



# CONFIDENTIAL ECONOMIC BULLETIN



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## OVERVIEW

During the month of June the value of the local currency depreciated by 35 cents Jamaican against its US counterpart. In the first six months of the year, the Jamaican dollar lost J\$1.43 to the US dollar. At the end of this period (June 30) the US dollar was selling for approximately J\$68.58.

In May 2007 the Consumer Price Index (CPI) increased by 0.67%. This represents the 4th month over the 5-month period that monthly inflation exceeded that of the corresponding month before (see Inflation Chart in Appendix). Inflation for the first five (5) months of 2007 is 2.34% and compares less than favourably to the 1.69% reported for the corresponding period in 2006.

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\*\* No changes since last report

During the month the largest price increases were seen in the Food and Drink segment. This reflected increments in the price of Dairy Products such as condensed milk and margarine; Starchy Foods such as yellow yams, Irish potatoes and bread fruits; and breakfast products and drinks such as bread, milk powder among others.

The rate on 200-kwh electricity consumption went up once more, a 7.8% increase classifying 'Housing and Other Housing Expenses' as the second largest contributor to inflation during the month of May 2007.

During the month there was a slight increment in the 'Healthcare and Personal Expenses' index that reflected marginal increasing in Doctor and Optician fees. The price of Charcoal also increased in 'Other towns' reflecting changes under the 'Fuels and other Housing Supplies' category.

The Net International Reserve (NIR) declined by US\$40.1M in May to close at US\$2,252.2M. Total NIR was sufficient to accommodate 25.5 weeks of goods importation.

Stopovers for the month of March declined by 1.7% when compared to the corresponding month of 2006. Stopover arrivals, however, exceeded that of March 2005 by 6.1%. Cruise arrivals for March 2007 declined by 6.0% when compared to arrivals in March 2006. For the first quarter of 2007 Total Visitor arrivals declined by 0.5% when compared to Q1-2006.

Alumina exports over the month of May 2007 declined by 9.8% along with a 3.8% decline in production. Crude Bauxite exports for the month grew by a marginal 0.3% and was accompanied by a 13.9% increase in the level of production.

The trade deficit for the first two months of 2007 reduced by US \$11.9M or 1.9% relative to the corresponding period before.

For the first two (2) months of the Fiscal Year 2006/07 the fiscal deficit accumulated to J\$1.42B or 18% less than budgeted. This was positively contributed to by under-Expenditure of \$1.08B and revenue surpluses of \$339M. All items under Recurrent expenditure except for Wages and Salaries were less than budgeted. Tax revenue grew by 11.5% when compared to the corresponding period before.

Since the fall of 30-bps on all BOJ (OMO) instruments on December 22, 2006, there has been no other adjustments. The current rates on 30-Day and 180-day OMO instruments are 11.65% and 12.00% respectively. The six month Treasury Bill rate grew by 15-bps during the month to close at 11.96% on May 31st. The Average Lending rate declined by 3-bps to close at 23.04% while the average savings rate declined by 2-bps to close at 5.13%.

## Net International Reserves (NIR)

For the month of May 2007, Net International Reserves decreased by US\$40.1M. At the end of the month the reserve balance stood at US \$2,252.2M down from the previous month's value of US\$2,292.4M. The gross reserves amounted to 25.5 weeks of Goods imports against the 23.7 weeks recorded in the corresponding month of 2006. Since the beginning of the year the NIR declined by US\$65.3M but grew by US\$89.5M in the last 12 months (see Table 1— page 2).



## Foreign Currency

For the month of April 2007 total foreign currency deposits amounted to US\$2,205.28 million, approximately US\$84.94 million more than the previous month's figure (see Table 2). This was due largely to higher balances at Commercial Banks which held approximately US\$78.84M more than the month before. Building societies also held additional balances of \$6.71M while Merchant Banks had a cut backs of US\$0.61M.

For the 12 months to April 2007 total foreign currency deposits grew by US \$171.91M, an 8.5% increase (see Table 2).

## Foreign Exchange Rate

The local currency depreciated by 35 cents Jamaican against its US counterpart during the month of June. On the last day of that month the Jamaican dollar was being sold for \$68.58 per US\$1 (see table 3). For the first half of 2007 the local currency depreciated by \$J1.43 against the US-dollar, an improvement over last year.

During June the Jamaican dollar lost J\$1.40 against the pound sterling. It also lost J\$1.34 to the Canadian Dollar (see Table 3).

## Interest Rates

The BOJ made no changes to the rates on Open Market Operation (OMO) instruments since Dec-2006.

At the end of May 2007 the six-month T-bill cleared the market at an average yield of 11.96%. This reflects a 15-bps increase since the end of April 2007. For the first 5 months of the year, the 6-month T-Bill rate declined by 35-bps and 88-bps in the last 12-months.

The Average Lending rate during May 2007 declined by 3-bps to close the month at 23.04%. The Average Saving rate also fell by 2-bps to close the month at 5.13% (see Table 5 & Figure 2).

**Table 1: Changes in the NIR**

	USSM NIR	Change USSM			Imports (Weeks)
		Mthly	12 Mth	YTD	
May-07	2,252.2	-40.1	89.5	-65.3	25.5
May-06	2,162.8	10.9	88.3	75.3	23.7

Source: Compiled from the BOJ (Preliminary)

**Table 2: Foreign Currency Deposits**

	US\$000 Apr '07	Change (US\$000)		%
		monthly	12 mth	
Commercial Banks	1,590,969	78,836	100,309	6.73%
Building Societies.	432,457	6,708	65,394	17.82%
Merchant Banks	181,853	(609)	6,206	3.53%
Total Deposits	2,205,279	84,935	171,909	8.45%

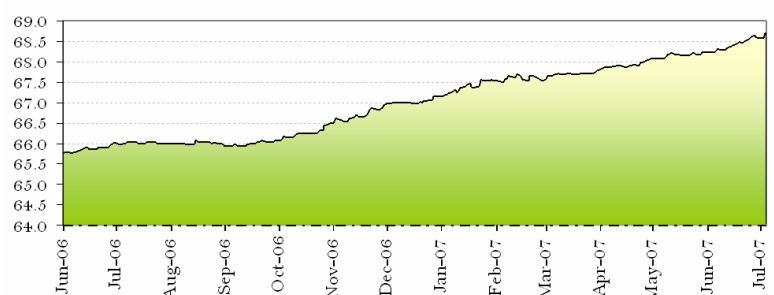
Source: Compiled from the BOJ (Preliminary)

**Table 3: Foreign Exchange Trends (June-2007)**

	Year to Date Currency Rate Change*					
	JS / US\$	%	JS / UK£	%	JS / Can\$	%
2007	1.43	2.1	5.07	3.9	7.28	12.7
2006	1.45	2.2	9.79	8.9	4.55	8.3
2005	0.22	0.4	-7.40	-6.3	-0.14	-0.3
June 2007						
Actual Rate	68.58	0.52	136.60	1.40	64.81	2.12
Mth Change	0.35	0.52	1.88	1.40	1.34	2.12

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

**Figure 1: Daily Exchange Rate Movements (JS / US\$)**



Source: Bank of Jamaica Database (BOJ)

**Table 5: Interest Rate Movements**

	May-07	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	11.65%	0.00%	-0.80%	0.00%
180-Day Repo	12.00%	0.00%	-0.80%	0.00%
Avg Savings Deposit	5.13%	-0.02%	-0.17%	-0.07%
Avg Loan Rate	23.04%	-0.03%	1.20%	1.14%
6 Month T-Bill	11.96%	0.15%	-0.88%	-0.35%
12 Month T-Bill	n/a	n/a	n/a	n/a

Source: Bank of Jamaica (BOJ Preliminary)

## Base Money & Money Supply

The monetary base increase by 1.13% during the month of May 2007 relative to the month before. For the month of March 2007, when compared to the previous month all monetary aggregates grew. M1 grew by 0.19%, M2 by 0.45%, and Quasi Money supply by 0.58% (see table 6).

## Inflation

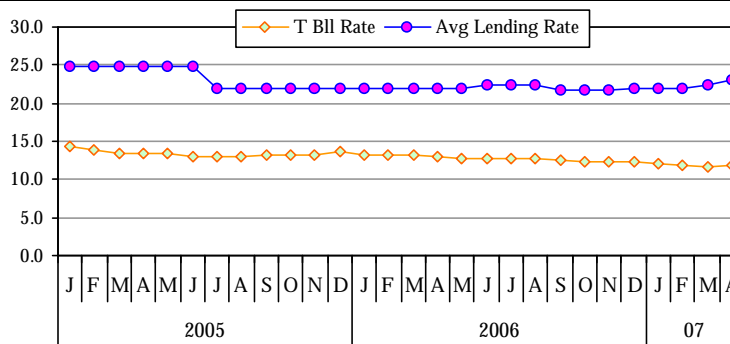
The inflation rate was 0.67% for the month of May 2007. This compares less than favourably to the 0.40% in May of last year (see Table 7). Inflation for the first five (5) months of 2007 is 2.34%, and likewise, compares less than favourably to the 1.69% for the corresponding period of 2006 (see also Inflation Chart in Appendix).

Food and Drink was the largest contributor to inflation during the month. Within this segment price increments came from categories such as 'Dairy Products, Oils and Fats' that reflected higher prices of items such as condensed milk and margarine. 'Starchy Foods' such as Yellow yams, Irish potatoes, and Breadfruits also contributed. Other items such as Bread that is classified under 'Baked products' and 'Breakfast drink' items such as milk powder, milo and tea experienced price increases and adversely affected the CPI in June.

The 'Housing and Other Housing Expenses' segment was the second largest contributor to inflation during May 2007. This was largely attributed to the 7.84% increase in the rate offered on 200-kwh electricity consumption.

'Healthcare and Personal Expenses' was the third largest contributor to inflation during the month under review. Health fees in the form of Doctor and Optician fees increased marginally during the month and was seen predominantly in Other Towns and Rural Areas. Across the island, however, there were moderate price increases for items classified under personal expenses. These included such things as toothpaste, tonics, deodorants and other toiletries.

**Figure 2: Interest Rate Movements**



Source: Bank of Jamaica Database (BOJ preliminary)

**Table 6: Base Money and Money Supply**

	JSM Mar-07	Percentage Change (%)	
		Mthly	12 Mth
M1	80,566.41	0.19	15.46
Quasi Money	172,488.23	0.58	9.00
M2	253,054.64	0.45	10.98
	May-07	Mthly	12 Mth
Base Money	52,317.74	1.13	16.86

Source: BOJ Economic Statistics

**Table 7: Inflation Trends**

	May	% Percent Changes		
		12-Mth	YTD	Fiscal*
2007	0.67	6.4	2.34	1.35
2006	0.40	8.6	1.69	1.55

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

Fuels and Other Household Supplies was next in line to have a positive effect on rising prices. The changes occurring within this segment were predominantly categorized as Housing supplies. This include kitchen and bathroom items. The price of Charcoal increased by approximately 3% and was evidenced within the 'Other Towns' region.

(see Table 7 and INFLATION chart in Appendix)

## Bauxite & Alumina Production

In May the production of Alumina declined by 3.8% and was accompanied by a 9.8% reduction in the tonnes exported when compared to the same month of 2006 (see table 8).

Both production and exports of Crude Bauxite increase during the month. Production grew by 13.9% while the

level of exports grew by a marginal 0.3% when compared to May 2006.

## Tourism

**Stopovers:** Stopovers for March 2007 declined by 1.7% when compared to the same period of 2006 (see Table 9 & Figure 4B). This was due to declines in Foreign nationals which represent over 95% of all visits since the start of 2007. Visits for Non-Resident Nationals increased by 2.5% when compared to March 2006.

**Cruise Passengers:** Cruise arrivals for March 2007 declined by 6.0% when compared to the same month of 2006 (see Table 9 & Figure 4C). Cruise arrivals in the month also fell below the level attained in Mar-05 by 4.0%.

**Total Visitors:** Total visitor arrivals for the first quarter of 2007 declined by 0.5% when compared to the same period of 2006. This resulted from a

9,310 reduction in Stopovers that was partially offset by the 5,320 additional cruise visitors that visited the country in the first quarter of 2007.

## External Trade

The trade deficit improved by approximately 1.9% during the first two months of 2007 when matched against the corresponding period of 2006. This change captures a US \$11.89M reduction of the trade deficit to end at a balance of US \$625.44M. The import bill grew by US\$38.30M (4.0%) while the increase in export revenues exceeded this by a US\$50.19M (15.7%) increase over the corresponding period of 2006.

Exports value for Jan-Feb 2007 amounted to US\$369.39M, up from the US\$319.20M for the same period of 2006. There was a US\$11.14M or 5.2% improvement in Traditional exports resulting largely from Mining and Quarrying. Over the two months the Mining and Quarrying sector grew by US\$9.00M or 5.2% when compared to the corresponding period before. Manufacturing was next in line growing by US\$3.89M (11.2%). Agriculture exports, however, declined by a marginal US \$1.7M or 24.4%.

The increase in Mining and Quarrying reflects the sector's increased growth in export of Alumina and to a lesser extent, Bauxite (see Table 10: Exports by Industry). Reports from the PIOJ first quarter review reflected signals of higher demand emanating from major industrialized economies as a positive contributor to Alumina production.

Agriculture exports were dominated by coffee and banana shipments that accounted for over 75% of the segments' export value. Both items, however, reported a decline when compared to the same period in 2006.

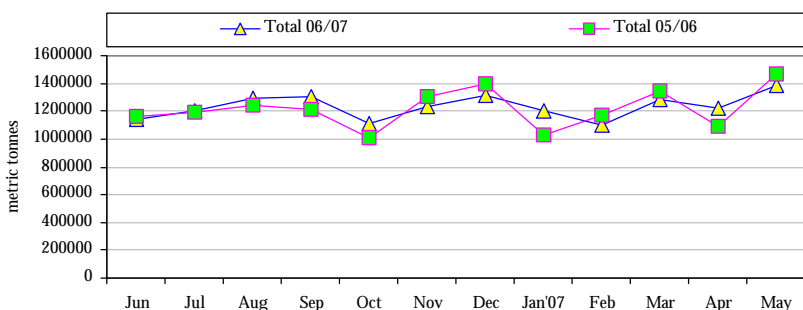
Exports from the Manufacturing sector increased by US\$3.89M or 11.2% when compared to the first two months of 2006 (see exports by industry in Table 10). This was attributed largely to shipments of coffee products and to a lesser extent, sugar and citrus products. There were noticeable declines in the export of rum and

**Table 8: Mining Production**

Production	000 tonnes			YTD 2007	
	May-06	May-07	%	Jan-May	06/07 %
<b>Production</b>					
Alumina	355.4	341.7	-3.8	1,721	0.93
C. Bauxite	372.4	424.1	13.9	1,997	5.06
<b>Export</b>					
Alumina	425.5	383.9	-9.8	1,676	0.23
C. Bauxite	391.4	392.5	0.3	1,966	3.82

Source: Jamaica Bauxite Institute (JBI)

**Figure 3: Bauxite Exports for (12 mths - May 2007)**



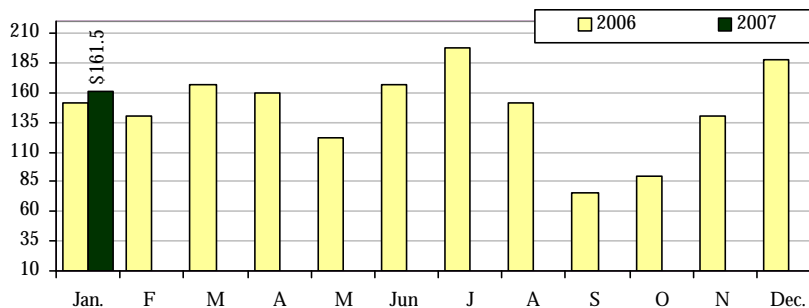
Source: Jamaica Bauxite Institute (JBI)

**Table 9: Tourist Arrivals**

	2006	2007	% Change	
	YTD (Mar)	YTD (Mar)	YTD-YOY	Mar 06/07
<b>Stopover</b>	<b>436,562</b>	<b>427,252</b>	<b>-2.1%</b>	<b>-1.7%</b>
Foreign Natls	417,770	408,933	-2.1%	-1.9%
Non-Resident Natls	18,792	18,319	-2.5%	2.5%
<b>Cruise</b>	<b>406,302</b>	<b>411,622</b>	<b>1.3%</b>	<b>-6.0%</b>
<b>Total Arrivals</b>	<b>842,864</b>	<b>838,874</b>	<b>-0.5%</b>	<b>-3.8%</b>

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

**Table 4A: Estimated Tourism Expenditure US\$ - Million (Jan-Dec)**

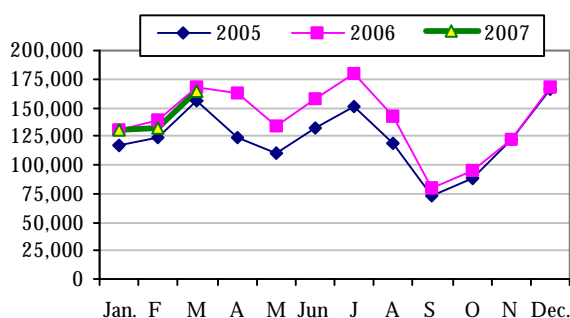


Source: Jamaica Tourist Board (preliminary data) & BOJ Statistical Update (Revised values)

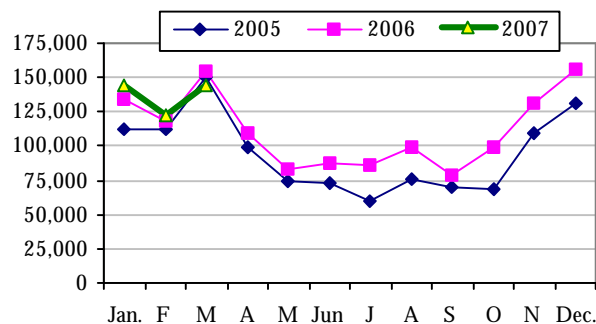
cocoa products.

In the Non-traditional sector, exports increased by a significant 50.4% or US\$38.84M. 'Other Non-Traditional'

exports contributed approximately 68% of the total change in 'Non-Traditional' exports during Jan-Feb 2007. Approximately 65% of this was contributed by Chemicals. An-

**Table 4B: Stopover Arrivals to Jamaica**

Source: Jamaica Tourist Board (preliminary data)

**Table 4C: Cruise Arrivals to Jamaica**

Source: Jamaica Tourist Board (preliminary data)

**Table 10: External Trade (US\$M)**

	Jan-Feb 2006	Jan-Feb 2007	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>319.20</b>	<b>369.39</b>	<b>50.19</b>	<b>15.7%</b>
Major Traditional Exports	213.68	224.82	11.14	5.2%
by Sector:-				
Agriculture	7.18	5.43	-1.75	-24.4%
Mining & Quarrying	171.61	180.60	9.00	5.2%
Manufacturing	34.89	38.78	3.89	11.2%
by Industry:-				
Bauxite	16.68	18.60	1.93	11.5%
Alumina	154.86	161.92	7.06	4.6%
Sugar	27.38	30.76	3.37	12.3%
Rum	7.01	6.26	-0.75	-10.7%
Bananas	1.93	1.58	-0.35	
Coffee	4.72	3.92	-0.80	-17.0%
Other	1.09	1.78	0.69	62.9%
Non-Traditional Exports	77.00	115.84	38.84	50.4%
Re-exports	6.77	6.55	-0.22	-3.2%
Free Zone & Ports **	21.75	22.18	0.43	2.0%
<b>TOTAL IMPORTS</b>	<b>956.34</b>	<b>994.64</b>	<b>38.30</b>	<b>4.0%</b>
Food	111.47	120.24	8.77	7.9%
Beverages & Tobacco	9.68	13.98	4.30	44.4%
Crude Materials (excl. Fuels)	10.85	10.67	-0.18	-1.7%
Mineral Fuels, etcetera	345.95	262.26	-83.69	-24.2%
Animal & Vegetable Oils & Fats	2.83	4.52	1.69	59.9%
Chemicals	103.22	123.11	19.89	19.3%
Manufactured Goods	87.25	115.19	27.95	32.0%
Machinery and Transport Equip.	178.10	195.88	17.78	10.0%
Misc. Manufactured Articles	71.48	112.88	41.39	57.9%
Other	35.51	35.92	0.41	1.1%
<b>TRADE BALANCE</b>	<b>(637.14)</b>	<b>(625.24)</b>	<b>11.89</b>	<b>-1.9%</b>

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

other 23% resulted from changes in 'Mineral Fuels, etcetera'. Crude Materials accounted for another 25.0% of non-traditional exports while 'Beverages & Tobacco' reported declines. 'Food' export contributed marginally to increases in non-traditional exports.

Imports grew by US\$38.30M or 4.0%

for the two month period. This reflected increases in all categories except for 'Mineral Fuels, etcetera' (-24.2%) and 'Crude Minerals' (-1.7%). (see Table 10).

The largest growth categories by import-value during the period Jan-Feb 2007 when compared to the corresponding period last year were:

Misc. Manufactured Articles (US \$41.39M or 57.9%), Manufactured Goods (US\$27.95M or 32.0%) and Chemicals (US\$19.89M or 19.3%).

(See Table 10 & External Trade (Jan-Feb 2007) in Appendix)

## Balance of Payments

For the first two (2) months of 2007, the nation posted a current account deficit of US\$242.7M. This shortfall was US\$2.9M (1%) worse than the deficit of the corresponding period of 2006 (see Table 11). Under the Current Account, the Current Transfers Account was the only surplus item

with flows exceeding that of the previous period. This was due largely to the high levels of private transfers or remittances that were sustained. The segment reflected a surplus of US \$280.3M exceeding that of the comparable two months of 2006 by US \$16.7M or 6%. For the period January to February 2007 inflows from remittances contributed approximately 25.4% of total inflows to the

Current Account.

In light of activities affecting the Goods Account, Traditional exports increased by US\$11.14M reflecting a US\$9.0M increase in Mining & Quarrying (5.2%). Manufacturing exports grew also by US\$3.89M or (11.2%) being partly offset by declines in Agriculture of US\$1.75M or 24.4%. Non-traditional exports during the

**Table 11: Balance Of Payments (US\$M)**

	Jan-Feb 2006	Jan-Feb 2007	Change	% Change
<b>Current Account</b>	<b>-239.8</b>	<b>-242.7</b>	<b>-2.9</b>	<b>-1%</b>
<b>Goods Balance</b>	<b>-523.5</b>	<b>-496.3</b>	<b>27.2</b>	<b>-5%</b>
Exports	319.2	369.4	50.2	16%
Imports	842.7	865.7	23	3%
<b>Services Balance</b>	<b>145.7</b>	<b>126.3</b>	<b>-19.4</b>	<b>13%</b>
Transportation	-44.6	-58.5	-14	-31%
Travel	269.8	264.7	-5	2%
Other Services	-79.5	-79.9	-0.4	-1%
<b>Income</b>	<b>-125.5</b>	<b>-152.9</b>	<b>-27.4</b>	<b>-22%</b>
Compensation of employees	6.6	2.5	-4.2	64%
Investment Income	-132.1	-155.4	-23.2	-18%
<b>Current Transfers</b>	<b>263.6</b>	<b>280.3</b>	<b>16.7</b>	<b>6%</b>
Official	23.7	23.3	-0.4	2%
Private	239.9	257	17.1	7%
<b>Capital &amp; Financial Account</b>	<b>239.8</b>	<b>242.7</b>	<b>2.9</b>	<b>1%</b>
<b>Capital Account</b>	<b>-1.4</b>	<b>-1</b>	<b>0.4</b>	<b>-29%</b>
Capital Transfers	-1.4	-1	0.4	-29%
Official	0	0.1	0.1	
Private	-1.4	-1.1	0.3	-21%
Acq/disp. of non-produced non-fin. assets	0	0	0	0%
<b>Financial Account</b>	<b>241.2</b>	<b>243.6</b>	<b>2.5</b>	<b>1%</b>
Other Official Invt. (incl. Gov. Rsrv)	-14.5	47.3	61.7	-426%
Other Private Investment (incl. err & omis)	192.4	64.4	-128.1	67%
Reserves	63.2	132		

Source: BOJ Statistical Update:

Note to the Balance of Payments: The external trade data in the Balance of Payments may not necessarily correspond with that of STATIN. This is due to the fact that STATIN reports the f.o.b. cost of imports while the Bank Of Jamaica reports imports at c.i.f.

period increased by US\$38.44M or 54.4%

Imports grew by US\$38.30M or 4.0% over the corresponding period of 2006. This largely reflected increases in 'Miscellaneous Manufactured Articles', 'Manufactured Goods' and 'Machinery & Transport Equipment' (see Table 10).

The deficit on the **Goods Account** lessened by US\$27.2M as a US \$50.2M increase in export revenue was partially offset by a US\$23.0M increase in the import bill.

There **Services account** reported a

surplus for the first two months but was US\$19.3M or 13% less than the surplus reported for the corresponding period last year. This performance was attributed to the higher levels of outflows from both the transportation and travel sub-accounts.

The deficit on the **Income Account**, worsened by US\$27.4M. This was due to larger outflows from the 'Investment Income' sub account that reflected greater levels of 'Direct' and 'Government direct' investments approximating US\$21.8M and US \$10.5M more respectively.

The **Capital & Financial account** during the two month period reflected its major activities under the Financial account. A closer look reveals that 'Other Official Investments' crossed from a deficit of \$14.5M to the current surplus of \$47.3M (up US \$61.7M). Despite this expansion in official investment, private investments tapered off by a more than proportionate amount of US\$128M. The currency flows from the Financial a/c was less than the deficit on both the current and capital accounts resulting in a US\$132M draw-down on NIR.

(see Table 11 and Balance Of Payments (Jan-Feb) in Appendix)

## Fiscal Accounts

For the first two month of the fiscal year (FY) 2007/08 the Government budget deficit amounted to \$6.69 billion which was \$1.42B below the months' budget. This resulted largely from Expenditure savings that was approximately \$1.08B below budget and partly from Revenue collections that exceeded budget by \$0.34B.

**Revenues:** Revenues and Grants totalled approximately \$34.9 billion, some \$339.6M or 1.0% greater than that projected for the two months. This reflected a surplus of \$570.2M from Tax revenue, \$188.7M from Non-Tax Revenue and \$37.3M from Bauxite Levy. Cancelling a portion of these positive changes were Grants and Capital revenues that came in below budget by \$366.3M and \$90.3M respectively (see Table 12A).

Tax Revenue collections for the fiscal term exceeded that of the corresponding period before by \$3.26B or 11.5%.

Within the Tax revenue category the largest tax income generating components were PAYE (\$7,410M), Local GCT (\$5,999M), GCT on Imports (\$4,657M), Tax on Interest (\$3,142M), Custom Duty (\$2,854M), and Education Tax (\$1,656M).

The largest positive variances from budget under Tax Revenue were 'PAYE' (\$529.8M), GCT on Imports (\$520.5) and 'Other Companies' (\$303.2) (see Table 12B).

The largest Tax Revenue shortfalls resulted from 'SCT on imports' (\$548.7M), 'SCT' (\$357.1M) and 'Bauxite/alumina' (\$185.6M).

**Expenditures:** Total Expenditures amounted to approximately \$41.9

billion, a resulting \$1.1B or (2.5%) below budget. All items under recurrent expenditure reported net savings except for Wages and Salaries that exceeded budget by \$151.6M (1.1%).

Domestic and External Interest payments were less than budget by \$398M (3.5%) and \$364.7M (8.7%) respectively. Programmes Expenditure was also less than budget by \$219M (2.2%) (see Table 12B).

Capital Expenditure also fell short of budget by approximately \$253.1M or 6.5% for the first two months of FY 2007/08 (see Table 12A & Fiscal Account in Appendix).

Loan receipts were \$1.41B or 17.5% more than planned for the period. This was wholly attributed to the more than planned borrowing within the domestic market by an amount of \$1.68B. This breach was partially offset by the \$267.2M (25.9%) less

**Table 12A: Fiscal Accounts (JS Million)**

	April-May (Fiscal—2007/08)				Apr-May (YOY)	
	JS million		Deviation		06/07 - 07/08	
	Provisional	Budget	J\$M	(%)	J\$M	(%)
<b>Revenue &amp; Grants</b>	<b>35,246.2</b>	<b>34,906.6</b>	<b>339.6</b>	<b>0.97</b>	<b>4,122.3</b>	<b>13.2</b>
Tax Revenue	31,506.9	30,936.7	570.2	1.84	3,256.4	11.5
Non-Tax Revenue	1,866.8	1,678.0	188.7	11.25	-2.5	-0.1
Bauxite Levy	794.9	757.6	37.3	4.92	115.4	17.0
Capital Revenue	1,043.6	1,133.9	-90.3	-7.96	801.9	331.8
Grants	34.1	400.4	-366.3	-91.48	-48.8	-58.9
<b>Expenditure</b>	<b>41,940.6</b>	<b>43,022.8</b>	<b>-1,082.1</b>	<b>-2.52</b>	<b>5,894.5</b>	<b>16.4</b>
Recurrent Expenditure	38,308.9	39,137.9	-829.0	-2.12	4,703.1	14.0
Programmes	9,734.7	9,953.4	-218.7	-2.20	3,849.7	65.4
Wages & Salaries	13,922.1	13,770.5	151.6	1.10	1,873.1	15.5
Interest	14,652.1	15,414.0	-761.9	-4.94	-1,019.8	-6.5
Domestic	10,844.5	11,242.1	-397.6	-3.54	-1,386.6	-11.3
External	3,807.6	4,171.9	-364.3	-8.73	366.8	10.7
Capital Expenditure	3,631.7	3,884.9	-253.1	-6.51	1,191.4	48.8
Capital Programmes	3,631.7	3,884.9	-253.1	-6.51	1,191.4	48.8
IMF #1 Account	0.0	0.0	0.0		0.0	
<b>Fiscal Balance (Surplus [+ ]ve)</b>	<b>-6,694.4</b>	<b>-8,116.2</b>	<b>1,421.7</b>	<b>17.52</b>	<b>-1,772.1</b>	<b>-36.0</b>
Loan Receipts	25,943.4	24,530.8	1,412.6	5.76	-3,761.4	-12.7
Domestic	25,179.8	23,500.0	1,679.8	7.15	-2,769.2	-9.9
External	763.6	1,030.8	-267.2	-25.92	-992.2	-56.5
Divestment Proceeds	0.0	0.0	0.0		0.0	
Amortization	11,672.0	12,655.0	-983.0	-7.77	-19,238.8	-62.2
Domestic	9,151.2	10,139.8	-988.5	-9.75	-19,154.6	-67.7
External	2,520.8	2,515.2	5.6	0.22	-84.2	-3.2
<b>Overall Balance (Surplus [+ ]ve)</b>	<b>7,577.0</b>	<b>3,759.7</b>	<b>3,817.3</b>	<b>101.53</b>	<b>13,705.2</b>	<b>223.6</b>
<b>Primary Balance (Surplus [+ ]ve)</b>	<b>7,957.7</b>	<b>7,297.9</b>	<b>659.9</b>	<b>9.04</b>	<b>-2,791.9</b>	<b>-26.0</b>

Source: Ministry of Finance and Planning

than planned borrowings from external markets (see Table 12A).

Total public debt at the end of May 2007 stood at \$947.25 billion, some \$2.14 billion less than the previous month's level of \$949.38 billion. Domestic Debt stock fell by \$653.8 million to end the month at \$535.79 billion. External Debt fell by approximately US\$34.1 million to close May at US\$6,031.1 M.

(see Table 12 A&B and Fiscal Account (Apr-May 07/08) in Appendix)

## Stock Market

The main JSE Market Index remained relatively stable throughout the month of June 2007. During this period, the index inched up by a marginal 12 points to close the month at 90,069.93 pts. Since the beginning of 2007, the Index declined by 10.54% or 10,608.03 pts of which, the main changes occurred during the period late February to early March. The index has been relatively stable since April or for approximately 3 months.

Market capitalization declined by \$45.4 million or 0.01% over the month of June. Since the beginning of the year, Market Capitalization declined by \$82.3 billion or 10.0% to close the month at approximately \$740.59 billion.

The top performing stock since the start of the year continues to be Supreme Ventures. The security made capital gains of \$1.60 or 88.9% over the first six months of the year and closed the month of June with a share price of \$3.40 (see Table 13). The company's consolidated 6-month unaudited financial statements became available during June 2007. The results featured a 102% increase in net profit after tax when compared to the corresponding period last year. Business activities are featured as being generally favourable.

As it was in May 2007, Mobay Ice and Courts were next in line with price increases of 6.7% and 6.3% respectively.

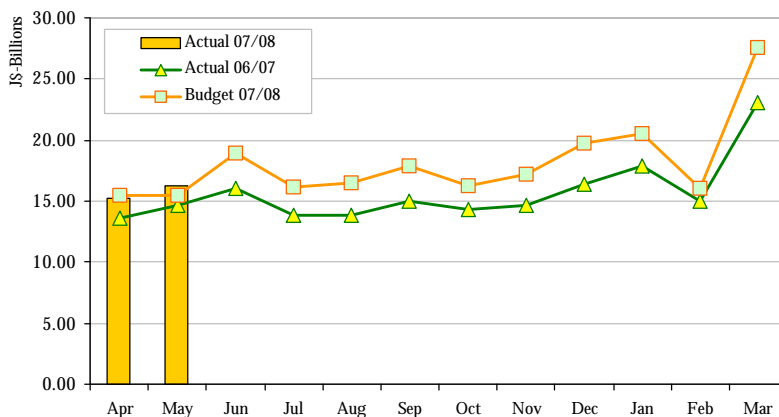
The poorest performer next to Dyoll Group that was suspended in March 2007 due to liquidity constraints, was Ciboney Group. The company's 3rd quarter results ending February-2007 was published in April of this year. Over the 9 month period, a loss of

**Table 12B: Major Deviations in Fiscal Revenue and Expenditure**

JS-Millions		Apr-May 07/08
<b>Revenue (Revenue Surpluses)</b>		
PAYE		529.80
GCT (imports)		520.50
Other Companies		303.20
<b>Revenue (Revenue Shortfalls)</b>		
SCT (imports)		-548.70
SCT		-357.10
Bauxite/alumina		-185.60
<b>Expenditure (Changes)</b>		
Wages & Salaries	(Over-run)	151.60
Programmes	(Savings)	-218.70
Interest	(Savings)	-761.9

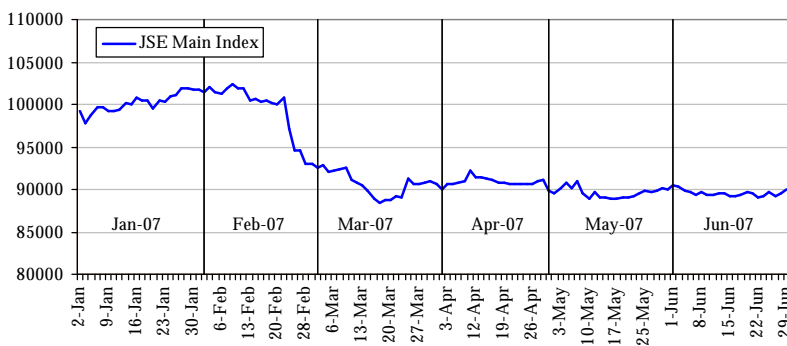
Source: Ministry Of Finance and Planning (Jamaica)

**Figure 6: Tax Revenue Collections (JS-Billions)**



Source: Ministry Of Finance and Planning (Jamaica)

**Figure 7: Main JSE Index, Jan-07 - Jun-07**



Source: Jamaica Stock Exchange (Online Database) and PSOJ

\$1.3M was made in contrast to a \$12.3M profit for the corresponding period last year. For the same period, the Groups' Revenue declined by 94.5%. Since the start of the year, there has been a capital loss of

4 cents Jamaican, or a 46.7% decline in its share price.

Capital and Credit was next in line with a capital loss of (46.76%). (See table 13)

## Developments & Outlook

### Consumer and Business Confidence for 2nd Quarter of 2007

On July 3<sup>rd</sup>, 2007 the Jamaica Conference Board held its regular quarterly review featuring the confidence levels of Jamaican Consumers and Businesses within the 2<sup>nd</sup> quarter of 2007 supported by evidence from their periodic survey.

It was reported that consumer confidence remained relatively strong being underlined by positive expectations for trends in income levels and job creation. Despite being slightly lower than the all time high of the previous quarters result, the quarters' index revealed a positive trend in the expected economic conditions within the Kingston area and also greater prospects for jobs within the tourism areas.

Business optimism was characterized as being robust despite a slightly lower index than the quarter before. In addition to the improved conditions anticipated for the overall economy, more businesses indicated that the existing profitability trends were positive and likely to increase. There were, however, concerns about financial risks as some firms perceived a worsening of overall financial situations in the year to come. Crime and violence remains the most critical issue among firms that was likely to hinder business activities. Interestingly, a possible change in government policies after an election was perceived by a slightly larger number of firms as being a welcoming and positive change.

Below are important segments of a review published by the Regional Negotiating Machinery (RNM) - For full review, refer to link on next page.

### EPA's Importance for CARIFORUM

ACP : African Caribbean & Pacific States

EU : European Union

COTONOU : ACP-EU agreement for economic development, poverty eradication & global integration.

CARIFORUM : ACP signatories to COTONOU

EPA : Economic Partnership Agreement

FTA : Free Trade Area

CARIFORUM\_EU\_EPA : Current Negotiations

**Table 13: Returns for Listed Companies on the JSE**

### Year-to-Date Performers on the Jamaica Stock Exchange

#### Top Five (unadjusted for dividends or transaction costs)

	31-Dec-06	30-Jun-07	\$ change	% change
Supreme Ventures	1.80	3.40	1.60	88.89%
Mobay Ice Company	6.56	7.00	0.44	6.71%
Courts (Jamaica)	4.00	4.25	0.25	6.25%
First Carib Intl. Bank	120.01	123.00	2.99	2.49%
Trinidad Cement Ltd	84.50	85.00	0.50	0.59%

#### Bottom Five (unadjusted for dividends or transact. Costs)

Dyoll Group	0.90	0.26	-0.64	-71.11%
Ciboney Group	0.07	0.03	-0.04	-57.14%
Capital & Credit MB	18.50	9.85	-8.65	-46.76%
Mayberry Invest Ltd.	4.00	2.33	-1.67	-41.75%
JMMB Limited	14.10	9.32	-4.78	-33.90%

Source: Compiled from the JSE

The EPA is an important arrangement for CARIFORUM, given its role in advancing regional integration. The EPA is unique amongst other arrangements involving the Caribbean, in that it is the first and only bi-regional agreement encompassing the CARIFORUM configuration. It provides the framework to support and provide impetus for regional integration amongst CARIFORUM.

Underpinned by a development dimension, the Agreement will take account of differences in levels of size and development, thereby creating a bi-regional agreement with wider scope than just a traditional Free Trade Agreement.

The envisioned 'development package' is critical to providing the development financing necessary to build the export capacity and infrastructure of the Caribbean's private sector, so as to take advantage of market access opportunities presented under an EPA. Allied to this, the package which will constitute technical and financial assistance would also be used to put in place an enabling environment in Caribbean countries for foreign investors.

Importantly, the EPA arrangement will provide for the establishment of a stable and secure trading environment for goods from the Caribbean. It will also allow for the negotiation of a Services and Investment framework between CARIFORUM and the EU, for the first time. The EPA

is expected to open the door to an improved trade and investment relationship with Europe. In recent years, trade and investment flows from Europe to the Caribbean (with the exception of the Dominican Republic) have been growing at a slower pace. The EPA is intended to be an enabling mechanism for the revitalization of these flows. It is intended to stimulate greater investment between Europe and the Caribbean, through mutual removal of barriers to investment, as well as the enhancement of the attractiveness of the Caribbean economic space in respect of foreign investment opportunities. The Agreement is also intended to stimulate Caribbean exports of non-traditional products and services, encouraging and supporting diversification in these economies.

Therefore, from the Caribbean perspective, the partnership with Europe is expected to position the Region to take advantage of a more dynamic trade and investment relationship.

**Looking Ahead**—The EPA negotiating process is intensifying at a time when other negotiating theatres are also maturing. The sheer volume of meetings on the EPA front alone increased significantly in 2006. In 2007 the intensity of the demands are even deeper as the EPA negotiations approach the concluding stages.

So far the progress of negotiations indicates the commitment of CARIFORUM and the EU to complete the EPA process. In 2007 the challenge



for both sides will revolve around addressing areas relating to tariff liberalization, commitments in services and investment, government procurement relative to market access and the instruments of EU development

cooperation.

While the EPA will occupy a significant amount of the CARIFORUM's negotiating energies, CARICOM Member States will

also be focused on exploring the deepening of bilateral relationships including possibilities with Canada in an FTA and the US in an FTA.
























**Reference:**

























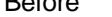

1. Jamaica Conference Board: [http://www.jaconferenceboard.com/confidence\\_indices.php](http://www.jaconferenceboard.com/confidence_indices.php)
2. Caribbean Regional Negotiating Machinery CRNM: <http://www.crnrm.org/acp.htm>
3. Ministry of Foreign Affairs and Foreign Trade (JA): <http://www.mfaft.gov.jm/?q=caribbean-eu-epa-negotiations>





























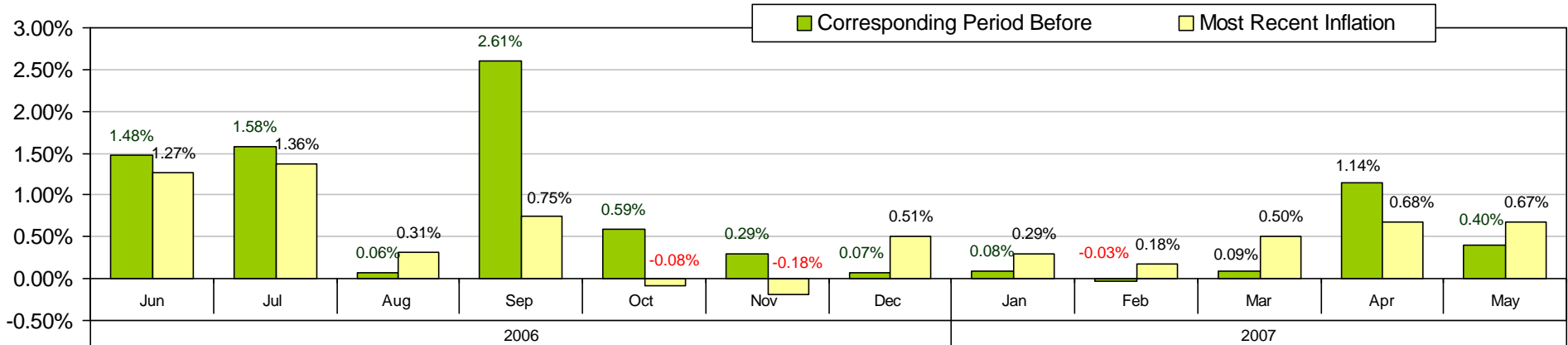
# APPENDIX

## INFLATION (May 2007 CPI)

CONSUMER PRICE INDEX	Percent %	Proportion of Index
<b>ALL GROUPS</b>	<b>100.0</b>	
<b>FOOD AND DRINK</b>	<b>54.7</b>	
Meals Away from Home	14.5	
Meat Poultry and Fish	29.3	
Dairy Products Oils & Fats	12.0	
Baked Products Cereal & Breakfast Drink	15.3	
Starchy Foods	8.5	
Vegetables & Fruit	11.5	
Other Food & Beverages	9.0	
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>7.4</b>	
Household Supplies	64.7	
Fuels	35.3	
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>8.4</b>	
Rental	24.3	
Other Housing Expenses	75.7	
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>2.9</b>	
Furniture	27.9	
Furnishings	72.1	
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>7.1</b>	
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>5.0</b>	
Clothing Materials	11.0	
Readymade Clothing & Accessories	50.0	
Footwear	31.3	
Making & Repairs	7.6	
<b>TRANSPORTATION</b>	<b>6.5</b>	
<b>MISCELLANEOUS EXPENSES</b>	<b>8.0</b>	

MONTHLY INFLATION - MAY	Rnk	Percentage Change for Month (%)	
<b>ALL GROUPS</b>		0.671 [ 0.6708 = (100 x 0.67) ]	
<b>FOOD AND DRINK</b>	<b>+ 1</b>	0.668 [ 0.3652 = (54.6 x 0.66) ]	
Meals Away from Home		0.341	
Meat Poultry and Fish		0.849	
Dairy Products Oils & Fats		1.534	
Baked Products Cereal & Breakfast Drink		1.180	
Starchy Foods		-0.110	
Vegetables & Fruit		-0.228	
Other Food & Beverages		0.513	
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>+ 4</b>	0.351 [ 0.0259 = (7.39 x 0.35) ]	
Household Supplies		0.699	
Fuels		0.147	
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>+ 2</b>	2.559 [ 0.2161 = (8.44 x 2.55) ]	
Rental		0.749	
Other Housing Expenses		3.044	
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>- 1</b>	-0.048 [ -0.001 = (2.93 x -0.0) ]	
Furniture		-1.473	
Furnishings		0.692	
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>+ 3</b>	0.601 [ 0.0425 = (7.08 x 0.60) ]	
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>+ 5</b>	0.270 [ 0.0135 = (5.01 x 0.27) ]	
Clothing Materials		0.040	
Readymade Clothing & Accessories		0.174	
Footwear		0.479	
Making & Repairs		0.158	
<b>TRANSPORTATION</b>	<b>+ 6</b>	0.150 [ 0.0097 = (6.50 x 0.14) ]	
<b>MISCELLANEOUS EXPENSES</b>	<b>+ 7</b>	0.011 [ 0.0008 = (7.97 x 0.01) ]	

INFLATION (Jan-May 2007)	YTD Percentage Change (%)	
<b>ALL GROUPS</b>	<b>2.3</b>	
<b>FOOD AND DRINK</b>	<b>1.7</b>	
Meals Away from Home	3.7	
Meat Poultry and Fish	5.3	
Dairy Products Oils & Fats	4.8	
Baked Products Cereal & Breakfast Drink	3.4	
Starchy Foods	-7.8	
Vegetables & Fruit	-4.0	
Other Food & Beverages	1.7	
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>2.1</b>	
Household Supplies	2.7	
Fuels	1.7	
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>2.3</b>	
Rental	1.3	
Other Housing Expenses	2.5	
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>1.4</b>	
Furniture	0.0	
Furnishings	2.1	
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>4.3</b>	
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>1.7</b>	
Clothing Materials	0.8	
Readymade Clothing & Accessories	1.4	
Footwear	1.5	
Making & Repairs	3.7	
<b>TRANSPORTATION</b>	<b>1.8</b>	
<b>MISCELLANEOUS EXPENSES</b>	<b>4.7</b>	



## EXTERNAL TRADE (Jan - Feb 2007)

EXTERNAL TRADE - (JAN - FEB 2007)	US\$M	
<b>TOTAL EXPORTS (fob)</b>	<b>369.39</b>	
Major Traditional Exports	224.82	
by Sector:-		
Agriculture	5.43	
Mining & Quarrying	180.60	
Manufacturing	38.78	
by Industry:-		
Bauxite	18.60	
Alumina	161.92	
Sugar	30.76	
Rum	6.26	
Bananas	1.58	
Coffee	3.92	
Other	1.78	
Non-Traditional Exports	115.84	
Re-exports	6.55	
<b>TOTAL IMPORTS</b>	<b>994.64</b>	
Food	120.24	
Beverages & Tobacco	13.98	
Crude Materials (excl. Fuels)	10.67	
Mineral Fuels, etcetera	262.26	
Animal & Vegetable Oils & Fats	4.52	
Chemicals	123.11	
Manufactured Goods	115.19	
Machinery and Transport Equip.	195.88	
Misc. Manufactured Articles	112.88	
Other	35.92	
<b>TRADE BALANCE</b>	<b>-625.24</b>	

EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2006 - 2007
<b>TOTAL EXPORTS (fob)</b>	<b>50.19</b>	
Major Traditional Exports	11.14	
by Sector:-		
Agriculture	-1.752309	
Mining & Quarrying	8.99696375	
Manufacturing	3.89245	
by Industry:-		
Bauxite	1.925	
Alumina	7.061	
Sugar	3.374	
Rum	-0.753	
Bananas	-0.352	
Coffee	-0.804	
Other	0.68610475	
Non-Traditional Exports	38.842	
Re-exports	-0.22	
<b>TOTAL IMPORTS</b>	<b>38.297</b>	
Food	8.768	
Beverages & Tobacco	4.3	
Crude Materials (excl. Fuels)	-0.184	
Mineral Fuels, etcetera	-83.691	
Animal & Vegetable Oils & Fats	1.692	
Chemicals	19.887	
Manufactured Goods	27.948	
Machinery and Transport Equip.	17.779	
Misc. Manufactured Articles	41.391	
Other	0.407	
<b>TRADE BALANCE</b>	<b>11.89310475</b>	

EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
<b>TOTAL EXPORTS (fob)</b>	<b>15.7%</b>	
Major Traditional Exports	5.2%	
by Sector:-		
Agriculture	-24.4%	
Mining & Quarrying	5.2%	
Manufacturing	11.2%	
by Industry:-		
Bauxite	11.5%	
Alumina	4.6%	
Sugar	12.3%	
Rum	-10.7%	
Bananas	0.0%	
Coffee	-17.0%	
Other	62.9%	
Non-Traditional Exports	50.4%	
Re-exports	-3.2%	
<b>TOTAL IMPORTS</b>	<b>4.0%</b>	
Food	7.9%	
Beverages & Tobacco	44.4%	
Crude Materials (excl. Fuels)	-1.7%	
Mineral Fuels, etcetera	-24.2%	
Animal & Vegetable Oils & Fats	59.9%	
Chemicals	19.3%	
Manufactured Goods	32.0%	
Machinery and Transport Equip.	10.0%	
Misc. Manufactured Articles	57.9%	
Other	1.1%	
<b>TRADE BALANCE</b>	<b>-1.9%</b>	

## BALANCE OF PAYMENTS (Jan - Feb 2007)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan - Feb (2007)
<b>Current Account</b>	<b>-242.7</b>	
Goods Balance	-496.3	
Exports	369.4	
Imports	865.7	
Services Balance	126.3	
Transportation	-58.5	
Travel	264.7	
Other Services	-79.9	
Income	-152.9	
Compensation of employees	2.5	
Investment Income	-155.4	
Current Transfers	280.3	
Official	23.3	
Private	257	
<b>Capital &amp; Financial Account</b>	<b>242.7</b>	
Capital Account	-1	
Capital Transfers	-1	
Official	0.1	
Private	-1.1	
Acq/disp. of non-produced non-fin. assets	0	
Financial Account	243.6	
Other Official Invnt. (incl. Gov. Rsv)	47.3	
Other Private Invnt. (incl. err & omis)	64.4	
Reserves	132	

Change Jan - Feb (2007)	US\$M	
<b>Current Account</b>	<b>-2.9</b>	
Goods Balance	27.2	
Exports	50.2	
Imports	23	
Services Balance	-19.4	
Transportation	-14	
Travel	-5	
Other Services	-0.4	
Income	-27.4	
Compensation of employees	-4.2	
Investment Income	-23.2	
Current Transfers	16.7	
Official	-0.4	
Private	17.1	
<b>Capital &amp; Financial Account</b>	<b>2.9</b>	
Capital Account	0.4	
Capital Transfers	0.4	
Official	0.1	
Private	0.3	
Acq/disp. of non-prod non-fin. Asts	0	
Financial Account	2.5	
Other Official Invnt. (incl. Gov. Rsv)	61.7	
Other Private Invnt. (incl. err & omis)	-128.1	
Reserves	0	

Percentage change Jan - Feb (2007)	%	
<b>Current Account</b>	<b>1%</b>	
Goods Balance	-5%	
Exports	16%	
Imports	3%	
Services Balance	-13%	
Transportation	31%	
Travel	-2%	
Other Services	1%	
Income	22%	
Compensation of employees	-64%	
Investment Income	18%	
Current Transfers	6%	
Official	-2%	
Private	7%	
<b>Capital &amp; Financial Account</b>	<b>1%</b>	
Capital Account	-29%	
Capital Transfers	-29%	
Official		
Private	-21%	
Acq/disp. of non-prod non-fin. Asts	0%	
Financial Account	1%	
Other Official Invnt. (incl. Gov. Rsv)	-426%	
Other Private Invnt. (incl. err & omis)	-67%	
Reserves		

## FISCAL ACCOUNT (Apr-May — 2007/08)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	J\$m	Provisional figures Apr-May '07/08
<b>Revenue &amp; Grants</b>	35,246.2	
Tax Revenue	31,506.9	
Non-Tax Revenue	1,866.8	
Bauxite Levy	794.9	
Capital Revenue	1,043.6	
Grants	34.1	
<b>Expenditure</b>	41,940.6	
Recurrent Expenditure	38,308.9	
Programmes	9,734.7	
Wages & Salaries	13,922.1	
Interest	14,652.1	
Domestic	10,844.5	
External	3,807.6	
Capital Expenditure	3,631.7	
Capital Programmes	3,631.7	
IMF #1 Account	0.0	
<b>Fiscal Balance (Surplus +/÷ve)</b>	-6,694.4	
Loan Receipts	25,943.4	
Domestic	25,179.8	
External	763.6	
Divestment Proceeds	0.0	
Amortization	11,672.0	
Domestic	9,151.2	
External	2,520.8	
<b>Overall Balance (Surplus +/÷ve)</b>	7,577.0	
<b>Primary Balance (Surplus +/÷ve)</b>	7,957.7	

BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-May 07/08
<b>Revenue &amp; Grants</b>	339.6	
Tax Revenue	570.2	
Non-Tax Revenue	188.7	
Bauxite Levy	37.3	
Capital Revenue	-90.3	
Grants	-366.3	
<b>Expenditure</b>	-1,082.1	
Recurrent Expenditure	-829.0	
Programmes	-218.7	
Wages & Salaries	151.6	
Interest	-761.9	
Domestic	-397.6	
External	-364.3	
Capital Expenditure	-253.1	
Capital Programmes	-253.1	
IMF #1 Account	0.0	
<b>Fiscal Balance (Surplus +/÷ve)</b>	1,421.7	
Loan Receipts	1,412.6	
Domestic	1,679.8	
External	-267.2	
Divestment Proceeds	0.0	
Amortization	-983.0	
Domestic	-988.5	
External	5.6	
<b>Overall Balance (Surplus +/÷ve)</b>	3,817.3	
<b>Primary Balance (Surplus +/÷ve)</b>	659.9	

YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-May - (07/08 minus 06/07)
<b>Revenue &amp; Grants</b>	4,122.30	
Tax Revenue	3,256.40	
Non-Tax Revenue	-2.50	
Bauxite Levy	115.40	
Capital Revenue	801.90	
Grants	-48.80	
<b>Expenditure</b>	5,894.50	
Recurrent Expenditure	4,703.10	
Programmes	3,849.70	
Wages & Salaries	1,873.10	
Interest	-1,019.80	
Domestic	-1,386.60	
External	366.80	
Capital Expenditure	1,191.40	
Capital Programmes	1,191.40	
IMF #1 Account	0.00	
<b>Fiscal Balance (Surplus +/÷ve)</b>	-1,772.10	
Loan Receipts	-3,761.40	
Domestic	-2,769.20	
External	-992.20	
Divestment Proceeds	0.00	
Amortization	-19,238.80	
Domestic	-19,154.60	
External	-84.20	
<b>Overall Balance (Surplus +/÷ve)</b>	13,705.20	
<b>Primary Balance (Surplus +/÷ve)</b>	-2,791.90	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)	J\$m	Provisional figures Apr-May '07/08
<b>Revenue &amp; Grants</b>	35,246.2	
Tax Revenue	31,506.9	
Income and profits	11,944.7	
Bauxite/alumina	0.0	
Other companies	1,078.6	
PAYE	7,409.5	
Tax on dividend	1.0	
Other individuals	313.5	
Tax on interest	3,142.1	
Environmental Levy	0.0	
Production and consumption	10,268.0	
SCT	406.4	
Motor vehicle licenses	162.5	
Other licenses	126.9	
Betting, gaming and lottery	196.8	
Education Tax	1,656.4	
Contractors levy	153.2	
GCT (Local)	5,998.7	
Stamp Duty (Local)	1,567.2	
International Trade	9,294.2	
Custom Duty	2,853.7	
Stamp Duty	171.6	
Travel Tax	426.2	
GCT (Imports)	4,657.3	
SCT (Imports)	1,185.5	
Non-Tax Revenue	1,866.8	
Bauxite Levy	794.9	
Capital Revenue	1,043.6	
Grants	34.1	

BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-May 07/08
<b>Revenue &amp; Grants</b>	339.6	
Tax Revenue	570.2	
Income and profits	761.5	
Bauxite/alumina	-185.6	
Other companies	303.2	
PAYE	529.8	
Tax on dividend	-20.4	
Other individuals	4.7	
Tax on interest	129.9	
Environmental Levy	0.0	
Production and consumption	-126.6	
SCT	-357.1	
Motor vehicle licenses	-22.7	
Other licenses	15.6	
Betting, gaming and lottery	6.8	
Education Tax	202.5	
Contractors levy	29.1	
GCT (Local)	-54.9	
Stamp Duty (Local)	54.2	
International Trade	-64.7	
Custom Duty	-47.6	
Stamp Duty	-2.6	
Travel Tax	13.6	
GCT (Imports)	520.5	
SCT (Imports)	-548.7	
Non-Tax Revenue	188.7	
Bauxite Levy	37.3	
Capital Revenue	-90.3	
Grants	-366.3	

YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-May - (07/08 minus 06/07)
<b>Revenue &amp; Grants</b>	4,048.3	
Tax Revenue	3,256.4	
Income and profits	621.8	
Bauxite/alumina	-97.9	
Other companies	599.3	
PAYE	1,594.2	
Tax on dividend	-16.7	
Other individuals	64	
Tax on interest	-1,521.3	
Environmental Levy	0	
Production and consumption	972.7	
SCT	14	
Motor vehicle licenses	-5.2	
Other licenses	16.6	
Betting, gaming and lottery	20.3	
Education Tax	322.5	
Contractors levy	49.6	
GCT (Local)	254.3	
Stamp Duty (Local)	300.1	
International Trade	1,662	
Custom Duty	525.1	
Stamp Duty	-1	
Travel Tax	16.8	
GCT (Imports)	1,390.5	
SCT (Imports)	-269.5	
Non-Tax Revenue	-2.5	
Bauxite Levy	115.4	
Capital Revenue	801.9	
Grants	-48.8	

### Statistical Index Major Macro-Economic Indicators

	BM		M2		NIR	Fgn Cur-Dep	CPI		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
<b>Jan '04</b>	-11.3	12.9	0.09	14.79	1,251.01	1,691.67	0.6	15	6.30	60.73	17.2	25.6	7.2	427,363.66	4,169.33
Feb	-0.45	10.2	1.37	20.07	1,473.96	1,727.51	0.6	17	3.32	60.95	16.3	25.6	6.8	419,763.43	4,459.14
Mar	1.1	11.3	2.47	20.20	1,568.66	1,770.19	0.5	17	2.95	61.01	15.6	25.4	6.8	417,571.30	4,529.00
Apr	-0.36	11.5	2.10	15.89	1,741.62	1,769.12	0.4	15	9.48	60.65	15.1	25.2	6.7	417,358.68	4,665.57
May	1.66	12	0.15	16.08	1,715.66	1,799.65	0.6	14	5.90	60.93	15	25	6.6	420,503.45	4,745.42
June	-0.11	13	-0.91	15.92	1,604.10	1,757.84	0.8	12	12.27	61.22	15	25	6.6	429,251.39	4,773.46
July	2.83	14.8	1.18	17.23	1,594.69	1,721.50	1	12	0.11	61.8	15	25	6.6	440,539.38	5,029.49
Aug	1	15	0.84	15.21	1,643.46	1,922.93	1.3	12	3.88	61.9	15	25.1	6.6	440,433.32	4,838.02
Sep	0.97	17.7	1.25	15.58	1,616.52	1,867.23	0.6	11	-21.73	61.89	14.8	25	6.6	438,123.75	4,856.86
Oct	0.84	15.3	0.03	14.23	1,826.66	1,833.56	3.3	12	-19.73	61.88	14.8	25	6.5	439,614.97	5,075.17
Nov	1.79	13.8	1.76	13.28	1,816.06	1,855.79	2.4	14	-1.44	61.98	14.9	24.9	6.5	444,214.54	5,118.92
Dec	14.33	11.2	3.93	15.12	1,858.52	1,925.98	0.6	14	4.31	61.63	14.9	24.9	6.5	446,961.92	5,120.44
<b>Jan '05</b>	-11.8	10.5	-0.50	14.44	1,847.58	1,904.47	0	12	-2.27	61.87	14.4	24.9	6.5	449,259.38	5,068.79
Feb	-1.6	9.25	-0.29	12.56	1,831.07	1,918.71	0.4	13	-0.08	61.91	14	24.9	6.5	451,895.38	5,062.87
Mar	6.5	15.1	0.01	9.86	1,901.60	1,935.11	1	13	15.08	61.54	13.5	24.9	6.4	449,247.55	5,044.36
Apr	-3.52	11.4	1.40	9.10	2,010.42	1,944.10	1.9	15	-7.73	61.65	13.4	24.9	6.4	456,393.56	5,055.21
May	0.92	10.6	0.37	9.35	2,074.49	1,916.93	2.2	17	5.19	61.71	13.4	24.9	6.4	466,840.52	4,968.13
June	-1.16	9.47	-0.55	9.75	2,152.80	1,940.56	1.5	18	-1.84	61.84	12.9	24.9	5.5	467,233.58	4,952.24
July	2.5	9.12	0.89	9.44	2,149.25	1,983.67	1.6	18	-7.56	62.23	13	22	5.5	471,668.82	5,282.35
Aug	0.98	9.11	0.89	9.50	2,117.51	1,974.33	0.1	17	-2.67	62.24	13	22	5.5	472,452.67	5,327.40
Sep	-2.68	5.17	0.25	8.42	2,118.97	2,023.12	2.6	19	25.74	62.89	13.2	22	5.5	478,216.66	5,293.49
Oct	1.06	5.39	3.04	11.68	2,078.99	2,061.63	0.6	16	6.42	64.04	13.2	22	5.5	478,118.96	5,452.00
Nov	1.84	5.44	-0.71	8.96	2,093.80	2,067.88	0.3	14	18.37	64.67	13.2	22	5.5	478,436.18	5,407.83
Dec	18.93	9.68	4.27	9.32	2,087.40	2,025.45	0.1	13	9.92	64.58	13.6	22	5.48	480,099.16	5,375.40
<b>Jan '06</b>	-10.28	11.57	-1.70	8.01	2,093.50	2,028.59	0.1	13	15.87	64.99	13.3	21.84	5.30	489,671.66	5,398.74
Feb	-12.84	11.71	0.71	9.10	2,024.24	2,045.44	-0.03	12.4	9.01	65.36	13.2	21.84	5.30	486,690.28	5,621.88
Mar	-0.18	4.71	-0.27	8.80	2,078.10	2,027.75	0.09	11.7	5.05	65.50	13.18	21.84	5.30	482,712.53	5,567.42
Apr	3.12	11.91	0.54	7.87	2,151.80	2,033,370	1.14	12.3	22.55	65.63	13.07	21.84	5.30	489,664.97	5,622.32
May	-0.44	10.41	0.34	7.84	2,162.80	2,044,983	0.40	8.6	17.2	65.73	12.84	21.84	5.30	490,098.32	5,639.65
Jun	0.40	12.15	0.96	9.46	2,110.10	2,056,721	1.27	8.4	19.7	66.03	12.82	22.50	5.39	502,404.45	5,611.53
Jul	3.24	12.96	1.18	9.78	2,087.90	2,049,925	1.36	8.2	25.9	65.99	12.81	22.50	5.39	510,481.97	5,617.45
Aug	2.20	12.33	-0.46	8.31	2,215.60	2,178,414	0.31	8.5	24.3	65.93	12.79	22.5	5.39	513,805.41	5,618.38
Sep	-0.23	17.20	-0.04	8.00	2,342.00	2,119,487	0.75	6.5	11.7	66.06	12.49	21.80	5.36	520,394.81	5,619.32
Oct	-0.53	15.37	1.12	5.99	2,306.40	2,104,076	-0.08	5.8	24.1	66.50	12.30	21.80	5.36	530,109.25	5,622.95
Nov	2.67	16.30	2.44	9.55	2,352.99	2,241,846	-0.18	5.3	9.5	66.92	12.31	21.80	5.36	539,864.26	5,827.13
Dec	19.97	17.32	5.69	12.30	2,317.55	2,185,371	0.51	5.8	9.4	67.15	12.31	21.90	5.20	536,673.14	5,795.64
<b>Jan '07</b>	-12.04	15.01	n/a	n/a	2,288.40	2,183,070	0.29	6.0	3.2	67.55	11.99	21.90	5.20	527,998.13	5,760.19
Feb	1.91	18.96	-0.78	10.18	2,185.56	2,146,556	0.18	6.2	-0.2	67.55	11.94	21.90	5.20	521,305.93	5,746.97
Mar	-0.28	18.84	0.45	10.98	2,329.40	2,120,344	0.50	6.6	-3.8	67.80	11.65	22.49	5.15	513,930.86	6,035.34
Apr	-0.17	15.05	n/a	n/a	2,292.36	2,205,279	0.68	6.1	n/a	68.08	11.81	23.07	5.15	536,441.87	6,065.20
May	1.13	16.86	n/a	n/a	2,252.22	n/a	0.67	6.4	n/a	68.22	11.96	23.04	5.13	535,788.09	6,031.10
Jun	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	68.58	n/a	n/a	n/a	n/a	n/a

Sources: Bank of Jamaica, Statistical Institute of Jamaica, Ministry of Finance and Planning, Jamaica Tourist Board and the PIOJ. Revised periodically when necessary.

<b>Key:</b>	
BM – Base Money	M2 – Money Supply
NIR – Net International Reserves	FX Dep – Foreign Exchange Deposit
CPI – Consumer Price Index	Tourism – Total Tourist Arrivals
Tbill – 6-month Treasury Bill Yield	Loan – Average Loan Rate
Save – Average Savings Deposit Rate	M – Monthly Percentage Change
P – Point-to-Point Percentage Change	R – Revised
N/a – Not Available	S – Stopover
WATBY- weighted average Treasury bill yield	OMO – Open Market Operation
JCB – Jamaica Conference Board	JCC – Jamaica Chamber of Commerce
MT – Million tonnes	BP — Basis Points
KMA — Kingston and Metropolitan Area	

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