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## **Jamaica: Selected Issues and Statistical Appendix**

This Selected Issues and Statistical Appendix report on Jamaica was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Jamaica or the Executive Board of the IMF.

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JAMAICA

**Selected Issues and Statistical Appendix**

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Jamaica: Basic Data

I. Social and Demographic Indicators

Area	10,830 sq. km
Population (1998)	2.6 million
Density (population per square kilometer)	232.9
Population annual growth rate (percent)	1.0 percent
<i>Of which:</i>	
Urban	2.3 percent
Life expectancy at birth (1997)	72.2
Infant mortality (per thousand) (1997)	24.5
Population per physician (1993)	6,420.0
Access to safe water	81.2 percent
Urban	92.0 percent
Rural	48.0 percent
Gross enrollment ratios (percent of school age group)	
Primary	109.0 percent
Secondary	66.0 percent
Unemployment rate (1998)	15.5 percent
GDP at market prices (1998) 1/	US\$6.8 billion
GDP at market prices per capita 1/	US\$2,604

II. Economic Indicators, 1995-99 2/

	1995	1996	1997	Prel. 1998	Proj. 1999
(In percent of GDP)					
Origin of GDP (current prices) 3/					
Agriculture	9.1	8.4	8.0	8.0	...
Mining	6.9	5.9	5.6	4.9	...
Manufacturing	17.0	16.8	16.0	15.1	...
Construction	12.5	11.8	11.6	11.4	...
Government services	8.9	11.5	12.1	12.7	...
Other services	45.6	45.6	46.7	48.0	...
(Annual changes in selected indicators)					
Real GDP per capita	-1.0	-2.6	-2.7	-1.4	-0.4
Real GDP	0.2	-1.6	-1.7	-0.5	0.4
GDP at current prices	25.9	15.7	8.3	5.7	6.6
GDP deflator	25.2	17.7	10.5	5.4	4.7
Consumer prices (period average)	21.7	21.5	9.1	8.1	7.0
Consumer prices (end of period)	30.8	9.5	8.8	6.0	6.7
Central government revenue 4/	31.2	7.8	5.3	11.5	14.9
Central government expenditure	37.9	39.7	11.1	8.0	7.5
Money and quasi-money 5/	24.4	31.8	2.5	11.9	4.6
Net domestic assets of the banking system 6/	10.6	21.6	7.5	8.8	5.4
Credit to public sector	9.3	-0.8	54.9	25.2	1.5
Credit to private sector	20.9	5.1	-6.3	-6.0	3.7
Merchandise exports (f.o.b.) in U.S. dollars	40.8	-6.3	0.8	-8.9	-3.7
Merchandise imports (c.i.f.) in U.S. dollars	16.1	0.3	5.2	-6.8	4.1
Terms of trade (- deterioration)	3.4	-7.2	3.4	-2.4	-5.1
Nominal effective exchange rate (- depreciation) 7/	-15.1	17.8	-1.1	-2.6	-5.4
Real effective exchange rate (- depreciation) 7/	7.6	25.9	5.8	1.8	-2.3
(In millions of Jamaica dollars)					
Central government finances					
Total receipts	58,525	63,086	66,426	74,096	85,133
Total expenditure 8/	55,643	77,723	86,388	93,267	100,284
Total public sector financing	-4,828	12,917	23,055	30,598	22,226
External financing (net)	-3,620	-42,000	40,070	-3,283	-1,934
Domestic financing (net)	-1,208	17,114	18,985	33,881	16,274
<i>Of which:</i>					
Divestment proceeds	...	...	...	0	7,886
(In millions of U.S. dollars)					
Balance of payments					
Merchandise exports (f.o.b.)	1,802	1,689	1,703	1,551	1,494
Merchandise imports (f.o.b.)	2,703	2,710	2,850	2,656	2,764
Interest payments (net)	334	232	315	268	279
Current account	-122	-96	-386	-198	-318
Public sector capital (net)	-128	39	236	135	-59
Private capital including errors and omissions (net)	297	209	96	110	111
Overall balance (deficit -)	47	152	-53	-14	20
Change in reserve assets (increase -)	-47	-152	53	14	-20
International reserve position					
Central bank (gross)	732	819	730	701	706
In weeks of nonbauxite (industry) imports	14.3	15.9	13.3	13.0	13.0

Sources: Bank of Jamaica; Ministry of Finance and Planning; and Fund staff estimates and projections.

1/ Calculated at J\$37.6 per U.S. dollar.

2/ For fiscal years which begin April 1.

3/ Calendar year data.

4/ Includes grants but excludes privatization receipts.

5/ Currency in circulation plus local currency demand, time and savings deposits.

6/ Annual change as a percent of liabilities to the private sector at the beginning of the period.

7/ End of period; latest figures refer to April-october 1999.

8/ Including unallocated expenditure but excluding capital support to the financial sector.

## I. THE MARKET FOR FOREIGN EXCHANGE<sup>1</sup>

### A. Market Characteristics and Developments

1. Jamaica's exchange market has undergone substantial liberalization since 1990, with the elimination of exchange controls in 1991/92, and there are no restrictions on payments for both current and capital transactions. In 1994, the number of official market participants was widened substantially by licensing the previously informal market participants as cambios, and allowing merchant banks to become fully authorized dealers.

2. The foreign exchange market currently consists of 15 authorized dealers, and 126 cambios.<sup>2</sup> All commercial banks, merchant banks and trust companies associated with merchant banks are authorized dealers, whose operations may include buying and selling transactions, as well as taking deposits and making loans. No limit is placed on the size of authorized dealers' transactions. Authorized dealers are monitored and supervised by the BOJ. Cambios are permitted only to buy and sell foreign exchange, and are subject to a limit on transaction size of US\$250,000 for checks or drafts, and US\$10,000 for cash transactions. The cambios are monitored by the BOJ.

3. Liberalization and the broadening of the market led to a noticeable increase in activity during the period 1994–1997 (Figure 1). With banking failures and economic recession, market turnover has been somewhat lower during 1998–99. In a heavy day, foreign exchange turnover is approximately US\$16–20 million. Similarly, bid-ask spreads declined noticeably between 1994 to 1998, from approximately one percent of the mid-point rate to about 0.5 percent (Figure 2). The latter remains relatively high in comparison to the larger emerging markets, where spreads below 0.2 percent appear common.

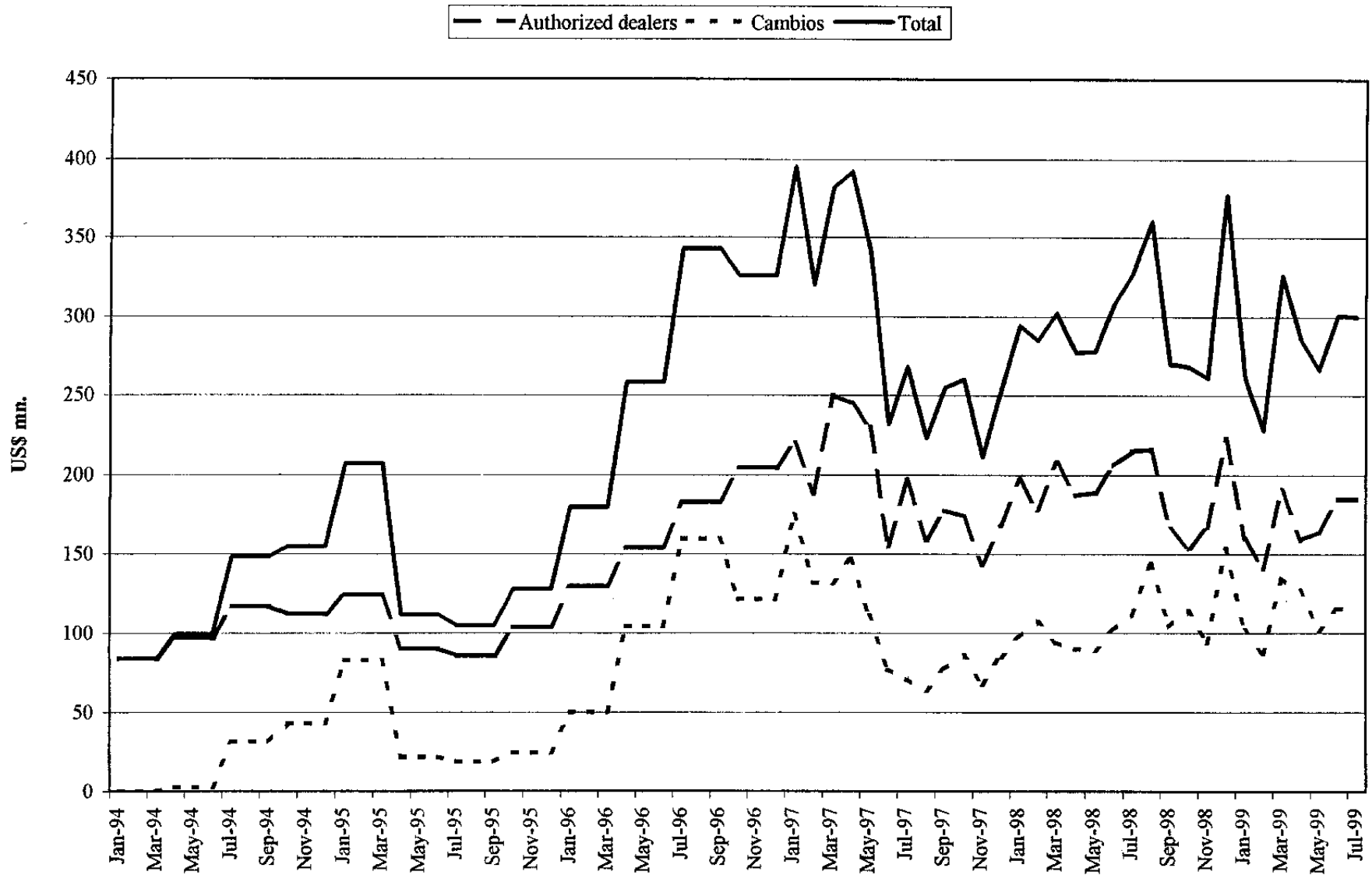
4. The interbank market for foreign exchange appears not to function well. However, though limited, interbank trading is deepening with such transactions accounting for 13 percent of trading activity during April–October 1999. Information transmission in the market appears to be relatively limited, and is based on informal contacts and telephone calls. However, the authorized dealers are now discussing the establishment of an electronic platform and the protocols necessary to support market making with full two-way bid and ask quotations.

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<sup>1</sup> The following is based on information provided by the Bank of Jamaica (BOJ) and interviews with several market participants.

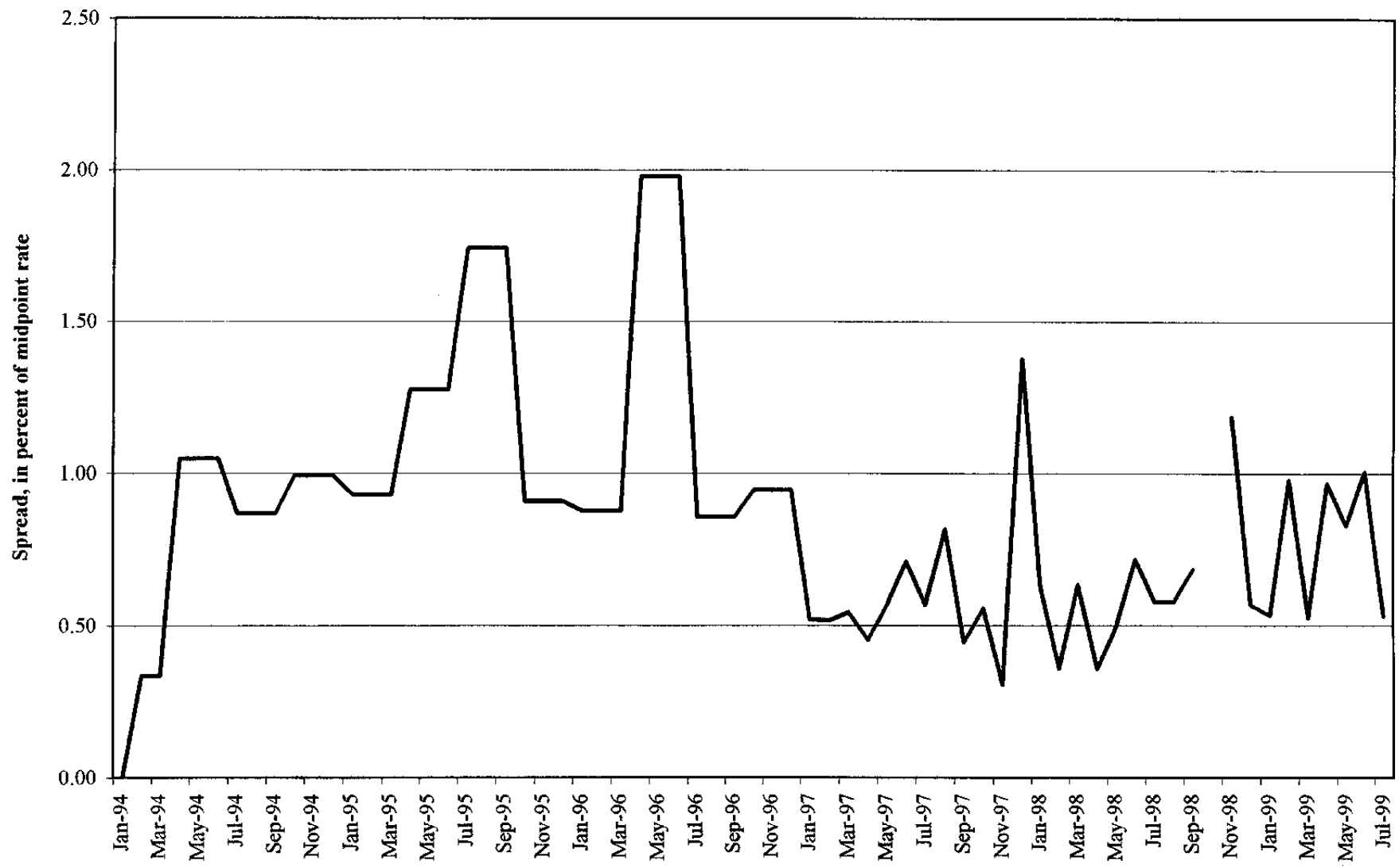
<sup>2</sup> There are also 87 bureaux de change to facilitate sales of Jamaica dollars at hotels.

Figure 1. Jamaica: Foreign Exchange Purchases, 1994-99



Source: Bank of Jamaica, Statistical Digest, July 1999

**Figure 2. Jamaica--Indicative Bid-Ask Spreads, 1994-99**



Note: Spread estimated as difference between weighted average selling and buying rates.

Source: Bank of Jamaica Statistical Digest, July 1999.



## **B. Price Determination**

5. The BOJ operates a managed float of the Jamaica dollar. All market participants are legally permitted to set prices as they see fit. The exchange rate is determined in a competitive market according to supply and demand, although some frictions reduce the efficiency of the market. Participants interviewed considered that the exchange rate reflected supply and demand in the foreign exchange market, recognizing of course that the actions of the BOJ could have a significant impact on market conditions and expectations. None of the participants interviewed reported substantial shortages emerging. There appears to be no significant parallel or unofficial market.

6. The authorities have explained that the BOJ monetary policy is aimed primarily at meeting the annual inflation target, taking account of macroeconomic conditions. Consistent with this inflation objective, the BOJ seeks to maintain stability in the exchange rate, such that any depreciation (or appreciation) is gradual. Where the BOJ perceives shocks to be permanent, they will intervene to prevent large daily swings, while allowing a smooth adjustment in the exchange rate over time.

## **C. Intervention Policy**

7. The BOJ monitors the market throughout the day by intra-day and end-of-day electronic returns and telephone in order to keep abreast of emerging trends. Its policy is to intervene to sell foreign exchange when there is perceived tightness in the market. Buying operations are normally limited to daily surrender requirement, under which all dealers and cambios are required to surrender five percent of daily purchases at the previous day's average selling rate. Beyond that, the BOJ purchases foreign exchange from the market to prevent sharp revaluations of the exchange rate.

8. The pricing of foreign exchange intervention selling has undergone a change recently. Until the last few months in 1999, sales had been undertaken at a price which was 50-60 cents below the market (i.e., more appreciated), with the aim of conveying a signal about what the BOJ thought was an appropriate market price.<sup>3</sup> In recent months, the BOJ has sold foreign exchange at a price close to the previous day's average selling rate (about 5 cents below). The intention is to provide liquidity but not to give a strong signal about the price. However, while the new intervention rates are closer to market prices, they can still remain below market by 20-30 cents.<sup>4</sup> Since the bulk of intervention is spread among authorized dealers, cambios are

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<sup>3</sup> The BOJ also uses moral suasion to influence foreign exchange dealers, although market participants noted that this had declined in recent months.

<sup>4</sup> The outcome of trading on a particular day may result in a deviation from the intervention rate, and consequently the relationship between the BOJ rates and marginal (outlier) rates may vary.

put at a competitive disadvantage during times of shortage. When this results in too large a spread between cambio and authorized dealer rates, the BOJ does sell to cambios.

#### **D. Recommendations**

9. The following steps are suggested to improve the efficiency of the foreign exchange market in Jamaica, and to promote its development:

- The BOJ intervention sales should be allocated through a competitive bidding mechanism. This would equalize the treatment of market participants, improve the BOJ's profits, and eliminate unintended rate-setting signals.
- The two percent limit on the bid-ask spread should be eliminated. Such constraints (which do not generally appear to be binding) are unlikely to provide consumer protection, which should rely on competition instead.
- The five percent surrender requirement, while substantially reduced from levels required in the early 1990s, remains a constraint on participants' freedom to trade freely at market prices. To the degree that purchases by the BOJ are slightly below market rates, it also constitutes a tax. While the size of any distortions is limited, it is nevertheless recommended that this surrender requirement be eliminated, and that the BOJ undertake its purchases of foreign exchange on the open market.
- Forward exchange contracts are not permitted.<sup>5</sup> They should be allowed to provide an additional means for hedging, subject to appropriate prudential limits on financial institutions.

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<sup>5</sup> Regulation of August 22, 1995 (as described in BOJ Statistical Digest, July 1999).

## **II. THE FINANCIAL SYSTEM IN THE AFTERMATH OF THE CRISIS**

### **A. Developments in the Financial Sector**

10. By late 1996, there were compelling signs of a systemic threat to the locally-owned financial institutions, with a severe liquidity and solvency crisis in several large, multistructured conglomerates linked together in a complex web of related-party transactions. The government took the decision to move in to safeguard the investments of local depositors, policyholders and pensioners. It is against this background that the Financial Sector Adjustment Company (FINSAC) was formed in January 1997, initially financed by government but subsequently empowered to issue its own securities, later guaranteed by government.

11. After several years of crisis, the financial sector is emerging from a major restructuring effort. FINSAC and the Bank of Jamaica have instituted various policies and procedures designed to restore confidence and stability. In the case of FINSAC, this process involved a three-pronged approach of intervention, rehabilitation and investment, and divestment. The intervention phase was completed by end-March 1998, with FINSAC acquiring control of equity and/or board appointments in five life insurance companies and five of Jamaica's nine commercial banks (and through these banks' subsidiaries and other interventions, three building societies and five merchant banks).

12. Over the last year and a half, FINSAC has advanced significantly in its rehabilitation and investment phase and has now moved into divestment. The merger of four intervened banks into the new Union Bank was completed in April 1999. The internal restructuring has so far resulted in a reduction in the number of branches from a pre-merger level of 42 to 24 currently. Staff has been cut from 1,300 to about 850 and is expected to be further reduced to 750 by end-1999. All the necessary steps were taken to ensure Y2K compliance for Union Bank and as of August 1999, all the merged banks were on a common information technology platform (a key requirement for Y2K compliance), and all head office functions have been successfully integrated. The main issue outstanding for Union Bank is to determine the appropriate amount of capital injection to strengthen the bank before it is privatized, which is expected to take place soon. In the meantime, the bank continues to rely on liquidity support from the government, a situation that is clearly unsustainable.

13. The restructuring of the other intervened bank, the National Commercial Bank (NCB), which is the largest bank in Jamaica, accounting for 36 percent of deposits, has also progressed with significant branch closures and a number of managerial changes, with some local managers being replaced by experienced personnel from overseas. The staff has been cut by 16 percent, with further rationalization expected. The initial preparations for divestment have started. However, it is recognized that at least part of the FINSAC paper which forms the bulk of bank's assets, on which interest is currently being capitalized, will have to be converted into a more liquid, marketable asset before negotiations for privatization can begin. Delays in such a conversion, which will have cash-flow consequences for the government

budget, will constrain the resumption of normal banking activities. There are encouraging signs that the process of conversion has begun with FINSAC's redemption of J\$780 million of bonds from NCB as well as a sale by this bank of J\$200 million of FINSAC bonds.

14. On the insurance sector side, three of the intervened companies have been restructured. The deposit-like financial instruments were transferred to the Bank of Nova Scotia, and the insurance portfolio was sold to Guardian Insurance Company of Trinidad and Tobago in August 1999. The sale of the remaining two intervened insurance companies is currently being negotiated. Considerable progress has also been made under the FINSAC/IDB-sponsored project to restructure the regulatory framework of the insurance industry. The developments so far include the introduction of performance benchmarks for intervened insurance companies; new reporting and administrative formats and procedures; a strengthening of the Office of Superintendent of Insurance. A draft insurance Act which includes strong punitive action for non-compliance with supervisory norms is currently being reviewed before being finalized for submission to Parliament. In December 1998, the first on-site examination of an insurance company was conducted.

15. The Securities Commission was established under the Securities Act in 1993. In 1998, the Commission's Inspection and Examination Unit moved from selected target inspections to regular inspection and examination of all its licensees with a view to ensuring compliance with the securities legislation and encouraging improved practices in the industry. An Enforcement Unit of the Commission enforces the Act, and in 1998, it issued "cease and desist" orders to five (5) companies, one of which was referred to the Director of Public Prosecutions.<sup>1</sup>

#### **B. Developments in Bank Supervision and Regulation<sup>2</sup>**

16. In the aftermath of the crisis in 1996, the supervisory and regulatory powers of the Bank of Jamaica was further strengthened to allow it to take certain corrective actions to deal with problem banks and non-bank financial institutions. The prudential measures that were instituted included:

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<sup>1</sup> In 1998/99 the following regulations were promoted by the Commission: (i) conduct of Business Regulations, (ii) take-overs and Mergers Regulation, (iii) the Securities (Mutual Funds) Regulations, 1999; (iv) the Securities (Disclosure of Interest) Regulations, 1999; (v) the Securities (Central Securities Depository) Regulations, 1999; and (vi) the Harmonization of Securities Commissions and Stock Exchanges.

<sup>2</sup> The legislative changes introduced in 1998 and 1999 for the banking system, the Central Bank and credit unions are: (i) the Banking (Capital Adequacy) Regulations, 1999; (ii) the Banking (Credit Classification) Regulation, 1999; (iii) the Banking (Qualification of Auditors) Regulation, 1999; (iv) the Bank of Jamaica (Amendment) Act; and (v) the Bank of Jamaica (Credit Union) Regulations, 1999.

- Enhancing the existing “fit and proper” criteria which relate to directors, managers and key shareholders of all licensees;
- Tightening credit limits for unsecured lending and prohibiting unsecured credit to any connected person(s);
- Placing a ceiling on total lending to/investment in connected persons/entities (global limit of 20 percent of capital);
- Reducing the threshold of non-accrual loans from six to three months and standardizing the classification of provisioning across sub-groups, viz., commercial banks, other financial institutions and building societies; and
- Expanding the definition of the capital base to allow for the setting of a minimum capital risk-weighted assets ratio of 10 percent. Some commercial banks are already above or close to the required minimum ratio, with all banks expected to be in full compliance by December 1999.<sup>6</sup>

17. In a move to enhance transparency, the Bank of Jamaica was empowered to require special audits; expand the scope of audits; prescribe accounting standards applicable to banking institutions; as well as provide for the examination of accounts of immediate and ultimate holding companies of supervised institutions. In addition, the supervisory authorities expanded the publication of detailed quarterly unaudited assets and liabilities statements of licensees, including data on connected party exposure (investment and credits), managed funds activities, and loan loss provisions. Senior management are now required to sign off on all unaudited statements being submitted to the Bank and the reason(s) for any material differences in the audited and unaudited statements must be published in their audited statements.

### **C. The Effects of the Reforms**

18. The impact of these initiatives on the banking system are assessed below by examining the major performance indicators against international benchmarks, where applicable. The supervisory authorities monitor institution-specific targets on an ongoing basis.

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<sup>6</sup> The minimum 6 percent primary capital ratio (capital/total assets) for all deposit-taking institutions; and a gearing ratio (deposits/capital) of 25:1 for banks; and 20:1 for all other banking institutions were maintained.

## **Overall structure**

19. Reflecting the supervisory authorities thrust towards consolidation and improved efficiency in the banking sector, the number of supervised institutions (commercial banks, other financial institutions and building societies) fell sharply from 51 in 1996 to 26 by July 1999; with the number of branches declining from 289 to 236.

## **Liquidity**

20. Commercial bank liquidity, as conventionally defined, has averaged 52 percent for the three year period ending 1998, against a required ratio of 46 percent. At end-July 1999, however, 28 percent (up from 16 percent in 1998) of commercial bank assets were held in noncash earning FINSAC paper.<sup>4</sup> For the financial system as a whole, claims on FINSAC as a ratio of total assets rose sharply from 9 percent in 1998 to 23 percent at end-July 1999. Thus, liquidity remains the most pressing challenge for the banking system, particularly for the intervened banks, and is monitored by FINSAC on a daily basis. A Cash Management Working Group meets fortnightly to review requests for support from the intervened banks and make recommendations to a Steering Committee comprised of the Ministry of Finance, the Bank of Jamaica and FINSAC for final decision on the allocation of funds.

## **Asset quality**

21. In assessing asset quality it is useful to look at the pre- and post-FINSAC period, i.e. 1996 *vis-à-vis* 1997 and beyond. Against a Bank of Jamaica maximum benchmark of 10 percent, the nonperforming loans (three months and above) to total assets ratio for the banking system as a whole deteriorated from 14 percent in 1996 to 27 percent in 1997, then declined sharply to 13 percent by July 1999, after a substantial volume of nonperforming assets were exchanged for FINSAC paper. The number of institutions above the 10 percent ratio declined from 31 in the pre-FINSAC period to 15 by July 1999. The recent improvements reflect the combined impact of FINSAC's rehabilitation policies; internal measures adopted by the banking institutions to improve risk management in line with the Bank of Jamaica's supervisory norms; and the general tightening of supervision and monitoring of institutions against specified targets. Asset quality was mixed across subgroups, with the ratio of nonperforming loans to total assets declining much faster for commercial banks than for the rest of the banking sector, indicative of FINSAC's activities in this subgroup.

22. In respect of provisioning for non-performing loans, the banking system moved from 24 percent in 1996 to 64 percent by July 1999. Provisioning for nonperforming loans also

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<sup>4</sup> The proportion of FINSAC paper which qualifies as liquid assets represents 6 percent of the total assets of the banking system.

moved more rapidly in the commercial banking sector, from 28 percent in the pre-FINSAC phase to 74 percent by July 1999.

### **Capital**

23. The banking system as a whole has been gradually moving towards the 10 percent minimum capital/risk-weighted ratio set by the Bank of Jamaica, with the average ratio rising from 2 percent in 1997 to 15 percent in July 1999. The primary capital ratio (capital/total assets) is up to 8 percent as against a benchmark of 6 percent. However, as of end-July 1999, government guaranteed FINSAC paper issued for capital injection accounted for 57 percent of the capital base of the banking system, and 17 percent of the total assets of the banking system were held in other FINSAC securities considered as zero risk weighted instruments.

### **Profitability**

24. For the banking system as a whole, the gross pre-tax profit margin as a ratio to revenue moved from a loss of 16 percent to an end-June 1999 profit of 10 percent. Across subgroups, the performance was not uniform, with some banks posting healthy profits and others continued losses. However, these figures need to be interpreted with caution, as not all profits represent cash profits, owing to the high ratio of FINSAC paper in the asset portfolio of the intervened banks. By end-June 1999, of the 22 financial entities supervised by the central bank that reported profits, only one (representing however almost 38 percent of the total assets by end-July 1999) showed noncash profits. The return on average assets ratio recorded a turnaround from a deficit of 3 percent in 1997 to a positive 0.4 percent by end-July 1999, reflecting some signs of increasing efficiency but also the favorable impact of rationalization of banks.

## **D. Conclusion**

25. The financial system in Jamaica has undergone significant improvements since 1996. The most pressing problem continues to be inadequate liquidity, largely reflecting the illiquid nature of FINSAC financial support. While there are signs of an easing in some instances, as banks take concrete steps to improve efficiency and generate income, the underlying situation remains tight. This poses the greatest challenge as progress is made towards the divestment phase of the restructuring of the intervened banking institutions. Also, the Insurance Act should be finalized and implemented as soon as possible in order to consolidate and sustain the gains made in the insurance industry.

### III. ASSESSMENT OF COMPETITIVENESS

26. This note presents the results of various approaches and indicators employed to assess the competitiveness of the Jamaican economy. The first part of each subsection describes the methodology used to construct aggregate indicators of competitiveness and presents an analysis of their movement over time. The second part discusses the construction and evolution of sectoral indicators of competitiveness. The broad conclusion that emerges is that while the Jamaican economy improved its competitive position in the early 1990s, it has clearly lost competitiveness since 1995, mainly as a result of increases in real labor costs that exceeded labor productivity gains. All measures of the real exchange rate studied here show significant appreciation since 1995, implying that resources have moved out of tradable and into nontradable sectors.

#### A. Aggregate Competitiveness Indicators

##### **Real effective exchange rates based on unit labor costs and consumer prices**

27. The rationale for using an indicator based on labor costs in the manufacturing sector is that this is one sector that is clearly tradable and labor costs are an important component of the costs of producing tradable goods. To construct this indicator, information on total compensation of labor is divided by real GDP in the manufacturing sector to obtain labor costs per unit of real output.<sup>7</sup> Using this information, a unit labor cost index was constructed for Jamaica (Table 1). Using information on unit labor costs in trading partner countries, a real effective exchange rate index was computed using the trade weights for the major trading partners of Jamaica (Figure 3).

28. The index of unit labor costs in the manufacturing sector (expressed in Jamaica dollar terms) has been rising sharply since 1989, with a surge in 1995–96. However, growth in labor costs has since slowed significantly, rising by only 3 percent in 1998.

29. Both the unit labor cost (ULC) based and the CPI based real effective exchange rate index indicate that Jamaica gained competitiveness between 1989 and 1992, but these gains were more than reversed by 1995 and there has been a significant loss in competitiveness since then.

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<sup>7</sup>These data are from *National Income and Product: Preliminary Report 1998*, Statistical Institute of Jamaica.



Table 1. Jamaica—Estimated Unit Labor Costs in Manufacturing, 1989–98

	Compensation of employees in manufacturing at current prices (J\$mn.)	Real GDP of manufacturing (J\$mn., 1986 prices)	Unit labor cost (J\$, 1989=100)	Unit labor cost (J\$, percentage change)	Unit labor cost (US\$, 1989=100)	Unit labor cost (US\$, percentage change)
1989	1627	3540	100		100	
1990	1916	3678	113	13	90	-10
1991	2780	3400	178	57	81	-10
1992	4852	3456	305	72	77	-5
1993	6345	3392	407	33	94	23
1994	7474	3403	478	17	83	-12
1995	10057	3368	650	36	106	28
1996	11795	3266	786	21	122	15
1997	12256	3167	842	7	137	12
1998	12105	3034	868	3	137	0

Sources: Statistical Institute of Jamaica, *National Income and Product, Preliminary Report 1998*; and Fund staff estimates.

### Price indices of tradable and nontradable goods

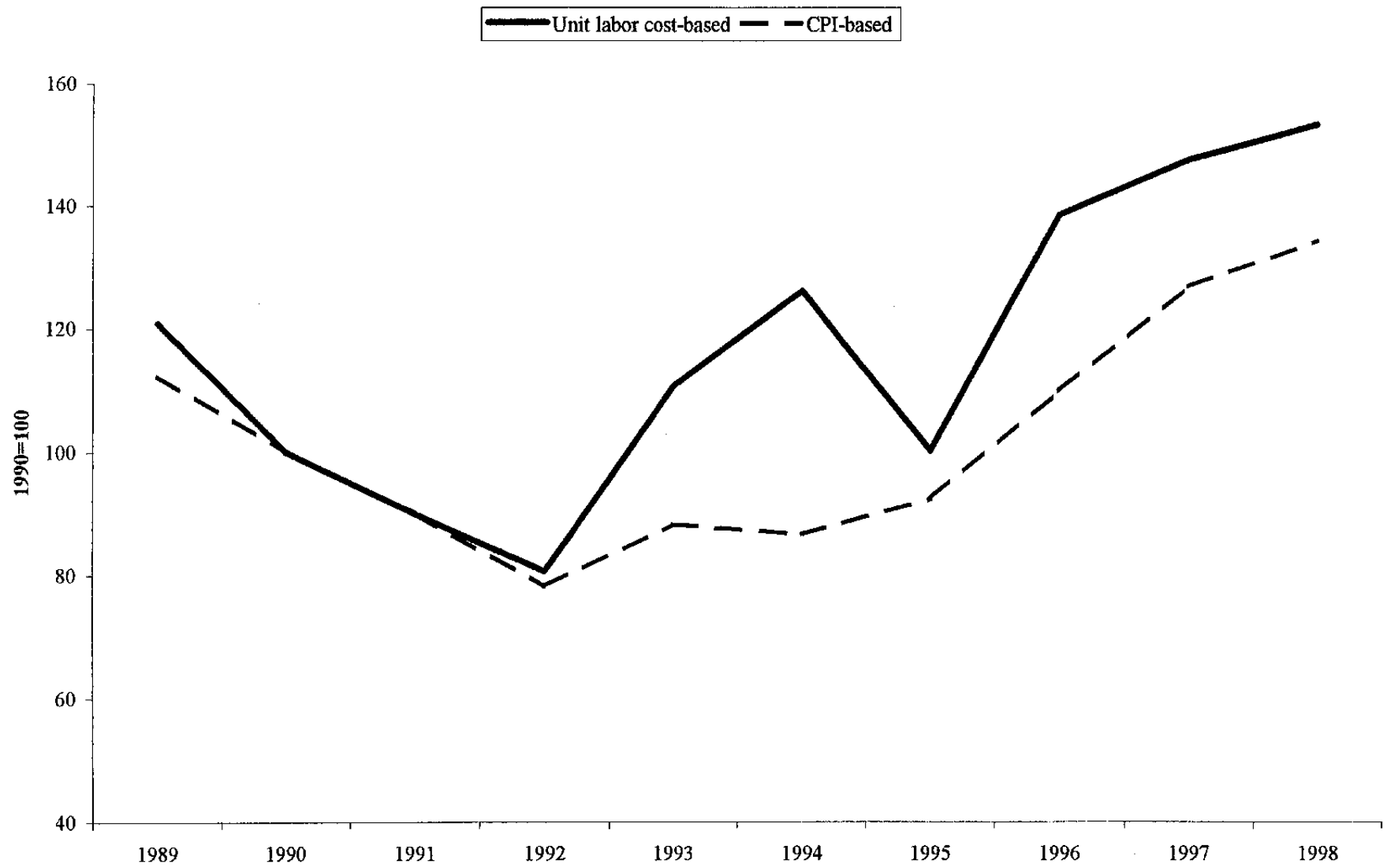
30. One measure of the real exchange rate discussed in the literature is the price of traded goods relative to nontraded goods.<sup>8</sup> Movements in this relative price should, other things being equal, serve as an indicator of resource movements across traded and nontraded sectors, and thus, shed some light on the competitiveness of the economy.

31. To construct relative price indices based on traded and nontraded goods, data on sectoral value added at current and constant prices from the national accounts were used to calculate implicit value-added deflators.<sup>9</sup> Using these sectoral deflators, an index of the price of tradable to nontradable goods was constructed by classifying sectors as either tradable or nontradable. There is no perfect way in which to classify sectors as tradable or nontradable and in practice, it is very difficult to obtain price data for goods that are purely tradable or

<sup>8</sup>For examples, see Jones (1974) and Khan and Ostry (1991).

<sup>9</sup>This data were taken from the document, *National Income and Product: Preliminary Report 1998*, Statistical Institute of Jamaica.

**Figure 3. Jamaica: Real Effective Exchange Rates 1989-98**



Source: STATIN, and Fund staff estimates.

nontradable. Therefore, a wide variety of indicators should be examined rather than just one.<sup>10</sup> For this analysis, the tradable sectors include export agriculture, mining and quarrying, textiles, and hotels and restaurants (tourism). Because some of the output in the national accounts statistics attributed to the hotel and restaurant sector likely includes part that is nontradable, a tradable price index is also computed excluding the tourism sector. Nontradable sectors include construction and services, excluding hotels. In addition to the index of tradables to nontradable prices, various sectoral price indices were computed relative to the price of services excluding tourism. These price indices are presented in Table 2.

32. The results show that, on an aggregate basis, the price of traded goods (including tourism) relative to nontraded goods has declined by an average of 12 percent a year over the period from 1996 to 1998 (Figure 4). This suggests that the economy has lost competitiveness since 1995.

### **An indicator of profitability of domestic production**

33. This section examines the issue of competitiveness by investigating how the profitability of production in Jamaica has evolved over time. To assess the profitability of domestic production, developments in unit labor costs in all industries are compared with movements in the GDP deflator.<sup>11</sup> If aggregate unit labor costs are rising faster than the GDP deflator, then, other things equal, the profitability (return to capital) of domestic production is declining. Since the GDP deflator measures the total cost of producing value added, and labor and capital are the two components of value added, if one component of costs (labor costs) is rising faster than total costs (GDP deflator), then the returns to capital, and hence profitability, are being squeezed. For this analysis, unit labor costs for all industries were calculated by dividing total compensation of employees by real value added.<sup>6</sup>

34. Over the period from 1993–98, unit labor costs rose faster than the GDP deflator in every year except 1994, implying that the profitability of domestic production declined over this period (Figure 5). Consistent with this development, labor's share in value added increased (Table 3).

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<sup>10</sup>For more on this point, see Marsh and Tokarick (1994), "Competitiveness Indicators: An Empirical Assessment," International Monetary Fund, Working Paper no. 94/29.

<sup>11</sup>Lipshitz and McDonald (1991) suggest that comparing unit labor costs to the GDP deflator at both the aggregate and sectoral levels yields useful information about competitiveness.

<sup>6</sup>Data on compensation of employees are taken from *National Income and Product, Preliminary report 1998*, Statistical Institute of Jamaica.

Table 2. Jamaica: Relative Price Indices 1/  
(1986=100)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	Prel. 1998
Agriculture/services	123.7	107.8	127.1	133.6	118.8	134.3	136.5	116.4	127.4	124.8
Percent change		-12.8	17.9	5.1	-11.1	13.0	1.6	-14.7	9.4	-2.0
Mining and quarrying/services	131.1	109.9	133.8	123.2	80.1	90.9	97.1	73.8	65.8	55.2
Percent change		-16.2	21.8	-7.9	-35.0	13.4	6.8	-23.9	-10.8	-16.2
Manufacturing/services	95.5	95.5	112.1	116.0	106.5	115.4	110.8	107.5	104.2	100.1
Percent change		0.0	17.4	3.4	-8.2	8.4	-4.0	-3.0	-3.0	-4.0
Textiles and wearing apparel/services	97.8	91.4	102.2	113.8	104.1	105.0	95.6	97.4	102.7	100.1
Percent change		-6.5	11.8	11.3	-8.5	0.8	-8.9	1.9	5.5	-2.6
Tourism/services	91.4	92.9	103.3	113.8	98.5	99.9	96.9	89.8	87.1	86.0
Percent change		1.6	11.2	10.2	-13.5	1.4	-3.0	-7.3	-3.0	-1.3
Tradeable price index 2/	168.5	181.5	288.3	439.4	432.5	586.4	768.3	764.5	769.5	719.7
Percent change		7.7	58.9	52.4	-1.6	35.6	31.0	-0.5	0.7	-6.5
Tradeable price index 3/	160.9	178.3	281.6	438.4	448.3	597.5	773.6	788.5	806.9	777.4
Percent change		10.8	57.9	55.7	2.3	33.3	29.5	1.9	2.3	-3.7
Nontradeable price index 4/	139.0	175.3	238.2	380.6	533.1	658.0	824.9	1013.2	1133.0	1218.4
Percent change		26.2	35.9	59.8	40.1	23.4	25.4	22.8	11.8	7.5
Tradeable/nontradeable price index 5/	121.2	103.5	121.0	115.4	81.1	89.1	93.1	75.5	67.9	59.1
Percent change		-14.6	16.9	-4.6	-29.7	9.9	4.5	-19.0	-10.0	-13.0
Tradeable/nontradeable price index 6/	115.8	101.7	118.2	115.2	84.1	90.8	93.8	77.8	71.2	63.8
Percent change		-12.2	16.2	-2.6	-27.0	8.0	3.3	-17.0	-8.5	-10.4

Sources: Statistical Institute of Jamaica; and Fund staff estimates.

1/ A positive (negative) change denotes a depreciation (appreciation). The price index of services excludes hotels.

2/ Sectors include export agriculture, mining and quarrying, and textiles.

3/ Sectors include export agriculture, mining and quarrying, textiles, and tourism.

4/ Nontradeable sectors include construction and services, excluding hotels.

5/ Tradeable price index does not include tourism.

6/ Tradeable price index includes tourism.

**Figure 4. Jamaica: Relative Price of Tradeables (including tourism) to Nontradeables**

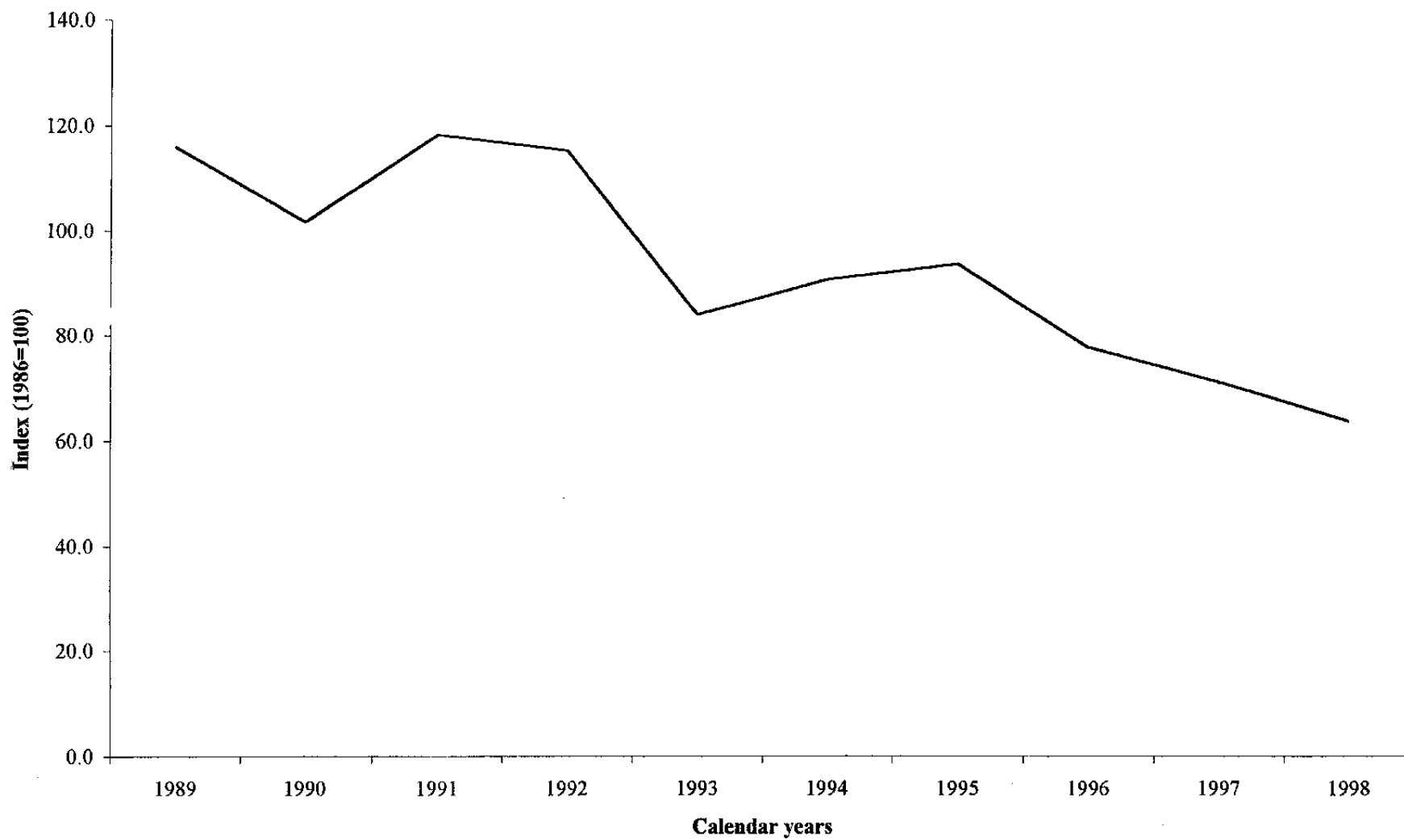


Figure 5. Jamaica: Unit Labor Costs and Profitability

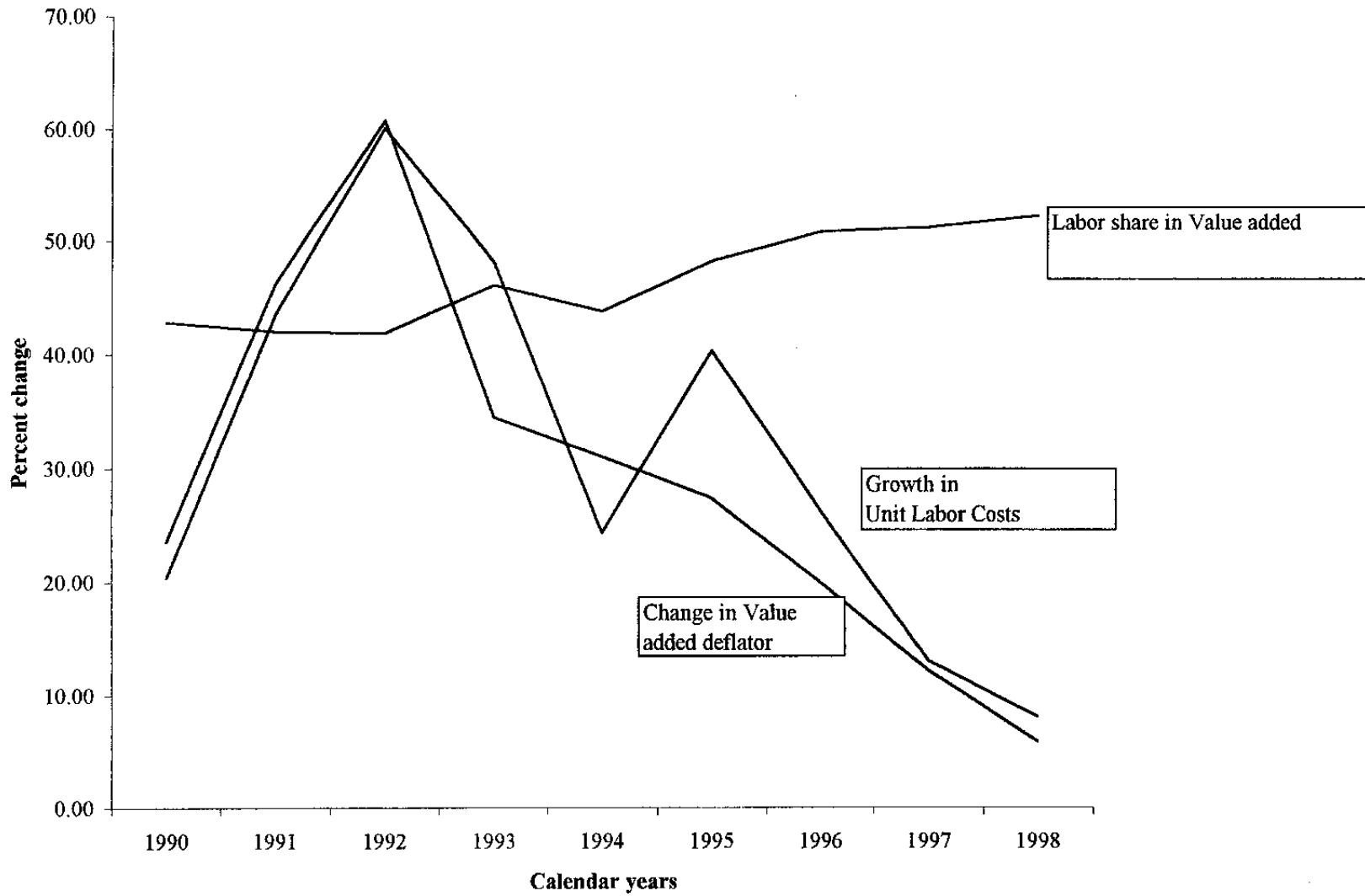


Table 3. Jamaica: Aggregate and Sectoral Unit Labor Costs

	1989	1990	1991	1992	1993	1994	1995	1996	1997	Prel. 1998
(In millions of Jamaica dollars)										
<b>Unit labor costs</b>										
Agriculture	0.92	0.92	1.43	2.10	2.62	3.46	4.31	4.70	5.65	6.05
Percent change		-0.11	55.42	47.21	24.56	32.30	24.36	9.13	20.22	7.08
Percent change in value-added deflator		9.02	55.99	66.52	26.44	38.29	26.77	6.14	22.28	5.40
Labor share in value added (in percent)	54.90	50.31	50.12	44.31	43.65	41.76	40.97	42.12	41.41	42.07
Mining and quarrying	0.31	0.33	0.40	0.72	0.93	1.23	1.92	2.08	2.36	2.67
Percent change		4.69	24.23	79.05	27.89	32.65	55.86	8.31	13.74	13.06
Percent change in value-added deflator		4.83	61.16	45.81	-7.56	38.85	33.22	-5.37	-0.35	-9.84
Labor share in value added (in percent)	17.52	17.50	13.49	16.56	22.91	21.89	25.61	29.31	33.46	41.96
Manufacturing	0.46	0.52	0.82	1.40	1.87	2.20	2.99	3.61	3.87	3.99
Percent change		13.36	56.96	71.73	33.20	17.41	35.97	20.97	7.15	3.09
Percent change in value-added deflator		25.04	55.38	63.79	30.53	32.69	19.78	20.64	8.38	3.30
Labor share in value added (in percent)	35.51	32.19	32.52	34.10	34.79	30.79	34.95	35.04	34.64	34.57
All industries	0.63	0.75	1.08	1.73	2.56	3.18	4.47	5.64	6.38	6.89
Percent change		20.39	43.42	60.05	48.13	24.36	40.34	26.31	13.04	8.01
GDP deflator (percent change)		23.59	46.14	60.70	34.48	31.00	27.42	19.95	12.18	5.86
Labor share in value added (in percent)	43.97	42.83	42.04	41.87	46.12	43.78	48.22	50.78	51.17	52.21

Sources: Statistical Institute of Jamaica; and Fund staff estimates.

### **Indicators based on labor productivity and real labor compensation**

35. One additional way to gauge competitiveness, which is related to the profitability measures, is to look at the evolution of labor productivity at both the aggregate and sectoral levels and compare it to developments in real labor compensation. If labor productivity—defined as real output per worker—is rising more slowly than real labor compensation per worker, then the activity is becoming less profitable and losing competitiveness. This notion could also be generalized from a single sector to the economy as a whole. Table 4 presents some calculations of labor productivity and real labor compensation at both the sectoral and aggregate levels.<sup>7 8</sup>

36. As shown in Figure 6, aggregate labor productivity increased faster than real compensation per worker over the period from 1990–92, implying that Jamaica gained competitiveness during these years. Since 1992, however, aggregate labor productivity growth has generally lagged behind growth in real compensation per worker, so the profitability of domestic production declined and competitiveness was eroded.

### **B. Sectoral Analyses of Competitiveness**

37. All four aggregate indicators of competitiveness examined above lead to the same general conclusion: after gaining competitiveness in the early 1990s, Jamaica's competitiveness has been eroded significantly over the period 1995–98. This section examines developments in a number of key sectors in the Jamaican economy to ascertain where the main difficulties lie.

#### **Agricultural sector**

38. It is difficult to assess the competitive position of the agricultural sector because its performance depends on exogenous factors, such as weather. However, available indicators suggest that the sector may be one of the few that has actually gained competitiveness in the 1990s, as growth in real output averaged 6.7 percent a year over the period from 1990 to 1996. A severe drought reduced output in 1997, but there are some indications that the sector is recovering.

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<sup>7</sup>Labor productivity is calculated by dividing real output by employment. Data on employment at both the sectoral and aggregate level were obtained from *The Labor Force*, Statistical Institute of Jamaica, various issues.

<sup>8</sup>Real labor compensation per worker is obtained by dividing total labor compensation by the value-added deflator. For these calculations, data on total compensation to labor from the national accounts were used rather than data on labor earnings. The reason is that the national accounts data include all compensation to labor (wages and salaries as well as benefits), while the earnings data includes only compensation of hourly, and not salaried workers.



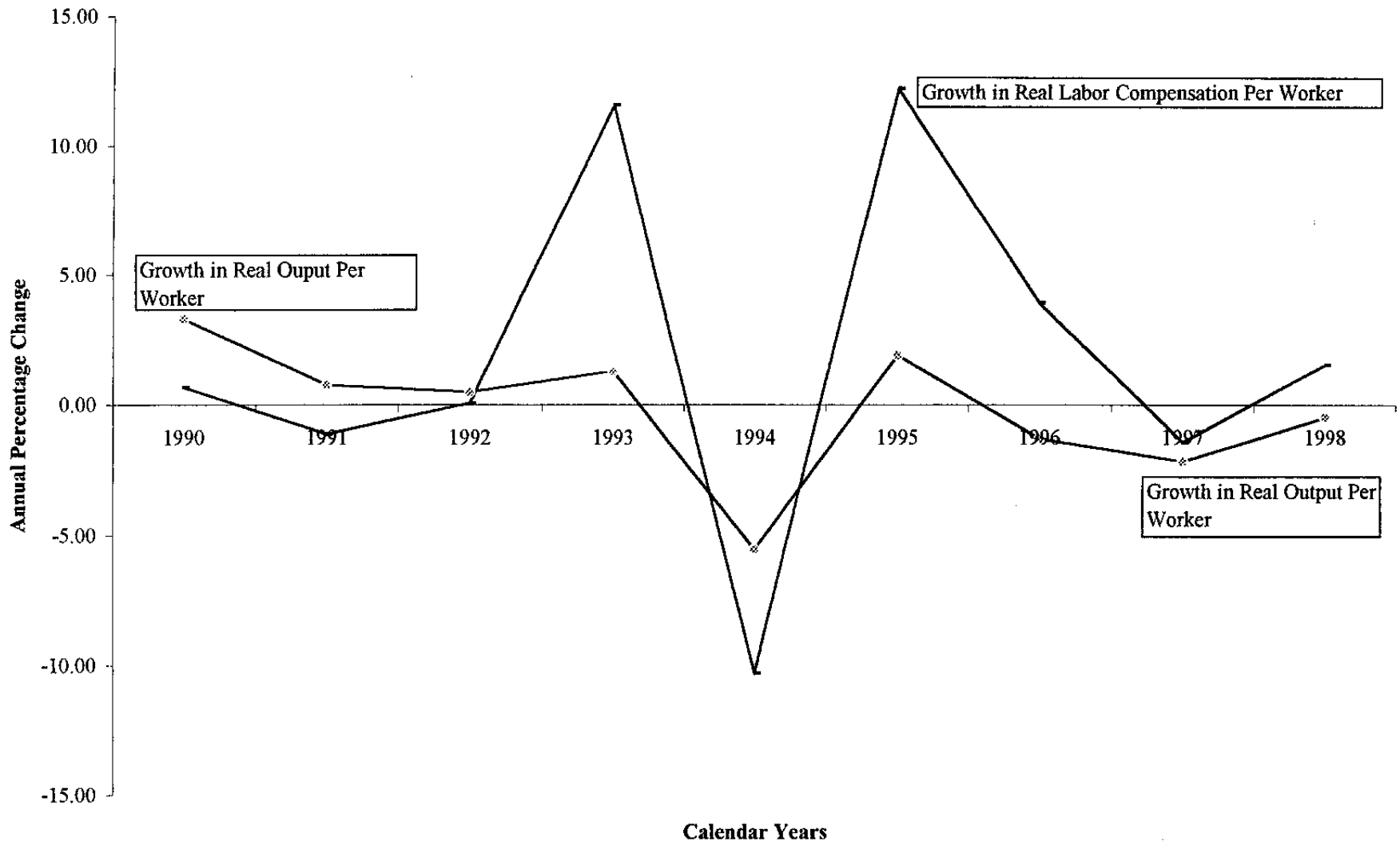
Table 4. Jamaica: Aggregate and Sectoral Real Output Per Worker and Real Labor Compensation Per Worker

(In millions of 1986 Jamaican dollars)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	Prel. 1998
<b>Agriculture</b>										
Real output per worker	3,867.0	4,510.4	4,632.6	4,886.1	6,087.4	6,389.7	6,714.9	6,961.5	6,371.3	6,437.7
Percent change		16.64	2.71	5.47	24.58	4.97	5.09	3.67	-8.48	1.04
Real labor compensation per worker	2,123.2	2,269.1	2,322.0	2,165.0	2,657.0	2,668.2	2,750.8	2,932.1	2,638.4	2,708.4
Percent change		6.87	2.33	-6.76	22.73	0.42	3.10	6.59	-10.02	2.66
<b>Mining and quarrying</b>										
Real output per worker	204,649.4	220,368.0	223,152.6	277,158.8	187,062.3	243,460.4	233,618.8	243,890.3	321,904.4	342,836.3
Percent change		7.68	1.26	24.20	-32.51	30.15	-4.04	4.40	31.99	6.50
Real labor compensation per worker	35,857.5	38,561.0	30,099.4	45,905.5	42,862.7	53,294.3	59,829.8	71,494.0	107,702.1	143,839.7
Percent change		7.54	-21.94	52.51	-6.63	24.34	12.26	19.50	50.64	33.55
<b>Manufacturing</b>										
Real output per worker	26,392.0	27,092.0	24,985.3	33,947.3	34,318.4	33,367.4	32,639.4	32,269.3	36,232.6	35,781.4
Percent change		2.65	-7.78	35.87	1.09	-2.77	-2.18	-1.13	12.28	-1.25
Real labor compensation per worker	9,371.5	8,721.6	8,125.6	11,575.3	11,940.7	10,272.9	11,406.3	11,307.9	12,552.5	12,370.6
Percent change		-6.94	-6.83	42.45	3.16	-13.97	11.03	-0.86	11.01	-1.45
<b>All industries</b>										
Real output per worker	18,802.0	19,424.6	19,570.6	19,660.6	19,914.2	18,807.5	19,163.0	18,913.2	18,501.0	18,407.4
Percent change		3.31	0.75	0.46	1.29	-5.56	1.89	-1.30	-2.18	-0.51
Real labor compensation per worker	8,267.5	8,320.5	8,227.0	8,231.5	9,184.0	8,234.0	9,240.7	9,604.0	9,466.3	9,609.7
Percent change		0.64	-1.12	0.05	11.57	-10.34	12.23	3.93	-1.43	1.51

Sources: Statistical Institute of Jamaica; and Fund staff estimates.

Figure 6. Jamaica: Growth in Real Output Per Worker and Real Labor Compensation Per Worker



39. Table 2 reports movements in the agricultural value-added deflator relative to the price of nontraded services. There is no long-term pattern of decline; in fact, the relative price of agricultural value added has generally risen since 1990. Table 3 also shows that, except for 1996 and 1998, the agricultural value-added deflator has increased faster than unit labor costs, implying that profitability has improved. Labor's share in agricultural value added has also declined.

40. Table 4 paints a picture of improved competitiveness in the agricultural sector between 1990 and 1995, as annual growth in labor productivity exceeded growth in real labor compensation. This situation was reversed in 1996 and 1998, while developments for 1997 are clouded by the effects of the drought.

#### **Mining sector**

41. All available information suggests very clearly that the mining sector in Jamaica has suffered a substantial erosion in competitiveness since 1996. The value-added deflator, relative to the nontraded services deflator, declined by about 17 percent a year between 1996 and 1998 (Table 2). Unit labor costs in the mining sector have been rising faster than the sectoral value-added deflator in every year since 1995, with the disparity often quite sharp (Table 3). As a result, profitability in the mining sector has declined sharply since 1995; and, labor's share in value added has almost doubled between 1994 and 1998. Real labor compensation has grown faster than labor productivity between 1995 and 1998, a key factor in eroding competitiveness.

#### **Manufacturing sector**

42. Real output in manufacturing has declined in each of the last four years (1995-98). Over the period 1994-1998, labor productivity growth has been negative every year, except for 1997, suggesting that the declines in output were not accompanied by corresponding reductions in employment in the sector.

43. Indicators suggest that the manufacturing sector has lost competitiveness since 1995, as the relative price of manufacturing output declined between 1995 and 1998 (Table 2). Growth in unit labor costs outpaced growth in the value-added deflator in 1995-96, but this trend was reversed in 1997 and 1998 (Table 3).

#### **Textiles and apparel subsector**

44. Within the manufacturing sector, the textile and apparel subsector has experienced particular problems, as real output of the sector has declined in each of the last five years. A study that assessed the textile industry in Jamaica in comparison to those of competitor countries showed that Jamaica typically ranked near the top compared to other countries in

various components of the costs of production<sup>9</sup>. For example, Table 5 shows that, of the ten countries studied, only Costa Rica and Columbia had higher total offshore assembly costs than Jamaica. There are a number of reasons for this relatively unfavorable ranking, including high managerial labor costs and high interest rates.

### **C. Conclusions**

45. The general conclusion that emerges from this analysis is that while the Jamaican economy gained competitiveness over the period from 1990–92, these gains were more than completely eroded in subsequent years and the economy suffered a significant loss in competitiveness between 1995 and 1998. At the sectoral level, the mining and manufacturing sectors seem to have lost competitiveness, while the agricultural sector has likely improved its competitive position.

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<sup>9</sup> See *Jamaica Competitive Study*, Kurt Salmon Associates, May (1997).

**Table 5. Total Offshore Apparel Assembly Cost per Unit of Output, 1997**

**(In U.S. dollars)**

Costa Rica	.117
Colombia	.104
Jamaica	.089
El Salvador	.085
Dominican Republic	.083
Mexico	.078
Guatemala	.069
Nicaragua	.068
Honduras	.067
Haiti	.058

Source: Jamaica Competitive Study, Col. 1, Kurt Salmon Associates, May 1997, p.25

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#### IV. SOCIAL SAFETY NETS<sup>12</sup>

46. The objective of this note is to: (i) review the social protection programs in place; and (ii) assess the scope to strengthen them in order to mitigate any adverse impacts of macroeconomic adjustment measures on the poorest segments of the population.

##### A. Available Social Protection and Safety Nets

47. In 1997, the Policy Towards the Eradication of Poverty and the companion National Poverty Eradication Program (NPEP) were approved. The NPEP objective is to significantly reduce the level of poverty in Jamaica and lay the foundation for the eradication of absolute poverty. There are currently some 46 poverty-reduction programs under the NPEP with a total budget of J\$3.2 billions in 1998/99 (about 1½ percent of GDP). In addition, the Lift-Up Jamaica Project—a labor-intensive public work program introduced in the aftermath of the April 1999 fuel riots—has an additional budget allocation of J\$2.5 billion.

48. While not all NPEP programs can be classified as social protection, there are a plethora of social protection intervention programs scattered primarily in four ministries (Labor, Social Security and Works; Local Government, Youth and Community Development; Education and Culture; and Health). The government recognizes the need for simplification by combining and rationalizing the intervention programs. The Planning Institute of Jamaica (PIOJ) is taking the lead on the rationalization process and organized a conference in October 1999 to investigate current provisions for social security with a view to advocating a more comprehensive approach.<sup>13</sup> It is intended that the new approach should embrace core welfare programs. The budget for NPEP intervention programs that can be considered safety nets amounts (excluding the recently introduced Lift Up Employment Program) to about J\$1.5 billion in 1999/00 (about ½ percent of GDP).

49. The main safety nets are as follows, with their 1999/00 budget allocations in parentheses (Table 6):

- **The Food Security Program** (J\$ 313.4 million) is intended to cover 350,000 people, but it only benefited about 206,000 in 1998, down from 260,000 in 1997. Budgetary constraints and, to some extent, weak administrative capacity appear to be the cause for the decreasing coverage. Beneficiaries include pregnant and lactating women, children 0-6 years, the

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<sup>12</sup>This note draws on reports of two recent World Bank missions to Jamaica: “JSIF Supervision Mission 9/99—possible slum/inner city upgrading component” and “Jamaica Social Protection Mission” of September 1999.

<sup>13</sup> “A Social Security System to Meet Developmental Needs” Conference organized by PIOJ—October 7–8, 1999.

**Table 6. Jamaica: Budgetary Allocation for Poverty Alleviation and Social Safety Net Programs**  
(In millions of Jamaica dollars)

	1997/98	Prel. Est. 1998/99	Rev. Budget 1999/2000
Social and Economic Support	244	385	308
Jamaica Lift-Up Employment	...	...	1,400
Jamaica Social Investment Fund	95	150	200
Public Assistance Services	101	158	160
Food Stamp	421	335	313
Other (Ministry of Labor)	34	60	63
School Feeding	342	414	407
Financial Assistance to Needy Students	69	148	200
School Bus Project	2	0	0
School Income Generosity Projects	11	4	7
Family Services	255	285	351
Pharmaceutical Services	57	760	138
Drugs	40	754	90
Other	17	6	48
Social Security and Welfare Services	79	238	152
Golden Age Home, Infirmaries, and Indigent Housing	24	2	1
<b>Total</b>	1,734	2,940	3,700
(percent of government expenditure)	2.0	3.2	3.7
(percent of GDP)	0.7	1.2	1.4

Sources: Ministry of Finance; Planning Institute of Jamaica; and Fund staff estimates.



elderly/poor/incapacitated, and households with incomes below a certain threshold. The largest share goes to children and the elderly. The program has been evaluated recently and appears to be reasonably well targeted; because of the stigma attached to it, only those who really need it apply. Despite nominal increases, the real value of the food stamps in 1998 was only 73 percent of its 1990 value, and it has been estimated that in 1996 food stamps only covered 2.8 percent of the low-income consumption basket.

- **The School Feeding Program** (J\$687 million) provides either cash to schools for subsidized lunches or in-kind support (soy milk and nutribuns). It reaches some 302,000 children and appears to be reasonably well targeted, while avoiding much of the stigma attached to food stamps. In addition, food grants were given to some 126,000 needy students.
- **The Poor Relief Program** (J\$151.8 million) is administered by local government (parishes) and is intended to provide assistance (both kind and cash) to Outdoor Registered Poor, people in the Indigent Housing Program, and institutionalized elderly people. Beneficiaries were 17,658 in 1998, with the majority being elderly. At this level, stigma is hardly an issue, as beneficiaries tend to be destitute.
- **The Social and Economic Support Program (SESP)** (J\$308.1 million) consists of a fund which the Prime Minister's Office distributes to members of parliament (MPs), who then use it at their discretion. Funds are controlled by individual MPs but channeled through various government agencies rather than handed out directly by the MP. While there is no doubt that the SESP has been used for poverty reduction purposes, lack of transparency concerning the allocation criteria raises many doubts as to the use of these funds.
- **The Lift-Up Jamaica Project** (J\$1,400 million) is a labor-intensive public work program which was set up in the wake of the April 1999 fuel riots and is administered by the Urban Development Commission, with support from the Social Development Commission. It has a budget of J\$2.5 billion (albeit with a 40 percent funding gap) and is intended to provide minimum-wage employment for 40,000 people for 18 months, with different groups of people working in four-month shifts. The program started in July 1999. Thus far, most applicants have been women.
- **The National Insurance Scheme (NIS)** is the only public program of a contributory nature, and it is compulsory for those employed in the formal sector. It provides old age and invalidity pensions, but entitlements are very low. Of the 230,000 pensionable Jamaicans, about half is covered by NIS. The system is presently facing a number of challenges because of the aging population and the increasing informalization of the economy. A social security symposium was held in early October to discuss a reform of the system, including the possibility of a national health insurance.

- **A large number of Nongovernment Organizations (NGOs) and Community Based Organizations (CBOs)** are also providing social protection and safety nets. However, competition for scarce resources has led to duplication of easily-financed activities (e.g., environment) and splintering of groups (rather than integration and partnership). Most NGOs/CBOs have very limited outreach and resources, and are in dire need of institutional strengthening.
- **The Jamaica Social Investment Fund (JSIF)** (J\$200 million) aims at organizational strengthening and improvement in social, economic and physical infrastructure. Consequently, it is not intended to be social safety program, although some observers have suggested it could be used to handle emergency safety-net operations. After almost three years of operation, the JSIF is becoming more efficient in processing micro-projects with the average number of micro-projects approved every month and project completed increasing. Also, the JSIF has built a reputation for honest work and there are probably no other government agencies with greater capacity to handle new initiatives.

#### **B. Recommendations for the Strengthening of the Social Safety Nets**

- **The Food Security Program** can be expanded quickly by (i) increasing the income cut-off point for eligibility and the food stamp quota allocated to low-income households; (ii) increasing the real value of food stamps; and (iii) providing institutional support for the administration of the program to accelerate the processing of new beneficiaries and to effect timely distribution. However, while food stamps have the best outreach prospects, there are two considerations that may limit the immediate impact: (i) the stigma attached to the program, which makes it an unsuitable instrument for the temporary poor; and (ii) the weak administrative capacity of the program, which may make it impossible to react quickly to an emergency situation.
- **The School Feeding Program** has the advantage of avoiding the stigma problem, but benefits would obviously be limited to families with school-aged children, leaving out a large number of the vulnerable (e.g., the elderly and young children). Also, the program may not have the capacity to expand quickly.
- Despite an overall weakening of the NGOs/CBOs, there are at least 30 organizations which carry out effective programs in the form of community development for the inner-city. If they are strengthened, these NGOs/CBOs could provide an important channel for additional social protection to reach the vulnerable groups.
- The JSIF lacks the administrative capacity and the staff for handling emergency safety-net measures. Should new safety-net measures become necessary, JSIF could be used to channel funds, but execution should either be carried out under a completely separate new window (and procedures) or sub-contracted. In the latter case, NGOs could be appropriate executing agencies provided their administrative capacities are initially strengthened.

Table 7. Jamaica: Gross Domestic Product By Final Expenditure

	1994	1995	1996	1997	Prel. 1998	Est. 1999
(In millions of Jamaica dollars)						
Consumption	108,823	146,527	175,125	194,686	211,671	215,895
General government	16,536	22,998	31,836	39,741	44,641	49,934
Private 1/	92,286	123,528	143,289	154,946	167,030	165,961
Gross fixed capital formation	43,843	58,560	70,395	77,098	72,944	77,312
General government	5,564	9,870	12,924	13,221	8,909	8,453
Private 1/	37,935	48,031	57,099	63,273	63,610	68,408
Inventory accumulation	344	659	372	605	425	451
Net exports	-10,093	-20,961	-27,853	-33,798	-33,493	-26,614
Exports of goods and nonfactor services	83,815	103,214	106,090	103,466	107,162	135,179
Imports of goods and nonfactor services	93,908	124,175	133,943	137,264	140,655	161,793
GDP at current market prices	142,572	184,126	217,667	237,987	251,122	266,592
(In percent of GDP)						
Consumption	76.3	79.6	80.5	81.8	84.3	81.0
General government	11.6	12.5	14.6	16.7	17.8	18.7
Private	64.7	67.1	65.8	65.1	66.5	62.3
Gross investment	30.8	31.8	32.3	32.4	29.0	29.0
Government	3.9	5.4	5.9	5.6	3.5	3.2
Private	26.6	26.1	26.2	26.6	25.3	25.7
Change in stocks	0.2	0.4	0.2	0.3	0.2	0.2
Net exports	-7.1	-11.4	-12.8	-14.2	-13.3	-10.0
Exports of goods and nonfactor services	58.8	56.1	48.7	43.5	42.7	50.7
Imports of goods and nonfactor services	65.9	67.4	61.5	57.7	56.0	60.7

Sources: Statistical Institute of Jamaica; and Fund staff estimates.

1/ Includes public enterprises.

Table 8. Jamaica: Savings and Investment

	1994	1995	1996	1997	Prel. 1998	Est. 1999
(In millions of Jamaica dollars)						
Gross capital formation	43,843	58,560	70,395	77,098	72,944	77,312
Fixed capital formation	43,499	57,901	70,022	76,494	72,519	76,861
General government	5,564	9,870	12,924	13,221	8,909	8,453
Private investment 1/	37,935	48,031	57,099	63,273	63,610	68,408
Inventory accumulation	344	659	373	604	425	451
Gross national savings	43,817	55,318	66,723	65,816	63,701	65,593
Gross domestic savings	35,456	46,047	52,991	53,978	50,494	50,677
Government	9,668	13,098	2,666	-5,411	-10,460	-7,704
Private 1/	25,788	32,949	50,325	59,388	60,954	58,380
Net factor income	-8,656	-11,975	-9,256	-10,604	-10,556	-11,220
Net current transfers	17,017	21,246	22,988	22,442	23,762	26,137
Foreign savings	26	3,242	3,672	11,282	9,244	11,719
(In percent of GDP)						
Gross capital formation 1/	30.8	31.8	32.3	32.4	29.0	29.0
Fixed capital formation	30.5	31.4	32.2	32.1	28.9	28.8
General government	3.9	5.4	5.9	5.6	3.5	3.2
Private investment 1/	26.6	26.1	26.2	26.6	25.3	25.7
Inventory accumulation	0.2	0.4	0.2	0.3	0.2	0.2
Gross national savings	30.7	30.0	30.7	27.7	25.4	24.6
Gross domestic savings	24.9	25.0	24.3	22.7	20.1	19.0
Government	6.8	7.1	1.2	-2.3	-4.2	-2.9
Private 1/	18.1	17.9	23.1	25.0	24.3	21.9
Net factor income	-6.1	-6.5	-4.3	-4.5	-4.2	-4.2
Net current transfers	11.9	11.5	10.6	9.4	9.5	9.8
Foreign savings	0.0	1.8	1.7	4.7	3.7	4.4
Memorandum item:						
GDP at current market prices (in millions of Jamaica dollars)	142,572	184,126	217,667	237,987	251,122	266,592

Sources: Statistical Institute of Jamaica; and Fund staff estimates.

1/ Includes public enterprises.

Table 9. Jamaica: Gross Fixed Capital Formation

	1994	1995	1996	1997	Prel. 1998
(In millions of Jamaica dollars)					
Total fixed capital formation	43,498.8	57,902.2	70,022.3	76,493.7	72,519.3
Building construction	18,747.2	26,259.8	27,477.9	28,523.5	29,704.3
Other construction, including					
land improvement	1,193.2	2,366.6	2,320.6	3,049.5	3,362.2
Transport equipment	5,813.6	7,229.2	9,949.1	17,061.6	11,743.1
Motor cars	1,382.2	1,245.0	1,664.8	1,957.9	1,902.1
Trucks and buses	3,755.2	4,121.7	5,243.3	5,346.4	6,470.4
Other	676.2	1,862.5	3,041.0	9,757.3	3,370.6
Machinery and equipment	17,744.8	22,046.6	30,274.7	27,859.1	27,709.7
Agricultural	506.8	702.1	729.6	713.1	590.9
Industrial	5,927.5	7,363.2	11,241.0	8,118.3	8,016.2
Other	11,310.5	13,981.3	18,304.1	19,027.7	19,102.6
(In percent of GDP)					
Total fixed capital formation	30.5	31.4	32.2	32.1	28.9
Building construction	13.1	14.3	12.6	12.0	11.8
Other construction, including					
land improvement	0.8	1.3	1.1	1.3	1.3
Transport equipment	4.1	3.9	4.6	7.2	4.7
Machinery and equipment	12.4	12.0	13.9	11.7	11.0

Sources: Statistical Institute of Jamaica; and Fund staff estimates.

Table 10. Jamaica: Gross Domestic Product by Sector at Current Prices

	1994	1995	1996	1997	Prel. 1998
(In millions of Jamaica dollars)					
GDP in producers' values at current prices	132,227	169,729	200,702	220,524	231,779
Agriculture forestry and fishing	11,944	15,439	16,880	17,629	18,535
Export agriculture	1,185	1,537	1,819	1,671	1,890
Domestic agriculture	8,658	11,454	11,986	12,351	12,752
Livestock and hunting	1,545	1,791	2,195	2,584	2,790
Forestry and logging	109	140	199	212	232
Fishing	448	516	681	812	871
Mining and quarrying	9,435	11,712	11,915	12,264	11,341
Bauxite/alumina	9,232	11,455	11,578	11,914	11,023
Quarrying including gypsum	203	257	337	350	318
Manufacturing	24,276	28,778	33,660	35,375	35,014
Food (excluding sugar)	4,947	5,806	7,079	7,427	7,497
Sugar, molasses, and rum	1,132	1,243	1,554	1,482	1,201
Alcoholic beverages	2,176	2,735	3,356	3,925	3,933
Nonalcoholic beverages	450	459	553	622	607
Tobacco and tobacco products	2,511	2,964	3,611	4,093	4,680
Textiles and wearing apparel	1,563	1,894	2,121	1,850	1,662
Petroleum refining	2,405	2,740	3,156	3,660	2,820
Other	9,092	10,937	12,231	12,317	12,615
Construction and installation	15,555	21,187	23,598	25,517	26,320
Services	71,018	92,614	114,649	129,738	140,569
Electricity and water	2,839	4,102	4,599	4,855	5,323
Transportation, storage, and communication	14,239	17,703	21,575	24,471	27,390
Distributive trade	30,200	38,159	45,671	50,463	53,333
Financing and insurance services	12,367	15,271	18,946	16,674	17,684
Real estate and business services	5,537	7,523	9,468	11,174	12,405
Government services	10,717	15,171	23,053	26,703	29,327
Miscellaneous services	5,019	6,462	7,975	9,177	10,298
<i>Of which:</i>					
Hotels, restaurants, and clubs	2,559	3,234	3,746	4,214	4,634
Household and private nonprofit institutions	819	1,084	1,341	1,484	1,404
Less: imputed service charges	-10,719	-12,861	-17,978	-15,263	-16,595
Plus: value-added tax	10,345	14,397	16,965	17,463	19,344
GDP at current market prices	142,572	184,126	217,667	237,987	251,122

Table 10. Jamaica: Gross Domestic Product by Sector at Current Prices (Concluded)

	1994	1995	1996	1997	Prel. 1998
(In percent of GDP in producers' values)					
Agriculture forestry and fishing	9.0	9.1	8.4	8.0	8.0
Mining and quarrying	7.1	6.9	5.9	5.6	4.9
Manufacturing	18.4	17.0	16.8	16.0	15.1
Construction and installation	11.8	12.5	11.8	11.6	11.4
Services	53.7	54.6	57.1	58.8	60.6
<i>Of which:</i>					
Government services	8.1	8.9	11.5	12.1	12.7
Hotels, restaurants, and clubs	1.9	1.9	1.9	1.9	2.0
(Annual percentage change)					
GDP at current market prices:	32.7	29.1	18.2	9.3	5.5
Agriculture	48.6	29.3	9.3	4.4	5.1
Mining and quarrying	48.4	24.1	1.7	2.9	-7.5
Manufacturing	33.1	18.5	17.0	5.1	-1.0
Construction and installation	26.0	36.2	11.4	8.1	3.1
Services	29.1	30.4	23.8	13.2	8.3
<i>Of which:</i>					
Government services	7.9	41.6	52.0	15.8	9.8
Hotels, restaurants, and clubs	23.4	26.4	15.8	12.5	10.0
Memorandum item:					
Nonbauxite GDP (in producers' values)	133,340	172,671	206,089	226,073	240,100

Source: Statistical Institute of Jamaica.

Table 11. Jamaica: Gross Domestic Product by Sector in Producers' Values at Constant 1986 Prices

	1994	1995	1996	1997	Prel. 1998	Est. 1999
(In millions of Jamaica dollars)						
GDP in producers' values at constant prices	18,189	18,324	18,064	17,692	17,566	17,594
Agriculture forestry and fishing	1,440	1,468	1,512	1,291	1,288	1,327
Export agriculture	157	149	164	145	143	147
Domestic agriculture	1,030	1,059	1,088	869	861	887
Livestock and hunting	186	193	193	210	217	223
Forestry and logging	15	15	14	14	15	16
Fishing	53	53	53	53	53	54
Mining and quarrying	1,680	1,565	1,683	1,738	1,783	1,713
Bauxite/alumina	1,654	1,539	1,656	1,711	1,759	1,688
Quarrying including gypsum	25	26	27	27	24	24
Manufacturing	3,403	3,368	3,266	3,167	3,034	2,991
Food (excluding sugar)	539	587	607	607	594	590
Sugar, molasses, and rum	101	93	102	103	84	85
Alcoholic beverages	328	299	307	315	308	311
Nonalcoholic Beverages	58	51	50	50	47	48
Tobacco and tobacco products	283	268	259	255	248	246
Textiles and wearing apparel	241	257	227	168	144	135
Petroleum refining	407	352	339	371	351	354
Other	1,447	1,462	1,375	1,299	1,259	1,222
Construction and installation	1,609	1,725	1,632	1,567	1,478	1,448
Services	10,057	10,197	9,972	9,929	9,983	10,116
Electricity and water	798	827	868	916	974	992
Transportation, storage, and communication	2,074	2,276	2,484	2,623	2,770	2,864
Distributive trade	3,844	3,981	4,052	4,088	4,022	4,095
Financing and insurance services	2,873	2,841	2,664	2,183	2,152	2,173
Real estate and business services	1,506	1,592	1,612	1,553	1,545	1,551
Government services	1,214	1,217	1,213	1,215	1,184	1,161
Miscellaneous services	742	756	756	762	773	788
<i>Of which:</i>						
Hotels, restaurants, and clubs	389	405	412	427	442	459
Household and private nonprofit institutions	107	112	107	96	90	88
Less: imputed service charges	-3,100	-3,404	-3,784	-3,506	-3,526	-3,596
(In percent of GDP in producers' values)						
Agriculture forestry and fishing	7.9	8.0	8.4	7.3	7.3	7.5
Mining and quarrying	9.2	8.5	9.3	9.8	10.1	9.7
Manufacturing	18.7	18.4	18.1	17.9	17.3	17.0
Construction and installation	8.8	9.4	9.0	8.9	8.4	8.2
Services	55.3	55.7	55.2	56.1	56.8	57.5
<i>Of which:</i>						
Government services	6.7	6.6	6.7	6.9	6.7	6.6
Hotels, restaurants, and clubs	2.1	2.2	2.3	2.4	2.5	2.6
(Annual percentage change)						
GDP at constant market prices:	1.0	0.7	-1.4	-2.1	-0.7	0.2
Agriculture	7.5	2.0	3.0	-14.6	-0.3	3.0
Mining and quarrying	6.9	-6.8	7.5	3.3	2.6	-3.9
Manufacturing	0.3	-1.0	-3.0	-3.0	-4.2	-1.4
Construction and installation	-6.3	7.2	-5.4	-4.0	-5.7	-2.0
Services	0.6	1.4	-2.2	-0.4	0.5	1.3
<i>Of which:</i>						
Government services	-1.6	0.2	-0.3	0.2	-2.5	-2.0
Hotels, restaurants, and clubs	-1.4	3.9	1.8	3.6	3.6	3.8
Memorandum items:						
Nonbauxite GDP (in producers' values)	16,534	16,785	16,408	15,981	15,807	15,906
Nonbauxite GDP/GDP	90.9	91.6	90.8	90.3	90.0	90.4
Nonbauxite GDP (annual change)	0.4	1.5	-2.2	-2.6	-1.1	0.6

Sources: Statistical Institute of Jamaica; and Fund staff estimates.



Table 12. Jamaica: Output of Selected Commodities

	1994	1995	1996	1997	Prel. 1998
<b>Major Agricultural Export Products</b> (In thousand metric tons)					
Sugarcane	2,513.0	2,340.0	2,648.0	2,446.0	2,270.0
Bananas	71.7	74.3	78.4	72.8	67.7
Citrus	8.2	9.6	10.8	8.5	8.2
Pimento	1.5	1.4	1.4	0.7	...
Coffee	9.1	15.4	15.3	17.1	16.9
Cocoa	7.4	4.7	5.2	2.1	3.9
<b>Domestic Crops</b> (In thousand metric tons)					
Legumes	11.2	13.4	11.5	9.1	8.2
Vegetables	171.8	183.9	192.4	145.9	140.5
Plantains	35.4	34.8	33.8	26.3	22.5
Potatoes	41.0	47.6	47.0	36.0	35.8
Yams	233.9	240.4	253.4	212.6	198.4
Other root crops	55.4	58.2	65.0	45.9	42.4
Grains (corn and rice)	4.1	3.9	4.1	3.2	2.2
<b>Livestock Products</b> (In millions)					
Eggs (kilo)	102.3	102.3	116.3	129.5	148.3
Poultry (kilo)	44.9	45.4	48.6	59.3	63.2
Fish (kilo)	3.0	3.0	3.0	3.0	...
<b>Bauxite and Alumina</b> (In thousand metric tons)					
Bauxite production	11,787.0	10,871.0	11,757.0	11,987.0	12,674.0
Alumina production	3,224.0	3,059.0	3,365.0	3,394.0	3,440.0
<b>Electricity Sales</b> (In millions of kwh)					
Electricity sales	1,869.1	1,998.0	2,146.9	2,281.1	2,446.1
Industrial use	868.9	922.2	972.4	1,041.3	1,106.1
Other use	1,000.2	1,075.8	1,174.5	1,239.8	1,340.0

Table 12. Jamaica: Output of Selected Commodities (Concluded)

	1994	1995	1996	1997	Prel. 1998
<b>Manufactured Goods</b>					
<b>Food</b>					
Poultry meat ('000 tonnes)	40.7	43.0	...	44.6	38.3
Condensed milk ('000 tonnes)	16.0	17.0	17.0	16.0	16.0
Edible oil ('000 litres)	6.8	7.7	10.8	13.7	14.0
Edible fats ('000 kg.)	7.3	6.6	6.5	6.4	6.3
Flour ('000 tonnes)	147.1	134.1	141.1	147.9	135.9
Cornmeal ('000 tonnes)	14.1	13.1	12.5	10.2	9.1
Animal feeds ('000 tonnes)	205.7	182.4	174.2	186.9	191.8
<b>Sugar, molasses, and rum</b>					
Sugar (thousand tonnes)	224.4	248.6	236.0	232.8	182.8
Molasses (thousand tonnes)	94.5	96.0	95.2	92.2	97.9
Rum (million litres)	21.1	20.4	20.4	22.4	22.2
<b>Alcoholic beverages</b>					
Beer and stout ('000 litres)	76.0	66.2	69.0	67.4	66.9
Nonalcoholic beverages					
Aerated water ('000 litres)	55.7	48.9	34.1	28.0	20.1
<b>Tobacco products</b>					
Cigarettes (million)	1,273.2	1,212.6	633.8	...	...
Cigars (million)	11.5	16.6	15.7	...	19.0
<b>Textile products</b>					
Cloth ('000 metres)	1.0	0.5	0.0	0.0	...
<b>Chemicals and chemical products</b>					
<b>Industrial gases ('000 cubic metres)</b>					
Oxygen	1,087.0	1,123.0	1,131.0	935.0	1,334.0
Acetylene	242.0	225.0	227.0	186.0	177.0
Hydrogen	32.0	44.0	53.0	33.0	25.0
Nitrogen	53.0	56.0	81.0	50.0	53.0
<b>Specified chemical products</b>					
Fertilizer ('000 tonnes)	49.9	57.4	17.8	...	27.9
Paint ('000 litres)	8.4	7.7	8.0	8.5	8.2
Putty ('000 kg.)	20.0	12.0	20.0	20.0	10.0
<b>Cleansing products (million kg.)</b>					
Soap	3.6	0.9	...	...	...
Detergents	5.5	2.4	...	...	...
<b>Petroleum products (million litres)</b>					
Fuel oil and diesel	699.1	568.7	1,212.7	613.6	601.8
Gasoline	121.3	104.5	109.7	143.1	146.2
Other	20.3	21.7	16.6	50.7	31.0
<b>Rubber products (thousands)</b>					
Tires	351.6	145.7	78.2	0.0	0.0
<b>Cement and clay products</b>					
Concrete ('000 cubic meters)	114.2	142.1	121.6	137.6	54.9
Cement ('000 tonnes)	445.3	517.5	559.3	588.1	558.0

Sources: Statistical Institute of Jamaica; and Planning Institute of Jamaica.

Table 13. Jamaica: Selected Information on the Bauxite/Alumina Sector

	Value Added		Total	Bauxite Production 1/ Direct Exports		Alumina Production 1/
	(In millions of 1986 Jamaica dollars)	(Annual Percentage Change)		(In percent of total)	Level	
1974	1,754.5	9.5	15.2	7.8	51.3	2.8
1975	1,347.0	-23.2	11.4	5.5	48.2	2.3
1976	1,106.9	-17.8	10.3	6.3	61.2	1.6
1977	1,288.9	16.4	11.4	6.4	56.1	2.0
1978	1,325.7	2.9	11.7	6.5	55.6	2.1
1979	1,306.1	-1.5	11.5	6.5	56.5	2.1
1980	1,434.1	9.8	12.0	6.1	50.8	2.5
1981	1,437.5	0.2	11.6	5.4	46.6	2.6
1982	1,029.8	-28.4	8.1	4.1	50.6	1.8
1983	1,011.9	-1.7	7.7	3.0	39.0	1.9
1984	1,050.8	3.8	8.6	4.6	53.5	1.8
1985	822.6	-21.7	6.2	2.3	37.1	1.5
1986	886.8	7.8	6.9	2.9	42.0	1.6
1987	940.0	6.0	7.7	3.7	48.1	1.6
1988	897.2	-4.6	7.3	3.5	47.9	1.5
1989	1,221.7	36.2	9.5	4.2	44.2	2.2
1990	1,503.3	23.0	11.0	3.9	35.5	2.9
1991	1,587.3	5.6	11.6	4.3	37.1	3.0
1992	1,544.2	-2.7	11.4	4.1	36.0	2.9
1993	1,547.9	0.2	11.2	3.9	34.8	3.0
1994	1,654.4	6.9	11.8	3.6	30.5	3.2
1995	1,538.9	-7.0	10.9	3.5	32.1	3.1
1996	1,655.7	7.6	11.8	3.9	33.1	3.4
1997	1,711.3	3.4	12.0	3.6	30.0	3.4
1998	1,758.8	2.8	12.7	4.1	32.3	3.4
1999 (Est.)	1,688.0	-4.0	11.7	2.7	23.1	3.6
2000 (Proj.)	1,672.0	-0.9	12.1	3.1	25.6	3.7

Sources: Statistical Institute of Jamaica; and Fund staff estimates and projections.

1/ Millions of metric tons; unless otherwise indicated.

Table 14. Jamaica: Employed Labor Force by Industry 1/

	1994	1995	1996	1997	Prel. 1998
(In thousands)					
<b>Total employed labor force 2/</b>	<b>967.1</b>	<b>956.2</b>	<b>955.1</b>	<b>956.3</b>	<b>954.3</b>
Agriculture, forestry, and fishing	225.3	218.6	217.2	202.7	200.1
Mining	6.9	6.7	6.9	5.4	5.2
Manufacturing	102.0	103.2	101.2	87.4	84.8
Electricity, gas, and water	6.4	6.9	8.2	5.8	5.7
Construction	70.7	79.9	82.7	79.5	78.4
Wholesale and retail, hotels, and restaurant services	198.1	197.0	190.9	206.2	204.4
Transport, storage, and communication	41.2	46.5	48.8	54.3	57.9
Financing, insurance, real estate and business services	52.0	52.2	54.5	66.5	57.9
Community, social, and personal services	242.4	244.8	244.5	246.5	258.6
Industry not specified	22.1	0.4	0.2	2.0	1.3
(In percent of employed labor force)					
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, forestry, and fishing	23.3	22.9	22.7	21.2	21.0
Mining	0.7	0.7	0.7	0.6	0.5
Manufacturing	10.5	10.8	10.6	9.1	8.9
Electricity, gas, and water	0.7	0.7	0.9	0.6	0.6
Construction	7.3	8.4	8.7	8.3	8.2
Wholesale and retail, hotels, and restaurant services	20.5	20.6	20.0	21.6	21.4
Transport, storage, and communication	4.3	4.9	5.1	5.7	6.1
Financing, insurance, real estate and business services	5.4	5.5	5.7	7.0	6.1
Community, social, and personal services	25.1	25.6	25.6	25.8	27.1
Industry not specified	2.3	0.0	0.0	0.2	0.1
<b>Memorandum items:</b>					
Population (thousands)	2,472.9	2,503.3	2,527.5	2,553.2	2,576.2
Total labour force (thousands)	1,141.4	1,149.4	1,141.3	1,133.9	1,128.7
Participation rate (in percent) 3/	69.0	66.8	67.4	66.3	65.3
Unemployment rate (in percent) 4/	15.3	16.8	16.3	15.7	15.5
Job-seeking rate (in percent) 5/	8.1	6.9	7.3	7.0	7.2

Source: Statistical Institute of Jamaica.

1/ Population, labor force, and employment data are averages of April and October sample labor force sur

2/ A person is defined as employed if he worked at least one hour during the survey period.

3/ Defined as the ratio of the total labor force to the population 14 years old and over.

4/ Defined as the proportion of the labor force that is not employed.

5/ Job-seekers as a proportion of the labor force.

Table 15. Jamaica: Average Weekly Earnings in Large Establishments 1/

	1994	1995	1996	1997	Prel. 1998
(In current Jamaica dollars)					
Mining	5,865	6,042	6,889	7,838	8,085
Manufacturing	1,974	2,547	3,159	4,154	4,315
Electricity, gas, and water	5,134	7,604	8,425	9,354	11,188
Construction	2,354	3,078	3,482	4,228	4,374
Trade, hotels, and restaurants	1,768	2,563	3,081	3,550	4,344
Transport, storage, and communications	3,748	6,482	8,233	9,436	11,570
Financing, insurance, real estate, and business services	3,468	4,371	5,897	7,376	7,913
Community, social, and personal services	2,099	2,224	3,164	3,602	3,841
All sectors	2,559	3,438	4,297	5,265	5,882
(Index: 1986 = 100)					
Mining	942	971	1,107	1,259	1,299
Manufacturing	726	937	1,162	1,528	1,587
Electricity, gas, and water	1,340	1,985	2,199	2,442	2,921
Construction	864	1,130	1,279	1,552	1,606
Trade, hotels, and restaurants	659	955	1,148	1,322	1,618
Transport, storage, and communications	820	1,418	1,801	2,064	2,531
Financing, insurance, real estate, and business services	952	1,121	1,512	1,891	2,029
Community, social, and personal services	776	822	1,169	1,331	1,419
All sectors	807	1,084	1,355	1,660	1,855
(Percentage change)					
Memorandum items:					
Nominal wage (all sectors)	42.4	34.3	25.0	22.5	11.7
Consumer prices (end of period)	26.8	25.6	15.8	9.2	7.9
Real wage	12.3	7.0	7.9	12.2	3.6

Source: Statistical Institute of Jamaica.

1/ Excluding agriculture, government, and employees in Free Zones.

Table 16. Jamaica: Consumer Price Index

	1994/95	1995/96	1996/97	1997/98	1998/99	Est. 1999/00
I. Calendar Year 1/ (January 1988 = 100)						
Average	635.6	762.1	963.4	1,056.5	1,147.6	1,227.1
Food and beverages	700.3	841.5	1,045.7	1,127.9	1,207.1	...
Fuel and other household supplies	564.8	643.3	941.5	1,029.2	1,099.7	...
Housing	486.3	579.4	686.5	767.6	841.9	...
Household, furnishings, and furniture	468.2	550.6	699.3	745.2	779.5	...
Healthcare and personal expenses	590.5	686.3	855.3	966.6	1,032.9	...
Personal clothing and accessories	640.4	750.1	946.9	1,103.1	1,161.4	...
Transportation	511.7	618.7	832.5	863.5	1,001.1	...
Miscellaneous	621.6	795.7	1,035.9	1,234.3	1,473.5	...
End of period	692.3	869.2	1,006.9	1,099.2	1,185.5	1,241.9
Food and beverages	758.5	966.6	1,083.1	1,179.8	1,226.6	...
Fuel and other household supplies	598.6	820.9	990.0	1,062.0	1,164.9	...
Housing	541.7	636.0	724.0	797.8	874.5	...
Household, furnishings, and furniture	482.3	629.5	710.5	768.0	797.9	...
Healthcare and personal expenses	634.4	748.6	912.1	992.4	1,066.4	...
Personal clothing and accessories	675.8	838.6	1,029.6	1,138.9	1,181.3	...
Transportation	578.7	665.3	855.2	873.1	1,098.5	...
Miscellaneous	727.7	886.6	1,114.7	1,291.5	1,592.8	...
(Percentage change)						
Average	35.1	19.9	26.4	9.7	8.6	6.9
Food and beverages	38.4	20.2	24.3	7.9	7.0	...
Fuel and other household supplies	24.2	13.9	46.4	9.3	6.8	...
Housing	34.2	19.1	18.5	11.8	9.7	...
Household, furnishings, and furniture	27.2	17.6	27.0	6.6	4.6	...
Healthcare and personal expenses	28.8	16.2	24.6	13.0	6.9	...
Personal clothing and accessories	24.6	17.1	26.2	16.5	5.3	...
Transportation	33.4	20.9	34.6	3.7	15.9	...
Miscellaneous	37.3	28.0	30.2	19.2	19.4	...
End of period	26.8	25.6	15.8	9.2	7.9	4.8
Food and beverages	27.3	27.4	12.1	8.9	4.0	...
Fuel and other household supplies	18.7	37.1	20.6	7.3	9.7	...
Housing	32.6	17.4	13.8	10.2	9.6	...
Household, furnishings, and furniture	13.8	30.5	12.9	8.1	3.9	...
Healthcare and personal expenses	21.2	18.0	21.8	8.8	7.5	...
Personal clothing and accessories	16.5	24.1	22.8	10.6	3.7	...
Transportation	36.4	15.0	28.5	2.1	25.8	...
Miscellaneous	35.6	21.8	25.7	15.9	23.3	...

Table 16. Jamaica: Consumer Price Index (Concluded)

	1994/95	1995/96	1996/97	1997/98	1998/99	Est. 1999/00
II. Fiscal Year 2/ (January 1988 = 100)						
Average	668.8	814.1	989.3	1,079.0	1,165.9	1,247.5
Food and beverages	736.1	901.0	1,064.8	1,153.0	1,214.4	...
Fuel and other household supplies	584.3	711.1	972.8	1,044.9	1,117.9	...
Housing	518.3	601.8	709.6	788.3	861.3	...
Household, furnishings, and furniture	479.3	594.4	713.1	759.8	785.5	...
Healthcare and personal expenses	620.1	719.2	893.7	996.9	1,053.0	...
Personal clothing and accessories	660.0	799.1	991.0	1,125.7	1,171.1	...
Transportation	547.7	664.1	851.5	858.5	1,057.7	...
Miscellaneous expenses	665.4	846.2	1,093.0	1,270.8	1,543.1	...
End of period	715.8	936.4	1,025.5	1,115.9	1,182.5	1,261.7
Food and beverages	771.9	1,028.1	1,091.3	1,188.8	1,202.0	...
Fuel and other household supplies	600.9	903.2	1,007.8	1,085.7	1,146.3	...
Housing	589.8	655.1	750.6	825.1	938.7	...
Household, furnishings, and furniture	489.2	688.5	729.0	766.4	783.4	...
Healthcare and personal expenses	671.9	801.6	957.9	1,012.9	1,093.7	...
Personal clothing and accessories	672.7	901.5	1,064.9	1,150.6	1,192.2	...
Transportation	626.9	838.8	859.6	873.3	1,098.4	...
Miscellaneous	746.5	961.4	1,173.5	1,365.3	1,645.4	...
(Percentage change)						
Average	33.2	21.7	21.5	9.1	8.1	7.0
Food and beverages	35.7	22.4	18.2	8.3	5.3	...
Fuel and other household supplies	22.7	21.7	36.8	7.4	7.0	...
Housing	43.1	16.1	17.9	11.1	9.3	...
Household, furnishings, and furniture	22.1	24.0	20.0	6.5	3.4	...
Healthcare and personal expenses	27.7	16.0	24.3	11.5	5.6	...
Personal clothing and accessories	21.9	21.1	24.0	13.6	4.0	...
Transportation	34.1	21.3	28.2	0.8	23.2	...
Miscellaneous expenses	36.5	27.2	29.2	16.3	21.4	...
End of period	21.2	30.8	9.5	8.8	6.0	6.7
Food and beverages	18.9	33.2	6.1	8.9	1.1	...
Fuel and other household supplies	10.7	50.3	11.6	7.7	5.6	...
Housing	34.3	11.1	14.6	9.9	13.8	...
Household, furnishings, and furniture	6.2	40.7	5.9	5.1	2.2	...
Healthcare and personal expenses	22.3	19.3	19.5	5.7	8.0	...
Personal clothing and accessories	8.9	34.0	18.1	8.0	3.6	...
Transportation	36.4	33.8	2.5	1.6	25.8	...
Miscellaneous	30.4	28.8	22.1	16.3	20.5	...

Sources: Statistical Institute of Jamaica and Fund staff estimates.

1/ First year indicated.

2/ Fiscal years begin on April 1.

Table 17. Jamaica: Public Sector Balance and Financing

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1999/2000
(In millions of Jamaica dollars)						
<b>Central government</b>	<b>4,260</b>	<b>2,882</b>	<b>-14,638</b>	<b>-19,962</b>	<b>-19,171</b>	<b>-15,151</b>
<b>Rest of public sector</b>	<b>1,310</b>	<b>1,946</b>	<b>1,724</b>	<b>-3,093</b>	<b>-11,426</b>	<b>-7,075</b>
<i>Of which: Bank of Jamaica</i>	-3,078	1,159	2,271	-796	-97	489
<b>Overall public sector balance</b>	<b>5,569</b>	<b>4,828</b>	<b>-12,914</b>	<b>-23,055</b>	<b>-30,598</b>	<b>-22,226</b>
Foreign financing	-898	-3,620	-4,200	4,070	-3,283	-1,934
Domestic financing	-4,646	-1,208	17,114	18,985	33,881	-24,160
Banking system	-7,185	11,722	-177	48,094	26,486	...
Other 1/	2,549	-12,930	17,293	-29,109	7,395	...
(In percent of GDP)						
<b>Central government</b>	<b>2.8</b>	<b>1.5</b>	<b>-6.5</b>	<b>-8.3</b>	<b>-7.5</b>	<b>-5.6</b>
<b>Rest of general government</b>	<b>0.9</b>	<b>1.0</b>	<b>0.8</b>	<b>-1.3</b>	<b>-4.5</b>	<b>-2.6</b>
<i>Of which: Bank of Jamaica</i>	-2.0	0.6	1.0	-0.3	0.0	0.2
<b>Overall public sector balance</b>	<b>3.7</b>	<b>2.5</b>	<b>-5.7</b>	<b>-9.6</b>	<b>-12.0</b>	<b>-8.2</b>
Foreign financing	-0.6	-1.9	-2.2	1.1	1.5	-0.4
Domestic financing	-3.1	-0.6	7.9	8.5	10.5	8.6
Banking system	-4.7	6.1	-0.1	21.5	8.2	...
Other	1.6	-6.7	8.0	-13.0	2.3	...

Sources: Bank of Jamaica; and Ministry of Finance and Planning; and Fund staff estimates and projections.

1/ Including divestment proceeds.



Table 18. Jamaica: Operations of the General Government 1/

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1999/00
<b>I. Central Government</b>						
(In millions of Jamaica dollars)						
<b>Total receipts</b>	<b>44,595</b>	<b>58,525</b>	<b>63,085</b>	<b>66,426</b>	<b>74,096</b>	<b>85,133</b>
<b>Revenue</b>	<b>43,253</b>	<b>57,343</b>	<b>62,026</b>	<b>65,701</b>	<b>73,444</b>	<b>84,535</b>
Tax	38,072	50,263	55,191	59,224	66,970	76,318
Nontax	1,930	3,585	3,310	3,097	3,085	4,901
Bauxite levy	2,374	2,795	2,798	2,872	2,787	2,676
Capital revenue	877	700	727	508	602	641
<b>Grants</b>	<b>1,343</b>	<b>1,181</b>	<b>1,060</b>	<b>725</b>	<b>652</b>	<b>598</b>
<b>Expenditure</b>	<b>40,337</b>	<b>55,643</b>	<b>77,723</b>	<b>86,388</b>	<b>93,267</b>	<b>100,284</b>
Current	34,455	44,442	64,225	73,260	85,764	91,515
Capital and net lending	5,882	11,201	13,498	13,128	7,503	8,769
<b>Overall balance</b>	<b>4,260</b>	<b>2,882</b>	<b>-14,638</b>	<b>-19,962</b>	<b>-19,171</b>	<b>-15,151</b>
<b>Financing</b>	<b>-4,260</b>	<b>-2,882</b>	<b>14,638</b>	<b>19,962</b>	<b>19,171</b>	<b>15,151</b>
Net external	-2,082	-3,640	-4,834	2,930	-2,200	...
Net domestic	-2,178	758	19,472	17,031	21,370	...
Banking system	-10,741	-1,092	1,312	19,944	-177.0	...
Other	8,565	334	18,160	-2,912	21,548	...
(In percent of GDP)						
<b>Total receipts</b>	<b>29.2</b>	<b>30.4</b>	<b>28.3</b>	<b>27.5</b>	<b>29.1</b>	<b>31.3</b>
<b>Revenue</b>	<b>28.3</b>	<b>29.8</b>	<b>27.8</b>	<b>27.2</b>	<b>28.8</b>	<b>31.1</b>
Tax	24.9	26.1	24.8	24.5	26.3	28.1
Nontax	1.3	1.9	1.5	1.3	1.2	1.8
Bauxite levy	1.6	1.5	1.3	1.2	1.1	1.0
Capital revenue	0.6	0.4	0.3	0.2	0.2	0.2
<b>Grants</b>	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>
<b>Expenditures</b>	<b>26.4</b>	<b>28.8</b>	<b>34.8</b>	<b>35.8</b>	<b>36.5</b>	<b>36.9</b>
Current	22.5	23.1	28.8	30.4	33.6	33.7
Capital and net lending	3.8	5.8	6.1	5.4	2.9	3.2
<b>Overall balance</b>	<b>2.8</b>	<b>1.5</b>	<b>-6.5</b>	<b>-8.3</b>	<b>-7.5</b>	<b>-5.6</b>
<b>Financing</b>	<b>-2.8</b>	<b>-1.5</b>	<b>6.5</b>	<b>8.3</b>	<b>7.5</b>	<b>5.6</b>
Net external	-1.4	-1.9	-2.2	1.2	-0.9	...
Net domestic	-1.4	0.4	8.7	7.1	8.4	...
Banking system	-7.0	-0.6	0.6	8.3	-0.1	...
Other	5.6	1.0	8.1	-1.2	8.5	...

Table 18. Jamaica: Operations of the General Government (Continued) 1/

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1999/00
<b>II. National Insurance Fund</b>						
(In millions of Jamaica dollars)						
<b>Revenue</b>	<b>1,695</b>	<b>895</b>	<b>2,853</b>	<b>3,190</b>	<b>3,966</b>	<b>4,617</b>
Interest from central government	759	515	0	0	0	0
Other interest	181	0	924	1,089	1,411	2,169
Contributions from central government	0	0	0	0	0	0
Other contributions	755	380	1,929	2,101	2,555	2,448
<b>Expenditure</b>	<b>533</b>	<b>477</b>	<b>942</b>	<b>1,215</b>	<b>1,386</b>	<b>2,043</b>
Current	321	409	770	1,004	938	1,050
Capital and net lending	100	0	0	32	200	677
Transfers	112	68	172	179	248	316
<b>Overall balance</b>	<b>1,162</b>	<b>418</b>	<b>1,910</b>	<b>1,975</b>	<b>2,580</b>	<b>2,574</b>
<b>Financing</b>	<b>-1,162</b>	<b>-418</b>	<b>-1,910</b>	<b>-1,975</b>	<b>-2,580</b>	<b>2,563</b>
Banking system	-53	-223	-9	-16	-19	-5
Government securities	0	0	0	0	0	0
Other	-1,108	-195	-1,901	-1,959	-2,561	2,568
<b>III. National Housing Trust</b>						
(In millions of Jamaica dollars)						
<b>Revenue</b>	<b>3,274</b>	<b>1,791</b>	<b>4,878</b>	<b>6,229</b>	<b>7,832</b>	<b>9,391</b>
Contributions	154	1,791	2,724	3,614	4,509	4,867
From central government	0	0	0	0	...	...
Other	154	1,791	2,724	3,614	4,509	4,867
Interest	1,184	0	1,637	1,698	2,337	2,977
From central government	0	0	0	0	...	...
Other	0	0	1,637	1,698	2,337	2,977
Other	1,937	0	518	917	986	1,547
<b>Expenditure</b>	<b>1,733</b>	<b>2,465</b>	<b>5,148</b>	<b>5,450</b>	<b>6,477</b>	<b>6,462</b>
Current	455	753	401	1,162	1,312	1,201
Operating expenses	0	0	401	1,162	1,312	1,201
Other (including bonuses paid and taxes)	0	0	0	0	0	...
Capital and net lending	1,278	1,712	4,746	4,288	5,165	5,261
Fixed assets	25	...	62	19	102	86
Housing loans	730	...	4,684	4,269	5,248	4,704
Other	524	...	0	0	-185	472
<b>Overall balance</b>	<b>1,541</b>	<b>-674</b>	<b>-270</b>	<b>779</b>	<b>1,355</b>	<b>2,929</b>
<b>Financing</b>	<b>-1,541</b>	<b>674</b>	<b>270</b>	<b>-779</b>	<b>-1,355</b>	<b>-2,929</b>
Banking system	-1,541	674	471	148	-298	-1,394
Government securities	0	0	0	0	0	0
Other	0	0	-201	-927	-1,057	-1,537

Table 18. Jamaica: Operations of the General Government (Concluded) 1/

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1999/00
<b>IV. Human Employment and Resource Training</b>						
(In millions of Jamaica dollars)						
<b>Revenue</b>	<b>988</b>	<b>1,285</b>	<b>1,681</b>	<b>1,941</b>	<b>2,082</b>	<b>2,137</b>
Contributions	750	1,008	1,275	1,479	1,587	1,720
From central government	0	0	0	0	0	0
Other	750	1,008	1,275	1,479	1,587	1,720
Other	238	277	406	462	495	417
<b>Expenditure</b>	<b>638</b>	<b>1,017</b>	<b>1,625</b>	<b>2,059</b>	<b>2,168</b>	<b>2,354</b>
Current	512	845	1,228	1,737	1,919	2,040
Capital	126	172	398	322	249	314
<b>Overall balance</b>	<b>350</b>	<b>268</b>	<b>56</b>	<b>-118</b>	<b>-86</b>	<b>-217</b>
<b>Financing</b>	<b>-350</b>	<b>-268</b>	<b>-56</b>	<b>118</b>	<b>87</b>	<b>217</b>
Banking system	-350	-268	-56	-28	67	63
Other	0	0	0	146	20	154

Sources: Bank of Jamaica; and Ministry of Finance and Planning; and Fund staff estimates and projections.

1/ Includes the central government, the National Insurance Fund, the National Housing Trust, and the Human Education and Resource Training Unit.

Table 19. Jamaica: Bank of Jamaica Operating Balance

(In millions of Jamaica dollars)

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1/ 1999/2000
<b>Income</b>	<b>3,845</b>	<b>6,064</b>	<b>9,999</b>	<b>7,803</b>	<b>10,861</b>	<b>10,205</b>
Local	2,987	4,429	8,518	6,157	9,272	8,976
Local registered stock	2,489	3,858	5,755	5,786	8,806	7,600
Treasury bills	171	139	51	19	41	114
Interest current account	53	146	2,240	162	256	1,068
Other	274	286	472	189	169	194
Foreign	858	1,635	1,481	1,646	1,589	1,229
<b>Expenses</b>	<b>6,923</b>	<b>4,905</b>	<b>7,727</b>	<b>8,599</b>	<b>10,959</b>	<b>9,716</b>
Wages and other						
administrative expenses	355	638	901	1,102	1,139	861
Current expenses	259	299	472	589	200	394
Domestic interest	5,242	3,007	5,881	6,420	9,219	8,139
Bankers	139	201	196	268	267	239
Certificates of deposit 2/	1,942	1,500	4,606	5,367	8,159	7,109
Government deposits	1,717	901	762	622	537	513
Other	1,444	405	318	164	257	278
Foreign interest	1,067	961	472	488	400	322
IMF	671	589	105	160	251	233
Balance of payments support	396	372	367	328	149	90
Auction expenses 3/	0	0	0	0	0	0
Foreign miscellaneous	0	0	0	0	0	0
Interest arrears	0	0	0	0	0	0
<b>Balance</b>	<b>-3,078</b>	<b>1,159</b>	<b>2,272</b>	<b>-796</b>	<b>-98</b>	<b>489</b>

Sources: Bank of Jamaica; and Fund staff estimates and projections.

1/ Excludes J\$2.76 billion of FINSAC interest payable to BOJ in 1999/2000.

2/ Certificate of deposits phased out in FY 1994/95. For FY 1995/96, these represent interest payments on open market operations.

3/ Private sector deposits for the settlement of foreign exchange obligations.

Table 20. Jamaica: Central Government Revenue 1/

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1999/00
(In millions of Jamaica dollars)						
<b>Total revenue and grants</b>	<b>44,595</b>	<b>58,525</b>	<b>63,085</b>	<b>66,426</b>	<b>74,096</b>	<b>85,133</b>
<b>Tax revenue</b>	<b>38,072</b>	<b>50,263</b>	<b>55,191</b>	<b>59,224</b>	<b>66,971</b>	<b>76,318</b>
Income and profits	15,377	18,889	21,646	23,297	25,844	26,349
Bauxite/alumina	302	858	54	178	183	198
Other companies	5,457	6,040	6,189	5,830	5,931	6,321
PAYE	6,781	9,269	11,907	13,175	15,028	13,908
Other individuals	583	579	631	741	843	898
Interest and dividend	2,254	2,144	2,865	3,373	3,860	5,024
Property tax	447	477	401	0	...	...
<b>Production and consumption</b>	<b>12,323</b>	<b>15,469</b>	<b>17,139</b>	<b>18,415</b>	<b>20,974</b>	<b>25,696</b>
Consumption duty/special GCT	2,008	2,016	1,515	2,194	3,335	4,307
Motor vehicle licenses	463	481	418	237	748	751
Other licenses	53	45	46	67	58	59
Betting, gaming, and lottery	122	198	246	293	361	385
Education tax	1,541	2,046	2,654	3,120	3,366	3,676
Contractors levy	99	174	223	224	215	229
Stamp duties (local)	1,716	2,069	2,375	2,108	2,337	2,370
GCT (local)	6,323	8,441	9,662	10,173	10,553	13,942
<b>International trade</b>	<b>9,925</b>	<b>15,428</b>	<b>16,006</b>	<b>17,513</b>	<b>20,154</b>	<b>25,909</b>
Custom duty	4,147	5,962	5,978	6,677	7,098	8,390
Stamp duty	313	361	556	716	725	755
Travel taxes	543	713	913	951	1,496	1,517
GCT Imports	4,921	8,392	8,559	9,169	10,835	15,248
<b>Bauxite levy</b>	<b>2,374</b>	<b>2,795</b>	<b>2,798</b>	<b>2,872</b>	<b>2,787</b>	<b>2,676</b>
<b>Nontax revenue</b>	<b>1,930</b>	<b>3,585</b>	<b>3,310</b>	<b>3,097</b>	<b>3,085</b>	<b>4,901</b>
<b>Capital revenue</b>	<b>877</b>	<b>700</b>	<b>727</b>	<b>508</b>	<b>602</b>	<b>641</b>
<b>Grants</b>	<b>1,343</b>	<b>1,181</b>	<b>1,060</b>	<b>725</b>	<b>652</b>	<b>598</b>
(In percent of GDP)						
<b>Total revenue</b>	<b>29.2</b>	<b>30.4</b>	<b>28.3</b>	<b>27.5</b>	<b>29.1</b>	<b>31.3</b>
Tax revenue	24.9	26.1	24.8	24.5	26.3	28.1
Property tax	0.3	0.2	0.2	0.0	...	...
Production and consumption	8.1	8.0	7.7	7.6	8.2	9.5
International trade	6.5	8.0	7.2	7.3	7.9	8.9
Bauxite levy	1.6	1.5	1.3	1.2	1.1	1.0
Nontax revenue	1.3	1.9	1.5	1.3	1.2	1.8
Capital revenue	0.6	0.4	0.3	0.2	0.2	0.2
Grants	0.9	0.6	0.5	0.3	0.3	0.2

Sources: Ministry of Finance and Planning; and Fund staff estimates and projections.

1/ Excludes grants.

2/ Includes transfers of profits of public entities and royalties.

Table 21: Jamaica: Central Government Expenditure

	1994/95	1995/96	1996/97	1997/98	Prel. 1998/99	Proj. 1999/00
(In millions of Jamaica dollars)						
<b>Total expenditure</b>	<b>40,337</b>	<b>55,643</b>	<b>77,723</b>	<b>86,388</b>	<b>93,267</b>	<b>100,284</b>
<b>Current expenditure</b>	<b>34,455</b>	<b>44,442</b>	<b>64,225</b>	<b>73,260</b>	<b>85,764</b>	<b>91,515</b>
Goods and services	15,042	20,962	36,945	48,697	51,175	52,622
Wages and salaries	11,143	15,806	24,043	29,066	31,913	33,190
Other	3,900	5,157	12,902	19,631	19,262	19,432
Current transfers	4,397	5,508	...	...	...	...
Pensions	968	1,222	...	...	...	...
Subsidies	...	...	...	...	...	...
Other	3,429	4,286	...	...	...	...
Interest payments	15,015	17,971	27,280	24,564	34,889	38,893
Foreign	4,801	5,514	5,910	5,645	6,048	6,338
Domestic	10,214	12,458	21,370	18,918	28,541	32,556
<b>Capital expenditure</b>	<b>5,882</b>	<b>11,201</b>	<b>13,498</b>	<b>13,128</b>	<b>7,503</b>	<b>8,769</b>
Fixed investment	4,002	11,201	13,498	13,128	7,503	8,769
Foreign institutional	2,797	2,926	0	0	0	...
Other	1,205	8,275	0	0	0	...
Net lending	705	0	0	0	0	...
Portfolio investment	470	0	0	0	0	...
Transfers	705	0	0	0	0	...
(In percent of GDP)						
<b>Total expenditure</b>	<b>26.4</b>	<b>28.9</b>	<b>34.9</b>	<b>35.8</b>	<b>36.6</b>	<b>36.9</b>
<b>Current expenditure</b>	<b>22.5</b>	<b>23.1</b>	<b>28.8</b>	<b>30.4</b>	<b>33.6</b>	<b>33.7</b>
Goods and services	9.8	10.9	16.6	20.2	20.1	19.4
Wages and salaries	7.3	8.2	10.8	12.0	12.5	12.2
Other	2.5	2.7	5.8	8.1	7.6	7.1
Current transfers	2.9	2.9	...	0.0	0.0	0.0
Pensions	0.6	0.6	...	0.0	0.0	0.0
Subsidies	0.0	0.0	...	0.0	0.0	0.0
Other	2.2	2.2	...	0.0	0.0	0.0
Interest payments	9.8	9.3	12.2	10.2	13.7	14.3
Foreign	3.1	2.9	2.7	2.3	2.4	2.3
Domestic	6.7	6.5	9.6	7.8	11.2	12.0
<b>Capital expenditure</b>	<b>3.8</b>	<b>5.8</b>	<b>6.1</b>	<b>5.4</b>	<b>2.9</b>	<b>3.2</b>
Fixed investment	2.6	5.8	6.1	5.4	2.9	3.2
Foreign institutional	1.8	1.5	0.0	0.0	0.0	...
Other	0.8	4.3	0.0	0.0	0.0	...
Net lending	0.5	...	...	...	0.0	...
Portfolio investment	0.3	...	...	...	0.0	...
Transfers	0.5	...	...	...	0.0	...
GDP at current prices	152,960	192,511	222,747	241,271	254,998	271,777

Sources: Ministry of Finance and Planning; and Fund staff estimates and projections.

Table 22. Jamaica: Central Government Securities and the Bank of Jamaica Certificates of Deposits

(In millions of Jamaica dollars)

	March					Prel. 1999
	1994	1995	1996	1997	Prel. 1998	
<b>Stock at end of period</b>						
<b>Total central government domestic debt and Bank of Jamaica certificates of deposits</b>	<b>23,862</b>	<b>44,765</b>	<b>43,768</b>	<b>74,993</b>	<b>87,595</b>	<b>110,809</b>
<b>Central government securities</b>	<b>20,242</b>	<b>44,765</b>	<b>43,768</b>	<b>74,993</b>	<b>87,595</b>	<b>110,809</b>
<b>Banking system</b>	<b>14,977</b>	<b>29,398</b>	<b>34,850</b>	<b>48,184</b>	<b>58,190</b>	<b>60,450</b>
Bank of Jamaica	6,281	12,561	14,828	21,719	31,167	33,128
Treasury bills	653	1,197	919	26	235	226
Local registered stocks	5,628	11,364	13,909	21,693	30,932	32,902
Commercial banks	8,696	15,255	17,831	23,894	23,461	24,199
Treasury bills	2,783	3,261	4,406	3,800	3,206	2,507
Local registered stocks	3,786	9,092	11,309	13,959	11,414	15,381
Other government securities	590	485	635	2,884	5,887	4,878
US\$20 million bonds	336	791	791	0	0	0
Other claims	1,201	1,627	691	3,251	2,954	1,433
Other financial institutions	204	1,582	2,191	2,571	3,562	3,123
Treasury bills	119	431	467	549	364	188
Local registered stocks	81	1,128	1,665	1,789	1,957	878
Other government securities	3	23	53	232	1,219	2,036
Other claims	0	0	6	1	22	21
Selected public enterprises	1,819	4,038	3,602	5,446	6,912	8,652
Local registered stocks	1,169	2,639	2,831	3,355	5,328	6,467
Treasury bills	650	1,207	771	2,091	1,584	2,185
Equity investment bonds	0	192	0	0	0	0
Other public sector	929	1,063	1,043	1,338	1,338	1,338
Local registered stocks	578	708	708	708	708	708
Treasury bills	266	355	335	335	335	335
Equity investment bonds	0	0	0	0	0	0
US\$20 million bonds	85	0	0	295	295	295
Nonfinancial private sector holdings	2,313	10,266	4,273	20,025	21,155	40,369
Treasury bills	587	2,675	991	1,923	4,222	3,394
Local registered stocks	1,534	6,834	2,515	16,399	15,625	33,947
Holdings of equity investment bonds	4	4	4	0	0	0
Land bonds	43	41	31	31	30	23
Promissory notes	33	33	33	33	28	1,912
US\$20 million bonds	112	37	37	979	600	443
Stock of bonds in lieu of salary	481	643	662	660	650	650
<b>Bank of Jamaica certificates of deposit</b>	<b>3,621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Commercial banks	1,975	0	0	0	0	0
Other financial institutions	189	0	0	0	0	0
Selected public enterprises	175	0	0	0	0	0
Other public enterprises	343	0	0	0	0	0
Nonfinancial private sector	939	0	0	0	0	0

Source: Bank of Jamaica.

Table 23. Jamaica: Summary Accounts of the Banking System

	March				Prel. 1999
	1995	1996	1997	1998	
(In millions of Jamaica dollars; stock at end of period)					
Net foreign assets	15,757	24,251	24,467	23,729	26,182
Net domestic assets	41,214	47,234	62,687	69,229	77,430
Net claims on public sector	4,180	9,463	8,868	56,698	80,100
Net claims on central government	-9,893	806	2,635	22,528	22,351
Net claims on selected public entities	-2,578	-2,078	-405	-1,245	-1,598
Net claims on rest of public sector	-2,251	926	-2,752	26,287	53,304
Operating losses of Bank of Jamaica	3,078	-1,159	-2,272	796	98
Net unclassified assets of Bank of Jamaica	15,823	10,968	11,663	8,331	5,946
Open market operations	-3,144	-8,331	-20,045	-32,269	-38,074
Net credit to other					
financial institutions	-5,570	-6,027	1,869	-11,294	-15,862
Credit to private sector	32,331	44,235	47,857	42,362	36,763
Capital accounts	-8,332	-8,474	-8,684	-10,731	-10,742
Valuation adjustment	19,549	17,606	19,859	19,176	18,703
Other BOJ financial assets (net)	...	...	0	-1,800	0
Unclassified assets of					
commercial banks	9,067	4,222	14,240	7,266	5,081
Residual/float	42	1,165	4,286	5,110	6,716
Allocation of SDRs	-2,046	-2,443	-2,138	-2,229	-2,290
Medium- and long-term					
foreign liabilities	-4,863	-4,183	-3,427	-3,059	-2,965
Liabilities to private sector 1/	56,970	71,485	87,155	92,957	103,612
Money supply in local currency (M2)	42,404	52,732	69,515	71,278	79,733
Currency	6,595	8,303	10,175	10,620	12,432
Demand deposits	8,215	9,191	12,636	12,067	14,133
Savings deposits	20,694	25,599	34,035	37,368	39,432
Time deposits	6,901	9,639	12,670	11,223	13,736
Foreign currency deposits	14,566	18,753	17,639	21,679	23,880
Bank of Jamaica certificates of deposit	0	0	0	0	0
(In percent change)					
Net foreign assets 2/	21.9	14.9	0.3	-0.8	2.6
Net domestic assets 2/	8.0	10.6	21.6	7.5	8.8
Net claims on public sector	-11.7	9.3	-0.8	54.9	25.2
Claims on private sector	19.4	20.9	5.1	-6.3	-6
Other assets (net)	0.3	-19.6	17.4	-41.1	-10.3
Liabilities to private sector	29.9	25.5	21.9	6.7	11.5
Credit to private sector	35.7	36.8	8.2	-11.5	-13.2
Money supply in local currency (M2)	39.1	24.4	31.8	2.5	11.9
Velocity (GDP/private sector liabilities)	2.7	2.7	2.6	2.6	2.5
Memorandum item:					
Exchange rate 3/	33.5	40.0	35.0	36.5	37.5

Source: Bank of Jamaica.

1/ Includes foreign currency deposits.

2/ In terms of liabilities to private sector at the beginning of the year.

3/ Accounting rate at end of period.



Table 24. Jamaica: Summary Accounts of the Bank of Jamaica

(In millions of Jamaica dollars; stock at end of period)

	March				Prel.
	1995	1996	1997	1998	1999
Net international reserves	15,064	19,852	22,696	21,720	21,807
Assets	26,139	29,284	28,555	26,632	26,255
Liabilities	-11,075	-9,432	-5,859	-4,911	-4,447
Net domestic assets	-7,699	-10,520	-11,587	-9,833	-7,894
Net claims on public sector	3,293	4,945	6,146	34,170	39,950
Net claims on central government	-15,932	-8,611	-2,925	13,652	15,327
Treasury bills	761	15	26	235	226
Other securities	11,364	13,909	21,981	31,220	33,274
Other claims	-5,262	-4,843	-13,576	-5,891	-5,650
Consolidated fund deposits	-20,296	-16,750	-9,507	-10,956	-11,816
Other deposits	-2,499	-942	-1,849	-956	-707
Certificates of deposit	0	0	0	0	...
Net claims on selected public entities	1,165	1,190	1,097	-120	-1
Net claims on rest of public sector	-842	2,557	-1,418	11,510	18,580
Operating losses	3,078	-1,159	-2,272	796	98
Net unclassified assets	15,823	10,968	11,663	8,331	5,946
Net credit to commercial banks	-19,605	-16,958	-10,488	-22,166	-21,295
Credit to commercial banks	8	4,806	11,824	4,535	1,871
Liabilities to commercial banks	-19,613	-21,650	-22,312	-26,701	-23,166
Bank of Jamaica certificates of deposit	0	0	0	0	0
Deposits	-19,613	-21,650	-22,312	-26,701	-23,166
Net credit to other financial institutions	-1,199	-1,901	-2,187	-2,184	-2,451
Claims	0	0	0	0	...
Deposits	-1,199	-1,876	-2,187	-2,184	...
Bank of Jamaica certificates of deposit	0	0	0	0	...
Valuation adjustment	19,549	17,606	19,859	19,176	18,703
Open market operations and Bank of Jamaica certificates of deposit held by private sector	-3,144	-8,331	-20,045	-32,269	-38,074
Allocation of SDRs	-2,046	-2,443	-2,138	-2,229	-2,290
Medium- and long-term foreign liabilities	-4,546	-3,438	-2,734	-2,531	-2,436
Other BOJ financial assets (net)	...	...	...	-1,800	0
Currency issue	7,366	9,332	11,110	11,887	13,913
Currency outside banks	6,595	8,303	10,175	10,620	12,432
Currency with banks	771	1,029	935	1,267	1,481

Source: Bank of Jamaica.

Table 25. Jamaica: Summary Accounts of Commercial Banks

	March				Prel. 1999
	1995	1996	1997	1998	
(In millions of Jamaica dollars; stock at end of period)					
Net foreign assets	693	4,399	1,771	2,009	4,375
Assets	...	17,045	15,289	15,355	16,457
Liabilities	...	-12,646	-13,519	-13,346	-12,082
Net claims on Bank of Jamaica	19,647	18,123	14,774	27,276	28,011
Claims on Bank of Jamaica	19,760	21,909	22,510	27,919	30,059
Certificates of deposit	0	0	0	0	0
Other deposits	19,759	21,909	22,510	27,919	30,059
Liabilities to Bank of Jamaica	-113	-3,786	-7,736	-644	-2,047
Net domestic assets	30,035	40,661	60,435	53,053	58,794
Net claims on public sector	887	4,520	2,723	22,527	40,150
Net claims on central government	6,039	9,418	5,559	8,875	7,024
Treasury bills	3,261	4,407	3,800	3,206	2,507
Other securities	10,371	15,122	16,843	14,926	20,259
Other claims	554	691	-5,363	-1,046	-2,567
Deposits	-8,147	-10,802	-9,721	-8,211	-13,175
Net claims on selected public entities	-3,743	-3,267	-1,502	-1,125	-1,597
Net claims on other public sector	-1,409	-1,631	-1,334	14,777	34,724
Net credit to other financial institutions	-4,371	-4,126	4,056	-9,110	-13,411
Credit to private sector <sup>1/</sup>	32,331	44,235	47,857	42,362	36,763
<i>Of which:</i>					
In foreign currency	11,385	10,099	10,957	9,039	6,512
Local currency holdings	771	1,029	935	1,267	1,481
Capital accounts	-8,332	-8,474	-8,684	-10,731	-10,742
Net unclassified assets	9,067	4,222	14,240	7,266	5,081
Medium- and long-term foreign liabilities	-318	-745	-693	-528	-528
Liabilities to private sector	50,375	63,182	76,979	82,337	91,181
Demand deposits	8,215	9,191	12,636	12,067	14,133
Savings deposits	20,694	25,599	34,035	37,368	39,432
Time deposits	6,901	9,639	12,670	11,223	13,736
Foreign currency deposits	14,566	18,753	17,639	21,679	23,880
(Percentage)					
Memorandum item:					
Loan/deposit ratio	64.2	70.0	62.2	51.4	40.3

Source: Bank of Jamaica.

<sup>1/</sup> Adjusted in 1998 and 1999 to exclude nonperforming loans exchanged for FINSAC securities.

Table 26. Jamaica: Statutory Liquidity Ratios of Commercial Banks and Near-Banks

(In percent)

	Commercial Banks						Near-Banks 1/	
	Required Reserves		Actual Reserves		Excess Reserve		Required Reserves	
	Liquid	Cash	Liquid	Cash	Liquid	Cash	Liquid	Cash
	Assets 2/	Reserves	Assets 2/	Reserves	Assets 2/	Reserves	Assets 2/	Reserves
(Ratios at end-March)								
1988	20.0	20.0	38.9	20.9	18.9	0.9	5.0	5.0
1989	20.0	20.0	48.1	20.7	28.1	0.7	5.0	5.0
1990	20.0	20.0	36.8	20.0	16.8	-	4.5	4.5
1991	33.5	20.0	39.3	22.2	5.8	2.2	6.5	9.0
1992	41.5	19.0	42.9	21.2	1.4	2.2	9.5	9.5
1993	50.0	25.0	57.9	25.8	7.9	0.8	14.0	14.0
1994	50.0	25.0	53.5	26.3	3.5	1.3	17.0	17.0
1995	50.0	25.0	60.1	25.9	10.1	0.9	17.0	17.0
1996	47.0	25.0	48.5	25.0	1.5	0.0	30.0	17.0
1997	47.0	25.0	56.7	25.7	9.7	0.7	35.0	17.0
1998	47.0	25.0	48.1	25.0	1.1	0.0	35.0	17.0
1998								
January	47.0	25.0	47.5	24.8	0.5	-0.2	35.0	17.0
February	47.0	25.0	47.4	24.9	0.4	-0.1	35.0	17.0
March	47.0	25.0	48.5	25.0	1.5	0.0	35.0	17.0
April	47.0	25.0	49.1	25.1	2.1	0.1	35.0	17.0
May	47.0	25.0	51.2	25.2	4.2	0.2	35.0	17.0
June	47.0	25.0	53.5	25.2	6.5	0.2	35.0	17.0
July	47.0	25.0	54.7	25.0	7.7	0.0	35.0	17.0
August	45.0	23.0	52.8	23.0	7.8	0.0	35.0	17.0
September	45.0	23.0	51.7	23.0	6.7	0.0	35.0	17.0
October	45.0	23.0	57.3	23.0	12.3	0.0	35.0	17.0
November	43.0	21.0	55.7	21.0	12.7	0.0	35.0	17.0
December	43.0	21.0	55.8	21.0	12.8	0.0	35.0	17.0
1999								
January	43.0	21.0	54.6	21.0	11.6	0.0	35.0	17.0
February	41.0	19.0	53.4	19.0	12.4	0.0	35.0	17.0
March	41.0	19.0	52.3	18.9	11.3	0.0	35.0	17.0
April	41.0	19.0	48.9	18.9	7.9	0.0	35.0	17.0
May	39.0	17.0	46.6	17.0	7.6	0.1	35.0	17.0
June	35.0	17.0	46.1	16.9	11.1	0.0	35.0	17.0
July	35.0	17.0	48.1	16.9	13.1	0.0	35.0	17.0
August	35.0	17.0	49.1	16.9	14.1	0.0	35.0	17.0
September	35.0	17.0	...	...	...	...	35.0	17.0
October	34.0	16.0	...	...	...	...	34.0	16.0

Source: Bank of Jamaica, Statistical Digest.

1/ Financial institutions regulated under the Protection of Depositor Act (PDA). This Act was replaced by the Financial Institutions Act in December 1992.

2/ Includes cash reserves.

Table 27. Jamaica: Selected Interest Rates

(Percent per annum)

	Commercial Bank Interest Rates								
	Savings Deposits	Deposit Rates		Weighted Average	Foreign Currency <sup>1/</sup>	Lending Rates <sup>2/</sup>	Treasury Bills <sup>3/</sup>	Jamaica Certificates of Deposit <sup>4/</sup>	Reserve Repos 30 Days
		Time Deposits 3-6 Months	6-12 Months						
1993 March	15-24	13-27	13.5-27	21.2	2.30-5.75	40.4	20.5	20.66	...
1994 March	15-27	21-53	20-50	39.3	2.15-6.75	51.5	40	49.99	...
1995 March	15-25	14.5-24	13-21	23	4.00-7.50	43.5	20.6	...	...
1996 March	15-22	19-43	18-44	26.14	4.00-7.50	43.9	34.3	...	...
1997 March	10.3-19	8-17.5	8-16.5	15.47	3.75-6.88	36.1	16.6	...	...
1998 March	10.3-15	12-30	11-25	17	3.75-6.88	35.3	24.6	...	...
1999 March	7.0-15	10.5-18.75	9.5-18.75	14.6		32.1			
1998									
January	10.3-15	8-30	8-25	15.8	3.75-6.88	34.7	25.3	...	29.0
February	10.3-15	12-30	11-25	17.1	3.75-6.88	35.5	24.7	...	29.0
March	10.3-15	12-30	12-25	17.0	3.75-6.88	35.3	24.6	...	29.0
April	10.3-15	12-30	11-25	17.8	3.75-6.88	36	24.2	...	26.5
May	10.3-15	12-23.5	11-23.5	17.5	3.17-6.88	36.3	23.8	...	25.0
June	10.3-15	12-23.5	11-22.5	17.7	3.75-6.88	36.3	23.3	...	24.0
July	10.3-15	12-21	11.21	16.8	3.75-6.88	35.7	20.8	...	23.0
August	10.3-15	12-19.25	11-19.25	15.9	3.75-6.88	34	20.4	...	22.0
September	10.3-15	11-19.25	11-19.25	14.8	3.75-6.88	33.7	20.3	...	22.0
October	10.0-16	12-19.25	11-19.25	15.25	3.75-7.3	32.8	21.6	...	22.0
November	7.0-15	11-19	10.5-18.25	15.6	3.75-7.3	32.9	20.3*	...	22.0
December	7.0-14	10.5-18.75	9.5-18.75	15.5	3.5-6.875	33	21.1	...	22.0
1999									
January	7.0-15	10.5-18.75	9.5-18.75	15.1	3.5-6.88	32.5	20.3	...	22.0
February	7.0-15	10.5-18.75	9.5-18.75	15.1	3.5-6.88	32.6	19.7	...	22.0
March	7.0-15	10.5-18.75	9.5-18.75	14.6	3.00-7.30	32.1	17.8**	...	20.75
April	7.0-15	10.5-19	9.5-18.75	14.9	3.00-7.30	29.5	19.6	...	20.75
May	7.0-15	10.5-18.75	9.5-18.75	14.7	3.55-7.30	30.1	18.4*	...	18.85
June	10.0-13.5	10.0-17.5	10.0-17.5	14.1	3.55-7.30	29.8	18.3	...	18.85
July	10.0-13.5	10.0-17.5	10.0-17.5	13.7	3.55-7.30	29.1	18.2	...	18.85
August	10.0-13.5	10.0-17.5	10.0-17.5	13.7	3.55-7.00	29.1	18.7	...	18.85
September	10.0-13.5	10.0-17.5	10.0-17.5	13.7	3.55-7.00	29.1	17.5	...	18.35

Source: Bank of Jamaica, Statistical Digest.

1/ On three- six-month deposits under US\$100,000.

2/ Weighted average.

3/ Average discount rate on 6-month bills.

4/ Bank of Jamaica certificates of deposit were introduced in November 1985, and phased out in February 1995.

\*Nov 1998 and May 1999 - 273 day Tbill

\*\*Mar 1999 -365 day Tbill

There were no 6 month issues for the above noted periods.

Table 28. Jamaica: Distribution of Commercial Banks' Loans and Advances

	March				
	1995	1996	1997	1998	1999
(In millions of Jamaica dollars)					
<b>Total</b>	<b>35,805</b>	<b>48,876</b>	<b>67,121</b>	<b>50,779</b>	<b>44,625</b>
Agriculture	2,148	1,991	2,627	1,899	1,909
Mining	216	282	277	245	150
Manufacturing	4,577	6,259	6,756	5,090	4,090
Sugar/rum	533	885	1,004	509	178
Food/drink	923	1,002	1,212	1,014	705
Textiles/footwear	317	368	299	211	169
Cement	397	511	861	573	522
Chemicals	339	451	317	341	188
Other	2,069	3,043	3,064	2,442	2,329
Construction development	4,974	7,211	4,465	3,744	2,379
Construction	4,066	6,190	3,673	3,039	1,898
Land development/acquisition	908	1,021	792	706	481
Financial institutions	1,599	2,762	15,165	3,532	3,234
Transport	3,533	4,203	4,379	3,408	1,636
Electricity, water, and gas	271	327	173	101	183
Government services	3,303	3,085	5,209	6,179	5,502
Distributive trade	2,645	3,758	3,948	3,901	3,235
Tourism and entertainment	3,015	3,890	4,336	4,391	4,710
Professional services	3,499	5,568	8,227	7,390	6,911
Personal	6,024	9,540	11,561	10,899	10,687
( In percent of total)					
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture	6.0	4.1	3.9	3.7	4.3
Mining	0.6	0.6	0.4	0.5	0.3
Manufacturing	12.8	12.8	10.1	10.0	9.2
Sugar/rum	1.5	1.8	1.5	1.0	0.4
Food/drink	2.6	2.0	1.8	2.0	1.6
Textiles/footwear	0.9	0.8	0.4	0.4	0.4
Cement	1.1	1.0	1.3	1.1	1.2
Chemicals	0.9	0.9	0.5	0.7	0.4
Other	5.8	6.2	4.6	4.8	5.2
Construction development	13.9	14.8	6.7	7.4	5.3
Construction	11.4	12.7	5.5	6.0	4.3
Land development/acquisition	2.5	2.1	1.2	1.4	1.1
Financial institutions	4.5	5.7	22.6	7.0	7.2
Transport	9.9	8.6	6.5	6.7	3.7
Electricity, water, and gas	0.8	0.7	0.3	0.2	0.4
Government services	9.2	6.3	7.8	12.2	12.3
Distributive trade	7.4	7.7	5.9	7.7	7.2
Tourism and entertainment	8.4	8.0	6.5	8.6	10.6
Professional services	9.8	11.4	12.3	14.6	15.5
Personal	16.8	19.5	17.2	21.5	23.9

Source: Bank of Jamaica, Statistical Digest.

Table 29. Jamaica: Summary Accounts of Nonbank Financial Intermediaries

(End of period)

	1995	1996	1997	Prel. 1998	June 1999
(In millions of Jamaica dollars)					
I. Near-Banks 1/					
Net foreign assets	-1,348	-1,459	-325	-114	-105
Net domestic assets	7,880	7,066	5,845	6,032	6,807
Claims on public sector	-106	2,308	1,702	1,294	2,138
Central government (net)	1,018	3,190	2,316	1,963	2,430
Claims on selected public enterprises (net)	-603	-484	-170	-101	-98
Claims on other public enterprises (net)	-521	-398	-444	-568	-194
Credit to financial institutions	153	-1,125	-1,597	-719	-484
Commercial banks	87	...	...	...	...
Other	66	...	...	...	...
Credit to the private sector	7,331	9,281	6,615	4,025	3,033
Agricultural Credit Bank/National Development Bank related	219	651	859	251	223
Other	7,112	8,630	5,756	3,774	2,810
Medium-term foreign liabilities	-23	-23	-23	-23	-19
Other item (net)	525	-3,375	-879	1,455	2,139
Claims on the Bank of Jamaica (net)	1,261	1,383	1,225	1,270	698
Liabilities	7,794	7,248	6,739	7,189	7,399
Saving deposits	216	212	217	156	85
Time deposits	4,571	3,499	3,833	3,041	2,970
Other liabilities	3,007	3,537	2,689	3,992	4,344
II. Building Societies					
Net domestic assets	28,740	32,961	38,410	45,329	41,850
Mortgages	9,186	14,529	12,754	13,448	13,752
Liquid assets	11,548	9,121	8,363	8,736	7,074
Other assets	8,006	9,311	17,293	23,145	21,024
Liabilities	28,739	32,961	38,410	45,329	41,850
Shares	24,315	26,003	30,937	34,546	33,446
Other liabilities	...	...	4,920	7,177	4,805
Capital and reserves	...	...	2,553	3,606	3,599
III. Credit Unions					
Net domestic assets	0	5,832	7,621	9,447	11,132
Loans to private sector		3,652	4,563	5,549	5,957
Other		2,180	3,058	3,898	5,175
Liabilities	0	5,832	7,621	9,447	11,132
Shares		4,681	6,271	7,724	8,892
Other liabilities		1,151	1,350	1,723	2,240
IV. Agricultural Credit Bank					
Net domestic assets	1,699	2,083	2,642	5,242	...
Loans to commercial banks	615	686	671	711	...
Loans to cooperative banks	234	404	503	590	...
Loans to National Investment Bank of Jamaica	...	...	...	...	...
Investments in banks	1	1	1	1	...
Other	849	992	1,467	3,940	...

Table 29. Jamaica: Summary Accounts of Nonbank Financial Intermediaries (Concluded)

(End of Period)

	1994	1996	1997	June 1998	Proj. 1999
(In millions of Jamaica dollars)					
IV. Agricultural Credit Bank (Continued)					
Liabilities	1,699	2,083	2,642	5,242	...
Capital	29	29	29	29	...
Government loans	384	710	693	1,003	...
Foreign loans	853	783	780	3,021	...
Other	432	561	1,140	1,189	...
V. National Development Bank					
Net domestic assets	2,390	4,642	4,490	4,770	...
Loans to the private sector	1,092	2,639	2,608	2,794	...
Investments in banks	477	534	777	645	...
Other	822	1,469	1,105	1,331	...
Liabilities	2,390	4,642	4,490	4,770	...
Domestic loans	1,380	...	...	...	...
Foreign loans	...	...	...	...	...
Other liabilities	...	...	...	...	...
Capital	69	69	69	69	...
VI. Jamaica Mortgage Bank					
Net domestic assets	609	945	...	...	...
Loans and mortgages	336	308	...	...	...
Other investments	3	135	...	...	...
Deposits and bank balances	207	332	...	...	...
Other	64	170	...	...	...
Liabilities	609	945	...	...	...
Long-term loans	122	215	...	...	...
Other	487	730	...	...	...
VII. Jamaica Development Bank					
Net domestic assets	376	526	...	...	...
Investments in projects	12	63	...	...	...
Investments in banks	2	2	...	...	...
Other investments	101	191	...	...	...
Other	261	270	...	...	...
Liabilities	376	526	...	...	...
Government loans	2	275	...	...	...
Loans from financial institutions	50	55	...	...	...
Foreign loans	282	263	...	...	...
Other loans	232	59	...	...	...
Share capital	46	46	...	...	...
Other	-236	-172	...	...	...

Source: Bank of Jamaica.

1/ Consolidated accounts of merchant banks, trust companies, and finance companies. These institutions operate under the Financial Institutions Act which, in December 1992, replaced the Protection of Depositors Act, enacted in 1974.

Table 30. Jamaica: Balance of Payments Summary

	1995/96	1996/97	1997/98	Prel. 1998/99	Staff Proj. 1999/00
(In millions of U.S. dollars)					
Current account	-123	-93	-385	-198	-318
Trade balance	-901	-1021	-1147	-1105	-1270
Exports	1802	1689	1703	1551	1494
<i>Of which:</i>					
Bauxite	72	79	72	83	43
Alumina	650	588	657	587	647
Imports (fob)	2703	2710	2850	2656	2764
Services	529	503	466	539	578
<i>Of which:</i>					
Tourism receipts	1085	1134	1118	1217	1264
Income	-335	-232	-315	-268	-279
<i>Of which:</i>					
Interest payments	220	218	226	221	251
Current transfers	584	658	611	636	653
Capital transfers	29	35	13	18	18
Capital and financial account	123	93	385	198	338
Capital account	29	35	13	18	18
Financial account	94	58	372	180	320
Other official investment	-131	-118	106	-90	-49
Inflow	167	155	381	388	320
Bilateral	11	12	0	0	0
Multilateral	35	0	0	0	0
Other	121	143	381	388	320
<i>Of which:</i>					
Project financing	57	80	75	76	70
Outflow	298	272	275	477	369
Other private investment (net)	272	328	213	256	369
Direct investment	88	104	169	270	299
Other, including errors and omissions	184	224	44	-14	70
Change in reserves	-47	-152	53	14	-20
Changes in net international reserves	-47	-152	53	14	-20
Assets	48	-84	86	30	-6
Liabilities	-95	-68	-33	-16	-14



Table 30. Jamaica: Balance of Payments Summary (Concluded)

	1995/96	1996/97	1997/98	Prel. 1998/99	Staff Proj. 1999/00
(In percent of GDP)					
Current account balance	-2.5	-1.5	-5.7	-2.9	-4.6
Goods balance	-18.6	-16.0	-17.0	-16.0	-18.5
Exports	37.2	26.4	25.3	22.4	21.8
Imports	55.8	42.4	42.3	38.4	40.3
Services	10.9	7.9	6.9	7.8	8.4
Income	-6.9	-3.6	-4.7	-3.9	-4.1
Transfers	12.1	11.0	9.1	9.2	9.5
Capital account	0.6	0.5	0.2	0.3	0.3
Financial account	2.0	0.9	5.5	2.6	4.7
<i>Of which:</i>					
Private investment	5.6	5.1	3.2	3.7	5.4
Overall balance	-1.0	-2.4	0.8	0.2	-0.3

Sources: Bank of Jamaica; and Fund staff estimates and projections.

Table 31. Jamaica: Details of the Balance of Payments' Current Account

	1995/96	1996/97	1997/98	Prel. 1998/99	Staff Proj. 1999/00
(In millions of U.S. dollars)					
Current account	-123	-93	-385	-198	-318
Exports, f.o.b.	1,802	1,689	1,703	1,551	1,494
Bauxite	72	79	72	83	43
Alumina	650	588	657	587	647
Sugar	95	122	81	98	97
Bananas	46	44	44	33	30
CARICOM	57	56	46	45	...
Other	471	445	439	384	...
Re-exports	46	37	49	43	...
Freezone exports	335	286	286	251	...
Goods procured in ports	28	32	29	28	...
Imports, f.o.b.	2,703	2,710	2,850	2,656	2,764
Fuel, bauxite	120	125	92	72	107
Fuel, nonbauxite	286	338	279	213	324
Other bauxite	135	159	120	128	115
Consumer goods	737	741	950	917	928
Raw materials	1,172	1,042	1,125	1,086	1,066
Capital goods	477	544	593	516	517
Freezone imports	215	201	184	173	...
Goods procured in ports	29	21	20	18	...
Less freight and insurance	467	460	493	468	...
Trade account	-901	-1,021	-1,147	-1,105	-1,270
Transportation	-261	-260	-284	-255	-260
Receipts	246	234	253	268	...
Payments	507	494	537	524	...
Travel	951	952	941	1,018	1,066
Receipts	1,085	1,134	1,118	1,217	...
Payments	134	182	186	199	...
Other services	-162	-189	-190	-223	-228
Receipts	302	313	326	315	...
Payments	463	502	516	539	...
Services balance	529	503	466	539	578
Income	-335	-232	-315	-268	-279
Receipts	150	146	147	152	...
Payments	485	378	463	421	...
Transfers	584	658	611	636	653
Receipts	647	759	685	734	742
Payments	63	101	74	98	99
Services, income and transfers	778	929	762	907	952

Sources: Bank of Jamaica; and Fund staff estimates and projections.

Table 32. Jamaica: Details of the Capital Account of the Balance of Payments

(In millions of U.S. dollars)

	1995/96	1996/97	1997/98	Prel. 1998/99	Staff Proj. 1999/00
Capital and financial account	123	93	385	198	338
Capital account	29	35	13	18	18
Capital transfers	29	35	13	18	...
General government	20	14	4	6	...
Other sectors	8	21	9	12	...
Acquisitions and disposal of non-financial assets	0	0	0	0	...
Financial account	94	58	372	180	320
Other official investment	-131	-118	106	-90	-49
Inflows	167	155	381	388	320
Bilateral support	11	12	0	0	...
United States	11	12	0	0	...
United Kingdom	0	0	0	0	...
Canada	0	0	0	0	...
Other	0	0	0	0	...
Multilateral support	35	0	0	0	...
Government project financing	57	80	76	76	70
Other financing	14	63	305	312	250
Rescheduling	50	0	0	0	...
Outflows	298	272	275	477	369
Other private investment	272	328	213	256	369
Direct investment (net)	88	104	169	278	299
Other, including errors and omissions	184	224	44	-23	70
Reserves	-47	-152	53	14	-26

Sources: Bank of Jamaica; and Fund staff estimates and projections.

Table 33. Jamaica: Exports, f.o.b.

	1995/96	1996/97	1997/98	Prel. 1998/99	April-June 1999/00
(In millions of U.S. dollars)					
Total	1,802	1,689	1,703	1,551	327
Agricultural products	86	90	85	64	16
Bananas	46	44	44	33	8
Pimento	4	3	3	5	1
Cocoa	5	4	3	4	1
Coffee	26	33	31	17	5
Citrus	5	5	4	4	1
Tobacco	0	0	0	1	0
Ginger	0	0	0	0	0
Minerals	722	667	729	670	162
Bauxite	72	79	72	83	20
Alumina	650	588	657	587	142
Manufactures	491	488	428	401	119
Sugar	95	122	81	98	47
Rum	22	26	26	26	7
Liqueurs and cordials	1	1	1	2	1
Fruit preparations	6	6	5	7	2
Cigars and cheroots	9	9	21	24	2
Clothing	279	242	224	186	42
Mineral fuels and lubricants	7	5	3	3	2
Other manufactures	72	77	67	55	16
Re-exports	46	37	49	42	6
Free zone exports	335	286	286	251	226
Goods procured imports	29	32	29	28	25
Other	92	90	96	94	24
(In percent of total exports)					
Bauxite/alumina	40.1	39.5	42.8	43.2	49.5
Sugar	5.3	7.2	4.8	6.3	14.4
Bananas	2.6	2.6	2.6	2.1	2.4
CARICOM	4.0	4.1	3.3	3.5	3.4
Re-exports	2.6	2.2	2.9	2.7	1.8

Sources: Statistical Institute of Jamaica; and Bank of Jamaica.

Table 34. Jamaica: Value, Volume, and Unit Price of Principal Exports

(Value in millions of U.S. dollars; volume in thousands of metric tons)

	1995/96	1996/97	1997/98	Prel. 1998/99	April-June 1999/00
<b>Bauxite</b>					
Value	71.9	78.7	71.7	82.7	20.3
Volume	3,592.9	3,935.1	3,587.0	4,136.8	1,014.6
Unit price	20.0	20.0	20.0	20.0	20.0
<b>Alumina</b>					
Value	650.4	587.7	657.4	587.3	141.9
Volume	3,142.6	3,138.9	3,374.0	3,476.5	888.8
Unit price	207.0	187.2	194.8	168.9	159.6
<b>Sugar</b>					
Value	94.5	121.9	78.9	98.2	46.7
Volume	145.4	202.5	139.7	175.8	88.8
Unit price	649.9	602.0	564.8	558.6	525.9
<b>Bananas</b>					
Value	46.3	44.3	44.1	33.1	7.6
Volume	84.7	86.1	72.1	57.5	12.4
Unit price	546.6	514.5	611.6	575.6	612.9

Source: Statistical Institute of Jamaica.

Table 35. Jamaica: Summary Bauxite Sector Operations 1/

(In millions of U.S. dollars)

	1995/96	1996/97	1997/98	Prel. 1998/99
Total export value	620.2	571.7	651.0	577.4
Total production cost	571.8	612.2	644.2	618.1
Production levy 2/	90.2	67.5	71.5	79.2
Royalties 2/	3.0	5.0	5.2	6.4
Local production costs 2/	172.0	193.1	205.1	209.8
Foreign production costs	306.6	346.6	362.4	322.7
Wages and salaries	3.2	2.8	3.3	3.2
Fuel	118.0	123.5	128.4	101.0
Depreciation	46.2	47.7	47.6	47.6
Interest	5.0	4.2	3.7	3.3
Other goods and services	134.2	168.4	179.4	167.6
Imputed profits 3/	48.4	-40.5	6.8	-40.7
Memorandum items:				
Export value	620.2	571.7	651.0	577.4
Bauxite	71.8	78.7	71.3	82.7
Alumina	548.4	493.0	579.3	494.7

Sources: Bank of Jamaica; and Statistical Institute of Jamaica.

1/ Does not include operations at the Clarendon Alumina Plant (CAP) by the Government of Jamaica under arrangement that began in 1985/86. Figures based on companies' income statements differ from balance of pa

2/ The sum of production levy, royalties, and local production costs represents the net foreign exchange ear arising directly from domestic production.

3/ Total export value less production costs (including levy and royalties) equals imputed profits.

Table 36. Jamaica: Imports, c.i.f. 1/

	1995/96	1996/97	1997/98	Prel. 1998/99	April-June 1999/00
(In millions of U.S. dollars)					
Total 1/	2,926	2,948	3,139	2,932	713
End-use classification					
Consumer goods	738	745	933	918	219
Foods	200	219	271	275	67
Nondurables	235	230	286	291	72
Durables	303	296	376	352	80
Fuels	406	463	371	286	81
Raw materials	1,281	1,161	1,213	1,182	291
Capital goods	502	579	623	547	122
Construction material	148	133	173	158	36
Transport equipment	90	171	189	120	24
Other machinery	264	275	261	269	62
Bauxite/nonbauxite					
Bauxite sector	255	282	200	198	65
Fuel	120	127	92	71	26
Other	135	155	108	127	39
Nonbauxite sector	2,672	2,666	2,939	2,734	648
Fuel	286	336	279	213	55
Other	2,386	2,330	2,660	2,521	593
(In percent of total) 1/					
End-use classification					
Consumer goods	25.2	25.3	29.7	31.3	30.7
Foods	6.8	7.4	8.6	9.4	9.4
Nondurables	8.0	7.8	9.1	9.9	10.1
Durables	10.4	10.0	12.0	12.0	11.2
Fuels	13.9	15.7	11.8	9.7	11.4
Raw materials	43.8	39.4	38.6	40.3	40.8
Capital goods	17.2	19.6	19.9	18.7	17.1
Construction material	5.1	4.5	5.6	5.4	5.0
Transport equipment	3.1	5.8	6.0	4.1	3.4
Other machinery	9.0	9.3	8.3	9.2	8.7
Bauxite/nonbauxite					
Bauxite sector	8.7	9.6	6.4	6.7	9.1
Fuel	4.1	4.3	2.9	2.4	3.6
Other	4.6	5.3	3.5	4.3	5.5
Nonbauxite sector	91.3	90.4	93.6	93.3	90.9
Fuel	9.8	11.4	8.9	7.3	7.0
Other	81.5	79.0	84.7	86.0	83.2

Source: Statistical Institute of Jamaica.

1/ Excludes goods procured in ports and freezone airports.

Table 37. Jamaica: Foreign Trade Indices

(Base Year 1982 = 100)

	Export Indices			Import Indices			Terms of Trade
	Value	Volume 1/	Unit value 1/	Value	Volume	Unit value 1/	
1983	89.6	98.0	93.7	93.1	101.6	97.8	95.8
1984	92.4	103.4	88.8	86.1	87.9	103.2	86.1
1985	71.1	89.1	81.7	83.4	92.4	97.5	83.8
1986	75.7	99.8	82.8	70.1	93.7	92.1	89.9
1987	92.1	127.4	92.0	89.3	107.4	106.3	86.6
1988	114.7	127.6	108.1	105.1	127.4	114.1	94.7
1989	128.8	140.4	114.8	136.1	163.7	127.5	90.0
1990	149.8	168.8	110.3	136.4	162.8	134.9	81.8
1991	140.7	179.6	99.5	126.4	153.7	131.1	75.9
1992	137.4	193.3	94.1	125.2	177.1	128.8	73.1
1993	138.7	191.0	94.7	143.4	241.6	126.8	74.7
1994	158.1	213.2	96.8	145.1	249.4	134.0	72.2
1995	183.4	215.3	113.6	190.7	269.6	149.4	76.0
1996	179.2	220.5	111.0	194.5	303.1	166.5	66.7
1997	180.1	215.4	114.7	202.8	347.1	169.9	67.5
1998	168.6	214.9	108.8	198.5	366.2	167.7	64.9

Source: Statistical Institute of Jamaica.

1/ Excluding re-exports.



Table 38. Jamaica: Direction of Trade

	1994	1995	1996	1997	1998	Jan.-June 1999
(In millions of U.S. dollars)						
Total exports, f.o.b. 1/		1,437	1,387	1,387	1,316	623
Canada		167	164	195	151	54
CARICOM		59	53	46	44	20
Guyana		7	6	5	4	1
Trinidad and Tobago		21	17	15	16	7
Other		31	30	26	24	12
EU (formerly EEC)		410	427	402	365	226
United Kingdom		190	184	186	159	122
Other		220	243	216	206	104
Norway		113	91	80	88	41
Japan		26	31	32	17	8
United States		521	511	463	52	210
Venezuela		0	1	1	0	0
Other		141	109	168	113	64
Total imports, c.i.f. 2/		2,832	2,934	3,128	2,992	1,361
Canada		100	88	94	95	52
CARICOM		251	293	315	310	141
Guyana		7	7	22	29	13
Trinidad and Tobago		218	248	245	230	105
Other		26	38	48	51	23
EU (formerly EEC)		304	323	399	286	122
United Kingdom		115	114	117	115	47
Other		189	209	282	171	75
Netherlands Antilles		19	9	14	7	3
Japan		187	164	217	200	84
United States		1,425	1,531	1,504	1,523	681
Venezuela		58	67	66	46	27
Other		488	459	519	525	251
(In percent of total)						
Exports 1/	100.0	100.0	100.0	100.0	100.0	100.0
Canada	11.6	11.8	14.0	14.0	11.5	8.7
CARICOM	4.1	3.9	3.3	3.3	3.3	3.2
Guyana	0.4	0.4	0.3	0.3	0.3	0.2
Trinidad and Tobago	1.5	1.2	1.1	1.2	1.2	1.1
Other	2.2	2.2	1.9	1.8	1.8	1.9
EU (formerly EEC)	28.5	30.8	29.0	27.7	27.7	36.3
United Kingdom	13.2	13.3	13.4	12.1	12.1	19.6
Other	15.3	17.5	15.6	15.7	15.7	16.7
Norway	7.9	6.6	5.8	5.9	6.5	6.5
Japan	1.8	2.2	2.3	2.3	1.2	1.3
United States	36.3	36.8	33.4	39.5	39.5	33.7
Venezuela	0.0	0.1	0.1	0.0	0.0	0.0
Other	9.5	7.9	12.2	10.9	10.9	10.3
Imports 2/	100.0	100.0	100.0	100.0	100.0	100.0
Canada	3.5	3.0	3.0	3.0	3.2	3.8
CARICOM	8.9	10.0	10.1	10.4	10.4	10.4
Guyana	0.3	0.2	0.7	0.7	1.0	1.0
Trinidad and Tobago	7.7	8.5	7.8	7.7	7.7	7.7
Other	0.9	1.3	1.6	1.7	1.7	1.7
EU (formerly EEC)	10.8	11.0	12.7	9.6	9.6	9.0
United Kingdom	4.1	3.9	3.7	3.9	3.9	3.5
Other	6.7	7.1	9.0	5.7	5.7	5.5
Netherlands Antilles	0.7	0.3	0.5	0.2	0.2	0.2
Japan	6.6	5.6	6.9	6.7	6.7	6.2
United States	50.3	52.2	48.1	50.9	50.9	50.0
Venezuela	2.0	2.3	2.1	1.5	1.5	2.0
Other	17.1	15.6	16.6	17.5	17.5	18.4

Source: Statistical Institute of Jamaica.

1/ Excludes free zone exports and goods procured in ports.

2/ Higher than balance of payments data due to inclusion of payments for freight and insurance.

Table 39. Jamaica: Selected Tourism Data

	1995/96	1996/97	1997/98	Prel. 1998/99
Total number of visitors (in thousands)	1,794	1,860	1,881	1,962
Stopovers	1,044	1,056	1,088	1,144
Long stay 1/	993	1,006	1,031	1,085
Short stay 1/	51	51	58	59
Cruise-ship passengers and armed forces	623	695	691	716
Non-resident Jamaicans	127	110	102	102
Average length of stay for stopovers visitors (in days)	11	11	11	11
Total visitor days (in thousands)	11,899	12,523	12,336	12,955
Stopovers	11,276	11,828	11,645	12,240
Cruise-ship passengers and armed forces	623	695	691	716
Total expenditure in millions of U.S. dollars	1,085	1,134	1,118	1,217
Average daily expenditure (in U.S. dollars)				
Stopovers	87	88	87	91
Cruise passengers	83	86	83	84

Source: Ministry of Tourism.

1/ Long stay refers to three days or more; short stay refers to less than three days.

Table 40. Jamaica: Net Official International Reserves

(In millions of U.S. dollars, end period)

	1995/96	1996/97	1997/98	Prel. 1998/99	Staff Proj. 1999/00
Net reserves	496	649	595	582	601
Gross reserves	732	819	730	701	706
Holdings of SDRs	3	1	0	0	...
Other assets	729	818	730	700	...
Liabilities	-236	-170	-135	-119	-105
IMF	-216	-147	-112	-96	...
Norway Consultancy Fund	0	0	0	0	...
Libya	0	0	0	0	...
Iraq	-20	-23	-23	-23	...
CARICOM bilateral clearing facility	0	0	0	0	...
Marubeni	0	0	0	0	...
Short-term liability	0	0	0	0	...
Arrears	0	0	0	0	...
Memorandum items:					
Change in net reserves 1/	-47	-152	53	14	-20
Gross official reserves (in weeks of nonbauxite imports)	13	14	12	13	13

Sources: Bank of Jamaica; and Fund staff estimates and projections.

1/ Change from the same date a year ago. A minus sign indicates increase in net reserves.

Table 41. Jamaica: External Public Debt Outstanding

(In millions of U.S. dollars, end of period)

	1995/96	1996/97	1997/98	Prel. Est. 1998/99
<b>Total</b>	<b>3,476</b>	<b>3,234</b>	<b>3,270</b>	<b>3,220</b>
Medium- and long-term	3,422	3,181	3,230	3,220
<b>Official creditors</b>	<b>3,034</b>	<b>2,790</b>	<b>2,597</b>	<b>2,485</b>
Bilateral	1,813	1,713	1,461	1,420
OECD	1,631	1,538	1,316	1,285
Non-OECD	182	175	145	135
Multilateral	1,221	1,077	1,136	1,065
IBRD	386	283	396	351
IMF	214	146	113	98
Other	621	648	627	616
<b>Private creditors</b>	<b>388</b>	<b>391</b>	<b>633</b>	<b>735</b>
Commercial bank	297	281	283	155
Other	91	62	50	30
Bond issue	0	48	300	550
Short-term debt	54.0	53.3	40.0	...
Memorandum items:				
Total debt, percent of exports of goods and nonfactor services	101.2	96.1	96.2	96.1
Total debt, percent of GDP	68.6	50.8	49.3	48.2

Sources: Ministry of Finance; IFS; and Fund staff estimates and projections.

Table 42. Jamaica: External Public Debt Service 1/

	1995/96	1996/97	Prel. 1997/98	Prel. 1998/99
(In millions of U.S. dollars)				
Debt service payments (before rescheduling) 2/	624	545	506	613
Interest 3/	194	188	183	182
Total, excluding IMF	178	177	174	175
IMF	16	11	9	7
Amortization 4/	430	357	323	430
Total, excluding IMF	334	298	295	413
IMF	96	59	28	17
Debt service payments (after rescheduling)	574	545	506	613
Average interest rate on public debt	6.7	6.0	5.9	5.7
(In percent of exports of goods and nonfactor services)				
Debt service (before rescheduling)	18.2	16.2	14.9	18.3
Debt service (after rescheduling)	16.7	16.2	14.9	18.3
Debt relief	1.5	0.0	0.0	0.0
IMF payments	2.8	1.8	0.8	0.5
Interest payments (accrual basis)	5.6	5.6	5.4	5.4

Source: Debt Management Unit, Ministry of Finance and Planning.

1/ Comprises debt service on government debt due to borrowing, government guaranteed debt, and claims on Bank of Jamaica.

2/ Based on scheduled payments; includes changes in Bank of Jamaica reserve liabilities (other than those to the Fund).

3/ Includes interest payments on short-term public sector debt.

4/ Includes amortization of a 1982 advance out of bauxite levy receipts.

Table 43. Jamaica: Exchange Rates  
(Period averages)

	Official Market 1/	Nominal Effective Exchange Rate Index 2/	Real Effective Exchange Rate Index 2/
1980	1.781	248.9	151.5
1981	1.781	266.4	161.4
1982	1.781	283.1	167.4
1983	2.018	258.8	158.1
1984	4.055	153.1	110.5
1985	5.554	113.2	96.6
1986	5.476	110.4	103.9
1987	5.487	109.1	102.6
1988	5.490	110.3	104.6
1989	5.763	115.1	112.1
1990	7.291	100.0	100.0
1991	12.716	70.0	90.3
1992	22.969	36.9	78.1
1993	24.951	39.7	88.0
1994	33.190	33.9	86.0
1995	35.293	31.9	91.5
1996	37.120	30.8	108.9
1997	35.404	33.3	125.9
1998	36.581	33.0	134.3
1999	38.584	31.8	133.6
1997			
January	34.758	33.2	122.0
February	34.855	33.5	124.2
March	34.965	33.6	125.0
April	35.112	33.5	125.8
May	35.223	33.3	125.6
June	35.273	33.2	125.7
July	35.348	33.3	126.9
August	35.410	33.7	129.5
September	35.842	33.2	128.7
October	35.971	32.9	128.8
November	36.101	32.8	129.3
December	36.231	33.2	130.3
1998			
January	36.363	33.4	131.7
February	36.363	33.3	131.3
March	36.363	33.2	132.4
April	36.496	33.1	132.6
May	36.363	33.3	133.9
June	36.363	33.4	136.8
July	36.363	33.5	138.1
August	36.363	33.6	139.7
September	36.496	33.0	136.7
October	36.900	32.1	132.9
November	37.260	32.0	132.5
December	37.281	31.9	132.9
1999			
January	37.313	32.1	134.2
February	37.593	32.5	134.3
March	38.022	32.4	134.8
April	38.364	32.0	132.9
May	38.454	31.9	133.6
June	38.759	31.9	134.9
July	39.291	31.6	134.5
August	39.622	31.1	131.1
September	39.840	30.8	131.8

Source: IMF, Information Notice System.

1/ Monthly data are for the end of the month; Jamaica dollar per U.S. dollar.  
2/ 1990 = 100; increase in index represents appreciation of Jamaica dollar.

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<p><b>4.1.1 Property tax</b> Land Valuation Act No.15 of 1974; Property Tax Act No. 35 of 1973; Provisional Collection of Tax (Property Tax) (No.2) Order, 1974; Property Tax (Amendment of First Schedule) Order, 1976; Land Taxation (Relief) Act No. 36 of 1973, Gazette No. 42A, 1987.</p>	<p>Penalty for late payment: 10 percent of tax due, plus interest of 15 percent per annum.</p>	<p>Reliefs from property tax are statutorily granted under the Land Taxation (Relief) Act in respect of land used substantially for agricultural production. The derating relief is granted on a case-by-case basis and only three years at a time. Agricultural lands enjoy a relief of 50 percent of their tax due. In no case can the tax payable be reduced below J\$50.</p> <p>Relief from property tax can also be granted in the following categories of "hardship cases".</p> <p>(1) valuation based on potentialities of land far exceed valuations under its present use, particularly in case of owner occupied dwellings and agricultural lands on the fringes of commercial and industrial zones;</p> <p>(2) intended improvements on land necessitate substantial capital expenditure; and</p> <p>(3) sports and other organizations with approved purposes. The Minister can reduce or write off property taxes in case of needy individuals, pensioners, etc.</p>	
<p>The Provisional Collection of Tax (Property Tax) Order, 1993.</p>			
<p><b>4.2 Urban Renewal Tax Relief Act</b></p>	<p>Tax incentives designed to encourage and facilitate the re-development and restoration or derelict urban areas for social and economic rejuvenation. These incentives will attract the private capital necessary to achieve this objective.</p>	<p>Tax credit of 25 percent to an approved developer in respect of improvement works in any year of assessment.</p> <p>Interest income on urban renewal bonds issued by an approved organization is exempt from income tax.</p> <p>Renewal Bonds exempt from the payment of</p>	

**Jamaica: Summary of Tax System (Revised September, 1999)**

**(All Amounts in Jamaican Dollars)**

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>1. Tax on net income and profits</b>			
<b>1.1 Taxes on companies, corporations and enterprises.</b> The Income Tax Act 1954, as amended up to 1999.	<p>Annual tax on resident company income which accrued in or was derived from Jamaica or elsewhere irrespective of whether the income is remitted to Jamaica. For nonresident companies, on income which accrued in or was derived from Jamaica.</p> <p>The year of assessment is the period from January 1 to December 31 in each year.</p> <p>Bauxite mining income assessed on assumed net profit per ton of bauxite. To avoid the transfer pricing problem, profits are calculated on a transparent set of price indicators.</p>	<p><b>Exemptions:</b> Charitable, religious, scientific, and educational organizations are exempt under the Income Tax Act. Other enterprises are under the Industrial Incentives Act, the Export Industry Encouragement Act, the Hotel Incentives Act, the the Shipping Incentives Act, the Motion Picture Industry Encouragement Act, the Jamaica Export Free Zones Act, the Foreign Sales Corporations Act, the Income Tax Act in respect of prescribed agricultural activity and venture capital companies, the Cooperative Societies Act, and the Resort Cottages Act. The Urban Renewal (Tax Relief) Act offers exemptions on income, and incentive on capital expenditure to an approved organization or an approved developer in a special development area.</p> <p>Income from qualifying activities in the Export Free Zone is exempt from tax indefinitely.</p> <p>Income derived from hotels may be exempt up to 15 years.</p> <p><b>Deductions:</b> (1) Expenses wholly and exclusively incurred by corporations in earning income in the year of assessment are fully deductible. (2) Bad debts are deductible in the year of assessment in which they become bad. (3) Losses are deductible in the year of assessment and can be carried forward indefinitely until set off in full. There is no loss carry back. (4) For industrial and provident societies any payment to members on account of their transactions is tax deductible for building societies share interest and profits allocated to general reserves reserves up to 5 percent of assets are deductible items.</p>	<p><b>(1) Company Profit Tax:</b> 33.3 percent; building society 30.0 percent; life assurance company 7.5 percent.</p> <p><b>(2) Distributions:</b> Withholding tax (resident shareholder), 33.3 percent. On nonresident shareholder, appropriate Jamaican or treaty rate. Withholding tax on specified distributions to resident shareholders (other than capital dividends), security holders, and principal members (loans, residence), 33.3 percent.</p> <p><b>(3) Premium Income:</b> (a) Regionalized insurance companies - 1.5 percent of premium income. (b) Others - 2 percent of premium income.</p>



(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>1. Taxes on net income and profits</b>	<b>1.1 Taxes on companies, corporations, and enterprises.</b> The Income Tax Act 1954, as amended, up to 1999.	(5) National insurance contribution: employers-paid contributions are deductible.	
		<b>Tax Credit:</b> From 1994 tax credit is given on issue of bonus shares of nominal value not exceeding 50 percent of after tax profits.	25 percent of nominal value of shares issued.
		<b>Capital allowances:</b> Wear and tear for the write-off of fixed assets are permitted as below:	
		<b>(1) Industrial buildings:</b>	
		Initial allowance:	20 percent.
		Declining balance:	Rate approved by Commissioner.
		Annual Allowance	
		<b>(2) Nonresidential buildings:</b> annual allowance (only), prescribed rates. Basis: straight line or (fixed line) unless the allowance is being claimed under Section 13 (N).	
		<b>(3) Plant and machinery:</b>	
		Initial allowance:	20 percent.
		Annual allowance:	Various rates as stipulated.
		(1) Reducing balance	
		(2) Straight-line according to the formula: $\frac{5}{4} \times \frac{9}{10} \times \frac{1}{\text{anticipating normal working life}}$	Rate as calculated using the straight-line formula.
		<b>(4) Motor Vehicles:</b>	12.5 percent.
		Initial allowance	
		Trade vehicles only	
		Annual allowance	
		(a) Trade vehicles (straight line)	12.5 percent
		(b) Private vehicles Limited to a maximum of \$400 yearly and an aggregate maximum write-off of J\$3,200 (straight line).	

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Taxes on net income and profits	1.1 Taxes on companies, corporations, and enterprises. The Income Tax Act 1954, as amended, up to 1999.	(5) Basic Industry:	
		Manufacturing (including canning and preserving), construction, electricity, store warehouses, cold storage, and docks.	
		<i>Investment allowance</i> (in lieu of any initial allowance but not applicable in determining unallowed residue).	20 percent
		<i>Special allowance</i> for plant or machinery used on two shifts or more per day in specified canning and preserving, agricultural processing and manufacturing industries.	Not explicitly specified but not exceeding those applicable to plant and machinery.
		Special allowance is in the form of annual allowance in addition to normal annual allowance. The rates are similar to and should not exceed normal prescribed annual allowance rates subject to the restriction that the aggregate allowances (not including Investment Allowance) do not exceed the total cost of the asset.	
		(6) From 1994 Special Capital Allowances on new machinery.	50 percent write off for each of 2 years.
		(7) Sugar industry investment allowance:	40 percent.
		<i>Special investment allowance:</i> Not applicable in determining unallowed residue. The 40 percent may by election be spread forward up to six years. Any portion still remaining unallowed at the end of the period above may be carried forward to another 11 years. Total period for allowing the SIA is therefore 17 years.	
		Annual allowance:	Various prescribed rates.
		(8) Agricultural investment allowance on expenditure in farming. As above for sugar industry except that the total period for write-off is 11 years.	As per sugar industry.
		(9) Mines and oil wells:	20 percent.
		Initial allowance:	
		Annual allowance:	
		$\frac{\text{Output of the year}}{\text{Output of the year} + \text{total potential output}} \times \text{residue of expenditure}$	According to greater of formula or 1/20 of residue of expenditure.

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>1. Taxes on net income and profits</b>		(10) Plant and machinery (used for mines and oil wells but treated as plant and machinery for year). Annual allowance (as for ordinary plant and machinery).	Prescribed rates determined by Commissioner.
<b>1.1 Taxes on companies, corporations, and enterprises.</b> The Income Tax Act 1954, as amended, up to 1999.		(11) Scientific research: Annual allowance.	20 percent of capital expenditure and 1/4 of other relevant full write-off of relevant expenditure not of a capital nature.
		(12) Patents allowance: Annual	1/14 of capital expenditure annually.
		<b>Note:</b> companies enjoying exempt status are not eligible for special investment allowances.	
	A tax on "world income" accruing to or derived by residents from any trade, business, rental, profession, employment, or vocation. Nonresidents are taxed on all income accruing in or derived from Jamaica. Although there is no specific provision, capital receipts and gains are not considered income.	Income derived by nonresidents on investment or deposits in building society, housing schemes, approved public utilities, and hotel enterprises are tax exempt.	<b>Taxable income:</b> all taxable income is taxed at the flat rate of 25 percent. Nonresident also pay at the rate of 25 percent, or at a rate under Double Taxation Treaty.
<b>1.2 Taxes on Individuals</b> The Income Tax Act 1954, as amended up to 1999.	Income from employment during the current fiscal year is subject to pay-as-you-earn (PAYE) assessment. As regards other sources of income, the current fiscal year also forms the basis for assessment purposes.	Residents and nonresidents enjoy the following exemptions or deductions:  (1) Profits or gains on shares, stocks, and securities (if these do not exceed one half of statutory income from other sources).  (2) Dividends from approved investments, including from firms receiving tax holidays.  (3) Interest on government securities paid out of Consolidated Fund.  (4) Proceeds from approved pension scheme or a statutory pension scheme up to J\$45,000.  (5) Lump-sum payments from public funds.  (6) Income from prescribed agricultural activity.	<b>Withholding taxes</b>  (a) <i>Residents</i> Interest payments, 25 percent; dividends 25 percent  (b) <i>Nonresidents</i> 25 percent or at treaty rate.  Exemptions from withholding tax:  (a) Interest paid to an approved overseas organization;  (b) Interest from investment by nonresident (other than a resident in a tax treaty country) in a building society; and approved housing scheme or an approved public utility.

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>1.2 Taxes on Individuals</b> The Income Tax Act 1954, as amended up to 1999.	<p>Employment income includes estimated annual values of perquisites or other benefits provided in kind, and pensions, annuities, etc., for past services. Annual value of housing accommodation provided by the employer (maximum limit 15 percent of total emoluments) is included in chargeable income. Payments by the employer of services at the employee's residence, for example, electricity, gas, telephone, domestic helpers, etc., are also considered perquisites and are taxable in the hands of the employee but upkeep allowances for motorcars paid to public servants are excluded.</p> <p>Income of a married woman living with her husband shall be assessed and charged to tax as if she were unmarried, but joint assessment may be elected.</p>	<p>(7) Total income not in excess of J\$100,464 for non-pensioners, or J\$145,464 for pensioners under 65 years or J\$190,464 for pensioners 65 years and over.</p> <p>Note: A non-resident does not enjoy the tax free income of \$100,464.</p> <p>(8) All expenses incurred wholly or exclusively in acquiring income are deducted. Contributions to National Insurance Scheme are fully deductible but limits have been placed on allowable deductions for pension contributions (up to 10 percent of total emoluments).</p> <p>(9) Payments for telephone, the employee's residence, used for the purpose of the employment is not taxed. Other payments exempt from tax are:</p> <ul style="list-style-type: none"><li>(a) meals provided outside of normal working hours; and</li><li>(b) uniforms or laundry where the employee is required to wear a uniform.</li></ul> <p>(10) Interest on foreign currency deposit accounts.</p> <p>(11) The taxpayer enjoys a full and complete offset of losses incurred in the course of earning income.</p> <p>(12) Employer's contributions to an approved superannuation fund or retirement scheme.</p> <p>(13) <b>Integration:</b> Taxable income from dividend is the gross amount of dividend but tax withheld is credited against shareholder's income tax liability.</p> <p>(14) Interest-bearing deposits of life insurance companies held for three or more years are tax exempt.</p> <p>(15) Income for scholarship and bursary received by an individual attending full-time school is tax exempt.</p>	<p>(3) Mining companies registered in Jamaica</p> <p>Interest paid overseas on mining related debt: Nil.</p> <p>Limited to J\$5,739 for uniform and J\$3,395 for laundry.</p>

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>1.2 Taxes on Individuals</b> The Income Tax Act 1954, as amended up to 1999.		(16) Income from approved gratuity scheme in the tourist industry is exempt.  (17) Income from approved productivity scheme is exempt.	
<b>2. Contributions for social security</b>			
<b>2.1 Social security contributions</b> National Insurance Act No. 38 of 1965, as amended.	Social Security contributions, initiated in April 1966, finance the National Insurance Scheme, an autonomous body administered by the Ministry of Pensions and Social Security. Benefits provided by the scheme are old age, widows, widowers, children, and invalid's pensions, lump sum and funeral grants, and payments for certain employment-related accidents and certain diseases.	Persons below 18, men over 70 years of age, and women over 65 years of age are exempt.	Employed persons pay 2.5 percent of emoluments not exceeding J\$20,833 per month or J\$4,808 per week, and employers pay 2.5 percent. Self-employed persons pay 5 percent of annual earnings not exceeding J\$250,000 per annum. Domestic workers, members of Jamaica Defence Force, and their employers pay J\$10 each per week. Voluntary contributors pay J\$20 per week.
<b>3. Payroll contributions</b> <b>3.1 National Housing Trust Contributions</b> National Housing Trust, Act No. 32 of 1979).	Compulsory in nature, these contributions are made by employers and employees. They are refundable and earn interest, at present 7 percent a year. Refund is to be made to employees in the eighth year after the contribution is collected or at the time of retirement, whichever comes earlier, and to employers in the 26th year after the contribution is collected.  Employees receive interest along with repayment of their contribution after seven years.  These contributions accrue to National Housing Trust, an autonomous body, which finances low-cost housing and which began operation on January 1, 1976. Employers are charged a penalty rate of 20 percent on contributions not paid on due dates.	Men over 65 and women over 60 years of age are exempt.  Employers' contributions are deductible in arriving at taxable income.	Contributions are based on gross wages (including overtime but excluding allowances). Employees: 2 percent Employers: 3 percent  Self-employed persons pay 3 percent.
<b>3.2. Human Employment and Resource Training Contributions</b> H.E.A.R.T. (Act. No. 13 of 1982).	Contributions to the H.E.A.R.T. Trust Fund are used to finance the development of employment opportunities for trainees.	The following are exempt:  (a) a Ministry or Department of Government;  (b) a statutory body or authority;	3 percent of emoluments payable by employer

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates																		
<b>Payroll Contributions</b>		<p>(c) a company registered under the Companies Act, being a company in which the Government or an agency of Government holds not less than 51 percent of the ordinary shares;</p> <p>(d) any Parish Council;</p> <p>(e) the Kingston and St. Andrew Corporation;</p> <p>(f) any employer whose average monthly payments of emoluments to employees during the period of 12 months immediately preceding the appointed day and during any subsequent contribution year, does not exceed the prescribed amount.</p>																			
<b>3.3 Education Tax</b> Education Tax Act. 1987	Tax on earnings of individuals. Total emoluments are those subject to PAYE for income tax purposes.	Persons below 18 and over 65 years of age.	In respect of employed persons:  (a) self-employed persons: 2 percent of their earnings;  (b) other employed persons: 2 percent of their emoluments payable by employee; 3 percent of the emoluments payable by employer;  (c) domestic workers: 20 cents a week payable by employees and 20 cents a week payable by employers;																		
<b>4. Taxes on property</b> <b>4.1 Real Property Tax</b>																					
<b>4.1.1 Property tax</b> Land Valuation Act No.15 of 1974; Property Tax Act No. 35 of 1973; Provisional Collection of Tax (Property Tax) (No.2) Order, 1974; Property Tax (Amendment of First Schedule) Order, 1976; Land Taxation (Relief) Act No. 36 of 1973, Gazette No. 42A, 1987.	Levied in all parishes since 1974, on the site value of property (excluding buildings and crops). Valuations are based on market value of land at the valuation date--once every five years-- and are based on its location and present use, land prices in the area, zoning, type of land, development potential of land or "highest and best use of land" as against existing use of land. Property tax does not include water rates or sewerage rates.	Property belonging to Central Government, municipal corporations, and parish councils are exempt from property tax. Churches, hospitals, educational institutions, and approved social, cultural, and charitable organizations are exempt from property tax.	The following rates are effective April 1993: <table border="1"> <thead> <tr> <th data-bbox="1551 1230 1724 1252">Unimproved values</th> <th data-bbox="1776 1230 1881 1252">Rate of tax</th> </tr> </thead> <tbody> <tr> <td data-bbox="1551 1260 1661 1281">Up to 20,000</td> <td data-bbox="1776 1260 1808 1281">\$50</td> </tr> <tr> <td data-bbox="1551 1289 1688 1310">20,001-50,000</td> <td data-bbox="1776 1289 1881 1310">0.10 percent</td> </tr> <tr> <td data-bbox="1551 1318 1688 1339">50,001-100,000</td> <td data-bbox="1776 1318 1881 1339">0.30 percent</td> </tr> <tr> <td data-bbox="1551 1347 1703 1369">100,001-500,000</td> <td data-bbox="1776 1347 1881 1369">0.75 percent</td> </tr> <tr> <td data-bbox="1551 1377 1713 1398">500,001-1,000,000</td> <td data-bbox="1776 1377 1881 1398">1.50 percent</td> </tr> <tr> <td data-bbox="1551 1406 1730 1427">1,000,001-2,500,000</td> <td data-bbox="1776 1406 1881 1427">2.00 percent</td> </tr> <tr> <td data-bbox="1551 1435 1730 1456">2,500,001-5,000,000</td> <td data-bbox="1776 1435 1881 1456">2.50 percent</td> </tr> <tr> <td data-bbox="1551 1464 1688 1485">Over 5,000,000</td> <td data-bbox="1776 1464 1881 1485">3.00 percent</td> </tr> </tbody> </table>	Unimproved values	Rate of tax	Up to 20,000	\$50	20,001-50,000	0.10 percent	50,001-100,000	0.30 percent	100,001-500,000	0.75 percent	500,001-1,000,000	1.50 percent	1,000,001-2,500,000	2.00 percent	2,500,001-5,000,000	2.50 percent	Over 5,000,000	3.00 percent
Unimproved values	Rate of tax																				
Up to 20,000	\$50																				
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(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>4.1.1 Property tax</b>	Penalty for late payment: 10 percent of tax due, plus interest of 15 percent per annum.	Reliefs from property tax are statutorily granted under the Land Taxation (Relief) Act in respect of land used substantially for agricultural production. The derating relief is granted on a case-by-case basis and only three years at a time. Agricultural lands enjoy a relief of 50 percent of their tax due. In no case can the tax payable be reduced below J\$50.	
Land Valuation Act No.15 of 1974; Property Tax Act No. 35 of 1973; Provisional Collection of Tax (Property Tax) (No.2) Order, 1974; Property Tax (Amendment of First Schedule) Order, 1976; Land Taxation (Relief) Act No. 36 of 1973, Gazette No. 42A, 1987.		Relief from property tax can also be granted in the following categories of "hardship cases".	
The Provisional Collection of Tax (Property Tax) Order, 1993.		(1) valuation based on potentialities of land far exceed valuations under its present use, particularly in case of owner occupied dwellings and agricultural lands on the fringes of commercial and industrial zones;	
		(2) intended improvements on land necessitate substantial capital expenditure; and	
		(3) sports and other organizations with approved purposes. The Minister can reduce or write off property taxes in case of needy individuals, pensioners, etc.	
<b>4.2 Urban Renewal Tax Relief Act</b>	Tax incentives designed to encourage and facilitate the re-development and restoration or derelict urban areas for social and economic rejuvenation. These incentives will attract the private capital necessary to achieve this objective.	Tax credit of 25 percent to an approved developer in respect of improvement works in any year of assessment.	
		Interest income on urban renewal bonds issued by an approved organization is exempt from income tax.	
		Renewal Bonds exempt from the payment of Stamp Duty.	
		Where approved developer leases improved property in a special development area during the incentive period, tax relief on the income obtained from the lease.	
<b>4.3 Death and Gift Taxes</b>	None except transfer tax (see 4.4 and 4.5)		

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>4.4 Transfer Tax Inter Vivos</b> <b>Transfers</b>	Tax payable since 1970 for the transfer on the market value of property at the time of its transfer, including gifts. Property includes land (lease of land, interest in land), and shares (debentures, other securities and annuities).	Property transfers by Government of Jamaica, municipal corporations, and parish councils are exempt. Gifts to approved institutions, charitable, religious, etc., and for approved purposes are also exempt.	For all property transfers 7.5 percent of market value (except in case of death) or 37.5 percent of the national capital gain realized on the transfer whichever is less.
<b>Mortis Causa Transfer</b>	Since 1975, transfers on death have also been subjected to this tax and all land, shares, and other property of the deceased persons, including immovable property outside Jamaica, but excluding life insurance policies, is subject to tax.  False return, or failure to file a return is an offense liable to a J\$2,000 fine and/or imprisonment.	Distributions by corporations of income, gains, and benefits, which are not in the nature of capital distributions, are exempt.  First J\$10,000 for transfer of real estate is tax exempt if the value of the property does not exceed J\$150,000, and so are government securities. Other exemptions include:  (a) principal place of residence value which does not exceed J\$150,000;  (b) shares and securities sold in the Jamaica Stock Exchange through a broker.  Full reliefs are granted from tax in case of:  (a) properties on whose transfer capital gain is not more than 12.5 percent of the value in 1970; and  (b) value of crops, trees, etc., on an agricultural property.  Deductions are made from deceased person's taxable property of mortgages, debt, funeral expenses, etc., before tax is charged.	Aggregate of property transfers by the deceased:  First J\$10,000 Nil J\$10,001 - J\$40,000 10.0 percent J\$40,001 - J\$100,000 12.5 percent Remainder 15.0 percent
<b>4.5 Transfer Tax Mortis Causa</b> <b>Transfer</b>			



(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>5. Tax on Goods and Services</b>	Goods and services supplied in or imported into Jamaica.	<b>Deduction</b>	All taxable goods and services are taxed at 15 percent with effect from April 24, 1995 except:
<b>5.1 General Consumption Tax</b> Acts Nos. 16 and 21 of 1991, amended June 18, 1993.	Taxable activity includes activity carried on in the form of a business, trade, profession, vocation, association or club.	Input tax credit being tax charged on the supply or on the importation of goods and services required wholly or mainly for the purpose of making taxable supplies.	1) Portland Cement 12.5 percent 2) Pre-mixed Concrete 12.5 percent 3) Cement Blocks 12.5 percent 4) Steel reinforcing bars 12.5 percent 5) 1/4 inch steel wire 12.5 percent #6 steel wire 12.5 percent
Gazette No. 25, June 18, 1993.	<b>(a) Zero-rated Items</b> <b>General</b>	"1. The following substances: (a) any drug	
Gazette No.12 <sup>A</sup> , February 10,1994	(i) <b>Agriculture:</b> including animal feeds (except pet food), machetes, 11.43 cm triangular cutlass files, grubbing hoes, farm forks (that is to say, four pronged forks), hog wire, mesh wire and barbed wire which the Commissioner is satisfied are purchased solely for use in agricultural activities, irrigation equipment, planting material, fishing apparatus, gear, boats, engines and parts for commercial fishermen, fertilizer, fungicides, herbicides, plant growth regulators, nematocides.	(i) specified in the Fourth Schedule (list 4 Drugs) to the Food and Drugs Regulations, 1975; or	
Act 10 of 1995		(ii) used primarily in the treatment of asthma;	Zero percent
Act 4 of 1997		(b) diagnostic reagents used for the testing of dextrose in the blood and glucose, protein, ketones, and pH in the urine;	
		(c) any of the following:	
	(ii) <b>Health:</b> medical, dental, surgical, ophthalmic or veterinary instruments, orthopedic appliances, surgical belts, trusses, splints, canes, crutches, artificial limbs, eyes, teeth, x-ray or radiation appliances, invalid carriages, bandages and gauze.	(i) tropical antifungal preparations;	
		(ii) scabicides and pedicuticides	Zero percent
		(iii) anthelmintics;	
	<b>Other:</b> Corn Soyameal Wheat	(iv) hemorrhoidal preparations in ointment or suppository form;	Zero percent
	(iii) Diplomatic and international organizations - all articles for use by the Governor General or for diplomatic missions and international organizations.	(v) analgesics and anti-inflammatory agents;	
		(vi) all contraceptive devices and substances;	Zero percent
	(iv) Exports.	(vii) surgical gloves, including disposable, sterile and those made of latex rubber;	Zero percent
	(v) Goods purchased or imported by central or local government or statutory bodies (other than those excepted).	(viii) cough and cold preparations;	Zero percent
		(ix) antacids;	

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>5.1 General Consumption Tax</b>			
Acts Nos. 16 and 21 of 1991, amended June 18, 1993. Gazette No. 25, June 18, 1993.	(vi) Places of worship - Altar bread, matzos, unleavened bread, communion wafers, candles, myrrh, frankincense, offertory envelopes, goods, solely for furnishing or decorating place of worship.	(x) band aid; (xi) anti-histamines; (xii) preparations for acne and eczema;	Zero percent
Gazette No.12 <sup>A</sup> , February 10,1994	(vii) Books, newspapers, booklets, maps, stationery and other apparatus solely for use in education, brochures and pamphlets for religious purposes.	(xiii) olbas oil, vaso constrictors, vaso dilators and other drugs used to loosen congestion;	Zero percent
	(viii) Miscellaneous items:	(xiv) ophthalmic drops and washes;	
	(a) sports equipment for basketball, boxing, cricket, football, hockey, netball, table tennis, track and field, ball, dominoes, badminton, cycling, golf, lawn tennis, rugby, softball, squash, swimming.	(xv) antiseptics and disinfectants;	Zero percent
	(b) Some gift parcels.	(xvi) simple single constituent medicines packaged in small containers used for first aid;	
	(c) Passenger baggage.	(xvii) rubbing alcohol";	
	(d) Re-imports.	(xviii) bay rum;	
	(e) Gold bullion.	(xix) laxatives;	
	(f) Unused postage stamps.	(xx) anti-diarrhoeal preparations;	
	(g) Goods except motor vehicles acquired by Boys' Scout or Girls' Guide Associations and other youth organization approved by the Minister.	(xxi) disposable diapers for the incontinent".	
	(h) Insurance in respect of buses used for public passenger transport.		
	(ix) Motor vehicles for use by prescribed persons e.g., statutory bodies, parliamentarians, school principals, medical practitioners, nurses, public health officers, travelling officers.		Zero percent
	(x) Apparatus designed to produce energy, heat, light, etc., from sun, wind, water and other renewable sources of energy		Zero percent
	(xi) Energy-saving devices - fluorescent lamps and ballasts.		Zero percent
	(xii) Coverings and containers (including boxes, barrels, crates, bottles and bags).		Zero percent

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>5.1 General Consumption Tax</b>			
Acts Nos. 16 and 21 of 1991, amended June 18, 1993.	(xiii) Items under enactment's exempt from customs duty:		
	1. The Bauxite and Alumina Industries (Encouragement) Act.		
	2. The Export Industry Encouragement Act.		
Gazette No. 25, June 18, 1993.	3. The Hotels (Incentives) Act.		
	4. The Industrial Incentives Act.		
Gazette No.12 <sup>A</sup> , February 10,1994	5. The Industrial Incentives (Factory Construction) Act.		
	6. The Jamaica Export Free Zones Act.		
	7. The Motion Picture Industry (Encouragement) Act.		
	8. The Petroleum Act		
	9. The Petroleum Refining Industry (Encouragement) Act.		
	10. The Resort Cottages (Incentives) Act.		
	(xiv) Goods used in the Modernization Program.		
	<b>(b) Items Attracting Special Rates of GCT</b>		
	Motor cars (including buses with less than 10 seats including driver's seat) with a taxable base for imports as follows:		
	By a dealer: The consideration		
	Other importer: Customs Duty value + Customs Duty		
	- not exceeding 1000 cc		17.094 percent imported by dealer 19.23 percent other importer
	-- 1000 cc - 1500 cc		27.35 percent imported by dealer 30.76 percent other importer
	-- 1500 cc - 2000 cc (gas), 2200 (diesel)		34.188 percent imported by dealer 38.46 percent other importer
	-- 2000 cc - 3000 cc (gas), 2200 cc - 3200 cc (diesel)		57.28 percent imported by dealer 57.69 percent other importer
	-- exceeding 3000 cc (gas), 3200 cc (diesel)		157.26 percent imported by dealer 176.92 percent other importer
	Limousines for tourism		51.28 percent imported by dealer 57.69 percent other importer

## (All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>5.1 General Consumption Tax</b>			
Acts Nos. 16 and 21 of 1991, amended June 18, 1993.	Motor tractors, trailers, motor chassis for agriculture.		12.6984 percent imported by dealer 14.2857 percent other importer
Gazette No. 25, June 18, 1993.	Other motor tractors, trailers, motor chassis.		21.164 percent imported by dealer 23.809 percent other importer
Gazette No.12 <sup>A</sup> , February 10,1994	Trucks for agriculture		8.08 percent imported by dealer 9.09 percent other importer
	Other Trucks		
	-- under 2032 kg.		36.36 percent imported by dealer. 40.91 percent other importer.
	-- exceeding 2032 kg.		20.20 percent imported by dealer. 22.72 percent other importer
	(i) Range Rover, Jeep, Pathfinder or Trooper for use in agriculture.		20.51 percent imported by dealer. 23.076 percent other importer
	(ii) Other of (i) above not exceeding 2000 cc (gas) 2200 (diesel).		34.188 percent imported by dealer. 38.46 percent other importer.
	(iii) Others of (i) and (ii) above not exceeding 3000 cc (gas), 3200 cc (diesel).		51.28 percent imported by dealer. 57.69 percent other importer.
	(iv) Others of (i) above exceeding 3000 cc (gas), 3200 (diesel).		157.265 percent imported by dealer. 176.92 percent other importer.
	Buses including mini-buses except those below:		76.77 percent imported by dealer. 86.36 percent other importer.
	Buses and minibuses for public transportation and tourism with:		
	(i) seating capacity of 15-24 seats		20.20 percent imported by dealer. 22.72 percent other importer.
	Buses and minibus for tourism with seating capacity:		
	(a) 9-14 seats; and		36.36 percent imported by dealer. 40.90 percent other importer.

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>5.1 General Consumption Tax</b>			
Acts Nos. 16 and 21 of 1991, amended June 18, 1993.	(b) less than 9 seats		17.094 percent imported by dealer. 19.23 percent other importer.
Gazette No. 25, June 18, 1993.	(ii) seating capacity of 25 or more seats		Zero percent
Gazette No. 12 <sup>A</sup> , February 10, 1994	Any other mechanically propelled road motor vehicle except motor cycles and invalid carriages.		29.6296 percent imported by dealer 33.3333 percent other importer
	Second sale of motor vehicles made by a person who is not a registered taxpayer.	Motor vehicles over 8 years old.	
	(a) Motor cars not exceeding 2000 cc		\$2,000
	2000 cc - 3000 cc		\$4,000
	Exceeding 3000 cc		\$6,000
	(b) Trucks not exceeding 1,524 kg		\$2,000
	1,524 kg - 3,048 kg		\$4,000
	Exceeding 3,048 kg		\$6,000
		<b>Exemptions</b>	
		Activities carried on essentially as a private recreational pursuit or hobby.	
		Any engagement, occupation or employment under any contract of service or as a director of a company.	
		<b>Goods</b>	
		1. Travel tickets for international travel.	
		2. Coffins made of wood.	
		3. Ice (except ice sold in retail packages).	
		4. Marl, sand, gravel, stone and top soil.	
		5. Raw foodstuff as follows:	
		(a) fresh fruits and vegetables, excluding imported apples, pears, quinces, apricots, cherries, peaches (excluding nectarines), plums, sloes, berries, grapes and kiwis;	
		(b) ground provisions;	
		(c) legumes;	
		(d) onions and garlic;	

(All Amounts in Jamaican Dollars)

Tax	Nature of Tax	Exemptions and Deductions	Rates
<b>5.1 General Consumption Tax</b> Acts Nos. 16 and 21 of 1991, amended June 18, 1993.  Gazette No. 25, June 18, 1993.  Gazette No.12 <sup>A</sup> , February 10,1994		(e) meat; (f) poultry; (g) fish, crustacean or mollusc, which contain no additive and which is not subject to any process other than: (i) freezing, chilling, salting or packaging; (ii) slicing, mincing, grinding, dicing or chopping; or (iii) natural drying.	
		6. Milk (including powdered skimmed) but excluding flavored milk, milk-based products and milk substitutes.	
		7. Cornmeal and cereal flour which is known as counter flour and which is made from cereal containing thiamin, riboflavin, niacin and iron but no other additives.	
		8. Corned beef.	
		9. Pickled mackerel, herring, shad and dried salted fish.	
		10. Canned sardines, herrings and mackerel.	
		11. Infant formulae.	
		12. (1) Bread, buns, bullas, biscuits and crackers.  (2) In paragraph (1) "cracker" means small dry bakery products made only of bleached flour and water with or without leavening or shortening and salted, the total weight of which contains not more than ten percent of sugar and without flavoring, coating or topping and verified to be such by the Bureau of Standards.	
		13. Rice.	
		14. Sugar (brown).	
		15. Soya oil (pure or mixed), coconut oil and margarine.	
		16. Salt.	
		17. Eggs.	