



# CONFIDENTIAL ECONOMIC BULLETIN

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## OVERVIEW

Inflation for the month of March increased by a marginal 0.09%. This compares favorably to the 0.03% decline in February and the 0.08% increase recorded in January 2006. The FX rate increased by 0.2% for the month of March representing a depreciation of the Jamaican dollar by 14 cents against its US counterpart.

The only segment within the CPI basket that had a net reduction in prices for March 2006 was Food and Drink. Once more the downward trend in prices of Starchy Foods and Vegetables and Fruits contributed to the low level of inflation. Health Care and Personal

### Inside this issue:

Overview	1
Net International Reserve	1
Foreign Currency Deposits	2
Foreign Exchange Rates	2
Interest Rates	2
Base Money & Money Supply	3
Inflation	3
Bauxite & Alumina Production	3
Tourism	4
External Trade	4
Balance of Payments	6
Fiscal Accounts	7
Stock Market	9
Developments & Outlook	10
Appendix	12
Statistical Index	15
Key of Acronyms	16

Expenses was the largest positive contributor to the months' price increases. Personal Clothing, Footwear and Accessories represented the second largest positive contributor while Fuels and Other Household Supplies represented the third largest. The latter reflected price increases in charcoal and cooking gas in other towns and also price of Other Household Supplies in KMA and Rural areas.

The Net International Reserve grew by US\$53.9 million in March to close at US\$2,078.2 million. Total NIR was sufficient to accommodate 28.3 weeks of goods importation.

Stopovers for the month of March 2006 grew by 8.0%. Stopover arrivals also exceeded March 2004 arrivals by 16.4%.

Cruise arrivals for March 2006 increased by 2.1% when compared to arrivals in March 2005. The improvement over 2004 arrivals was 19.1%.

There was a 3.2% increase in total bauxite production and a 19.8% increase in Bauxite Exports in March when compared to the same period in 2005. This was largely the result of a boost in Crude Bauxite production. Export of Crude bauxite also registered a 23.1% increase.

The 2005 trade deficit expanded by approximately 23.5% or US\$634.1 million relative to the corresponding period in 2004. For

the first 11 months of the fiscal year 05/06 the government deficit grew to approximately J\$19.7 billion. This was 167% greater than the projected deficit.

March marks the 10<sup>th</sup> consecutive month that the BOJ has held rates on OMO instruments in check. However, interest rates on six month T-Bill fell by 6 basis point to end March 2006 at 13.18%.

The average lending rate in March for the third consecutive month has remained at 21.84%. The Average savings rate has also remained unchanged since January 2006 when it fell by 18 basis points to the current level of 5.30%.

## Net International Reserves (NIR)

There was a US\$53.9 million increase in the net international reserves during March. At the end of the month the reserve balance stood at US\$2,078.2 million in contrast to the previous month's value of US\$2,024.2 million. The gross reserves amounted to 28.3 weeks of Goods imports which is more than double the international standard of 12 week (see Table 1).

## Foreign Currency

For the month of February total foreign currency deposits amounted to US\$2,045.4 million, roughly US\$16.9 million higher than the previous month's figure (see Table 2). This largely reflected higher balances at Commercial Banks of US\$13.2M. Building Societies and Merchant Banks also had increases in Foreign Currency Deposits of US\$0.12 million and US\$3.6 million respectively during February 2006. For the 12 months to February 2006 foreign currency deposits have grown by US\$126M with Commercial banks accounting for over 52% of the increase.

## Foreign Exchange Rate

The local currency depreciated by J\$0.14 against its US counterpart during March to end the period at \$65.50. Over 66% of the \$2.97 depreciation for last year (2005) occurred during the months of September and October.

The rate gradually rose over the month of January but since then has appeared to be returning to some form of stability (see Figure 1).

BOJ indicated that the realignment of investor portfolios in response to inflationary tendencies was the reason for the instability in the FX market for the third quarter of 2005.

In March the local currency appreciated against the Pound sterling and also the Canadian dollar. The Jamaican dollar gained J\$1.12 against the Pound for the month and J\$1.19 against the Canadian Dollar (see Table 3).

## Interest Rates

The Central Bank made no changes to its open market yields in March 2006. These rates remained at their May (2005) levels

**Table 1: Changes in the NIR**

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
Mar-06	2,078.1	53.9	176.5	-9.3	28.3
Mar-05	1,901.6	70.5	333.0	43.1	27.5

Source: Compiled from the BOJ (Preliminary)

**Table 2: Foreign Currency Deposits**

	US\$000 Feb '06	Change (US\$000)		% 12 mth
		mthly	12 mth	
Commercial Banks	1,522,338	13,175	66,617	4.58%
Building Societies	109,138	116	15,439	4.54%
Merchant Banks	167,526	3,560	44,672	36.36%
Total Deposits	2,045,440	16,851	126,728	6.60%

Source: Compiled from the BOJ (Preliminary)

**Table 3: Foreign Exchange Trends (Mar -2006)**

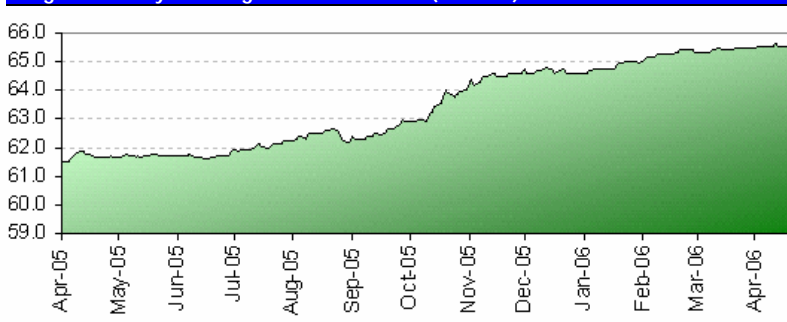
	Year to Date Currency Rate Change*					
	J\$/US\$	%	J\$/UK£	%	J\$/Can\$	%
2006	0.91	1.4	2.54	2.3	1.19	2.2
2005	-0.08	-0.1	-2.57	-2.2	-0.05	-0.1
2004	0.39	0.6	3.89	3.6	-0.13	-0.3

Monthly

Mar-06	0.14	0.2	-1.12	-1.0	-1.19	-2.1
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\*minus = appreciation; Source: BOJ database & PSOJ Economic Research

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



Source: Bank of Jamaica Database (BOJ)

**Table 5: Interest Rate Movements**

	Apr-06	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	12.60%	0.00%	-0.35%	0.00%
365 Day Repo	13.60%	0.00%	-0.90%	0.00%
Avg Savings Deposit	5.30%	0.00%	-1.06%	-0.18%
Avg Loan Rate	21.84%	0.00%	-3.05%	-0.16%
6 Month T-Bill	13.18%	-0.06%	-0.28%	-1.22%
12 Month T-Bill	n/a	n/a	n/a	n/a

Source: Bank of Jamaica (BOJ Preliminary) \*n/a = not applicable

ranging from 12.60% on 30-day instruments to 13.60% on 365-day instruments. The six-month T-bill cleared the market at an average yield of 13.18% in March which was six (6) basis points (BP) below the 13.24% in February. For the first three (3) months of 2006, 6-Month T-Bill rates fell by 37 BP.

The average lending rate at the end of March 2006 was 21.84. This rate has not changed since January 2006 when the rate fell from a seven month stable rate of 22%. The average savings rate has also remained stable for the first three months of 2006 to close March at a 5.30%.

(see Table 5 & Figure 2).

## Base Money & Money Supply

The monetary base fell by 0.18% in March 2006 relative to the previous month. For the month of December 2005, M1 and M2 Money increased by 15.85% and 4.14% respectively from the previous months' value. Quasi Money however fell by a marginal 0.72% (see table 6).

## Inflation

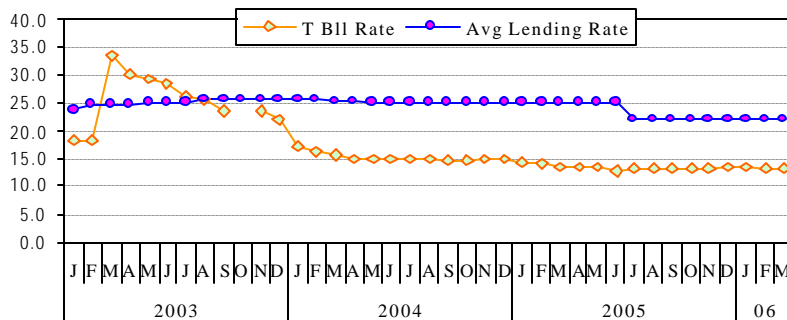
The inflation rate rose by a marginal 0.09% in March (see Table 7). This low inflation was due to reduced prices for Vegetables & Fruits and Starchy foods such as (tomatoes, scallion & thyme, cabbage, ackee and carrots) and (yams and dasheens) in rural areas.

In March 2006 Healthcare and Personal Expenses represented the largest contributing segment to higher prices.

Personal Clothing, Footwear and Accessories was the second largest contributing segment with higher prices reflected in items such as women footwear and male clothing.

Fuels & Other household Supplies

Figure 2: Interest Rate Movements



Source: Bank of Jamaica Database (BOJ preliminary)

Table 6: Base Money and Money Supply

	J\$M	Percentage Change (%)	
		Mthly	12 Mth
M1	75,200.33	15.85	10.88
Quasi Money	155,434.05	-0.72	8.23
M2	230,634.38	4.14	9.08
	Mar-06	Mthly	12 Mth
Base Money	43,607.80	-0.18	4.71

Source: BOJ Economic Statistics Nov05, BOJ NIR update Nov05

Table 7: Inflation Trends

		Percent Changes		
		Mar-06	12Mth	YTD
2006	0.09	11.4	0.14	11.4
2005	0.97	13.2	1.45	13.2

Source: STATIN & BOJ Statistical Digest

was the third largest contributor to inflation in March. Charcoal and Cooking gas rose marginally in Other towns while the cost of Ice among other household supplies increased in the KMA and Rural areas.

(see Table 7 and INFLATION (February CPI) in Appendix)

## Bauxite & Alumina Production

Bauxite production grew in March when compared to the same period last year. Total production increased from 1.27-Million Tonnes (MT) in March last year to ap-

proximately 1.31-MT this March 2006 (a 3.2% increase). In March 2006, Alumina output fell by 4.4% to 356.9 thousand tonnes while Crude bauxite production grew by 13.7% to 417.8 thousand tonnes (see Table 8). Total bauxite exports were 19.8% higher in March reflecting a 12.4% increase in Alumina exports and 23.1% increase in exports of Crude Bauxite (see Table 8 and Figure 3).

Levels of Bauxite production for March 2006 was not significantly different from levels in 2005. However, Total Bauxite exports for the month climbed noticeably above the level for March 2005 (see Table 8 and Figure 3)

## Tourism

**Stopovers:** Stopovers for the first quarter of 2006 increased by 10.5% over the same period last year (see Figure 4B). There was a 10.8% increase in visits by Foreign nationals and a 4.8% increase for Non-resident national. Stopover arrivals for March 2006 were greater than arrivals in March 2005 and 2004 by 8.0% and 16.4% respectively.

**Cruise Passengers:** Cruise arrivals for the period January to March of 2006 increased by 8.4% when compared to the same period of 2005 (see Figure 4C). Cruise arrivals in March 2006 exceeded arrivals in the corresponding months of 2005 and 2004 by 2.1% and 19.1% respectively.

**Total Visitors:** Total arrivals for the first three (3) months of 2006 increased by 9.5%. This resulted from an additional 72,922 stopovers and a 31,329 more cruise arrivals to the country when compared to the corresponding quarter of 2005. Total arrivals in March 2006 exceeded the turnout for 2005 and 2004 by 5.0% and 17.7% respectively.

## External Trade

The nation's trade deficit widened by more than 23.5% in the 12 months of 2005 when compared to the same period of 2004. The deficit for the January-to-November period amounted to US \$3,335.74M, some US\$634.1M worse than in the twelve months of 2004. The import bill grew by US \$761.15M while export revenues increased by US\$127.07M above the corresponding period of 2004.

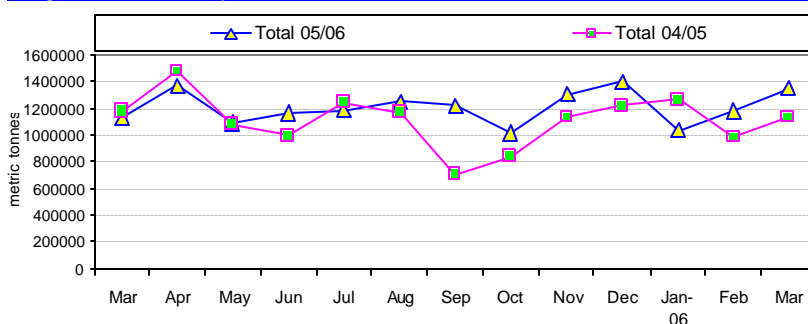
Exports amounted to US \$1,531.5M, up from US\$1,404.5M for the corresponding period in 2004. There was a US\$78.1M improvement in Traditional exports due to increases in Mining and Quarrying which outweighed setbacks in the Agriculture and Manu-

**Table 8: Mining Production**

	000 tonnes			YTD	
	Mar-05	Mar-06	%	Mar-06	06/05 %
<b>Production</b>					
Alumina	373.3	356.9	-4.4	1,016	-3.51
C. Bauxite	367.4	417.8	13.7	1,125	4.74
<b>Total Bauxite</b>	<b>1,268.5</b>	<b>1,308.9</b>	<b>3.2</b>	<b>3,672</b>	<b>1.43</b>
<b>Export</b>					
Alumina	325.3	365.7	12.4	975	1.78
C. Bauxite	352.0	433.4	23.1	1,103	4.22
<b>Total Bauxite</b>	<b>1,125.6</b>	<b>1,348.8</b>	<b>19.8</b>	<b>3,551</b>	<b>5.37</b>

Source: Jamaica Bauxite Institute (JBI)

**Figure 3: Bauxite Exports for 12 mths to March (04/05 & 05/06)**



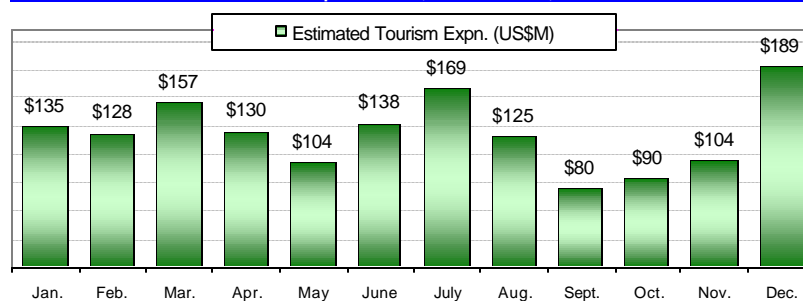
Source: Jamaica Bauxite Institute (JBI) [\* The graph reflects information for Jan-05 - Jan-06: Lines cross year also]

**Table 9: Tourist Arrivals**

	2005	2006	% Change	
	YTD (Mar)	YTD - YOY	Mar 05/06	
<b>Stopover</b>	<b>394,969</b>	<b>436,562</b>	<b>10.5%</b>	<b>8.0%</b>
Foreign	377,041	417,770	10.8%	8.9%
National	17,928	18,792	4.8%	-9.4%
<b>Cruise</b>	<b>374,973</b>	<b>406,302</b>	<b>8.4%</b>	<b>2.1%</b>
<b>Total Arrivals</b>	<b>769,942</b>	<b>842,864</b>	<b>9.5%</b>	<b>5.0%</b>

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

**Table 4A: Estimated Tourism Expenditure (Jan-Dec 2005)**

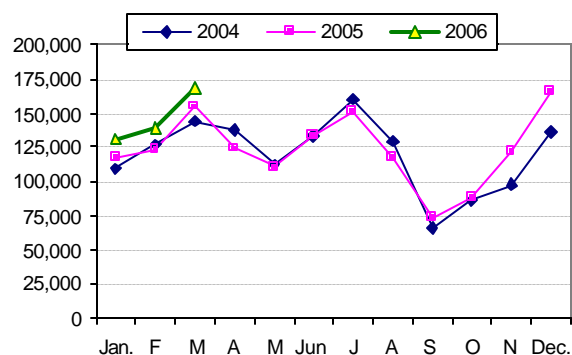


Source: Jamaica Tourist Board (preliminary data)

facturing sectors. Agriculture plunged by 54.7% or US\$31.0M as the impact of adverse weather

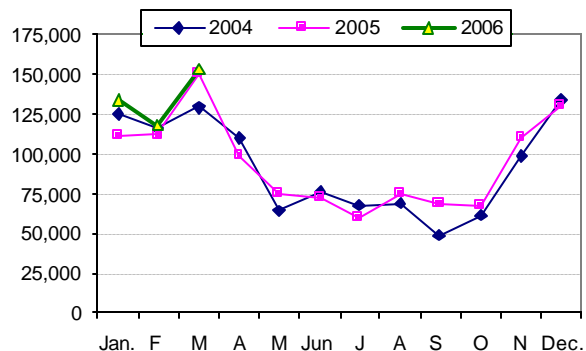
conditions was reflected in poor outturns in bananas and coffee. In the Manufacturing sector, reve-

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-Dec '04	Jan-Dec '05	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>1,404.47</b>	<b>1,531.54</b>	<b>127.07</b>	<b>9.0%</b>
Major Traditional Exports	1,081.96	1,160.05	78.09	7.2%
<i>by Sector:-</i>				
Agriculture	56.63	25.68	-30.95	-54.7%
Mining & Quarrying	896.74	1,021.20	124.46	13.9%
Manufacturing	128.60	113.17	-15.43	-12.0%
<i>by Industry:-</i>				
Bauxite	80.40	98.79	18.39	22.9%
Alumina	814.58	920.29	105.70	13.0%
Sugar	98.14	76.81	-21.33	-21.7%
Rum	28.52	34.25	5.74	20.1%
Bananas	12.81	4.69	-8.12	-63.4%
Coffee	39.45	17.34	-22.12	-56.1%
Other	8.06	7.89	-0.17	-2.1%
Non-Traditional Exports	283.28	341.65	58.37	20.6%
Re-exports	39.22	29.84	-9.38	-23.9%
<b>TOTAL IMPORTS</b>	<b>4,106.13</b>	<b>4,867.28</b>	<b>761.15</b>	<b>18.5%</b>
Food	527.30	602.94	75.64	14.3%
Beverages & Tobacco	46.21	55.95	9.74	21.1%
Crude Materials (excl. Fuels)	68.00	79.17	11.16	16.4%
Mineral Fuels, etcetera	910.49	1,360.08	449.58	49.4%
Animal & Vegetable Oils & Fats	32.39	27.66	-4.73	-14.6%
Chemicals	403.19	555.32	152.13	37.7%
Manufactured Goods	563.09	637.81	74.72	13.3%
Machinery and Transport Equip.	880.75	870.00	-10.75	-1.2%
Misc. Manufactured Articles	426.37	477.18	50.81	11.9%
Other	248.33	201.18	-47.15	-19.0%
<b>TRADE BALANCE</b>	<b>(2,701.66)</b>	<b>(3,335.74)</b>	<b>-634.08</b>	<b>23.5%</b>

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

nues fell by US\$15.4M as a US \$5.7M improvement in rum earnings was outweighed by a US \$21.3M drop in sugar exports. In contrast, Mining & Quarrying grew by US\$124.5M largely resulting from the US\$105.7M growth in Alumina that was also accompa-

nied by a US\$18.4M improvement in Crude Bauxite exports over the comparable period of last year.

In the Non-traditional sector, exports increased by 20.6% or US \$58.4M as declines in Food and Crude Materials were outweighed

by increases in Other Non-traditional and Beverage & Tobacco exports. Crude Materials and Food declined by US\$8.8 million and US\$1.9 million respectively. Other Non-traditionals grew by US\$57.5 million for the twelve months and exceeded both de-

clines. Beverage and Tobacco complemented this amount with US\$11.7 million and also exceeded both declines (see table 10).

Imports grew by US\$761.2M or 18.5% for the review period, reflecting increases in all categories except for Animal & Vegetable Oils & Fat; Machinery and Transport;

and Other imports that fell by 14.6%, 1.2% and 19.0% respectively when compared to the corresponding period of 2004 (see Table 10).

Mineral Fuels was the largest growth component by magnitude among imports increasing by US \$449.6M or approximately 49% for the twelve months of 2005 when

compared to 2004. The country spent US\$152.1M more on Chemicals. Food imports grew by US \$75.6M while Manufactured Goods increased by US\$74.7M over the year. Miscellaneous Manufactured also grew by a noticeable US \$50.8M for the period.

(See Table 10 and External Trade (Jan-Nov) in Appendix)

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

	Jan-Dec '04	Jan-Dec '05	Change	% Change
<b>Current Account</b>	<b>-509.4</b>	<b>-974.5</b>	<b>-465.1</b>	<b>-91%</b>
<b>Goods Balance</b>	<b>-1944.5</b>	<b>-2587.1</b>	<b>-642.6</b>	<b>-33%</b>
Exports	1601.6	1658.6	57	4%
Imports	3546.1	4245.7	699.6	20%
<b>Services Balance</b>	<b>571.7</b>	<b>670</b>	<b>98.3</b>	<b>17%</b>
Transportation	-150.3	-216.7	-66.4	-44%
Travel	1151.5	1295.7	144.2	13%
Other Services	-429.5	-409	20.5	-5%
<b>Income</b>	<b>-582.7</b>	<b>-637.1</b>	<b>-54.4</b>	<b>-9%</b>
Compensation of employees	84.5	81.2	-3.3	4%
Investment Income	-667.2	-718.3	-51.1	-8%
<b>Current Transfers</b>	<b>1446.1</b>	<b>1579.7</b>	<b>133.6</b>	<b>9%</b>
Official	159.9	122.4	-37.5	23%
Private	1286.2	1457.3	171.1	13%
<b>Capital &amp; Financial Account</b>	<b>509.4</b>	<b>974.5</b>	<b>465.1</b>	<b>91%</b>
<b>Capital Account</b>	<b>2.2</b>	<b>-11.1</b>	<b>-13.3</b>	<b>605%</b>
Capital Transfers	2.2	-11.1	-13.3	605%
Official	13.8	0.3	-13.5	98%
Private	-11.6	-11.4	0.2	-2%
Acq/dis. of non-produced non-fin. assets	0	0	0	0%
<b>Financial Account</b>	<b>507.2</b>	<b>985.6</b>	<b>478.4</b>	<b>94%</b>
Other Official Inv. (incl. Gov. Rsrv)	479.2	351.5	-127.7	27%
Other Private Investment (includes. err & omis)	721.6	863	141.4	20%
Reserves	-693.6	-228.9		

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.

## Balance of Payments

For the year 2005, the country posted a current account deficit of US\$974.5M. This shortfall was US \$465 million worse than that of the corresponding period of 2004 (see Table 11). The outturn was caused by the higher merchandise imports that resulted in a US \$642.6M reduction in the Goods

account. This decline was larger than the surpluses from Current Transfers and Services combined.

On the Goods account, the deficit worsened by US\$642.5M as a US \$57.0M increase in exports was cancelled by a US\$699.6M growth in the import bill. Traditional exports increased by US\$78.1M reflecting higher revenues from the Mining and Quarrying Sector of

which over 85% of the increase was attributed to Alumina. Non-traditional exports increased by an approximate US\$58.4M. On the import side, the bill was higher in a number of categories, notably mineral fuels, chemicals and food.

The Services account netted US \$98.3M more than in the comparable period last year as a US \$66.4M slippage in Transportation

services was outweighed by a US \$144.2M improvement in Travel and US\$20.5M more for Other Services.

The growth in the Travel account was largely influenced by a 8.3% growth in receipts of US\$87.8M and also complemented by a reduction in outflows of US\$29.4M.

There was an US\$54.4M widening of the deficit on the Income account for the period. This largely reflected a US\$51.1M deterioration in Investment Income which was complemented by a US\$3.3M reduction in the Compensation of Employees.

Current Transfers posted a US \$133M growth in net inflows that was due to the US\$171M increase in Private Transfers or remittances.

Official current transfers partially offset this amount by approximately US\$38M. Remittances continue to be a key contributor to the nation's current account representing approximately 21.3% (20.7% in 2004) of gross current account inflows for the period January to December 2005.

The Capital and Financial account reflected changes mainly in the Financial account, where net inflows from Other Official Investments fell from US \$479.2M in 2004 to US\$351.5M in 2005. This represented a decline of US\$127.7M or 27%. There was, however, a US \$141.4M or 20% increase in the surplus on the Other Private Investments sub-account. Over-

all, inflows to the Financial account was more than sufficient to finance the Capital and Current account deficit. This allowed for a US \$228.9M build-up of foreign currency reserve for the year 2005.

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

## Fiscal Accounts

For the first eleven months of the fiscal year (Apr-05—Feb-06) the Government fiscal deficit was \$19.7 billion worse than planned due to a \$21.5 billion reduction in Revenues relative to projections. However, the outturn was partially offset by cutbacks on the Expenditure side of \$1.7 billion to mitigate 8.1% of the fall-off in revenues.

Table 12: Fiscal Accounts (J\$ Million)

	April - February (Fiscal -2005/06)				Fiscal yo-y 04/05-05/06	
	J\$ million		Deviation		J\$m	%
	Provisional	Budget	J\$m	(%)		
<b>Revenue &amp; Grants</b>	<b>157,986.6</b>	<b>179,468.6</b>	<b>-21,482.0</b>	<b>-11.97</b>	<b>12,195.1</b>	<b>8.4</b>
Tax Revenue	141,058.9	158,210.0	-17,151.1	-10.84	11,473.5	8.9
Non-Tax Revenue	9,934.1	8,548.4	1,385.7	16.21	1,476.9	17.5
Bauxite Levy	2,776.8	2,740.7	36.1	1.32	479.1	20.9
Capital Revenue	3,496.3	6,364.8	-2,868.5	-45.07	2,040.9	140.2
Grants	721.0	3,604.8	-2,883.8	-80.00	-3,275.3	-82.0
<b>Expenditure</b>	<b>189,548.6</b>	<b>191,288.0</b>	<b>-1,739.4</b>	<b>-0.91</b>	<b>8,447.5</b>	<b>4.7</b>
Recurrent Expenditure	176,130.9	174,769.7	1,361.2	0.78	2,660.0	1.5
Programmes	37,732.1	35,692.6	2,039.5	5.71	8,120.3	27.4
Wages & Salaries	57,677.4	56,488.4	1,189.0	2.10	287.2	0.5
Interest	80,721.3	82,588.8	-1,867.5	-2.26	-5,747.1	-6.6
Domestic	58,702.0	60,206.0	-1,504.0	-2.50	-8,790.9	-13.0
External	22,019.2	22,382.8	-363.6	-1.62	3,043.4	16.0
Capital Expenditure	13,417.4	16,518.3	-3,100.9	-18.77	5,787.0	75.8
Capital Programmes	13,417.4	16,518.3	-3,100.9	-18.77	6,075.7	82.8
IMF #1 Account	0.0	0.0	0.0	0.00	-288.7	-100.0
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-31,561.6</b>	<b>-11,819.4</b>	<b>-19,742.2</b>	<b>167.03</b>	<b>3,748.1</b>	<b>-10.6</b>
Loan Receipts	172,649.4	138,930.4	33,719.0	24.27	26,448.2	18.1
Domestic	119,679.9	104,550.0	15,129.9	14.47	12,018.6	11.2
External	52,969.4	34,380.4	18,589.0	54.07	14,429.7	37.4
Divestment Proceeds	0.0	0.0	0.0	0.00	-1,259.4	-100.0
Amortization	128,342.4	130,236.7	-1,894.3	-1.45	6,704.8	5.5
Domestic	97,127.6	100,083.2	-2,955.6	-2.95	3,867.7	4.1
External	31,214.8	30,153.4	1,061.4	3.52	2,836.9	10.0
<b>Overall Balance (Surplus [+]/ve)</b>	<b>12,745.2</b>	<b>-3,125.7</b>	<b>15,870.9</b>	<b>-507.76</b>	<b>22,232.1</b>	<b>-234.3</b>
<b>Primary Balance (Surplus [+]/ve)</b>	<b>49,159.5</b>	<b>70,769.4</b>	<b>-21,609.9</b>	<b>-30.54</b>	<b>-1,999.4</b>	

Source: Ministry of Finance and Planning

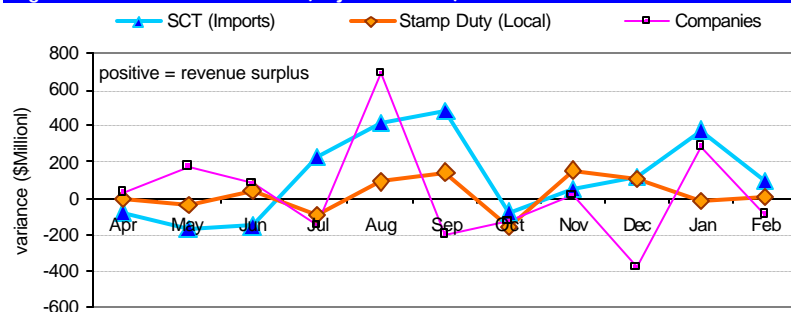
**Revenues:** Revenues and Grants totalled approximately \$158 billion, some \$21.5 billion less than projected. This reflected a \$17.2 billion shortfall in Tax revenue combined with slippages in the Capital Revenue and Grant categories of \$2.87 billion and \$2.88 billion respectively. However, Non-tax Revenue continued to perform strongly, posting a \$1.39 billion surplus or 16.2% improvement over budget.

Within the Tax revenue category the largest positive variances from budget were Special Consumption Tax (SCT) on imports (\$1.39 bil), Company Taxes (\$324 mil) and Local Stamp Duty (\$256 mil) (see Figure 5A). The largest tax income generating components were PAYE (22%), Local GCT (19%), GCT on Imports (12%), Custom Duty (10%) and Tax on Interest (9.9%). Among these however, Local GCT and GCT on imports in addition to SCT had the largest shortfall when measured against budget for the first 11 months of the FY 05/06 (see figure 5B). Local GCT was \$6.6 bil below budget while GCT on Import was \$3.9 bil below budget for the same period. Local GCT, GCT on imports and SCT have all performed below budget since June of 2005. (see Figure 5B).

SCT was approximately \$3.6 bil less than projected and eclipsed the \$1.3 bil surplus on the SCT on Imports.

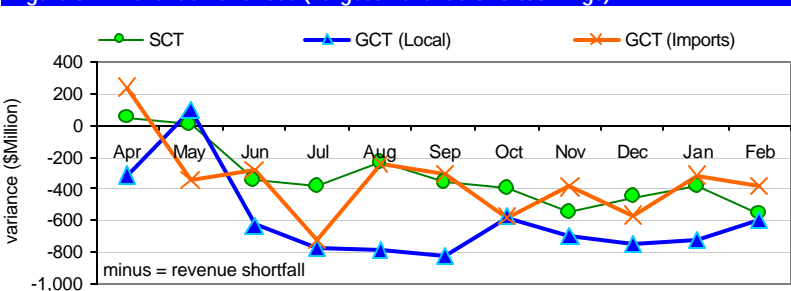
**Expenditures:** Total Expenditures amounted to approximately \$189.5 billion, some \$1.7 billion below budget. Savings of \$1.8 billion were made on interest payments of which over 80% or roughly \$1.5 billion resulted from savings in domestic interest payments. This was largely influenced by reduced interest rates during the period. Over \$363 million in savings were made from external interest payments due to lower than expected rate of currency depreciation. Wages & Salaries for the period April to February was approximately \$1.2 M or 2.1% more than budgeted. This can be attributed to the increased payments to civil servants under

**Figure 5A: Revenue Variances (Major Positives)**



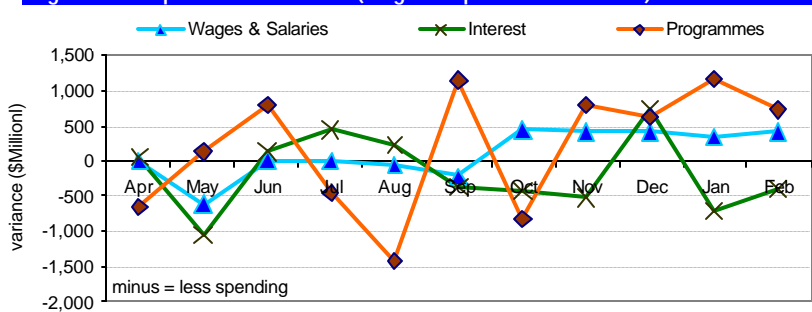
Source: Ministry Of Finance and Planning (Jamaica)

**Figure 5B: Revenue Variances (Largest Revenue Shortcomings)**



Source: Ministry Of Finance and Planning (Jamaica)

**Figure 5C: Expenditure Variances (Largest Expenditure Overruns)**



Source: Ministry Of Finance and Planning (Jamaica)

the MOU agreement.

For the first ten (11) months of the Fiscal Year expenditure on programmes exceeded budget by \$1.36 billion. Spending on programmes during July, August and October were however delayed due largely to weather conditions (see Figure 5A). January and February also had noticeable cuts in budgeted programmes expenditure (see Figure 5C). Capital expenditure was approximately \$3.1 billion

or 19% below projections due to the delayed implementation of some projects throughout 2005.

Loan receipts were \$33.7 billion above budget as the GOJ borrowed considerably more than planned on both the domestic and external markets to finance the shortfall in revenue. Domestic and external loan receipts exceeded budget by \$15.2 billion and \$18.6 billion respectively.

Total public debt at the end of Feb-

ruary 2006 stood at \$854.1 billion, some \$11.8 billion higher than the previous month's level of \$842.3 billion. Domestic Debt stock fell by \$2.98 billion to end the month at \$486.7 billion. External Debt grew by US\$223.14 million during the month of January to close at US \$5,621.9 million.

(see Table 12 and Fiscal Account (Apr-Dec) in Appendix)

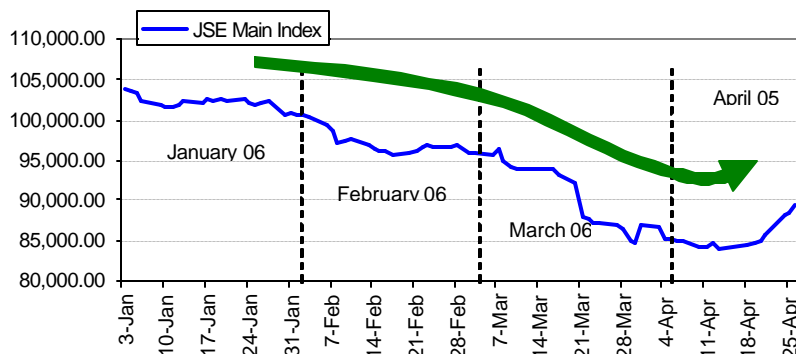
## Stock Market

The main JSE Index fell by 9,949.19 points or approximately 10.2% to closing at 86,896.10 points on March 31. Market capitalization fell by \$20.09 billion or 2.5% to end the month at approximately \$771.84 billion. The index fell off sharply in the second half of March and levelled off in the first half of April. In the third week of April the index rose to reflect the improved confidence resulting from BOJs' pulling of its 270 day and 360 day reverse repurchase agreements from its OMO instruments.

As at April 26 the Main JSE Index gained an additional 2,469.06 points or a 2.8% increase since the end of March to stand at 89,365.16 points on that day.

As at March 31, the top performing stock for the year (2006) to date was Salada Foods that advanced by \$9.99 or approximately 100% to end the month at \$20.00 per share (see Table 13). The worst performer in terms of capital gain was Dyoll Group which lost approximately \$1.25 or (68%) of its value to end the month at 60 cents.

**Figure 6: Main JSE Index, Jan - Mar/Apr '06**



Source: Jamaica Stock Exchange (Online Database) and PSOJ

**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)**

	30- Dec-05	31- Mar-06	\$ change	% change
Salada Foods	10.01	20.00	9.99	99.8%
Goodyear (Jamaica)	11.13	12.50	1.37	12.3%
CMP Industries	2.40	2.60	0.20	8.3%
First Carib Intl Bank Jam.	18.01	19.00	0.99	5.5%
Jamaica Producers Group	34.51	35.00	0.49	1.4%

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

Dyoll Group	1.85	0.60	(1.25)	-67.6%
Caribbean Cement	9.50	4.15	(5.35)	-56.3%
Mayberry Invest. Ltd.	3.70	1.99	(1.71)	-46.2%
Palace Amusement	52.70	31.45	(21.25)	-40.3%
Guardian Holdings Ltd.	360.00	245.00	(115.00)	-31.9%

Source: Compiled from the JSE

## Developments & Outlook

### Fiscal Budget

**Recurrent Expenditure:** In fiscal year 2005/06, estimated levels of recurrent expenditure was 0.2% below the previous year (2004/05). The new estimates of expenditure for fiscal 2006/07 however is expected to exceed last year (05/06) by approximately 11.9% or J\$22.6 billion (see Table 14).

In December of last year the savings that were made in recurrent expenditure were reversed largely reflecting the addendum to the MOU for Public Sector workers. In the Ministry of Finance Budget for fiscal 2006/07 there is an amount of J\$8.89 billion set aside to be apportioned in wage settlements under the next MoU. The PSOJ fully expects the implementation of a new MoU.

**Capital Expenditure:** Throughout the year debt financing for emerging markets offered relatively low rates on the international capital markets and was supportive of the governments' policy to secure longer term loans at competitive rates. These conditions motivated the government to issue a \$250 million bond in the last quarter of fiscal 05/06 at a longer term and lower rate to pre-finance the fiscal budget for 2006/07.

The new Expenditure Estimates reveal that Capital Expenditure programmes are expected to grow by approximately 70% or J\$11.89 billion in fiscal 2006/07 to J\$28.89 billion. The last fiscal year 2005/06 had approximately J\$17.0 billion in capital expenditure growing by 53% or \$5.86 billion over its prior year. Actual Debt amortization for the last fiscal year 2005/06 was J\$2.9 billion less than initially approved. Much greater savings are expected in the new fiscal year. Projected in the Expenditure Estimates for 2006/07 is a reduction of

J\$22.2 billion or almost 16% in Amortization payments. Two thirds of this savings will result from external debt and the remainder from local debt instruments. This provides the government with greater flexibility in the raising of funds. The lower external debt amortization will allow less reliance on domestic instruments which would allow for a reduction in interest rates. This will be achieved on the premise that less government borrowing will result in less crowding out of local investors who are competing for loanable

funds. The anticipated surplus of funds in the local financial sector will put pressure on lenders to lower interest rates even more during fiscal 2006/07.

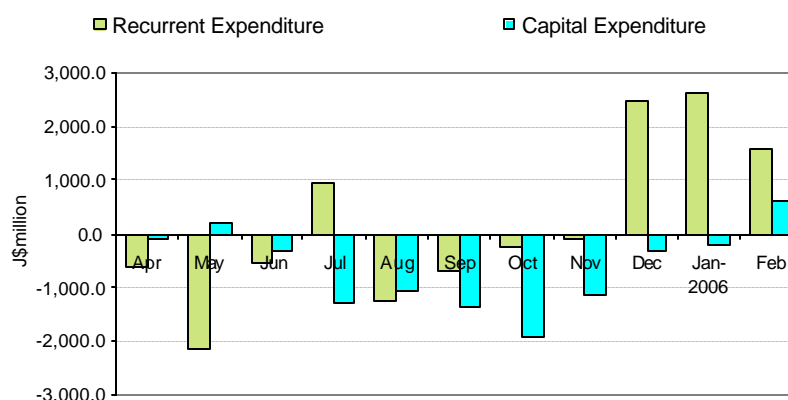
In April 2006 the Central bank announced its decision to stop issuing its 270 day and 360 day reverse repurchase agreements. This signals greater confidence in the financial market and indicates an unlikely liquidity constraint within the sector. This step provides the BOJ greater leverage to propel short-term interest rates

**Table 14: Government Estimated Expenditure 2006/07 & 2005/06 (J\$'000)**

	2006/07 J\$'000	2005/06 J\$'000	2004/05 J\$'000	2006/07 change	2005/06 change
<b>Recurrent Expenditure</b>	211,627,227	189,484,278	189,784,668	11.9%	-0.2%
<b>Capital Expenditure</b>	28,884,952	16,996,810	11,141,394	69.9%	52.6%
<b>Amortization of Debt</b>	117,580,521	139,797,166	127,210,325	-15.9%	9.9%
Internal	101,009,675	108,613,246	98,079,478	-7.0%	10.7%
External	16,570,846	31,183,920	29,130,847	-46.9%	7.0%
<b>Total Capital Expenditure</b>	146,465,473	156,793,976	138,351,719	-6.6%	13.3%
Capital A	133,085,899	151,017,662	133,436,552	-11.9%	13.2%
Capital B	13,379,574	5,776,314	4,915,167	131.6%	17.5%
<b>Total Recurrent &amp; Capital</b>	358,092,700	346,278,254	328,136,387	3.4%	5.5%

Source: Ministry Of Finance and Planning (Jamaica) & PSOJ Research

**Figure 7: Accumulated Recurrent & Capital Expenditure for fiscal 2005/06**



Source: Ministry Of Finance and Planning (Jamaica) & PSOJ research

down. Lower interest rates would be beneficial for the general economy and real estate market.

This is not the first time that the BOJ has removed such instruments from its Open Market Operations (OMOs) portfolio. In the previous instance the BOJ reintroduced the instruments within less than a month to facilitate monetary stability. Some analysts indicate that one cannot be too certain of the banks' commitment in maintaining such a move.

The action however comes at a strategic time when the government is tabling the fiscal estimates for 2006/07. The central government has also indicated their intentions to rely less on the local financial sector for funding government debt. The move appears to be a coordination of efforts between the central bank and the government aimed at reducing interest rates and facilitating a favourable investment climate within the Jamaican economy in line with policy objectives.

Inflation Projection: Inflation for the last six (6) months ending March 2006 has been 1.09%. This compares favourably to the 7.98% recorded for the same period last year. Prior to the 4th quarter of 2005 there were significant shocks to the economy that directly impacted on prices. The year begun

with steady upward movements in oil prices which was further exacerbated in September-05 when hurricane Katrina struck New Orleans leaving a short supply of oil on the international market. In September alone the CPI rose by 2.6% (see Figure 8).

In the first quarter of 2005 inflation was influenced by drought conditions coupled with bush fires that reduced supply of items in the Starchy Foods and Vegetables & Fruit Groups. Towards the middle of the year the Jamaican Economy suffered the effects of Hurricane Dennis and Emily which added damage to crops recovering from drought conditions in the first quarter. Overall, the first three quarters of 2005 reflected higher than anticipated price changes resulting largely from volatile international oil prices and unfavourable weather conditions. The last six months have revealed less volatility in the CPI and

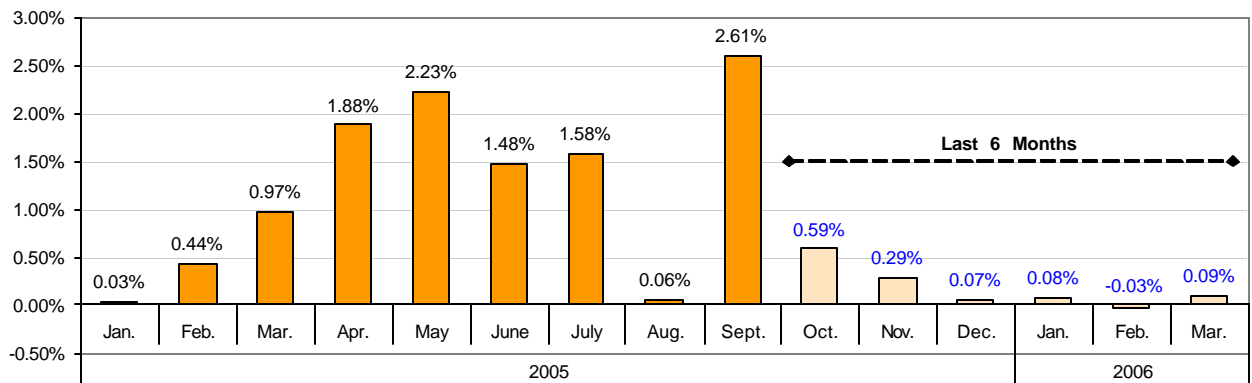
suggests that prices will be contained for the remainder of the year if external shocks are kept at minimum.

Next on the agenda is the opening of the budget on Thursday, 27th of April 2006. Following this the Opposition Spokesman on Finance will present on May 2nd. On May 4th the Leader of the Opposition will present after which; the Prime minister will be heard on May 9th. On May the 10th the budgetary presentations will be brought to a close.

**Table 15: Budget Schedule 2006/2007**

Date	Presentation
Thursday, April 27th	Opening Budget
Tuesday, May 2nd	Opposition Spokesman on Finance
Thursday, May 4th	Leader of the Opposition
Tuesday, May 9th	Prime Minister
Wednesday, May 10th	Closing


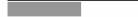




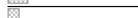



















**Figure 8: Monthly Inflation Rate (Jan-05 - Mar-06)**



Source: Ministry Of Finance and Planning (Jamaica)

# APPENDIX

## INFLATION (March 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 - MARCH	RK	Percentage Change for Month (%)
<b>ALL GROUPS</b>		0.077 [0.0772 = (100 x 0.07)]
<b>FOOD AND DRINK</b>	8	-0.326 [-0.177 = (54.6 x -0.3)]
Meals Away from Home		0.285
Meat Poultry and Fish		0.977
Dairy Products Oils & Fats		0.699
Baked Products Cereal & Breakfast Drink		0.616
Starchy Foods		-4.866
Vegetables & Fruit		-2.712
Other Food & Beverages		2.058
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	3	0.706 [0.0522 = (7.39 x 0.70)]
Household Supplies		1.369
Fuels		0.319
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	6	0.112 [0.0094 = (8.44 x 0.11)]
Rental		0.028
Other Housing Expenses		0.133
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	5	0.917 [0.0268 = (2.93 x 0.91)]
Furniture		1.169
Furnishings		0.767
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	1	0.773 [0.0546 = (7.08 x 0.77)]
		0.000
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	2	1.053 [0.0527 = (5.01 x 1.05)]
Clothing Materials		0.858
Readymade Clothing & Accessories		0.716
Footwear		1.057
Making & Repairs		2.506
<b>TRANSPORTATION</b>	7	0.077 [0.0050 = (6.50 x 0.07)]
<b>MISCELLANEOUS EXPENSES</b>	4	0.623 [0.0496 = (7.97 x 0.62)]

INFLATION (End Dec-05 to End Feb-06)	YTD Percentage Change (%)
<b>ALL GROUPS</b>	0.1
<b>FOOD AND DRINK</b>	-1.4
Meals Away from Home	1.1
Meat Poultry and Fish	3.7
Dairy Products Oils & Fats	2.4
Baked Products Cereal & Breakfast Drink	1.9
Starchy Foods	-12.0
Vegetables & Fruit	-13.9
Other Food & Beverages	4.8
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	3.1
Household Supplies	2.8
Fuels	3.2
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	2.4
Rental	1.0
Other Housing Expenses	2.8
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	2.9
Furniture	4.7
Furnishings	1.9
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	3.0
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	3.1
Clothing Materials	2.4
Readymade Clothing & Accessories	3.3
Footwear	2.3
Making & Repairs	4.5
<b>TRANSPORTATION</b>	-0.2
	0.0
<b>MISCELLANEOUS EXPENSES</b>	1.2

## EXTERNAL TRADE (Jan-Dec)

EXTERNAL TRADE - (JAN DEC)	US\$M	
<b>TOTAL EXPORTS (bnb)</b>	<b>1,531.54</b>	
Major Traditional Exports	1,160.05	
by Sector:-		
Agriculture	25.68	
Mining & Quarrying	1,021.20	
Manufacturing	113.17	
by Industry:-		
Bauxite	98.79	
Alumina	920.29	
Sugar	76.81	
Rum	34.25	
Bananas	4.69	
Coffee	17.34	
Other	7.89	
Non-Traditional Exports	341.65	
Re-exports	29.84	
<b>TOTAL IMPORTS</b>	<b>4,867.28</b>	
Food	602.94	
Beverages & Tobacco	55.95	
Crude Materials (excl. Fuels)	79.17	
Mineral Fuels, etcetera	1,360.08	
Animal & Vegetable Oils & Fats	27.66	
Chemicals	555.32	
Manufactured Goods	637.81	
Machinery and Transport Equip.	870.00	
Misc. Manufactured Articles	477.18	
Other	201.18	
<b>TRADE BALANCE</b>	<b>-3,335.74</b>	

EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2004 - 2005
<b>TOTAL EXPORTS (bnb)</b>	<b>127.07</b>	
Major Traditional Exports	78.09	
by Sector:-		
Agriculture	-30,947,547	
Mining & Quarrying	124,463,228	
Manufacturing	-15,427,116	
by Industry:-		
Bauxite	18,393	
Alumina	105,704	
Sugar	-21,334	
Rum	5,736	
Bananas	-8,121	
Coffee	-22,117	
Other	-0,172,383	
Non-Traditional Exports	58,367	
Re-exports	-9,383	
<b>TOTAL IMPORTS</b>	<b>761,153</b>	
Food	75,643	
Beverages & Tobacco	9,735	
Crude Materials (excl. Fuels)	11,162	
Mineral Fuels, etcetera	449,584	
Animal & Vegetable Oils & Fats	-4,725	
Chemicals	152,129	
Manufactured Goods	74,721	
Machinery and Transport Equip.	-10,752	
Misc. Manufactured Articles	50,808	
Other	-47,152	
<b>TRADE BALANCE</b>	<b>-634,080,383</b>	

EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
<b>TOTAL EXPORTS (bnb)</b>	<b>9.0%</b>	
Major Traditional Exports	7.2%	
by Sector:-		
Agriculture	-54.7%	
Mining & Quarrying	13.9%	
Manufacturing	-12.0%	
by Industry:-		
Bauxite	22.9%	
Alumina	13.0%	
Sugar	-21.7%	
Rum	20.1%	
Bananas	-63.4%	
Coffee	-56.1%	
Other	-2.1%	
Non-Traditional Exports	20.6%	
Re-exports	-23.9%	
<b>TOTAL IMPORTS</b>	<b>18.5%</b>	
Food	14.3%	
Beverages & Tobacco	21.1%	
Crude Materials (excl. Fuels)	16.4%	
Mineral Fuels, etcetera	49.4%	
Animal & Vegetable Oils & Fats	-14.6%	
Chemicals	37.7%	
Manufactured Goods	13.3%	
Machinery and Transport Equip.	-1.2%	
Misc. Manufactured Articles	11.9%	
Other	-19.0%	
<b>TRADE BALANCE</b>	<b>23.5%</b>	

## BALANCE OF PAYMENTS (Jan - Dec)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan-Dec	2005
<b>Current Account</b>	<b>-974.5</b>		
Goods Balance	-2,587.1		
Exports	1,658.6		
Imports	4,245.7		
Services Balance	670		
Transportation	-216.7		
Travel	1,295.7		
Other Services	-409		
Income	-637.1		
Compensation of employees	81.2		
Investment Income	-718.3		
Current Transfers	1,579.7		
Official	122.4		
Private	1,457.3		
<b>Capital &amp; Financial Account</b>	<b>974.5</b>		
Capital Account	-11.1		
Capital Transfers	-11.1		
Official	0.3		
Private	-11.4		
Acq/dis. of non-produced non-fin. assets	0		
Financial Account	985.6		
Other Official Inv. (incl. Gov. Rsv)	351.5		
Other Private Inv. (incl. err & omis)	863		
Reserves	-228.9		

Change Jan-Dec (04/05)	US\$M	
<b>Current Account</b>	<b>-465.1</b>	
Goods Balance	-642.6	
Exports	57	
Imports	699.6	
Services Balance	98.3	
Transportation	-66.4	
Travel	144.2	
Other Services	20.5	
Income	-54.4	
Compensation of employees	-3.3	
Investment Income	-51.1	
Current Transfers	133.6	
Official	-37.5	
Private	171.1	
<b>Capital &amp; Financial Account</b>	<b>465.1</b>	
Capital Account	-13.3	
Capital Transfers	-13.3	
Official	-13.5	
Private	0.2	
Acq/dis. of non-prod non-fin. Asts	0	
Financial Account	478.4	
Other Official Inv. (incl. Gov. Rsv)	-127.7	
Other Private Inv. (incl. err & omis)	141.4	
Reserves	464.7	

Percentage change Jan-Dec (04/05)	%	
<b>Current Account</b>	<b>91%</b>	
Goods Balance	33%	
Exports	4%	
Imports	20%	
Services Balance	17%	
Transportation	44%	
Travel	13%	
Other Services	-5%	
Income	9%	
Compensation of employees	-4%	
Investment Income	8%	
Current Transfers	9%	
Official	-23%	
Private	13%	
<b>Capital &amp; Financial Account</b>	<b>91%</b>	
Capital Account	-605%	
Capital Transfers	-605%	
Official	-98%	
Private	-2%	
Acq/dis. of non-prod non-fin. Asts	0%	
Financial Account	94%	
Other Official Inv. (incl. Gov. Rsv)	-27%	
Other Private Inv. (incl. err & omis)	20%	
Reserves		

FISCAL ACCOUNT (Apr'05 – Feb'06)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	J\$m	Provisional figures Apr'05-Feb'06
<b>Revenue &amp; Grants</b>	157,986.6	
Tax Revenue	141,058.9	
Non-Tax Revenue	9,934.1	
Bauxite Levy	2,776.8	
Capital Revenue	3,496.3	
Grants	721.0	
<b>Expenditure</b>	189,548.6	
Recurrent Expenditure	176,130.9	
Programmes	37,732.1	
Wages & Salaries	57,677.4	
Interest	80,721.3	
Domestic	58,702.0	
External	22,019.2	
Capital Expenditure	13,417.4	
Capital Programmes	13,417.4	
IMF #1 Account	0.0	
<b>Fiscal Balance (Surplus +/-)</b>	-31,561.6	
Loan Receipts	172,649.4	
Domestic	119,679.9	
External	52,969.4	
Divestment Proceeds	0.0	
Amortization	128,342.4	
Domestic	97,127.6	
External	31,214.8	
<b>Overall Balance (Surplus +/-)</b>	12,745.2	
<b>Primary Balance (Surplus +/-)</b>	49,159.5	

BUDGET / PROVISIONAL DEVIATION	J\$m	(budgeted minus provisional) - Apr'05-Feb'06
<b>Revenue &amp; Grants</b>	-21,482.0	
Tax Revenue	-17,151.1	
Non-Tax Revenue	1,385.7	
Bauxite Levy	36.1	
Capital Revenue	-2,868.5	
Grants	-2,883.8	
<b>Expenditure</b>	-1,739.4	
Recurrent Expenditure	1,361.2	
Programmes	2,039.5	
Wages & Salaries	1,189.0	
Interest	-1,867.5	
Domestic	-1,504.0	
External	-363.6	
Capital Expenditure	-3,100.9	
Capital Programmes	-3,100.9	
IMF #1 Account	0.0	
<b>Fiscal Balance (Surplus +/-)</b>	-19,742.2	
Loan Receipts	33,719.0	
Domestic	15,129.9	
External	18,589.0	
Divestment Proceeds	0.0	
Amortization	-1,894.3	
Domestic	-2,955.6	
External	1,061.4	
<b>Overall Balance (Surplus +/-)</b>	15,870.9	
<b>Primary Balance (Surplus +/-)</b>	-21,609.9	

YTD Y-O-Y FISCAL DEVIATION	J\$m	Fiscal-05 minus Fiscal-04
<b>Revenue &amp; Grants</b>	12,195.10	
Tax Revenue	11,473.50	
Non-Tax Revenue	1,476.90	
Bauxite Levy	479.10	
Capital Revenue	2,040.90	
Grants	-3,275.30	
<b>Expenditure</b>	8,447.50	
Recurrent Expenditure	2,660.00	
Programmes	8,120.30	
Wages & Salaries	287.20	
Interest	-5,747.10	
Domestic	-8,790.90	
External	3,043.40	
Capital Expenditure	5,787.00	
Capital Programmes	6,075.70	
IMF #1 Account	-288.70	
<b>Fiscal Balance (Surplus +/-)</b>	3,748.10	
Loan Receipts	26,448.20	
Domestic	12,018.60	
External	14,429.70	
Divestment Proceeds	-1,259.40	
Amortization	6,704.80	
Domestic	3,867.70	
External	2,836.90	
<b>Overall Balance (Surplus +/-)</b>	22,232.10	
<b>Primary Balance (Surplus +/-)</b>	-1,999.40	

PROVISIONAL DISTRIBUTION (REVENUE ONL)	J\$m	Provisional figures Apr-Dec-05
<b>Revenue &amp; Grants</b>	157,986.6	
Tax Revenue	141,058.9	
Income and profits	53,868.2	
Bauxite/alumina	704.6	
Other companies	8,350.1	
PAYE	31,195.5	
Tax on dividend	261.8	
Other individuals	1,283.2	
Tax on interest	12,073.2	
Environmental Levy	0.0	
Production and consumption	45,442.6	
SCT	3,064.2	
Motor vehicle licenses	864.4	
Other licenses	155.8	
Betting, gaming and lottery	972.0	
Education Tax	6,621.0	
Contractors levy	455.2	
GCT (Local)	26,678.7	
Stamp Duty (Local)	6,631.1	
International Trade	41,748.2	
Custom Duty	14,024.7	
Stamp Duty	1,003.0	
Travel Tax	1,861.7	
GCT (Imports)	17,359.8	
SCT (Imports)	7,498.6	
Non-Tax Revenue	9,934.1	
Bauxite Levy	2,776.8	
Capital Revenue	3,496.3	
Grants	721.0	

BUDGET / PROVISIONAL DEVIATION	J\$m	(budgeted minus provisional) - Apr-Dec
<b>Revenue &amp; Grants</b>	-21,482.0	
Tax Revenue	-17,151.1	
Income and profits	-4,066.6	
Bauxite/alumina	-208.5	
Other companies	323.6	
PAYE	-1,439.2	
Tax on dividend	-35.7	
Other individuals	-476.7	
Tax on interest	-2,230.0	
Environmental Levy	-158.2	
Production and consumption	-10,415.3	
SCT	-3,597.0	
Motor vehicle licenses	-96.9	
Other licenses	27.5	
Betting, gaming and lottery	-363.6	
Education Tax	28.6	
Contractors levy	-72.7	
GCT (Local)	-6,597.8	
Stamp Duty (Local)	256.3	
International Trade	-2,510.9	
Custom Duty	-208.5	
Stamp Duty	57.4	
Travel Tax	236.4	
GCT (Imports)	-3,886.3	
SCT (Imports)	1,289.7	
Non-Tax Revenue	1,385.7	
Bauxite Levy	36.1	
Capital Revenue	-2,868.5	
Grants	-2,883.8	

YTD Y-O-Y FISCAL DEVIATION	J\$m	Fiscal-05 minus Fiscal-04
<b>Revenue &amp; Grants</b>	12,195.1	
Tax Revenue	11,473.5	
Income and profits	2618.5	
Bauxite/alumina	539.2	
Other companies	2797.4	
PAYE	-148.5	
Tax on dividend	1.3	
Other individuals	96.7	
Tax on interest	-667.4	
Environmental Levy	0	
Production and consumption	3681.4	
SCT	-1134.3	
Motor vehicle licenses	23.2	
Other licenses	41.2	
Betting, gaming and lottery	30.8	
Education Tax	808.1	
Contractors levy	-28.3	
GCT (Local)	3713.8	
Stamp Duty (Local)	226.6	
International Trade	5173.6	
Custom Duty	1391.6	
Stamp Duty	133.6	
Travel Tax	977.7	
GCT (Imports)	1886.6	
SCT (Imports)	783.7	
Non-Tax Revenue	1476.9	
Bauxite Levy	479.1	
Capital Revenue	2040.9	
Grants	-3275.3	

### Statistical Index Major Macro-Economic Indicators

	BM		M2		NIR	Fx Dep	CPI		Tourism	J\$/US\$	T-bill	Loan	Sav	Dom Debt	Fx Debt
	M	P	M	P	US\$M	US\$M	M	P	P		%	%	%	J\$M	US\$M
<b>Jan '03</b>	-10.9	3.72	-3.04	11	1,510.25	1,428.27	-0.3	7	21.29	52.98	18.5	23.9	8.9	357,519.32	4,389.10
Feb	2.01	0.04	-1.82	6.32	1,252.94	1,421.05	-0.6	5.7	28.9	53.74	18.5	24.7	8.6	363,846.41	4,152.56
Mar	-0.14	7.54	2.35	7.47	1,339.67	1,499.96	0.5	6.2	23.12	56.24	33.5	24.7	8.2	366,158.13	4,180.00
April	-0.48	9.61	5.9	11.7	1,362.10	1,501.76	1.6	7.3	24.9	57.31	30.3	24.7	8.2	376,664.71	4,178.82
May	1.22	9.2	-0.02	12.6	1,233.33	1,530.56	1.9	9	21.68	59.42	29.3	25.2	8.2	384,739.26	4,198.03
June	-1.02	7.36	-0.73	10.8	1,127.39	1,514.18	2.5	11	20.05	59.01	28.5	25.2	8.2	388,125.86	4,165.3
July	1.2	5.31	0	10.5	1,124.92	1,468.85	1.5	11	18.9	59.16	26.3	25.2	8.2	393,970.29	4,133.00
August	0.84	7.63	n/a	n/a	1,080.10	1,586.08	1.4	12	17.61	59.39	25.7	25.6	8.2	396,498.28	4,096.65
Sept	-1.32	4.09	n/a	n/a	1,182.63	1,627.60	1.6	13	17.2	59.71	23.4	25.6	8.4	402,317.57	4,129.12
Oct	2.89	7.46	n/a	n/a	1,131.13	1,655.11	1.6	14	7.7	60.44	none	25.6	8.4	404,949.94	4,164.23
Nov	3.17	8.21	n/a	n/a	1,103.25	1,637.24	0.9	14	6.1	60.65	23.5	25.6	8.4	410,984.43	4,185.10
Dec	17.03	13.3	n/a	n/a	1,164.98	1,670.59	0.8	14	n/a	60.62	22.1	25.6	7.2	417,834.25	4,192.06
<b>Jan '04</b>	-11.3	12.9	n/a	n/a	1,251.01	1,691.67	0.6	15	6.3	60.73	17.2	25.6	7.2	427,363.66	4,169.33
Feb	-0.45	10.2	n/a	n/a	1,473.96	1,727.51	0.6	17	n/a	60.95	16.3	25.6	6.8	419,763.43	4,459.14
Mar	1.1	11.3	n/a	n/a	1,568.66	1,770.19	0.5	17	n/a	61.01	15.6	25.4	6.8	417,571.30	4,529.00
Apr	-0.36	11.5	n/a	n/a	1,741.62	1,769.12	0.4	15	n/a	60.65	15.1	25.2	6.7	417,358.68	4,665.57
May	1.66	12	n/a	n/a	1,715.66	1,799.65	0.6	14	n/a	60.93	15	25	6.6	420,503.45	4,745.42
June	-0.11	13	n/a	n/a	1,604.10	1,757.84	0.8	12	n/a	61.22	15	25	6.6	429,251.39	4,773.46
July	2.83	14.8	0.99	17.2	1,594.69	1,721.50	1	12	n/a	61.8	15	25	6.6	440,539.38	5,029.49
Aug	1	15	n/a	n/a	1,643.46	1,922.93	1.3	12	n/a	61.9	15	25.1	6.6	440,433.32	4,838.02
Sep	0.97	17.7	n/a	n/a	1,616.52	1,867.23	0.6	11	n/a	61.89	14.8	25	6.6	438,123.75	4,856.86
Oct	0.84	15.3	n/a	n/a	1,826.66	1,833.56	3.3	12	n/a	61.88	14.8	25	6.5	439,614.97	5,075.17
Nov	1.79	13.8	n/a	n/a	1,816.06	1,855.79	2.4	14	n/a	61.98	14.9	24.9	6.5	444,214.54	5,118.92
Dec	14.33	11.2	n/a	n/a	1,858.52	1,925.98	0.6	14	n/a	61.63	14.9	24.9	6.5	446,961.92	5,120.44
<b>Jan '05</b>	-11.8	10.5	n/a	n/a	1,847.58	1,904.47	0	12	n/a	61.87	14.4	24.9	6.5	449,259.38	5,068.79
Feb	-1.6	9.25	n/a	n/a	1,831.07	1,918.71	0.4	13	n/a	61.91	14	24.9	6.5	451,895.38	4,459.14
Mar	6.5	15.1	n/a	n/a	1,901.60	1,935.11	1	13	n/a	61.54	13.5	24.9	6.4	449,247.60	5,044.40
Apr	-3.52	11.4	n/a	n/a	2,010.42	1,944.10	1.9	15	15.1	61.65	13.4	24.9	6.4	456,393.60	5,055.20
May	0.92	10.6	n/a	n/a	2,074.49	1,916.93	2.2	17	-7.7	61.71	13.4	24.9	6.4	466,840.52	4,968.13
June	-1.16	9.47	n/a	n/a	2,152.80	1,940.56	1.5	18	5.2	61.84	12.9	24.9	5.5	467,233.58	4,952.24
July	2.5	9.12	n/a	n/a	2,149.25	1,983.67	1.6	18	-1.8	62.23	13	22	5.5	471,668.82	5,282.35
Aug	0.98	9.11	n/a	n/a	2,117.51	1,974.33	0.1	17	-7.6	62.24	13	22	5.5	472,452.67	5,327.40
Sep	-2.68	5.17	3.04	n/a	2,118.97	2,023.12	2.6	19	20.8	62.89	13.2	22	5.5	478,216.66	5,293.49
Oct.	1.06	5.39	n/a	n/a	2,078.99	2,061.63	0.6	16	5.22	64.04	13.2	22	5.5	478,216.66	5,293.49
Nov	1.84	5.44	n/a	n/a	2,093.80	2,067.88	0.3	14	18.4	64.67	13.2	22	5.5	478,118.96	5,452.00
Dec	18.93	9.68	4.17	8.96	2,087.40	2,025.45	0.1	13	9.92	64.58	13.6	22	5.48	478,436.18	5,407.83
<b>Jan '06</b>	-10.28	11.57	n/a	n/a	2,093.50	2,028.59	0.1	13	15.9	64.99	13.3	21.84	5.30	480,099.16	5,375.40
Feb	-12.84	11.71	n/a	n/a	2,024.24	2,045.44	-0.03	12.4	9.5	65.36	13.2	21.84	5.30	489,671.66	5,398.74
Mar	-0.18	4.71	n/a	n/a	2,078.10	n/a	0.09	11.4	n/a	65.50	13.18	21.84	5.30	486,690.28	5,621.88

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>	
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

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