

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	-3.3	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	394,826.5	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	90,515.60	1.01	400,197.8	1.36	988.86	2,526,435	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	397,899	-0.57	1,003.2	2,562,540	0.2	8.8	3.7	101.38	6.44	16.72	1.5	1,012,913.8	8,273.9
Jul	91,987.68	1.96	403,992.9	1.53	929.72	n/a	0.5	9.7	-2.0	101.86	7.88	16.57	1.6	1,014,205.3	8,281.1
Aug	91,185.60	-0.87	413,078.0	1.85	881.6	n/a	0.4	9.5	n/a	102.08	8.13	16.47	1.6	n/a	n/a
Sep	92,083.29	0.98	n/a	n/a	910.14	n/a	2.8	10.6	n/a	103.60	7.96	16.47	1.6	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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