



## CONFIDENTIAL ECONOMIC BULLETIN

The Private Sector Organisation of Jamaica ; 39 Hope Road, Kingston 6 ;  
Tel: 927-6238/695 ; Fax: 927-5137 ; Email: psojinfo@psoj.org ;  
Web site: <http://www.psoj.org>

### OVERVIEW

The inflation rate rose by a marginal 0.4% in May 2006. Except for the 1.14% inflation for April-06, the rate has remained below the 1% mark since October of last year (see Inflation Chart in Appendix). Inflation since the start of the year currently stands at 1.69% compared to 5.66% for the corresponding five (5) months of last year. The FX rate increased by 0.2% for the month of May representing a depreciation of the Jamaican dollar by 10 cents against its US counterpart.

The increased inflation rate was caused by higher food prices resulting from increased prices of meat and poultry, baked products and meals away from home. Fuels and

other household supplies was the second (2nd) largest contributor to inflation for the month due largely to the higher price of kerosene in rural areas. Transportation was the third (3rd) largest contributor due largely to a 29.4% increase in Air fares during the month. Healthcare & Personal Expenses was the fourth (4th) largest contributor to the months inflation due mainly to higher Medical fees in the KMA and also the price for hair grooming.

The Net International Reserve grew by US\$10.9 million in May to close at US\$2,162.8 million. Total NIR was sufficient to accommodate 24.1 weeks of goods importation.

Stopovers for the month of May 2006 grew by 20.8% when compared to the same month of 2005. Stopover arrivals also exceeded May 2004 arrivals by 19.8%.

Cruise arrivals for May 2006 increased by 11.8% when compared to arrivals in May 2005. Cruise arrivals for the month also exceeded arrivals in May of 2004 by 29.3%.

Alumina exports for the month increased by 28% when compared to May last year. Production, however, fell by 2%. Crude Bauxite production and exports grew by a 25.3% and 44.4% respectively.

The Jan-Feb 2006 trade deficit expanded by approximately 15.4% or US\$72.68 million relative to the corresponding period last year.

For the first two months of the fiscal year 2006/07 the government fiscal deficit fell by J\$987.6M.

This was due to a \$1.28B increase in Revenue over budget alongside a \$290.1M increase in total expenditure. The over expenditure resulted wholly from domestic interest payments exceeding budget by 12.2%. Compared to the same period last year, Tax revenue grew by 19.3%. This was just below the average 20% growth estimated for the FY 2006/07.

The BOJ cut OMO rates between 15 and 20 basis points in May 2006. Interest rates on six month Treasury Bills fell by 23 basis point to end May 2006 at 12.84%.

The average lending rate at the end of May 2006 was 21.84%. This rate has not been changed since January 2006 when the rate fell from a seven month stable rate of 22%. The Average savings rate 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\$10.9M increase in the Net International Reserves during May 2006. At the end of the month the reserve balance stood at US\$2,162.8M in contrast to the previous month's value of US\$2,151.8M. The gross reserves amounted to 24.1 weeks of Goods imports which is approximately twice the international standard of 12 weeks (see Table 1).

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## Foreign Currency

For the month of April total foreign currency deposits amounted to US \$2,033.37 million, approximately US\$5.62 million higher than the previous month's figure (see Table 2). This largely reflected higher balances at Merchant Banks and Building Societies which had increases in Foreign Currency Deposits of approximately US\$6.0 million and US\$5.7 million respectively during April 2006. Commercial Banks had a reduction in currency deposits of US\$8.5M. For the 12 months to April 2006 foreign currency deposits have grown by US\$118M (see Table 2)

## Foreign Exchange Rate

The local currency depreciated by J\$0.10 against its US counterpart during May to end the period at \$65.73. The rate of depreciation of the Jamaican dollar against its US counterpart has fallen to low levels since February this year (see figure 1).

May 2006 began with high levels of Jamaican dollar liquidity in the market. The BOJ continued to intervene to satisfy end user demand for the \$US. BOJ also lowered Repo rates during the month.

In May the local currency depreciated against the Pound sterling and also the Canadian dollar. The Jamaican dollar lost J\$4.76 against the Pound for the month and J\$1.14 against the Canadian Dollar (see Table 3).

## Interest Rates

The Central Bank adjusted the open market yields in May 2006 for the first time in 11 months. The 30-day (1-Month) instrument had an interest rate cut of 15-BP from 12.60% to 12.45% whereas the 6-Month instrument had a 20 BP cut from 13.0% to 12.8%. The six-month T-bill cleared the market at

**Table 1: Changes in the NIR**

	US\$M NIR	Change US\$M			Imports (Weeks)
		Mthly	12 Mth	YTD	
May-06	2,162.8	10.9	88.3	75.3	24.1
May-05	2,074.5	64.1	358.8	216.0	27.5

Source: Compiled from the BOJ (Preliminary)

**Table 2: Foreign Currency Deposits**

	US\$000 Apr '06	Change (US\$000)		% 12 mth
		mthly	12 mth	
Commercial Banks	1,490,660	(8,496)	57,334	4.00%
Building Societies	118,570	8,133	20,509	5.92%
Merchant Banks	175,647	5,983	40,330	29.80%
Total Deposits	2,033,370	5,620	118,173	6.17%

Source: Compiled from the BOJ (Preliminary)

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

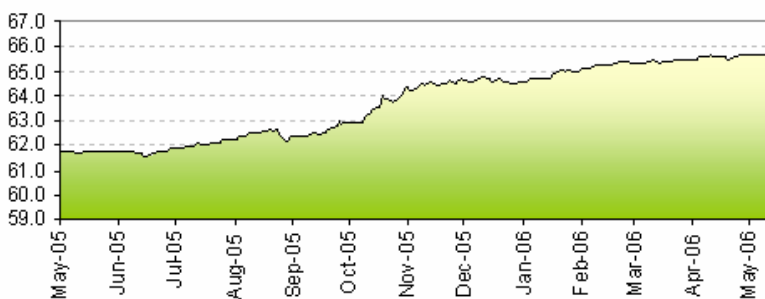
	Year to Date Currency Rate Change*					
	J\$ / US\$	%	J\$ / UKE	%	J\$ / Can\$	%
2006	1.15	1.8	11.81	10.7	4.39	8.0
2005	0.08	0.1	-5.93	-5.0	-1.64	-3.2
2004	0.31	0.5	2.74	2.6	-2.80	-6.0

Monthly

May-06	0.10	0.2	4.76	4.1	1.14	2.0
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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**

	May-06	Change (%age pts)		
		Monthly	12-Mth	YTD
30 Day Repo	12.45%	-0.15%	-0.50%	-0.15%
180-Day Repo	12.80%	-0.20%	-0.65%	-0.20%
Avg Savings Deposit	5.30%	0.00%	-1.02%	-0.18%
Avg Loan Rate	21.84%	0.00%	-3.05%	-0.16%
6 Month T-Bill	12.84%	-0.23%	-0.59%	-0.71%
12 Month T-Bill	n/a	n/a	n/a	n/a

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

an average yield of 12.84% at the end of May. This was 23-BP below the 13.07% in April. For the first five (5) months of 2006, 6-Month T-Bill rates fell by 71-BP.

The average lending rate at the end of May 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 five months of 2006 to close May at a 5.30% (see Table 5 & Figure 2).

## Base Money & Money Supply

The monetary base fell by 0.44% in May 2006 relative to the previous month. For the month of March 2006, M1 and M2 Money fell by 1.33% and 0.27% respectively from the previous months' value. Quasi Money however grew by a marginal 0.21% (see table 6).

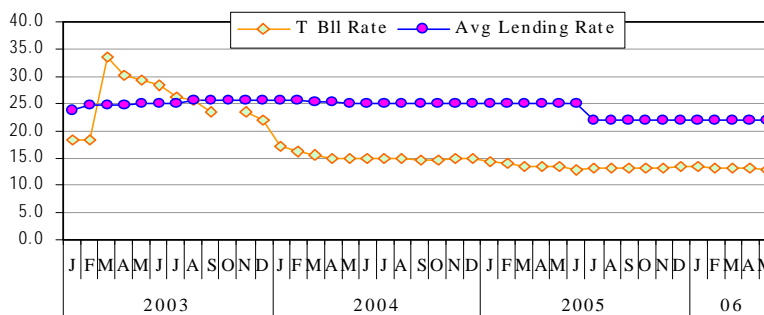
## Inflation

The inflation rate rose by 0.40% in May 2006 (see Table 7). This is the seventh (7th) time within the last eight months that monthly inflation was less than the 1% mark (see Appendix pg-11). Inflation in May 2006 resulted largely from higher food and Fuel & Other household supplies.

Higher prices under the Food segment was driven largely by Meat Poultry and Fish, Baked Products and Cereals and meals away from home. Starchy foods and Vegetables and Fruits, however, had falling prices. Food and Drink was the largest (#1) contributing segment to inflation during May 2006.

Fuel and Other Household supplies was the second (2nd) largest contributing segment. This was due to higher kerosene oil in rural areas along with increased prices of soap powder, ice and other household items.

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	69,781.43	-1.33	11.98
Quasi Money	158,246.28	0.21	7.45
M2	228,027.71	-0.27	8.80
	May-06	Mthly	12 Mth
Base Money	44,770.93	-0.44	10.41

Source: BOJ Economic Statistics Nov05, BOJ NIR update Nov05

Table 7: Inflation Trends

	Percent Changes			
	May	12Mth	YTD	Fiscal
2006	0.40	8.6	1.69	1.55
2005	2.23	16.7	5.66	4.15

Source: STATIN & BOJ Statistical Digest

During the month, Transportation prices grew to represent the third (3rd) largest contributor to inflation. This was due to a 29.4% increase in air fares while petroleum prices increased by almost 8% in Rural areas and Other towns and approximately 3% in the KMA.

Healthcare and Personal Expenses represented the fourth (4th) largest contributing segment to higher prices. The major price increases were caused by higher Medical fees in the KMA and hair grooming in rural areas and price increases of a variety of toiletries.

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

## Bauxite & Alumina Production

Production of Alumina in May 2006 fell by 2.0% while exports grew by 28% (see table 8). On the contrary, both production and exports of Crude Bauxite grew. Crude Bauxite production registered a 25.3% growth while export of this commodity grew by 44.4% when compared to May 2005. (see Table 8).

## Tourism

**Stopovers:** Stopovers for the first five months of 2006 increased by 16.6% over the same period last year (see Table 9 & Figure 4B). This was due to a 16.6% increase in visits by Foreign nationals and a 16.4% increase for Non-resident nationals. Stopover arrivals for May 2006 were greater than arrivals in May 2005 and 2004 by 20.8% and 19.8% respectively.

**Cruise Passengers:** Cruise arrivals for the period January to May of 2006 grew by 9.2% when compared to the same period of 2005 (see Table 9 & Figure 4C). Cruise arrivals in May 2006 exceeded arrivals in May 2005 by 11.8% and exceeded the level in May 2004 by 29.3%.

**Total Visitors:** Total arrivals for the first five (5) months of 2006 increased by 13.2%. This resulted from an additional 104,368 stopovers and 50,555 more cruise arrivals to the country when compared to the corresponding period of 2005. Total arrivals in May 2006 exceeded the total amount for 2005 and 2004 by 17.2% and 23.3% respectively.

## External Trade

The nation's trade deficit widened by approximately 15.4% in the first two months of 2006 when compared to the corresponding period before. This change represents a US\$72.68M deterioration to bring the Trade Balance to US\$545.42M. The import bill grew by US\$136.77M while export revenues increased by US\$64.09M above the corresponding period of 2005.

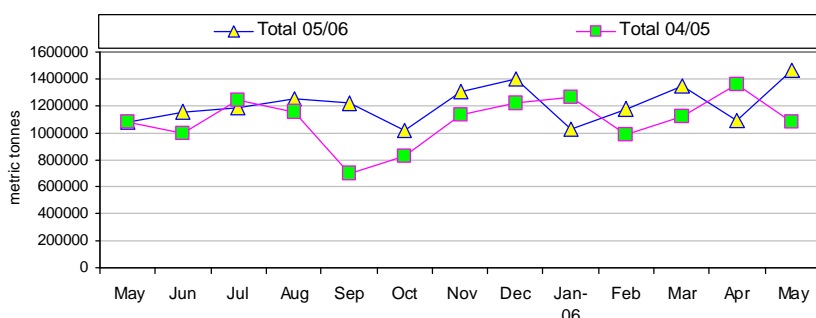
Exports amounted to US\$293.3M, up from US\$229.21M. There was a US\$26.23M improvement in Traditional exports due largely to increases in Manufacturing and Mining & Quarrying. The Agricultural sector also grew over the two months. Agriculture increased by a 108.8% or US\$3.74M to reflect

**Table 8: Mining Production**

	000 tonnes			YTD	
	May-05	May-06	%	May-06	06/05 %
<b>Production</b>					
Alumina	362.7	355.4	-2.0	1,705	-3.31
C. Bauxite	297.3	372.4	25.3	1,901	18.17
<b>Export</b>					
Alumina	332.6	425.5	28.0	1,672	-3.65
C. Bauxite	271.1	391.4	44.4	1,893	17.84

Source: Jamaica Bauxite Institute (JBI)

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



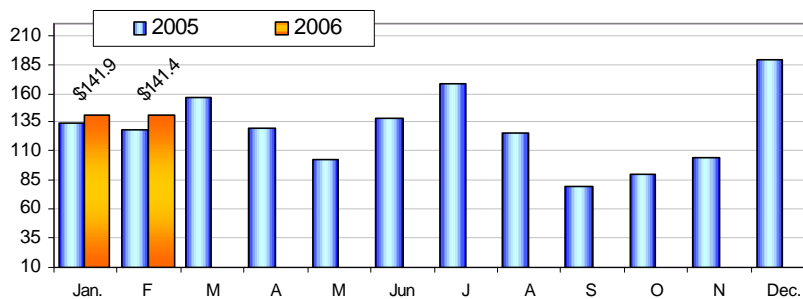
Source: Jamaica Bauxite Institute (JBI) [\* The graph reflects information for Jan-05 - Jan-06: Lines cross year also]

**Table 9: Tourist Arrivals**

	2005	2006	% Change	
	YTD (May)	YTD (May)	YTD - YOY	May 05/06
<b>Stopover</b>	629,368	733,736	16.6%	20.8%
Foreign	599,460	698,912	16.6%	20.6%
National	29,908	34,824	16.4%	25.4%
<b>Cruise</b>	548,132	598,687	9.2%	11.8%
<b>Total Arrivals</b>	1,177,500	1,332,423	13.2%	17.2%

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

**Table 4A: Estimated Tourism Expenditure US\$ - Million (Jan-Dec 2005)**

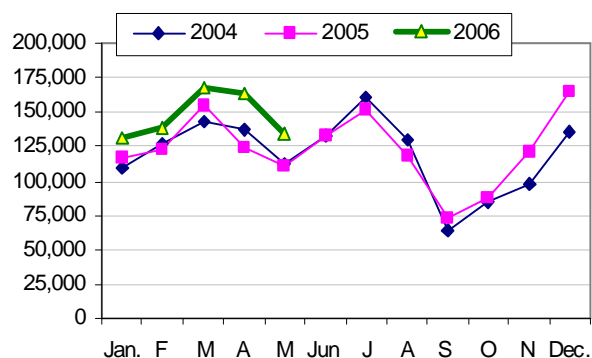


Source: Jamaica Tourist Board (preliminary data)

the sector's recovery when compared to the adverse and prolonged effects of hurricane Ivan in

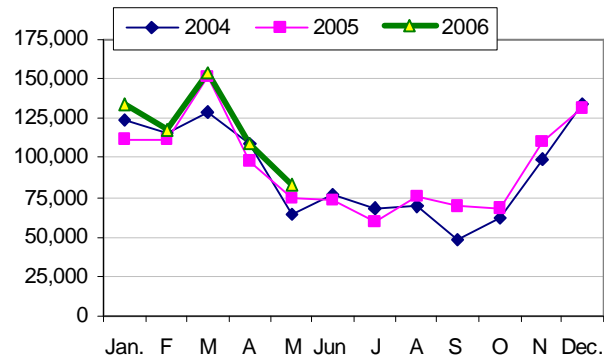
late 2004. In the Manufacturing sector, revenues grew by US\$11.57M as a US\$10.24M im-

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 '2005	Jan-Feb '2006	Change	% Change
<b>TOTAL EXPORTS (fob)</b>	<b>229.21</b>	<b>293.30</b>	<b>64.09</b>	<b>28.0%</b>
Major Traditional Exports	183.31	209.53	26.23	14.3%
<i>by Sector:-</i>				
Agriculture	3.44	7.18	3.74	108.8%
Mining & Quarrying	156.55	167.46	10.91	7.0%
Manufacturing	23.32	34.89	11.57	49.6%
<i>by Industry:-</i>				
Bauxite	17.19	16.97	-0.22	-1.3%
Alumina	139.06	150.43	11.37	8.2%
Sugar	17.15	27.38	10.24	59.7%
Rum	5.79	7.01	1.23	21.2%
Bananas	-	1.93	1.93	
Coffee	2.51	4.72	2.21	88.0%
Other	1.62	1.09	-0.53	-32.5%
Non-Traditional Exports	42.17	76.99	34.83	82.6%
Re-exports	3.73	6.77	3.04	81.5%
<b>TOTAL IMPORTS</b>	<b>701.94</b>	<b>838.72</b>	<b>136.77</b>	<b>19.5%</b>
Food	93.02	111.47	18.45	19.8%
Beverages & Tobacco	9.00	9.68	0.68	7.5%
Crude Materials (excl. Fuels)	13.23	10.85	-2.37	-17.9%
Mineral Fuels, etcetera	168.69	246.22	77.53	46.0%
Animal & Vegetable Oils & Fats	4.77	2.83	-1.94	-40.7%
Chemicals	78.49	88.68	10.19	13.0%
Manufactured Goods	101.99	87.25	-14.74	-14.5%
Machinery and Transport Equip.	137.62	178.10	40.48	29.4%
Misc. Manufactured Articles	63.64	71.48	7.85	12.3%
Other	31.52	32.17	0.65	2.1%
<b>TRADE BALANCE</b>	<b>(472.74)</b>	<b>(545.42)</b>	<b>-72.68</b>	<b>15.4%</b>

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

provement in Sugar earnings was complemented by a US\$1.23M growth in Rum exports. Mining & Quarrying was the second major growth segment by value with a US\$10.91M or 7.0% improvement over the corresponding period of 2005. The growth resulted from a US\$11.37M improvement in Alu-

mina while Crude Bauxite exports fell by US\$0.22M.

In the Non-traditional sector, exports increased by a significant 82.6% or US\$34.83M. Other Non-Traditional represented over 67% of the total growth while Crude Materials accounted for close to 17%.

Food and Beverages & Tobacco each represented a growth of approximately 8% when compared to the corresponding period last year.

Imports grew by US\$136.8M or 19.5% for the review period, reflecting increases in all categories except for Crude Materials (-9.9%),

Animal & Vegetable Oils & Fat (-40.5%) and Manufacturing Goods (-14.5%) when compared to the corresponding period of 2005 (see Table 10).

Mineral Fuel imports was the largest growth component by magnitude and percentage increasing by US\$77.5M or approximately 46% for the first two months of 2006. This is reflective of higher oil

prices. Next in line was Machinery and Transport Equipment which recorded a US\$40.5M or 29.4% increase for the period. Food imports grew by US\$18.5M or 19.8% while import of Chemicals grew by approximately US\$10.2M or 13% for the period.

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

## Balance of Payments

For the first 2 months of 2006, the country posted a current account deficit of US\$126.7M. This shortfall was US\$26.1M worse than that of the corresponding period last year (see Table 11). The outturn was caused by the higher merchandise imports that resulted in a US\$59.7M reduction in the Goods

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

	Jan-Feb 2005	Jan-Feb 2006	Change	% Change
<b>Current Account</b>	<b>-100.6</b>	<b>-126.7</b>	<b>-26.1</b>	<b>-26%</b>
<b>Goods Balance</b>	<b>-361.4</b>	<b>-421.1</b>	<b>-59.7</b>	<b>-17%</b>
Exports	248	311.8	63.8	26%
Imports	609.4	732.9	123.5	20%
<b>Services Balance</b>	<b>134.5</b>	<b>154.3</b>	<b>19.8</b>	<b>15%</b>
Transportation	-22.4	-26.4	-4	-18%
Travel	218.4	250.6	32.2	15%
Other Services	-61.5	-69.9	-8.4	-14%
<b>Income</b>	<b>-128.1</b>	<b>-121</b>	<b>7.1</b>	<b>-6%</b>
Compensation of employees	3.1	3.7	0.6	19%
Investment Income	-131.2	-124.7	6.5	-5%
<b>Current Transfers</b>	<b>254.4</b>	<b>261.1</b>	<b>6.7</b>	<b>3%</b>
Official	23.4	18.5	-4.9	21%
Private	231	242.6	11.6	5%
<b>Capital &amp; Financial Account</b>	<b>100.6</b>	<b>126.7</b>	<b>26.1</b>	<b>26%</b>
<b>Capital Account</b>	<b>-1.8</b>	<b>-2.8</b>	<b>-1</b>	<b>-56%</b>
Capital Transfers	-1.8	-2.8	-1	-56%
Official	0.1	0	-0.1	100%
Private	-1.9	-2.8	-0.9	-47%
Acq/dis. of non-produced non-fin. assets	0	0	0	0%
<b>Financial Account</b>	<b>102.4</b>	<b>129.5</b>	<b>27.1</b>	<b>26%</b>
Other Official Inv. (incl. Gov. Rsrv)	3.8	-19.6	-23.4	616%
Other Private Investment (includes. err & omis)	71.2	86	14.8	21%
Reserves	27.4	63.1		

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.

account. All other sections of the Current account recorded improvements over the corresponding period last year. Services reported the largest growth of US\$19.8 or 15%.

On the Goods account, the deficit worsened by US\$59.7M as a US\$63.8M increase in exports was offset by a US\$123.5M growth in the import bill. Traditional exports increased by US\$26.2M reflecting

higher income largely from Mining & Quarrying and the Manufacturing Sector. These improvements were due to Alumina and Sugar exports respectively. Non-traditional exports increased by an approximate US\$30.8M.

Imports grew by US\$136.8M or 19.5% for the review period. This largely reflected increases in Mineral Fuels and Machinery and Transport Equipment (see Table

10).

The Services account netted US\$19.8M more than in the comparable period last year as a slippage of US\$4M in Transportation services and US\$8.4M in Other Services was outweighed by a US\$32.2M improvement in the Travel account.

The growth in the Travel account was largely influenced by a

US\$31.0M growth in receipts. Travel outflows for the two months fell by US\$1.2M.

There was an US\$7.1M reduction of the deficit on the Income account for the period. This largely reflected a US\$6.5M improvement in Investment Income which was complemented by a US\$0.6M increase in inflows from Compensation of Employees.

Current Transfers posted a US\$6.7M growth in net inflows. This was due to a US\$11.6M increase in Net Private Transfers or remittances resulting largely from a decline in outflows. This was partially offset by a US\$4.9M reduction in Official inflows to. Remittances continue to be a key contributor to the nation's current ac-

count representing approximately 26.6% (30.9% in 2005) of gross current account inflows for the period Jan–Feb 2006.

The Capital and Financial account reflected changes mainly in the Financial account, where, net inflows from Other Official Investments fell from a surplus of US\$3.8M in Jan-Feb 2005 to a deficit of US\$19.6M in the corresponding period of 2006. This represented a decrease of US\$23.4M. There was a US\$14.8M or 21% increase in the surplus on the Other Private Investments sub-account. Overall, inflows to the Financial account was more than sufficient to finance the Capital and Current account deficit. This allowed for a US\$63.1M build-up of foreign currency reserve for

the two month period when compared to the corresponding period last year.

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

## Fiscal Accounts

For the first two months of FY 2006/07 the Government budget deficit was \$987.6 million less than planned. This was due a \$1.28B improvement in Revenues over Budget. This positive result was partially offset by a \$290.1M increase in overall Expenditure against Budget.

**Revenues:** Revenues and Grants totalled approximately \$31.32 billion, some \$1.28 billion more than projected. This reflected a \$885.1

Table 12A: Fiscal Accounts (J\$ Million)

	April –May (Fiscal -2006/07)				Fiscal y-o-y 05/06-06/07	
	J\$ million		Deviation		J\$m	(%)
	Provisional	Budget	J\$m	(%)		
<b>Revenue &amp; Grants</b>	<b>31,322.7</b>	<b>30,045.0</b>	<b>1,277.7</b>	<b>4.25</b>	<b>5,297.3</b>	<b>20.4</b>
Tax Revenue	28,250.6	27,365.5	885.1	3.23	4,568.3	19.3
Non-Tax Revenue	1,833.5	1,326.7	506.8	38.20	277.5	17.8
Bauxite Levy	679.5	691.8	-12.3	-1.78	165.9	32.3
Capital Revenue	211.1	205.6	5.5	2.68	72.9	52.7
Grants	348.0	455.4	-107.4	-23.58	212.0	155.9
<b>Expenditure</b>	<b>36,022.5</b>	<b>35,732.4</b>	<b>290.1</b>	<b>0.81</b>	<b>4,120.1</b>	<b>12.9</b>
Recurrent Expenditure	33,582.2	32,637.8	944.4	2.89	3,891.6	13.1
Programmes	6,058.9	6,304.1	-245.2	-3.89	-578.5	-8.7
Wages & Salaries	11,875.0	11,960.9	-85.9	-0.72	1,143.1	10.7
Interest	15,648.3	14,372.9	1,275.5	8.87	3,327.1	27.0
Domestic	12,207.5	10,881.9	1,325.6	12.18	2,190.8	21.9
External	3,440.9	3,491.0	-50.1	-1.44	1,136.3	49.3
Capital Expenditure	2,440.3	3,094.6	-654.3	-21.14	228.5	10.3
Capital Programmes	2,440.3	3,094.6	-654.3	-21.14	228.5	10.3
IMF #1 Account	0.0	0.0	0.0	0.00	0.0	
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-4,699.8</b>	<b>-5,687.4</b>	<b>987.6</b>	<b>-17.36</b>	<b>1,177.3</b>	<b>-20.0</b>
Loan Receipts	26,874.4	27,774.5	-900.1	-3.24	5,035.7	23.1
Domestic	25,683.7	26,040.3	-356.7	-1.37	4,236.0	19.8
External	1,190.7	1,734.2	-543.5	-31.34	799.7	204.5
Divestment Proceeds	0.0	0.0	0.0	0.00	0.0	
Amortization	30,910.7	26,999.6	3,911.1	14.49	18,404.3	147.2
Domestic	28,305.8	24,671.2	3,634.6	14.73	18,068.6	176.5
External	2,605.0	2,328.4	276.6	11.88	335.8	14.8
<b>Overall Balance (Surplus [+]/ve)</b>	<b>-8,736.2</b>	<b>-4,912.5</b>	<b>-3,823.6</b>	<b>77.83</b>	<b>-12,191.5</b>	<b>-352.9</b>
<b>Primary Balance (Surplus [+]/ve)</b>	<b>10,948.5</b>	<b>8,685.4</b>	<b>2,263.1</b>	<b>26.06</b>	<b>4,504.3</b>	

Source: Ministry of Finance and Planning

million improvement in Tax revenue over budget. Both Bauxite Levy and Grants had slippages amounting to \$12.3 million and \$107.4 million respectively. Non-tax Revenue and Capital Revenue exceeded budget by \$506.8 million and \$5.5 million respectively (see Table 12A).

Revenue collections for the first two months exceeded that of the corresponding period last year by 19.3% (Apr-May). This was just short of the aggressive 20% Tax Revenue growth protected for the fiscal year 2006/07 over 2005/06 (see Table 12B and Figure 6).

Within the Tax revenue category the largest tax income generating components were PAYE (\$5,815M), Local GCT (\$5,744M), Tax on Interest (\$4,663M) and GCT on Imports (\$3,266). The largest positive variances from budget were Tax on Interest (\$2,514.9M), Special Consumption Tax (SCT) (\$375.9M) and Local GCT (\$61.9M) (see Table 12C). The largest revenue shortfalls came from Companies Tax (\$622.5M), SCT (\$427.5M) and Custom Duty of (\$337.5M).

**Expenditures:** Total Expenditures amounted to approximately \$36.0 billion, some \$290.1M above budget. All areas of recurrent expenditure except for domestic interest payments fell short of budget for the first two months of FY 2006/07 (see Table 12A).

Programmes Expenditure was less than budget by \$245.2M or 3.9% for the two months. Wages & Salaries was approximately \$85.9M or 0.7% less than budget. Domestic interest payments exceeded budget by approximately \$1.33B or 12.18% and was the only segment under expenditure that exceeded budget.

Capital expenditure was approximately \$654.3M or 21.1% below projections. Loan receipts were \$900.1M or 3.2% below budget. The GOJ borrowed 31.3% more than planned from the external market. Domestic loans exceeded budget by \$356.7M while external

**Table 12B: Budgeted Changes for Fiscal 2006/07 \*\***

J\$-Billions	Actual	Budgeted	Expected Change	
	2005/06	2006/07	\$	%
<b>Revenue &amp; Grants</b>	<b>186.68</b>	<b>219.23</b>	<b>32.55</b>	<b>17%</b>
Tax Revenue	162.58	195.03	32.46	20%
Income and profits	66.49	80.68	14.19	21%
Bauxite/alumina	0.89	1.11	0.22	24%
Other companies	15.02	20.09	5.07	34%
PAYE	34.55	43.41	8.86	26%
Tax on dividend	0.28	0.31	0.04	14%
Other individuals	2.01	2.79	0.78	39%
Tax on interest	13.75	12.97	-0.78	-6%
Production and consumption	50.10	62.08	11.98	24%
SCT	3.24	4.34	1.10	34%
Motor vehicle licenses	0.95	1.09	0.13	14%
Other licenses	0.18	0.20	0.02	14%
Betting, gaming and lottery	1.05	1.19	0.14	14%
Education Tax	7.36	9.74	2.38	32%
Contractors levy	0.51	0.58	0.07	14%
GCT (Local)	29.44	36.54	7.10	24%
Stamp Duty (Local)	7.38	8.40	1.02	14%
International Trade	45.98	52.28	6.30	14%
Custom Duty	15.39	16.90	1.51	10%
Stamp Duty	1.09	1.20	0.11	10%
Travel Tax	2.02	2.29	0.27	13%
GCT (Imports)	19.12	23.71	4.59	24%
SCT (Imports)	8.36	8.18	-0.18	-2%
Non-Tax Revenue	11.80	12.81	1.01	9%
Bauxite Levy	3.12	3.90	0.78	25%
Capital Revenue	8.46	3.80	-4.67	-55%
Grants	0.72	3.69	2.98	415%
<b>Expenditure</b>	<b>207.72</b>	<b>240.61</b>	<b>32.89</b>	<b>16%</b>
Recurrent Expenditure	192.25	211.73	19.48	10%
Programmes	40.85	46.54	5.70	14%
Wages & Salaries	63.11	72.76	9.66	15%
Interest	88.30	92.42	4.12	5%
Domestic	65.39	66.34	0.94	1%
External	22.90	26.08	3.18	14%
Capital Expenditure	15.47	28.89	13.41	87%
Capital Programmes	15.47	28.89	13.41	87%
<b>Fiscal Balance (Surplus [+]/ve)</b>	<b>-21.04</b>	<b>-21.38</b>	<b>-0.34</b>	<b>-2%</b>

Source: Ministry Of Finance and Planning (Jamaica) \*\*Table updated to correct errors in last months' issue

**Table 12C: Major Changes in Fiscal Revenue and Expenditure**

J\$-Millions	Apr-May 06/07
<b>Revenue (Revenue Surpluses)</b>	
Tax on Interest	2,514.90
SCT (Imports)	375.90
GCT (Local)	61.90
<b>Revenue (Revenue Shortfalls)</b>	
Companies Tax	-622.50
SCT	-427.50
Custom Duty	-337.50
<b>Expenditure (Changes)</b>	
Programmes (Savings)	-245.20
Wages & Salaries (Savings)	-85.90
Interest (Overrun - Domestic)	1,275.5

Source: Ministry Of Finance and Planning (Jamaica)

loan receipts exceeded budget by \$543.5M.

Total public debt at the end of April 2006 stood at \$858.6 billion, some \$11.3 billion more than the previous month's level of \$847.4 billion. Domestic Debt stock grew by \$7.0 billion to end the month at \$489.7 billion. External Debt grew by approximately US\$54.9 million to close April at US\$5,622.3 million.

Table 12-B shows the expected changes in Revenue and expenditure for the fiscal year 2006/07. The GOJ expects to collect approximately \$33 billion more than the \$187 billion collected last FY in Revenue and Grants. This change is expected to come largely from Tax Revenue that is expected to grow by approximately 20% over the previous FY. For the first two months so far, Tax revenue collections are 19.3% above that of the corresponding period last year. The FY 2006/07 budget projects a 16% growth in overall expenditure and has for the first two months reported a 0.8% increase above the corresponding period last year.

(see Table 12 A&B and Fiscal Account (Apr-May 2006) in Appendix)

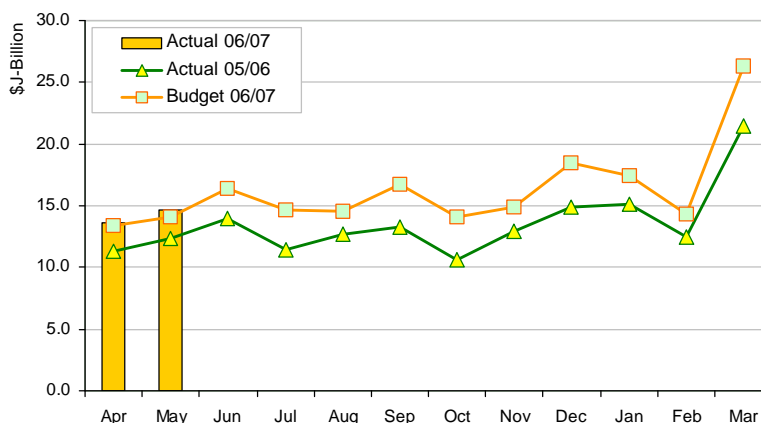
## Stock Market

The main JSE Index fell by 575.06 points or approximately 0.7% to close at 87,737.06 points on May 31. Market capitalization fell by \$10.78 billion or 1.5% to end the month at approximately \$710.27 billion. The index remained largely stable during May (see figure 7).

As at June 27th, the Main JSE Index lost an additional 1,954.97 points, a 2.2% reduction since the end of May to stand at 85,782.09 points on that day.

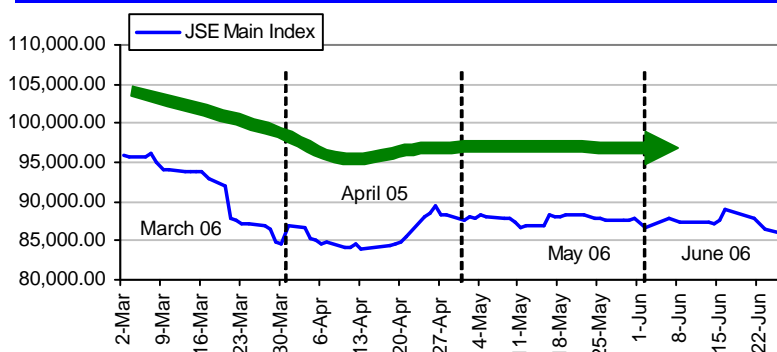
As at May 31, the top performing stock for the year (2006) to date was Salada Foods that advanced by \$16.99 or approximately 170% to end the month at \$27.00 per share (see Table 13). The worst performer in terms of capital gain was Dyll Group which lost ap-

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



Source: Ministry Of Finance and Planning (Jamaica)

**Figure 7: Main JSE Index, Mar - May & part Jun '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 Four & Five (unadjusted for dividends or transaction costs)**

	30-Dec-05	28-May-06	\$ change	% change
Salada Foods	10.01	27.00	16.99	169.7%
Pegasus Hotel	9.00	9.50	0.50	5.6%
First Carib Intl Bank Ja.	18.01	19.00	0.99	5.5%
Carreras Group	36.00	37.90	1.90	5.3%

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

Dyll Group	1.85	0.59	(1.26)	-68.1%
Caribbean Cement	9.50	5.10	(4.40)	-46.3%
Ciboney Group	0.09	0.05	(0.04)	-44.4%
Mayberry Invest. Ltd	3.70	2.15	(1.55)	-41.9%
Palace Amusement	52.70	31.45	(21.25)	-40.3%

Source: Compiled from the JSE

proximately \$1.26 or (68.1%) of its value to end the month at 0.59 cents.

## Developments & Outlook

### Memorandum of Understanding (MOU 2)

The second MOU was signed on May 30, 2006 and was retroactive to April 1, 2006. The primary purpose of signing the new agreement was to facilitate continued co-operation between the GOJ and civil servants represented by the Jamaica Confederation of Trade Unions. It is believed that the agreement will aid in achieving a sustained and satisfactory level of confidence and trust between the partners.

The agreement was considered necessary and appropriate in helping to solve some of the problems that the nation currently faces. Among these are:

- A high Debt to GDP ratio
- The Fiscal Deficit
- Lack of Jobs and Job creation opportunities

There were a number of impending initiatives to result from the agreement. These included a pledge by the partners to:

- Improve efficiency in their op-

erations

- Develop consensus building and collaboration in the public sector
- Maintain and practice good industrial relations that is consistent with regulatory standards
- Develop labour skills and education through training programmes such as structured training; public & private sector cross training; and training between ministries. Priority will be given towards increasing the skills in human resource management.

Training will be geared towards improving the skills and quality of services offered by those employed within the Ministry of Health; Ministry of Education (Schools at secondary and remedial levels); and also within the Fire Services .

The agreement gave testimony that the members are convinced that unrestrained price increases will create instability within the local economy. The partners agreed to the condition that the wage fund will be restricted to a 20% increase plus any other special provisions

over a period of two (2) years.

The MOU highlighted areas of expenditure restraint on the part of members when making payments on items such as motor vehicles, office equipment, rent on property, social functions, foreign travel expenses, and utilities. Cost saving mechanisms were also a part of the agreement inline with the previous MOU.

The MOU included a pledge by the GOJ to redesign the CPI basket and to have the new index implemented before expiration of the agreement.

The government promised to administer programmes in an effort to increase tax compliance. This is intended to expand the current tax base and create a more equitable tax system for Jamaicans.

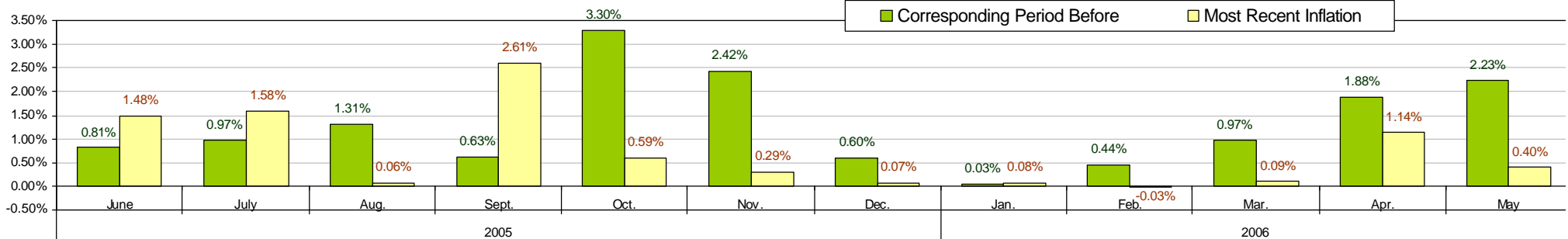
Within the first three (3) months of the negotiation, both parties to the agreement agree to explore mechanisms that would be geared towards facilitating and assisting public sector workers to access tertiary education and homes.

It is anticipated that the MOU will support continued fiscal discipline.

# APPENDIX

## INFLATION (May CPI)

CONSUMER PRICE INDEX	Percent %	Proportion of Index	MONTHLY INFLATION - MAY	Rnk	Percentage Change for Month (%)	INFLATION (End Dec-05 to End May-06)	YTD Percentage Change (%)
<b>ALL GROUPS</b>	<b>100.0</b>		<b>ALL GROUPS</b>		<b>0.400 [0.4002 = (100 x 0.40)]</b>	<b>ALL GROUPS</b>	<b>1.7</b>
<b>FOOD AND DRINK</b>	<b>54.7</b>		<b>FOOD AND DRINK</b>	<b>1</b>	<b>0.325 [0.1775 = (54.6 x 0.32)]</b>	<b>FOOD AND DRINK</b>	<b>0.0</b>
Meals Away from Home	14.5		Meals Away from Home		0.536	Meals Away from Home	2.1
Meat Poultry and Fish	29.3		Meat Poultry and Fish		1.466	Meat Poultry and Fish	6.3
Dairy Products Oils & Fats	12.0		Dairy Products Oils & Fats		0.426	Dairy Products Oils & Fats	3.7
Baked Products Cereal & Breakfast Drink	15.3		Baked Products Cereal & Breakfast Drink		0.779	Baked Products Cereal & Breakfast Drink	3.0
Starchy Foods	8.5		Starchy Foods		-1.902	Starchy Foods	-8.4
Vegetables & Fruit	11.5		Vegetables & Fruit		-1.013	Vegetables & Fruit	-16.4
Other Food & Beverages	9.0		Other Food & Beverages		0.875	Other Food & Beverages	6.7
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>7.4</b>		<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>2</b>	<b>1.085 [0.0802 = (7.39 x 1.08)]</b>	<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>4.6</b>
Household Supplies	64.7		Household Supplies		0.762	Household Supplies	4.4
Fuels	35.3		Fuels		1.276	Fuels	4.7
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>8.4</b>		<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>8</b>	<b>-0.451 [-0.038 = (8.44 x -0.4)]</b>	<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>5.9</b>
Rental	24.3		Rental		1.495	Rental	6.0
Other Housing Expenses	75.7		Other Housing Expenses		-0.925	Other Housing Expenses	5.9
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>2.9</b>		<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>7</b>	<b>0.893 [0.0262 = (2.93 x 0.89)]</b>	<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>5.1</b>
Furniture	27.9		Furniture		1.658	Furniture	6.8
Furnishings	72.1		Furnishings		0.472	Furnishings	4.1
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>7.1</b>		<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>4</b>	<b>0.519 [0.0367 = (7.08 x 0.51)]</b>	<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>4.2</b>
<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>5.0</b>		<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>5</b>	<b>0.696 [0.0348 = (5.01 x 0.69)]</b>	<b>PERSONAL CLOTHING FOOTWEAR AND ACCESSORIES</b>	<b>4.1</b>
Clothing Materials	11.0		Clothing Materials		0.697	Clothing Materials	3.1
Ready-made Clothing & Accessories	50.0		Ready-made Clothing & Accessories		0.138	Ready-made Clothing & Accessories	3.7
Footwear	31.3		Footwear		0.419	Footwear	3.2
Making & Repairs	7.6		Making & Repairs		3.707	Making & Repairs	8.6
<b>TRANSPORTATION</b>	<b>6.5</b>		<b>TRANSPORTATION</b>	<b>3</b>	<b>0.972 [0.0632 = (6.50 x 0.97)]</b>	<b>TRANSPORTATION</b>	<b>1.0</b>
<b>MISCELLANEOUS EXPENSES</b>	<b>8.0</b>		<b>MISCELLANEOUS EXPENSES</b>	<b>6</b>	<b>0.392 [0.0312 = (7.97 x 0.39)]</b>	<b>MISCELLANEOUS EXPENSES</b>	<b>2.1</b>



## EXTERNAL TRADE (Jan - Feb 2006)

EXTERNAL TRADE - (JAN - FEB 2006)	US\$M	
<b>TOTAL EXPORTS (fob)</b>	<b>293.30</b>	
Major Traditional Exports	209.53	
by Sector:-		
Agriculture	7.18	
Mining & Quarrying	167.46	
Manufacturing	34.89	
by Industry:-		
Bauxite	16.97	
Alumina	150.43	
Sugar	27.38	
Rum	7.01	
Bananas	1.93	
Coffee	4.72	
Other	1.09	
Non-Traditional Exports	76.99	
Re-exports	6.77	
<b>TOTAL IMPORTS</b>	<b>838.72</b>	
Food	111.47	
Beverages & Tobacco	9.68	
Crude Materials (excl. Fuels)	10.85	
Mineral Fuels, etcetera	246.22	
Animal & Vegetable Oils & Fats	2.83	
Chemicals	88.68	
Manufactured Goods	87.25	
Machinery and Transport Equip.	178.10	
Misc. Manufactured Articles	71.48	
Other	32.17	
<b>TRADE BALANCE</b>	<b>-545.42</b>	

EXTERNAL TRADE CHANGES (US\$M)	US\$M	CHANGE 2005 - 2006
<b>TOTAL EXPORTS (fob)</b>	<b>64.09</b>	
Major Traditional Exports	26.23	
by Sector:-		
Agriculture	3.742321	
Mining & Quarrying	10.909582	
Manufacturing	11.574669	
by Industry:-		
Bauxite	-0.224	
Alumina	11.367	
Sugar	10.238	
Rum	1.229	
Bananas	1.932	
Coffee	2.21	
Other	-0.525428	
Non-Traditional Exports	34.826	
Re-exports	3.041	
<b>TOTAL IMPORTS</b>	<b>136.774</b>	
Food	18.453	
Beverages & Tobacco	0.678	
Crude Materials (excl. Fuels)	-2.373	
Mineral Fuels, etcetera	77.53	
Animal & Vegetable Oils & Fats	-1.941	
Chemicals	10.192	
Manufactured Goods	-14.739	
Machinery and Transport Equip.	40.479	
Misc. Manufactured Articles	7.846	
Other	0.649	
<b>TRADE BALANCE</b>	<b>-72.680428</b>	

EXTERNAL TRADE CHANGES (%)	%	PERCENTAGE CHANGE
<b>TOTAL EXPORTS (fob)</b>	<b>28.0%</b>	
Major Traditional Exports	14.3%	
by Sector:-		
Agriculture	108.8%	
Mining & Quarrying	7.0%	
Manufacturing	49.6%	
by Industry:-		
Bauxite	-1.3%	
Alumina	8.2%	
Sugar	59.7%	
Rum	21.2%	
Bananas	0.0%	
Coffee	88.0%	
Other	-32.5%	
Non-Traditional Exports	82.6%	
Re-exports	81.5%	
<b>TOTAL IMPORTS</b>	<b>19.5%</b>	
Food	19.8%	
Beverages & Tobacco	7.5%	
Crude Materials (excl. Fuels)	-17.9%	
Mineral Fuels, etcetera	46.0%	
Animal & Vegetable Oils & Fats	-40.7%	
Chemicals	13.0%	
Manufactured Goods	-14.5%	
Machinery and Transport Equip.	29.4%	
Misc. Manufactured Articles	12.3%	
Other	2.1%	
<b>TRADE BALANCE</b>	<b>15.4%</b>	

## BALANCE OF PAYMENTS (Jan - Feb 2006)

BALANCE OF PAYMENTS ANALYSIS SHEET	US\$M	Jan - Feb 2006
<b>Current Account</b>	<b>-126.7</b>	
Goods Balance	-421.1	
Exports	311.8	
Imports	732.9	
Services Balance	154.3	
Transportation	-26.4	
Travel	250.6	
Other Services	-69.9	
Income	-121	
Compensation of employees	3.7	
Investment Income	-124.7	
Current Transfers	261.1	
Official	18.5	
Private	242.6	
<b>Capital &amp; Financial Account</b>	<b>126.7</b>	
Capital Account	-2.8	
Capital Transfers	-2.8	
Official	0	
Private	-2.8	
Acq/disp. of non-produced non-fin. assets	0	
Financial Account	129.5	
Other Official Invnt. (incl. Gov. Rsv)	-19.6	
Other Private Invnt. (incl. err & omis)	86	
Reserves	63.1	

Change Jan - Feb (2006)	US\$M	
<b>Current Account</b>	<b>-26.1</b>	
Goods Balance	-59.7	
Exports	63.8	
Imports	123.5	
Services Balance	19.8	
Transportation	-4	
Travel	32.2	
Other Services	-8.4	
Income	7.1	
Compensation of employees	0.6	
Investment Income	6.5	
Current Transfers	6.7	
Official	-4.9	
Private	11.6	
<b>Capital &amp; Financial Account</b>	<b>26.1</b>	
Capital Account	-1	
Capital Transfers	-1	
Official	-0.1	
Private	-0.9	
Acq/disp. of non-prod non-fin. Asts	0	
Financial Account	27.1	
Other Official Invnt. (incl. Gov. Rsv)	-23.4	
Other Private Invnt. (incl. err & omis)	14.8	
Reserves	35.7	

Percentage change Jan - Feb (2006)	%	
<b>Current Account</b>	<b>26%</b>	
Goods Balance	17%	
Exports	26%	
Imports	20%	
Services Balance	15%	
Transportation	18%	
Travel	15%	
Other Services	14%	
Income	-6%	
Compensation of employees	19%	
Investment Income	-5%	
Current Transfers	3%	
Official	-21%	
Private	5%	
<b>Capital &amp; Financial Account</b>	<b>26%</b>	
Capital Account	56%	
Capital Transfers	56%	
Official	-100%	
Private	47%	
Acq/disp. of non-prod non-fin. Asts	0%	
Financial Account	26%	
Other Official Invnt. (incl. Gov. Rsv)	-616%	
Other Private Invnt. (incl. err & omis)	21%	
Reserves		

## FISCAL ACCOUNT (Apr-May' 2006)

PROVISIONAL DISTRIBUTION (FISCAL A/C)	J\$m	Provisional figures Apr-May 2006	BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-May 2006	YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-May- (06/07 minus 05/06)
<b>Revenue &amp; Grants</b>	31,322.7		<b>Revenue &amp; Grants</b>	1,277.7		<b>Revenue &amp; Grants</b>	5,297.30	
Tax Revenue	28,250.6		Tax Revenue	885.1		Tax Revenue	4,568.30	
Non-Tax Revenue	1,833.5		Non-Tax Revenue	506.8		Non-Tax Revenue	277.50	
Bauxite Levy	679.5		Bauxite Levy	-12.3		Bauxite Levy	165.90	
Capital Revenue	211.1		Capital Revenue	5.5		Capital Revenue	72.90	
Grants	348.0		Grants	-107.4		Grants	212.00	
<b>Expenditure</b>	36,022.5		<b>Expenditure</b>	290.1		<b>Expenditure</b>	4,120.10	
Recurrent Expenditure	33,582.2		Recurrent Expenditure	944.4		Recurrent Expenditure	3,891.60	
Programmes	6,058.9		Programmes	-245.2		Programmes	-578.50	
Wages & Salaries	11,875.0		Wages & Salaries	-85.9		Wages & Salaries	1,143.10	
Interest	15,648.3		Interest	1,275.5		Interest	3,327.10	
Domestic	12,207.5		Domestic	1,325.6		Domestic	2,190.80	
External	3,440.9		External	-50.1		External	1,136.30	
Capital Expenditure	2,440.3		Capital Expenditure	-654.3		Capital Expenditure	228.50	
Capital Programmes	2,440.3		Capital Programmes	-654.3		Capital Programmes	228.50	
IMF #1 Account	0.0		IMF #1 Account	0.0		IMF #1 Account	0.00	
<b>Fiscal Balance (Surplus [+ve])</b>	-4,699.8		<b>Fiscal Balance (Surplus [+ve])</b>	987.6		<b>Fiscal Balance (Surplus [+ve])</b>	1,177.30	
Loan Receipts	26,874.4		Loan Receipts	-900.1		Loan Receipts	5,035.70	
Domestic	25,683.7		Domestic	-356.7		Domestic	4,236.00	
External	1,190.7		External	-543.5		External	799.70	
Divestment Proceeds	0.0		Divestment Proceeds	0.0		Divestment Proceeds	0.00	
Amortization	30,910.7		Amortization	3,911.1		Amortization	18,404.30	
Domestic	28,305.8		Domestic	3,634.6		Domestic	18,068.60	
External	2,605.0		External	276.6		External	335.80	
<b>Overall Balance (Surplus [+ve])</b>	-8,736.2		<b>Overall Balance (Surplus [+ve])</b>	-3,823.6		<b>Overall Balance (Surplus [+ve])</b>	-12,191.50	
<b>Primary Balance (Surplus [+ve])</b>	10,948.5		<b>Primary Balance (Surplus [+ve])</b>	2,263.1		<b>Primary Balance (Surplus [+ve])</b>	4,504.30	

PROVISIONAL DISTRIBUTION (REVENUE ONLY)	J\$m	Provisional figures Apr-May 2006	BUDGET / PROVISIONAL DEVIATION	J\$m	(Provisional - Budgeted) - Apr-May 2006	YTD Y-O-Y FISCAL DEVIATION	J\$m	Apr-May- (06/07 minus 05/06)
<b>Revenue &amp; Grants</b>	31,322.7		<b>Revenue &amp; Grants</b>	1,277.7		<b>Revenue &amp; Grants</b>	5,297.3	
Tax Revenue	28,250.6		Tax Revenue	885.1		Tax Revenue	4,568.9	
Income and profits	11,322.9		Income and profits	1,423.1		Income and profits	2,571.4	
Bauxite/alumina	97.9		Bauxite/alumina	-31.5		Bauxite/alumina	-27	
Other companies	479.2		Other companies	-622.5		Other companies	-326	
PAYE	5,815.3		PAYE	-276.4		PAYE	476.6	
Tax on dividend	17.7		Tax on dividend	-14.3		Tax on dividend	3.2	
Other individuals	249.5		Other individuals	-147.1		Other individuals	16.5	
Tax on interest	4,663.4		Tax on interest	2,514.9		Tax on interest	2,428.3	
Environmental Levy	0.0		Environmental Levy	0.0		Environmental Levy	0	
Production and consumption	9,295.5		Production and consumption	-582.0		Production and consumption	1,550.3	
SCT	392.3		SCT	-427.5		SCT	-294.2	
Motor vehicle licenses	167.7		Motor vehicle licenses	-16.2		Motor vehicle licenses	2.7	
Other licenses	110.3		Other licenses	41.9		Other licenses	46.5	
Betting, gaming and lottery	176.4		Betting, gaming and lottery	-19.5		Betting, gaming and lottery	-20.2	
Education Tax	1,334.0		Education Tax	-84.3		Education Tax	237.6	
Contractors levy	103.6		Contractors levy	18.5		Contractors levy	30.6	
GCT (Local)	5,744.3		GCT (Local)	61.9		GCT (Local)	1,388.7	
Stamp Duty (Local)	1,267.0		Stamp Duty (Local)	-156.9		Stamp Duty (Local)	159	
International Trade	7,632.1		International Trade	44.0		International Trade	447.2	
Custom Duty	2,328.7		Custom Duty	-337.5		Custom Duty	-57.1	
Stamp Duty	172.5		Stamp Duty	16.1		Stamp Duty	15.7	
Travel Tax	409.3		Travel Tax	-22.7		Travel Tax	49.8	
GCT (Imports)	3,266.7		GCT (Imports)	12.2		GCT (Imports)	241.7	
SCT (Imports)	1,455.0		SCT (Imports)	375.9		SCT (Imports)	197	
Non-Tax Revenue	1,833.5		Non-Tax Revenue	506.8		Non-Tax Revenue	277.5	
Bauxite Levy	679.5		Bauxite Levy	-12.3		Bauxite Levy	165.9	
Capital Revenue	211.1		Capital Revenue	5.5		Capital Revenue	72.9	
Grants	348.0		Grants	-107.4		Grants	212	

### 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
Jan '03	-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
Jan '04	-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
Jan '05	-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	5,062.87
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	449,247.55	5,044.36
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	456,393.56	5,055.21
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	478,118.96	5,452.00
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	478,436.18	5,407.83
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	480,099.16	5,375.40
Jan '06	-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	489,671.66	5,398.74
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	486,690.28	5,621.88
Mar	-0.18	4.71	-0.27	8.8	2,078.10	2,027.75	0.09	11.7	5.0	65.50	13.18	21.84	5.30	482,712.53	5,567.42
Apr	3.12	11.91	n/a	n/a	2,151.80	2,033.37	1.14	12.3	22.6	65.63	13.07	21.84	5.30	489,664.97	5,622.32
May	-0.44	10.41	n/a	n/a	2,162.80	n/a	0.40	8.6	17.2	65.73	12.84	21.84	5.30	n/a	n/a

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

Revised periodically when necessary.

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