



PSOJ MONTHLY ECONOMIC BULLETIN



PRIME ASSET MANAGEMENT LTD • Focused pension professionals

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

Economic Highlights

Jamaican Economy Grows Out of Recession

Jamaica's economy grew by 1.5% between January to March 2011. This marks the first quarterly growth since September 2007. The outturn for the 'Services' sector was flat, but the 'Goods Producing Sector' grew by 5.9%.

Goods Producing Sector

Apart from 'Construction and Installation' which declined by -0.5%, the three other sub-sectors within the Goods Producing Sector recorded positive growth. The largest increase of 38.8% was recorded by 'Mining & Quarrying'; followed by a 13.5% increase in 'Agriculture, Forestry & Fishing' and 0.4% recorded by 'Manufacturing' industries.

A 36.4% increase in bauxite production reflecting increases of 44.3% in alumina output and a 29.2% increase in production

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	4
Inflation	4
Bauxite & Alumina	5
Tourism	5
External Trade	5
Balance of Payments	7
Fiscal Accounts	8
Stock Market	9
Economic Highlights (contd)	10
Appendix	11
Statistical Index	14
Key of Acronyms	15
Subscription Form	16

YOY %age Change in GDP

Industrial Sectors	FY 2010/11	Jan-Mar 2011
Total GDP	-0.6	1.5
Goods Producing Industries	0.9	5.9
Agric, Forestry & Fishing	2.7	13.5
Mining & Quarrying	23.2	38.8
Manufacture	-2.4	0.4
Construction & Installation	-1.7	-0.5
Services Industries	-1.4	0.0
Electricity & Water Supply	-3.9	0.5
Trans, Storage & Communication	-1.6	-0.5
Finance & Insurance Services	-3.0	0.0
Real Estate, Renting & Business Services	-0.9	-0.9
Producers of Government Services	-0.1	0.0
Hotels & Restaurants	2.6	3.7
Other Services	-0.5	-0.5

Source: PIOJ

of crude bauxite was largely responsible for the growth in the 'Mining & Quarrying' sub-sectors. This was due to the upturn in global demand leading to a reopening of Winalco Ewarton Plant in June 2010 and higher output by Noranda Bauxite Company.

Regarding the 13.5% increase in Agriculture, Forestry & Fishing, the main growth areas were: Other Agricultural Crops (up 22.2%); Fishing (up 8.1%); and Post Harvest activities (up 59.2%). The increased output in this sub-sector was due to replanting efforts by farmers and favourable weather conditions. However, Traditional Export Crops and Animal Farming declined by 0.2% and 4.7% respectively.

The 0.4% growth in Manufacturing was contributed to by a 0.5% growth in 'Food, Beverages and Tobacco' and a 0.2% increase in the category 'Other Manufacturing'. Beverages & Tobacco grew as a result of higher production of Rum and Alcohol; while the increase in 'Other Manufacturing' resulted from increase output of petroleum and chemical and chemical products. Real value added in Construction decreased by 0.5%, reflecting reduced activity in

Building Construction; Other Building Construction and Building Installation.

Services Sector

Of the eight industrial sub-sectors within the Services Sector only two recorded growth in Q1 2011. 'Hotels and Restaurants' grew by 3.7% reflecting increases in stopover arrivals of 5.3% and a 5.1% increase in cruise visitors; while 'Electricity and Water Supply' grew by 0.5% due largely to a 10.7% increase in water production as electricity generation fell by 1.3%. 'Producers of Government Services' and 'Finance and Insurance Services' were flat in Q1 2011, while the other four sectors recorded negative growth.

The PIOJ is projecting growth of 1-2% for April to June 2011 and for all of 2011. These projections are based on expectations of continued recovery in the bauxite/alumina, tourism and agriculture sectors, and the expansionary impact of increased public sector expenditure of J\$140 billion. The unleashing of the 'entrepreneurial spirit' from the structural reforms under implementation are also expected to begin to positively impact output in the medium term. **(Contd on Page 10)**



Net International Reserves (NIR)

During the month of April 2011, Net International Reserves increased by -US\$49.2 million to US\$2,602.4 million compared to US\$2,553.2 million at the end of March 2011. This mainly reflected BOJ open market purchases of US dollar to temper J\$ appreciation as domestic businesses bought the Jamaican dollar to meet their end of quarter obligations.

At current levels, gross reserves are adequate to finance 30.65 weeks of “goods” imports or 23.02 weeks of “goods and services” imports, well above the 12 weeks international benchmark of reserves adequacy and the highest levels they have been in 40 years.

Foreign Currency Deposits

During February 2011, foreign currency deposits (FCD's) in the local financial system decreased modestly by -US\$42.42 million or 1.89% to US\$2.245 billion compared to US\$2.288 billion at the end of January 2011. The decrease in February 2011 largely resulted from Jamaican businesses selling the USD to cover their Jamaican dollar denominated obligations.

The BOJ reports a modest decline in FCD's during 2010 compared to 2009. This the BOJ explains as been due to investors preferring to hold Jamaican dollar denominated assets arising from the improving stability of the Jamaican macro-economy and the sufficiency of foreign exchange.

Foreign Exchange Rate

US DOLLAR: During April 2011, there was modest appreciation of the J\$ dollar against its US counterpart of J\$0.02 cents or 0.02% to J\$85.73 from J\$85.75 at the end of March 2011. The slight appreciation in April 2011 builds on an equally modest appreciation of J\$0.09 in March 2011, as the J\$/USD exchange rate continued its consolidation in the narrow J\$0.75 range observed since June 2010. After being very stable from the second quarter of 2009, the J\$ began to appreciate sharply against the USD from

Table 1b: Changes in the NIR

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Apr -11	2,602.40	49.24	866.16	430.99	30.65
Apr-10	1,736.24	-15.64	72.64	6.89	23.64

Source: Compiled from the BOJ (Preliminary)

Table 2: Foreign Currency Deposits

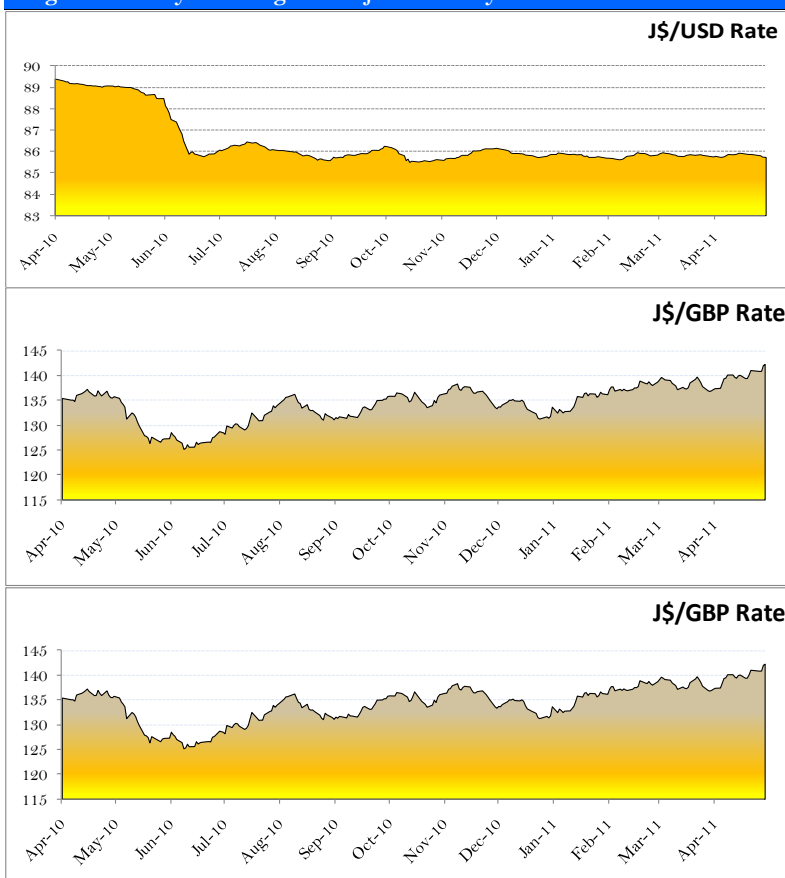
	US\$000 Feb '11	Change (US\$000)		% Change	
		mthly	12 mth	mthly	12 mth
Commercial Banks	1,652,276	-48,826	-119,487	-2.96	-6.74
Building Societies.	530,202	5,020	36,135	0.95	7.31
Merchant Banks	63,428	1,383	-32,926	2.18	-34.17
Total Deposits	2,245,906	-42,423	-116,278	-1.89	-4.92

Source: Compiled from the BOJ (Preliminary)

Table 3: Foreign Exchange Trends

	YTD Currency Rate Change (Dec 31, 2010—04/29/11) *					
	J\$ / US\$	%	J\$ / UK£	%	J\$ / Can\$	%
2011	-0.13	-0.16	8.63	6.45	4.62	5.41
2010	-0.53	-0.59	-7.69	-5.36	4.30	5.09
2009	8.54	10.61	13.81	11.82	9.52	14.53
	Apr - 2011					
Actual Rate	85.73	-0.02	142.37	3.71	89.96	2.06
Mth Change	-0.02	-0.02	5.09	3.71	1.81	2.06

Figure 1: Daily % Change in Major Currency Rates



Source: Bank of Jamaica Database (BOJ)

the beginning of March 2010, following on the successful implementation of the JDX and the signing of the GOJ/IMF Agreement. Since March 2010, (which correspond roughly to FY 2010/11), the J\$ has appreciated by 4.8% against the USD, but has mainly held steady since July 2010 within the narrow J\$0.75 cents range. For calendar year 2011, J\$ has gained J\$0.13.

The appreciation of J\$ in 2010 was more a reflection of improving sentiments rather than improving output in the real economy. The pumping-up of the NIR through multilateral inflows has boosted sentiments regarding the adequacy of foreign exchange and relieved the selling bias against the J\$. These are however transient factors, and unless sustained growth returns to the Jamaican economy in 2011, the possibility of the J\$ returning to depreciation is likely.

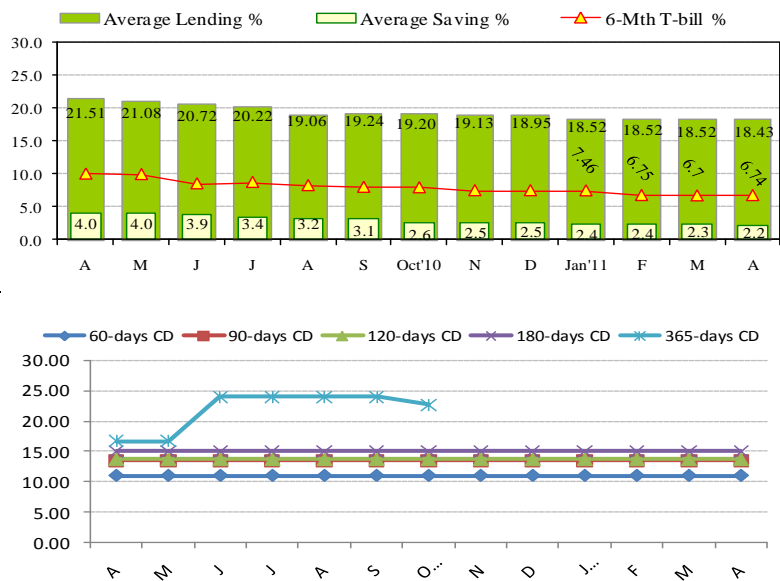
POUND & CANADIAN DOLLAR: During April 2011, the J\$ depreciated against GBP by J\$5.09 or 3.71% to sell at J\$142.37 from J\$137.28 in March 2011. Against the CAD, the J\$ depreciated by J\$1.81 or 2.06% in April 2011 to sell at J\$89.96. The movement of the J\$ against GBP and CAD has seen-sawed since July 2010, but has been more down than up. Year to date, GBP has appreciated against the Jamaican dollar by J\$8.63 or 6.45% and the CAD is up by J\$4.62 or 5.41%.

The movement of the J\$ against the USD, CAD, and GBP over the past two months appears to be connected to the strength or weakness of the USD on international currency exchanges. When USD weakens against CAD and GBP, J\$ also weakens against CAD and GBP and vice versa.

Interest Rates

The downward movement of Jamaica's interest rates which began with the JDX in March 2010, continued in April 2011, but at a much slower pace than in Q2 and Q3 of 2010 when rates in the public sector declined by as much as 600 bps. Indeed, during Q4 2010, interest rates

Figure 2A & 2B: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 4: Interest Rate Movements

	Apr-11	Change (%age pts)		
		Monthly	12-Mth	YTD
30-days CD	6.75%	0.00%	-3.25%	-0.75%
60-days CD	11.00%	0.00%	0.00%	0.00%
90-days CD	13.50%	0.00%	0.00%	0.00%
120-days CD	13.70%	0.00%	0.00%	0.00%
180-days CD	15.00%	0.00%	0.00%	0.00%
Avg Savings Deposit	2.24%	-0.10%	-1.79%	-0.26%
Avg Loan Rate	18.43%	-0.09%	-3.08%	-0.52%
6-Month T-Bill	6.74%	0.04%	-3.25%	-0.74%

Source: Bank of Jamaica (BOJ Preliminary)

seemed to have bumped upon resistance to further significant downward movement in both the public and commercial sectors.

As regards rates in the public sector, rates on the 6-month T-bill, which has been the stalking horse for rate reductions in 2010 with dramatic declines of 9.32%, and which appeared to have hit bottom during November and December 2010 at 7.48%, resumed significant decline in February 2011 with a substantial 71 bps drop followed by a 5 bps drop in March 2011 to 6.70%. In April 2011 however, the rate on the

6-Month T-bill reversed course with a slight increase of 4 bps.

The average lending rate, which was the second slowest declining rate in 2010, (decreasing by 2.96% from very high levels around 23% to 18.95%), fell by a further 43 bps in January 2011 to 18.52% but was unchanged in February and March 2011. In April 2011, the average lending rate fell by a further 9 bps. Seemingly to maintain their spread, commercial bank average saving rates were also pushed down by 10 bps in April 2011 to 2.24%.

Many business persons continue to be



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

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



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

Provide immediate cash to fill cash flow gaps and access to much needed working capital. Both NCB customers and those supplying goods and service to approved customers are eligible to apply.
Call: 1-888-NCB-FIRST for details.

disappointed that Jamaica's average lending rate at 18.43% remains very high in relation to our main trading partners. One commercial bank reduced its base lending rates by 1% to 15.75% in March 2011, but this is more than twice the 7% economists regard as a reasonable borrowing rate.

Base Money & Money Supply

The BOJ reported that during the March 2011 quarter, broad Jamaica Dollar money supply (M3J), increased by 0.2%, compared to a reduction of 2.0% for the March 2010 quarter. The marginal growth in Q1 2011 brought the expansion in M3J for the fiscal year to 9.2 per cent, above the 7.3 per cent in FY2009/10, but below the average of 10.5 per cent for the last five fiscal years.

The measure of money supply that includes foreign currency deposits (M3*) increased marginally by 0.1%, relative to a reduction of 1.1% in the corresponding quarter of 2010. Within M3*, foreign currency deposits declined by 0.3%, relative to an expansion of 1.2% for the March 2010 quarter. Consequently, the ratio of foreign currency deposits to total deposits was 27.8 per cent as at end-March 2011, compared to 31.4 per cent at end-March 2010.

In April 2011, the monetary base expanded by 3.14% to J\$81,399.3 billion quite likely reflecting increased demand for money during the Easter season.

Inflation

The rate of inflation in April 2011 increased at the slower rate of 0.47% following a 1.08% rise in March 2011. Within the Consumer Price Index, the division 'Housing, Water, Electricity, Gas and Other Fuels' declined by -0.2% for the month after recording the largest increase the previous month; and the

Table 5: Base Money and Money Supply

	J\$M	Percentage Change (%)	
	Feb -11	Mthly	12 Mth
M1	112,338.70	2.73	5.01
Quasi Money	227,962.85	0.58	-0.84
M2	340,301.55	1.28	1.01
	Apr -'11	Mthly	12 Mth
Base Money	81,399.30	3.14	4.82

Source: BOJ Economic Statistics

Table 6: Inflation Trends

	% Percent Changes			
	Apr	12-Mth	YTD	Fiscal
2011	0.47	6.93	0.95	0.47
2010	1.34	14.34	5.52	1.34

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

Table 7: Mining Production

	000 tonnes			YTD	
	Apr-11	Apr-10	%	Apr-11	10/11 %
Production					
Alumina	155.2	109.3	41.9	661.2	43.7
C. Bauxite	477.5	394.1	21.2	1,773.7	26.9
Export					
Alumina	201.3	101.2	98.9	642.4	40.9
C. Bauxite	482.5	394.0	22.5	1,759.4	24.7

Source: Jamaica Bauxite Institute (JBI)

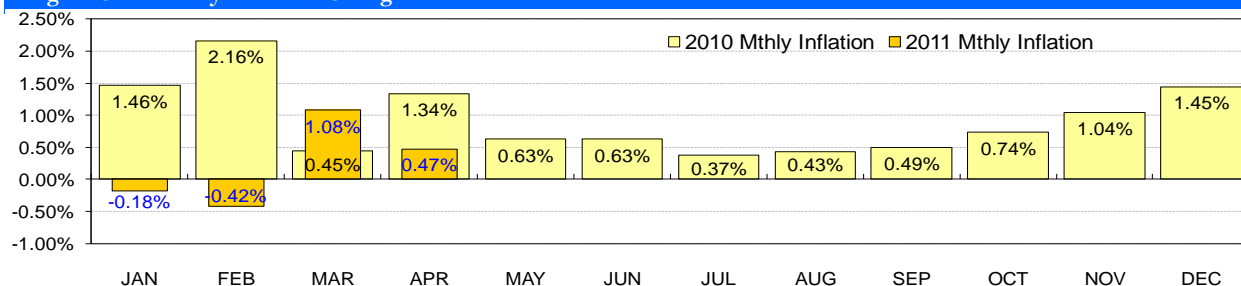
out-turn on two divisions - 'Education' and 'Communications' were unchanged during April 2011; but the remaining nine divisions within the CPI recorded slight to moderate increases.

The largest increase was a 1.3% rise in the 'Transport' division due to increases in the price of airfares, fuels and lubricants. The second largest increase of 0.7% was recorded in the 'Food, and Non-Alcoholic Beverages' - the most heavily weighted division within the CPI. This was contributed to by a 3.2% rise in the class 'Bread and Cereals' due to rising international prices for wheat and grains; and the index for 'Meat' and 'Fish

and Seafood' each rose by 1%. But increases in these classes of Food were offset by a 2.4% drop in the class 'Vegetables and Starchy Foods' as these remained well supplied on the local market.

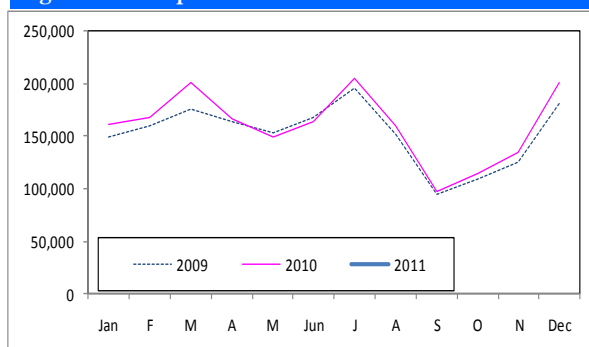
The divisions 'Clothing and Footwear' and 'Miscellaneous Goods' both recorded increases of 0.5%, while the remaining five divisions within the index recorded slight increases of 0.3% to 0.1%. The calendar year to date inflation was 1.0%, 4.5 percentage points lower than the 5.5% recorded for the corresponding period of 2010. The point to point rate was 6.9%, 7.5 percentage point lower than the 14.4% recorded for the period

Figure 3: Monthly Inflation Changes



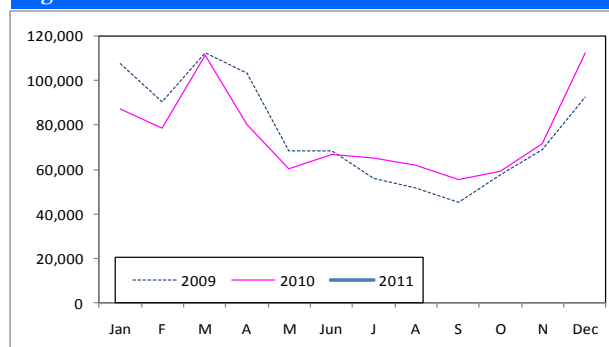
Source: STATIN and PSOJ compilation

Figure 4A: Stopover Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

Figure 4B: Cruise Arrivals to Jamaica



Source: Jamaica Tourist Board (preliminary data)

April 2009 to April 2010.

Tourist Arrivals

Bauxite & Alumina

Production of alumina in April 2011 amounted to 155.2 tons compared to 109.3 tons in April 2010 - a 42.0% increase. For its part, production of crude bauxite in April 2011 increased by 21.2% to 477.5 tons compared to 394.1 tons in April 2010.

During calendar year 2010, alumina production fell by -10.3% to 1,590.6 tons and alumina exports by -16.4% to 1,575.3 tons compared to the same period of 2009. But this was a much lower rate of contraction than the -60% contraction in 2009 relative to 2008.

Reflecting the upturn in the industry, production of crude bauxite was up 35% to 4.32 million tons during 2010, compared to 3.2 million tons for 2009. Bauxite exports were also up by 34.6% to 4.3 million tons. For the first four months of 2011, alumina production is up by 43.2% to 661,189 tons, while production of crude bauxite is up by 26.9% to 1,773.7 tons.

The year over year increases in bauxite and alumina production in April 2011 therefore reflects a continuation of the upturn in the industry which gathered pace in July 2010 with the reopening of Windalco Ewarton plant.

Tourism

Stopover arrivals in January 2011 were 174,144—an increase of 8.55% over the 161,094 recorded in January 2010, but a -13.3% seasonal drop below the 200,486 stopovers recorded in December 2010. (Traditionally, there is a significant drop in arrivals in January following the Christmas bump-up in arrivals in December). The number of cruise passen-

	2010	2011	%Change	
	YTD (Jan)	YTD - YOY	YTD - YOY	MOM
Stopover	161,094	174,144	8.1%	-13.3%
Foreign	151,681	164,155	8.2%	-6.7%
Non-Resident	9,413	9,989	6.1%	-59.8%
Cruise	87,132	96,323	10.5%	-14.2%
Total Arrivals	248,226	270,467	9.0%	-13.6%

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

gers also increased by 10.5% in January 2011 to 96,325 visitors compared to 87,132 in January 2010. During calendar year 2010, stopovers increased by 4.9% to 1,921,678 compared to 1,831,097 in 2009, but fell 4% short of the 2 million stopovers the GOJ had targeted for 2010. For 2011, the GOJ is targeting a 6-8% rise to 2,030,000.

Regionally, stopovers from the US in January 2011 were up 5.7% to 90,919 compared to 85,993 in January 2010. For calendar year 2010, stopovers from the United States increased by 6.0% to 1,242,943 compared to 1,172,844 during 2009. From the Canadian market, stopovers increased by 19.1% in January 2011 with 55,488 arrivals, compared to 46,573 in January 2010. For calendar year 2010, stopovers from Canada were up by 34,884 or 13.4% with a total of 325,191 compared to 290,307 visitors in 2009.

Visitors from Europe, including the UK, decreased by 5.8% in January 2011 to 20,907 compared to 22,193 arrivals in January 2010. For calendar year 2010, stopovers from Europe declined by 2.0% to 271,315 compared to 276,799 in 2009. Stopover arrivals from the Caribbean also decreased during 2010 by a significant 10.8% to 58,299 compared to 65,333 in 2009; but for the first month of 2011, stopovers

from the Caribbean are up 9.5% with a total of 4,625 visitors compared to 4,223 visitors in January 2010. Stopovers from Latin America were also down 7.2% to 13,442 in 2010 compared to 14,492 in 2009. But for January 2011, stopovers are up 13.6% to 1,372 compared to 1,208 in January 2010.

During calendar year 2010, cruise visitors to the Island decreased slightly - by 1.4% to 909,619 visitors, but are up 10.5% to 96,323 during the first month of 2011 compared to 87,132 in January 2010. Total Visitors to the island for January 2011 were 270,467 marking a 9.0% increase relative to the 248,226 during January 2010.

External Trade

During January 2011, Jamaica's exports decreased modestly by US\$3.14 million or -3.0% to US\$101.5 million, compared to US\$104.6 million in January 2010. Imports on the other hand, increased by 4.7%, to US\$419.2 million compared to US\$400.5 million during January 2010. As is usually the case when economic conditions are picking up globally and in Jamaica, after many periods of positive out-turn, the 'change' in Jamaica's year-over-year trade balance turned nega-

tive in the last quarter of 2010. Compared to a US\$1.92 billion year over year reduction in the negative trade balance in 2009, the negative trade balance actually increased in 2010 by US\$123 million or 3.3%.

Traditional Exports: For the first month of 2011, traditional domestic exports earned US\$57.4 million, an increase of US\$10.13 million or 22.7% over the US\$44.5 million recorded in January 2010. The share of traditional exports in total domestic exports also increased from 42.6% in January 2010 to 53.9% for January 2011. The main contributor to the increase in traditional exports, was an increase of 229.7% in the value of manufacture exports. Sugar exports which were zero in January 2010 increased to US\$8 million in January 2011; and these were reinforced by increases of 23.3% in rum exports to US\$4.38 million; as well as a 17.8% increase in bauxite exports to US\$10.8 million; and a smaller 2.7% increase in alumina exports to US\$30.8 million.

Agricultural exports, which declined by 36.2% to US\$24.9 million during 2010, continued their decline in the first month of 2011, declining by 67% to US\$0.5 million compared to US\$1.53 million in January 2010. This was largely due to a steep 95.4% drop in the value of coffee exports, from US\$1.23 million to US\$0.06 million, as the premium prices normally paid for Jamaican coffee has not been forthcoming since the global recession among price conscious consumers.

Non-traditional exports accounted for 50.4% of exports by value in calendar year 2009 surpassing earnings from traditional exports. But due to the recovery in the Bauxite/Alumina industry in 2010 and significant declines in several non-traditional exports groups, traditional exports again moved to the top in 2010. During the first month of 2011 non-traditional exports continued their decline by -22.7% to US\$46.2 million compared to US\$59.70 million in January 2010.

The leading cause of the decline in non-traditional exports, was a sharp -34.5% decline in "Other" non-traditional exports, in particular, the steep -87.1% drop in 'Chemicals (incl. Ethanol)' from US\$15.3 mil-

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

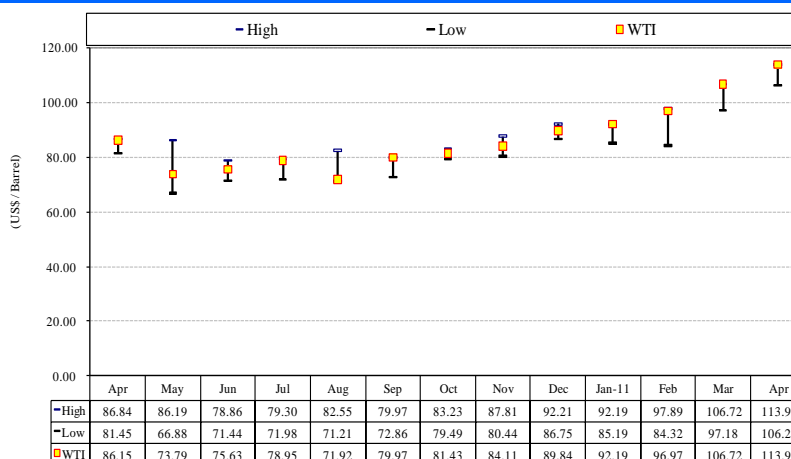


Table 9: External Trade (US\$M)

	Jan-'10	Jan-'11	Change	% Change
TOTAL EXPORTS (fob)	104.62	101.48	-3.14	-3.0%
Major Traditional Exports	44.54	54.66	10.13	22.7%
<i>by Sector:-</i>				
Agriculture	1.53	0.50	-1.02	-67.0%
Mining & Quarrying	39.23	41.69	2.46	6.3%
Manufacturing	3.78	12.47	8.69	229.7%
<i>by Industry:-</i>				
Bauxite	9.24	10.88	1.64	17.8%
Alumina	29.99	30.81	0.82	2.7%
Sugar	-	7.94	7.94	
Rum	3.56	4.38	0.83	23.3%
Bananas	-	-	0.00	0.0%
Coffee	1.23	0.06	-1.17	-95.4%
Other	0.53	0.60	0.07	13.1%
Non-Traditional Exports	59.70	46.16	-13.54	-22.7%
Re-exports	0.38	0.67	0.28	73.6%
TOTAL IMPORTS	400.46	419.20	18.74	4.7%
Food	45.61	57.24	11.62	25.5%
Beverages & Tobacco	5.04	5.16	0.12	2.4%
Crude Materials (excl. Fuels)	4.41	3.15	-1.26	-28.5%
Mineral Fuels, etcetera	156.64	139.24	-17.40	-11.1%
Animal & Vegetable Oils & Fats	0.64	12.43	11.79	1838.8%
Chemicals	44.47	54.31	9.84	22.1%
Manufactured Goods	38.24	42.65	4.41	11.5%
Machinery and Transport Equip.	48.64	63.55	14.91	30.7%
Misc. Manufactured Articles	48.16	35.98	-12.18	-25.3%
Other	8.62	5.50	-3.12	-36.2%
TRADE BALANCE	(295.85)	(317.72)	-21.87	7.4%

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

lion in January 2010 to US\$1.98 million in January 2011. An equally steep -80.6% drop in 'Manufactured Goods' to US\$434,000 from US2.24 million in January 2010 also contributed to the fall in "Other" Non-traditional exports. A smaller decline of -6.6% in 'Beverages & Tobacco (excl. Rum) to US\$3.7 million compared to US\$4.02

million the previous January added to the decline in Non-traditional exports.

In the category "Food", there was a 13.9% increase in earnings to US\$11.4 million compared to US\$9.99 million in January 2010. An 81% increase in 'Baked Product' to

US\$2.4 million and a 50.6% increase in 'Other Vegetables & Preparations' thereof to US\$324,000, a 50% increase in 'Dasheen' exports to US\$166,000, plus a number of smaller increases contributed to the overall increase in 'Food' exports.

But there were notable decreases in earnings from a number of 'Food' items in January 2011 relative to January 2010. Earnings from 'Yams' (the leading non-traditional food item), declined by -18.2% to US\$1.01 million from US\$1.23 million in January 2010. Earnings from 'Ackee' - the second leading non-traditional food export, fell significantly by -27.54% to US\$964,000. 'Meat and Meat Preparations' were down -10.0% from US\$213,000 in January 2010 to US\$192,000 in January 2011. 'Dairy Products and Birds Eggs' were down 17.2% to US\$966,000 from US\$1.67 million and 'Juices excluding Citrus' declined by -14.0% to US\$577,000 from US\$671,000 in January 2010.

'The 37.3% increase in earnings (US\$22.9) from exports of "Crude Materials" in 2010 was the largest increase recorded by any group of non-traditional exports in 2010. In January 2011, earnings from "Crude Materials" continued to be Jamaica's leading Non-Traditional export. Exports of 'Waste and Scrap Metals' increased by 116.2% to US\$1.99 million in January 2011 compared to US\$920,000 million in January 2010, more than making up for the fall of -64.8% in 'Other' Crude Material exports and the -100% fall in 'Limestone' exports, none of which was exported in January 2011.

Imports. The 39.4% decline in Jamaica's imports observed in 2009 due to depressed domestic demand brought on by the global recession, appears to now have abated with the onset of the global recovery. Compared to US\$5.06 billion in 2009, imports increased modestly by 2.7% in 2010 to US\$5.19 billion. During the first month of 2011, imports continued to rise growing by 4.7%. Possibly reflecting expansion or retooling by Jamaican firms, imports of '**Capital Goods (excl. Motor Cars)**' registered the largest increase of 13.1% to US\$30.3 million after two consecutive annual declines. All categories of Capital Goods imports registered increases except 'Construction Materials' which declined by -6.8% to US\$6.1%. But 'Machinery and Equipment' was up 10.3% to US\$18.6 million from US\$16.9 million in January 2010, while 'Other

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

	Jan 2010	Jan 2011	\$ Change	% Change
Current Account	(43.8)	(48.1)	(4.3)	-9.8%
Goods Balance	(242.5)	(262.7)	(20.3)	-8.4%
Exports	116.3	110.5	(5.8)	-5.0%
Imports	358.7	373.2	14.5	4.0%
Services Balance	103.3	113.6	10.3	10.0%
Transportation	(27.8)	(31.1)	(3.4)	-12.2%
Travel	179.3	195.3	16.0	8.9%
Other Services	(48.2)	(50.6)	(2.3)	-4.8%
Income	(47.5)	(47.5)	0.1	0.2%
Compensation of empl	1.4	2.3	0.9	64.3%
Investment Income	(49.0)	(49.8)	(0.8)	-1.6%
Current Transfers	142.9	148.5	5.6	3.9%
Official	8.3	10.3	2.0	24.1%
Private	134.6	138.2	3.6	2.7%
Capital & Financial Account	43.8	48.1	4.3	9.8%
Capital Account	1.6	(2.4)	(4.0)	-250.0%
Capital Transfers	1.6	(2.4)	(4.0)	-250.0%
Official	4.0	-	(4.0)	-100.0%
Private	(2.4)	(2.4)	-	0.0%
Acq/disp.	-	-	-	0.0%
Financial Account	42.2	50.5	8.3	19.7%
Other Official Invst	8.0	16.7	8.7	108.8%
Other Private Invst	(129.2)	(48.7)	80.5	62.3%
Reserves	163.4	82.4		

Source: BOJ & Statistical Update:

'Industrial Transport Equipment' was up 73.5% to US\$5.1 million. As per usual, **Raw Materials/Intermediate Goods** accounted for the bulk of imports with 60.1% or US\$252 million of the US\$419.2 million of imports. All categories of Raw Material imports were up except 'Crude Oil' which fell by -25.4% to US\$56.9 million in January 2011 compared to US\$76.2 million in January 2010, but 'Other Fuels and Lubricants' edged up slightly by 2.3% to US\$82.1 million from US\$80.3 million one year ago. The largest increase in Raw Material/Intermediate Goods' imports were recorded for 'Food (incl. Beverages) - up 87.4% to US\$18.9 million, 'Industrial Supplies' - up 34.6% to US\$73.2 million and 'Parts & Accessories up 28.7% to US\$20.8 million.

There was a small -2.2% decline in imports of **Consumer Goods (excl. Motor Cars)** to US\$124.8 million. This was largely due to a -25.8% decline in imports of 'Non-Durable Goods' to US\$41.0 million; but 'Food (incl. Beverages)' increased by 23.3% to US\$51.3 million; 'Semi-durable Goods' were up 9.2% to US\$8.6 million and 'Other Durable

Goods' increased by 4.8% to US\$23.9 million. In January 2011, imports of '**Passenger Motor Cars**' increased by 42% to US\$10.1 million from US\$7.1 million one year earlier.

Oil: At the end of April 2011, West Texas Intermediate (WTI) Crude Oil price stood at US\$113.03 per 42 gallon barrel - an increase in price of US\$6.31 compared to the closing price of US\$106.72 the previous month. During April 2011 the price ranged between a low of US\$106.25 and the high of US\$113.03 per barrel where it closed. (See Fig. 5)

Balance of Payments

For January 2011, there was a current account deficit of US\$48.1 million, representing a deterioration of US\$4.3 million relative to the corresponding period in 2010. The deterioration in the current account resulted from the **Goods Sub-account**.

During the month, the **Goods Balance** recorded a deficit of US\$262.7 million, a deterioration of US\$20.3 million. This resulted from a US\$14.5 million increase in imports as well as a

Table 11: Fiscal Accounts (J\$ Million)

	Apr-Mar (Fiscal—2010/11)				Apr-Mar (YOY)	
	J\$ million		Deviation		09/10 - 10/11	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
Revenue & Grants	314,558.5	326,282.1	-11,723.6	-3.59	15,598.2	5.2
Tax Revenue	279,874.2	287,211.3	-7,337.1	-2.55	14,050.8	5.3
Non-Tax Revenue	20,473.9	20,018.0	455.9	2.28	1,371.1	7.2
Bauxite Levy	421.1	728.9	-307.8	-42.23	-1,162.3	-73.4
Capital Revenue	3,664.5	2,708.2	956.3	35.31	-1,241.3	-25.3
Grants	10,124.8	15,615.7	-5,490.9	-35.16	2,580.9	37.1
Expenditure	388,768.0	407,136.4	-18,368.4	-4.51	-33,292.7	-7.9
Recurrent Expenditure	333,173.9	343,929.9	-10,756.0	-3.13	-53,582.3	-13.9
Programmes	76,862.5	74,121.0	2,741.5	3.70	4,896.4	6.9
Wages & Salaries	127,956.7	127,659.6	297.1	0.23	3,028.0	2.4
Interest	128,354.7	142,149.4	-13,794.7	-9.70	-61,507.0	-32.6
Domestic	88,049.5	95,092.6	-7,043.1	-7.41	-56,455.3	-39.0
External	40,305.2	47,056.8	-6,751.6	-14.35	-5,051.4	-11.5
Capital Expenditure	55,594.1	63,206.4	-7,612.3	-12.04	20,289.4	57.5
Capital Programmes	55,594.1	63,206.4	-7,612.3	-12.04	20,289.4	57.5
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	0.0
Fiscal Balance (Surplus [+ve])	-74,209.5	-80,854.3	6,644.8	8.22	49,533.5	40.2
Loan Receipts	212,968.9	176,288.5	36,680.4	20.81	-123,139.5	-41.2
Domestic	122,478.7	117,971.6	4,507.1	3.82	-126,898.5	-50.9
External	90,490.2	58,317.0	32,173.2	55.17	3,759.3	7.6
Divestment Proceeds	1,482.5	0.0	1,482.5		1,482.5	0.0
Amortization	102,157.5	96,834.3	5,323.2	5.50	-72,169.3	-41.4
Domestic	79,393.5	69,701.4	9,692.1	13.91	-68,333.5	-46.3
External	22,764.0	27,132.9	-4,368.9	-16.10	-3,835.4	-14.4
Overall Balance (Surplus [+ve])	38,084.5	-1,400.0	39,484.5	2820.32	77,859.3	3971.8
Primary Balance (Surplus [+ve])	54,145.2	61,295.1	-7,149.9	-11.66	-12,615.4	-19.1

Source: Ministry of Finance and Planning

US\$5.8 million decline in exports. The increase in imports reflected increases in most import categories, particularly machinery & transportation equipment, food, and animal & vegetable oil imports. The decline in exports was due primarily to a decline of US\$11.0 million in chemical exports.

In relation to the **Services Sub-account**, there was an increase of US\$10.3 million in its surplus position. This reflected an increase in estimated tourist expenditure as well as a marginal decline in expenditure of Jamaicans travelling abroad. The **Income Sub-account** improved marginally by US\$0.1 million during the month.

Over the review period, **Current Transfers** increased by US\$5.6 million to US\$148.5 million. This resulted from increases of US\$3.6 million and US\$2.0 million in net private and net official transfers, respectively.

Fiscal Accounts

During the twelve months (Apr-March) of fiscal year 2010/11, the Government of Jamaica (GOJ) accumulated a fiscal deficit of -J\$74.2 billion. This was J\$6.6 billion or 8.2% better than the -J\$80.9 billion budgeted and represents a 40.2% improvement on the deficit of -J\$123 billion recorded for the same period in 2009/10.

The deficit reduction in FY2010/11 was wholly achieved by a -J\$18.4 billion cutback in expenditures to J\$388.8 billion relative to the J\$407.1 billion that was budgeted as Revenues and Grants actually declined by -J\$11.7 billion or -3.6%.

REVENUE: Total Revenues & Grants to the GOJ for FY2010/11 was J\$314.6 billion. This was, as noted, -J\$11.7 billion or -3.6% below

the J\$326.3 billion targeted for the period. However FY2010/11 revenues exceeded 2009/10 levels by J\$15.6 billion or 5.2%. The main outperformers on the revenue accounts were 'GCT (Imports)' which was J\$7.3 billion above budget; 'Travel Tax' - up J\$1.38 billion; and Capital Revenue - up J\$956 million. Other notable outperformers on the revenue accounts were 'Education Tax' - up J\$697.5 million and 'Tax on Dividend' which was J\$411.9 million above budget.

Reflecting the still weak conditions in the Jamaican economy despite the onset of the global recovery over the past 14 months, 'PAYE' recorded a notable shortfall of -J\$5.6 billion below budget, and was running -J\$4.42 billion below the levels for FY2009/10. 'Customs Duty' came in -J\$3.3 billion below budget, but was J\$1.49 billion above FY2009/10 levels; and 'Tax on

Interest' was -J\$3.24 billion below budget and a whopping -J\$12.8 billion below 2009/10 levels, quite likely reflecting the impact of the JDJ. Other items recording notable shortfalls, were 'SCT (Imports)' - down J\$1.48 billion and 'Other Companies Taxes' down -J\$1.18 billion.

EXPENDITURE: For the twelve months of FY2010/11, actual expenditure net amortization amounted to \$388.8 billion, which was J\$18.4 billion or 4.5% less than the J\$407.1 billion originally budgeted. This reduced expenditure was due to a J\$13.8 billion reduction in interest payments and J\$7.6 billion reduction in expenditures on capital programs. Contributing to the reduction in interest payments, savings on domestic interest payments accounted for J\$7.04 billion of the decrease while external interest savings amounted to J\$6.75 billion.

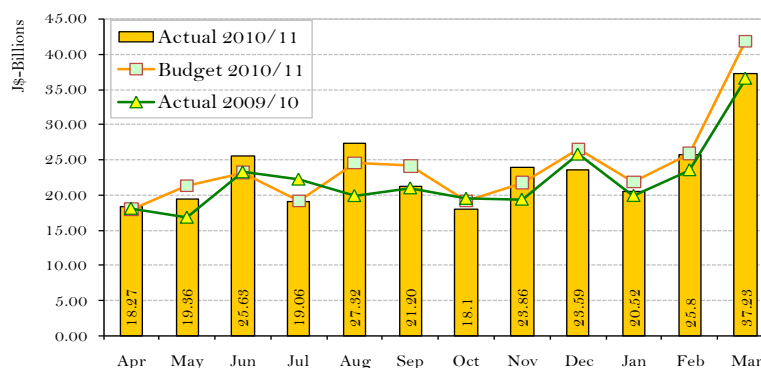
FISCAL OUTTURN

Though there are continuing concerns regarding the levels of arrears owed by the GOJ, and in his recent 2011/12 Budget presentation Finance Minister Audley Shaw notably extending the time frame by one year for eliminating the fiscal deficit - from the end of FY2014/15 to FY2015/16 - the fiscal consolidation efforts of the GOJ during 2010/11 appear to be progressing in the right direction. The fiscal deficit of -J\$74.2 billion for FY2010/11 amounts to 6.1% of GDP and represents a 40.2% improvement on the -J\$123 billion or 12.75% of GDP recorded for 2009/10.

While Wages and Salaries of J\$112.8 billion were roughly in line with the amounts budgeted, Net Interest payments were down by a whopping -J\$61.5 billion or 32.6% with savings on domestic interest payments accounting for -J\$56.5 billion of the reduction. Very significantly, net new borrowings were also down by a hefty -J\$123 billion or 41.2% relative to FY2009/10. This was entirely due to a -J\$126.9 billion reduction in (the usually more expensive) domestic loans, as there was a modest J\$3.8 billion year over year increase in external borrowing to J\$90.5 billion.

The Primary Surplus - the difference between total revenues and non

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



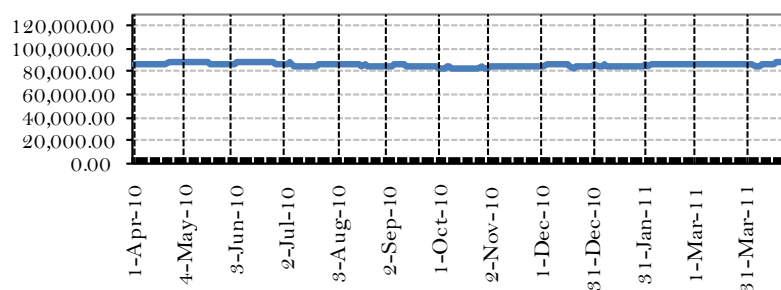
Source: Ministry Of Finance and Planning (Jamaica)

Table 12: Major Deviations in Fiscal Revenue and Expenditure

J\$-Millions	Apr-Mar 2010/11
Revenue (Revenue Surpluses)	
GCT (Imports)	7,276.6
Travel Tax	1,380.0
Capital Revenue	956.3
Education Tax	697.5
Tax on Dividend	411.9
Revenue (Revenue Shortfalls)	
PAYE	-5,576.1
Custom Duty	-3,260.2
Tax on Interest	-3,245.9
STC (Imports)	-1,475.6
Other Companies	-1,176.4
Expenditure (Changes)	
Capital Programmes (under-spend)	-7,612.3
Domestic Interest (under-spend)	-7,043.1
External Interest (under-spend)	-6,751.6
Recurrent Programmes (over-spend)	2,741.5
Wages & Salaries (over-spend)	297.1

Source: Ministry Of Finance and Planning (Jamaica)

Figure 7: Main JSE Index Apr'10 - Apr'11



Source: Jamaica Stock Exchange (Online Database) and PSOJ

-interest expenditures for FY2010/11 was J\$54.1 billion or 5.6% of GDP. This fell short of budget by J\$7.15 billion or 11.7% relative to the J\$61.3 billion originally budgeted.

PUBLIC DEBT: Total public debt at the end of FY2010/11 stood at \$1.527 trillion compared to J\$1,434.8 trillion at the end of FY2010/11. This represents an additional \$135.6

billion added to the debt stock during 2010/11. As of March 2011, the domestic debt is estimated at J\$800 billion or 52.6% of the total, while the external debt amounts to J\$720.3 billion or 47.4% of the total debt stock. Eighty-four percent (84%) of the increase in the debt stock (or J\$131 billion) in 2010/11, arose from external borrowing, reflecting GOJ policy to seek out lower interest external loans.

Stock Market

During April 2011, market capitalization increased by J\$17.42 billion or 3.0% to close at J\$590.31 billion. Four of five indices on the Jamaica Stock Exchange advanced and one declined. The main **JSE Market Index** advanced by 2,703 points or 3.12% to close at 89,235 points. The **JSE All Jamaican Composite** advanced by 7,623.37 points, or 9.32%, to close at 89,437 points; and the **JSE Select** advanced by 253 points or 11.3% to close at 2,491 points. The **Jamaica**

30.13% of market volume; Jamaica Broilers Group was second with 11.2 million units or 11.2% of traded shares; followed by Gleaner Company Ltd. with 9.4 million units or 9.3% of market volume.

The leading advancers year to date are: Berger Paints, Jamaica Money Market Brokers (JMMB), Kingston Wharves, Gleaner Company, and National Commercial Bank. The leading decliners are Pulse Investments, Cable & Wireless Ltd, Salada Foods, Guardian Holdings Limited and Montego Freeport.

Economic Highlights

(contd. from page 1.)

The Global Recovery Cooling

As Jamaica appears to be coming out of recession after 34 months of economic contraction, in which its GDP contracted by an estimated 5.1% below 2007 levels, the global recovery appears to be cooling after 18 months of unsteady rise.

In China, in which many hopes lie that it will serve as the 'global engine of growth', the combined effect of ten increases of interest rates and bank reserve requirements over the past six months to combat overheating finally appear to be working. China's Purchas-

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

	31- Dec '10	29- Apr '11	\$ change	% change
Top Five (unadjusted for dividends or transact. Costs)				
Berger Paints (Jamaica)	2.01	3.12	1.11	55.2%
JMMB	4.00	5.40	1.40	35.0%
Kingston Wharves	4.00	5.10	1.10	27.7%
Gleaner Company	1.70	2.15	0.45	26.5%
National Comm. Bank	19.32	23.50	1.18	21.6%
Bottom Five (unadjusted for dividends or transact. Costs)				
Pulse Investments	2.30	1.27	(1.03)	-44.8%
Cable & Wireless (Ja)	0.33	0.22	(0.11)	-33.3%
Salada Foods	13.00	9.50	(3.50)	-30.7%
Guardian Holdings Ltd.	220.00	165.00	(55.00)	-25.0%
Montego Freeport	1.43	1.18	(0.25)	-17.5%

Source: Compiled from the JSE

Stock Exchange Junior advanced (breaking two months of decline) by 23.3 points or 6.36% to close at 388.7 points; but the **JSE Cross Listed Index** of mostly foreign companies operating in Jamaica, declined during April 2011 by 46 points or 5.25% to close at 833.4 points. Market volume was modest in April 2011 with 101.13 million

units valued at J\$645 million changing hands, compared to 146.9 million units valued at \$2.3 billion in March 2011. Overall market activity resulted from trading in 41 stocks of which 24 advanced, 9 declined and 8 traded firm. Cable & Wireless with 30.5 million units was the volume leader with

ing Manager's Index (PMI) Manufacturing came in at 52.9 against expectations of 53.9 though their Services PMI beat expectations at 62.9. Imports increased by 21.8% in April 2011 below expectations of 28.6%; while Industrial Production came in at 13.4% below expectations for a 14.6% increase. Many global commercial banks and the IMF have now cut their forecasts for China's growth from 10.0% to around 9%.

After two consecutive quarters of negative growth, (the first notably before the March 11, 2011 earthquake), Japan is again officially in recession, and Fitch recently downgraded Japan's outlook from 'stable to negative. In the Euro-zone, concerns about the likelihood of default by peripheral European economies now appear to be spreading to the larger economies. On top of the frequent and continuing downgrades of the PIGS (Portugal, Ireland, Greece and Spain), the Rating Agency Fitch has downgraded Italy's outlook to negative and Standard & Poor's recently downgraded ten United Kingdom Banks.

In the United States, though the 244,000 private sector jobs created in April 2011, were the largest monthly job creation in 2 years, unemployment inched up to 9% from 8.8%; and US first

units valued at J\$645 million changing hands, compared to 146.9 million units valued at \$2.3 billion in March 2011.

Overall market activity resulted from trading in 41 stocks of which 24 advanced, 9 declined and 8 traded firm. Cable & Wireless with 30.5 million units was the volume leader with

quarter GDP (Q1 2011) came in at 1.8% relative to expectations of a 2.0% rise.

Several other data in April 2011 suggest the US recovery is cooling. Nearly all the Regional 'Manufacturing' Indices - previously regarded as the bright spot in the US recovery, came in below expectations; and the much larger ISM (Services) Index fell sharply in April to 52.8 relative to expectations of 57.5. Durable Goods Orders (ex. Transportation) also fell to 1.3% against expectations of 1.9%.

It was widely anticipated that when Central Banks began to pullback on their economic stimuli and in light of the headwinds consumers were facing in terms of job insecurity, and their weak equity and credit positions, that the global recovery would be weaker than in the past. But while the majority of analysts remain convinced according to a recent Bloomberg Poll, that the global recovery is sustainable and view the present cooling as the global economy hitting a 'soft patch', it is fair to say that, Jamaica's prospects for recovery are likely to fare better when sentiments are rising rather than when they are moderating.

INFLATION (APR - 2011) - CPI

APPENDIX

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.47%	0.474		
FOOD AND NON-ALCOHOLIC BEVERAGES	0.65%	0.244	1	
Food	0.65%			
Bread and Cereals	3.20%			
Meat	0.97%			
Fish and Seafood	1.03%			
Milk, Cheese and eggs	0.93%			
Oils and Fats	0.75%			
Fruit	0.64%			
Vegetables and Starchy Foods	-2.41%			
Vegetables	-2.85%			
Starchy Foods	-1.44%			
Sugar, Jam, Honey, Chocolate and Confectionery	0.74%			
Food Products n.e.c.	0.42%			
Non-Alcoholic Beverages	0.61%			
Coffee, tea and Cocoa	0.94%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	0.48%			
ALCOHOLIC BEVERAGES AND TOBACCO	0.00%	0.000	9	
CLOTHING AND FOOTWEAR	0.49%	0.016	4	
Clothing	0.72%			
Footwear	0.28%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	-0.16%	-0.020	12	
Rentals for Housing	0.00%			
Maint and Repair of Dwelling	0.06%			
Water Supply and Misc. Serv Related to the Dwelling	5.40%			
Electricity, Gas and Other Fuels and Routine	-1.28%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	0.12%	0.006	6	
Furniture and Furnishings (including Floor Coverings)	0.17%			
Household Textiles	0.13%			
Household Appliances	0.12%			
Glassware, Tableware and Household Utensils	0.31%			
Tools and Equipment for House and Garden	0.06%			
Goods and Serv. for Routine Household Maint	0.12%			
HEALTH	0.08%	0.003	8	
Medical Products, Appliances and Equipment	0.16%			
Health Services	0.17%			
TRANSPORT	1.31%	0.169	2	
COMMUNICATION	0.00%	0.000	9	
RECREATION AND CULTURE	0.27%	0.009	5	
EDUCATION	0.00%	0.000	9	
RESTAURANTS AND ACCOMMODATION SERVICES	0.07%	0.004	7	
MISCELLANEOUS GOODS AND SERVICES	0.50%	0.042	3	

INFLATION YTD (JAN—APR 2011) CPI

	%Change	Weighted Δ	Rnk	Infl. Contribution
All Groups	0.95%	0.952		
FOOD AND NON-ALCOHOLIC BEVERAGES	-1.75%	-0.655	12	
Food	-2.05%			
Bread and Cereals	3.93%			
Meat	3.33%			
Fish and Seafood	2.32%			
Milk, Cheese and eggs	4.46%			
Oils and Fats	2.34%			
Fruit	3.14%			
Vegetables and Starchy Foods	-19.51%			
Vegetables	-24.60%			
Starchy Foods	-5.05%			
Sugar, Jam, Honey, Chocolate and Confectionery	2.85%			
Food Products n.e.c.	2.14%			
Non-Alcoholic Beverages	2.61%			
Coffee, tea and Cocoa	4.45%			
Mineral waters, Soft Drinks, Fruit and Veg Juices	1.90%			
ALCOHOLIC BEVERAGES AND TOBACCO	2.74%	0.038	6	
CLOTHING AND FOOTWEAR	2.51%	0.084	5	
Clothing	3.22%			
Footwear	1.64%			
HOUSING, WATER, ELECT., GAS AND OTHER FUELS	5.90%	0.753	1	
Rentals for Housing	0.05%			
Maint and Repair of Dwelling	4.35%			
Water Supply and Misc. Serv Related to the Dwelling	7.90%			
Electricity, Gas and Other Fuels and Routine	9.01%			
FURNISH, HSHOLD EQUIP & HSHOLD MAINT.	3.44%	0.170	3	
Furniture and Furnishings (including Floor Coverings)	2.17%			
Household Textiles	2.92%			
Household Appliances	1.79%			
Glassware, Tableware and Household Utensils	2.07%			
Tools and Equipment for House and Garden	1.45%			
Goods and Serv. for Routine Household Maint	4.28%			
HEALTH	0.33%	0.011	9	
Medical Products, Appliances and Equipment	0.56%			
Health Services	0.25%			
TRANSPORT	3.59%	0.460	2	
COMMUNICATION	0.00%	0.000	11	
RECREATION AND CULTURE	1.03%	0.035	7	
EDUCATION	0.42%	0.009	10	
RESTAURANTS AND ACCOMMODATION SERVICES	0.54%	0.033	8	
MISCELLANEOUS GOODS AND SERVICES	1.95%	0.164	4	

FISCAL ACCOUNT (APR– MAR '2011)

REV. & EXPEN. (APR'10 - MAR'11)	J\$m	PROVISIONAL Results	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	314,558.5		-11,723.6		15,598.20	
Tax Revenue	279,874.2		-7,337.1		14,050.80	
Non-Tax Revenue	20,473.9		455.9		1,371.10	
Bauxite Levy	421.1		-307.8		-1,162.30	
Capital Revenue	3,664.5		956.3		-1,241.30	
Grants	10,124.8		-5,490.9		2,580.90	
Expenditure	388,768.0		-18,368.4		-33,292.70	
Recurrent Expenditure	333,173.9		-10,756.0		-53,582.30	
Programmes	76,862.5		2,741.5		4,896.40	
Wages & Salaries	127,956.7		297.1		3,028.00	
Interest	128,354.7		-13,794.7		-61,507.00	
Domestic	88,049.5		-7,043.1		-56,455.30	
External	40,305.2		-6,751.6		-5,051.40	
Capital Expenditure	55,594.1		-7,612.3		20,289.40	
Capital Programmes	55,594.1		-7,612.3		20,289.40	
IMF #1 Account	0.0		0.0		0.00	
Fiscal Balance (Surplus [+]/ve)	-74,209.5		6,644.8		49,533.50	
Loan Receipts	212,968.9		36,680.4		-123,139.50	
Domestic	122,478.7		4,507.1		-126,898.50	
External	90,490.2		32,173.2		3,759.30	
Divestment Proceeds	1,482.5		1,482.5		1,482.50	
Amortization	102,157.5		5,323.2		-72,169.30	
Domestic	79,393.5		9,692.1		-68,333.50	
External	22,764.0		-4,368.9		-3,835.40	
Overall Balance (Surplus [+]/ve)	38,084.5		39,484.5		77,859.30	
Primary Balance (Surplus [+]/ve)	54,145.2		-7,149.9		-12,615.40	

REV. & EXPEN. (APR'10 - MAR'11)	J\$m	PROVISIONAL Results	J\$m	BUDGET DEVIATION	J\$m	YOY - CHANGE
Revenue & Grants	314,558.5		-11,723.6		-5,965.2	
Tax Revenue	279,874.2		-7,337.1		-4230.7	
Income and profits	105,118.7		-9,758.6		-13122.6	
Bauxite/alumina	866.3		-115.3		847.1	
Other companies	32,480.9		-1,176.4		2682.8	
PAYE	51,552.6		-5,576.1		-4421.1	
Tax on dividend	1,032.3		411.9		482.2	
Other individuals	4,001.8		-56.7		107.8	
Tax on interest	15,184.9		-3,245.9		-12821.8	
Environmental Levy	2,040.1		-266.4		-61.9	
Production and consumption	78,571.4		-1,252.4		7577.5	
SCT	8,647.9		-965.3		1975.8	
Motor vehicle licenses	1,782.7		-192.1		106.9	
Other Licenses	265.5		-245.0		-208.4	
Betting, gaming and lottery	1,532.8		-143.0		33.8	
Education Tax	13,096.5		697.5		808.6	
Contractors levy	793.6		-57.6		59.2	
GCT (Local)	46,389.9		-397.1		4930.7	
Stamp Duty (Local)	6,062.4		50.1		-128.8	
International Trade	94,144.0		3,940.3		19648.1	
Custom Duty	20,487.7		-3,260.2		1490.7	
Stamp Duty	1,393.2		19.5		110.6	
Travel Tax	3,930.6		1,380.0		2000.3	
GCT (Imports)	38,520.6		7,276.6		9710.8	
SCT (Imports)	29,811.8		-1,475.6		6335.2	
Non-Tax Revenue	20,473.9		455.9		1341.9	
Bauxite Levy	421.1		-307.8		-1162.3	
Capital Revenue	3,664.5		956.3		-1241.3	
Grants	10,124.8		-5,490.9		2580.9	

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 '10	75,972.	9.94	n/a	n/a	1,566	2,331.5	1.46	12.21	n/a	89.70	12.50	21.62	4.61	774,116.9	6,564.60
Feb	76,862	1.17	336,882	n/a	1,559	2,362.2	2.16	12.8	n/a	89.72	11.01	21.40	4.13	800,675.8	7,586.80
Mar	77,322	0.60	325,963 1		1,7519	2,332.28	0.45	4.1	-1.8	89.51	10.49	21.40	4.09	758,700.3	7,553.0
Apr	77,652	8.6	332,696.	2.07	1,736	2,321.3	1.34	5.5	14.5	89.07	9.99	21.51	4.03	759,420.5	7,729.3
May	81,011	10.9	334,179	3.06	1,675.6	2,325	0.63	6.2	-2.4	88.48	9.91	21.08	4.03	757,750.4	7,692.40
Jun	77,754	-4.02	319,480	-4.40	1,795.8	2,335.2	0.63	6.8	-2.6	86.02	8.52	20.72	3.90	773,311.5	7,711.26
Jul	74,477	-4.22	n/a	n/a	1,732.6	2,335.4	0.37	7.2	-0.5	86.09	8.73	20.22	3.36	787,795.1	7,847.25
Aug	75,121	2.80	336,171	0.96	1,956.93	2,289.4	0.43	7.7	4.5	85.58	8.24	19.44	3.23	780,506.4	8,032.83
Sep	74,230	-1.18	n/a	n/a	1,973.70	2,305.2	0.49	8.2	1.8	86.25	7.99	19.24	3.12	n/a	n/a
Oct	75,065	1.12	n/a	n/a	1,983.67	2,293.2	0.74	9.0	5.4	85.62	7.92	19.20	2.63	n/a	n/a
Nov	74,872	-0.26	330,349	0.88	1,918.48	2,245.4	1.04	10.2	7.0	86.14	n/a	n/a	n/a	n/a	n/a
Dec	85,093	4.90	n/a	n/a	2,171.41	2,238.2	1.45	11.7	2.8	85.86	7.48	18.95	2.5	799,900.	8,375.58
Jan '11	78,380	-7.89	n/a	n/a	2,088.97	n/a	-0.18	10.0	8.5	85.69	7.46	18.52	2.4	n/a	n/a
Feb	77,963	-0.53	340,301	1.23	2,471.40	2,245.9	-0.42	7.2	n/a	85.84	6.75	18.52	2.4	n/a	n/a
Mar	78,919	1.23			2,553.16	n/a	1.04	7.5	n/a	85.75	6.70	18.52	2.34	J\$800 bil.	J\$720 bil.
Apr	81,399	3.14	n/a	n/a	2,602.40	n/a	0.47	6.9	n/a	85.73	6.74	18.43	2.24	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—Skinston and St. Andrew	OECD—Organisation for Economic Co-operating and Development (membership of 30 major countries)
WTI — West Texas Intermediate (Spot Oil Price)	

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

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

Copyright Reserved © 2003.

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

SUBSCRIBE TO THE ECONOMIC BULLETIN

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

FAX # : (876) 927-5137

Subscriber: _____ (Company / Individual)

Address: _____

Contact Person Information (Matters pertaining to Subscription)

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

Position: _____

Telephone: (_____) _____

Fax: (_____) _____

Email: _____

Annual Subscription (Jan-Dec)

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

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

Payment Options

Cheque
Money Order
(No Cash Payment)

(Payment must be included with your order form)

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

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

Position: _____

Email: _____

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

Position: _____

Email: _____

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

Bring to the Attention of JAMES ROBINSON

