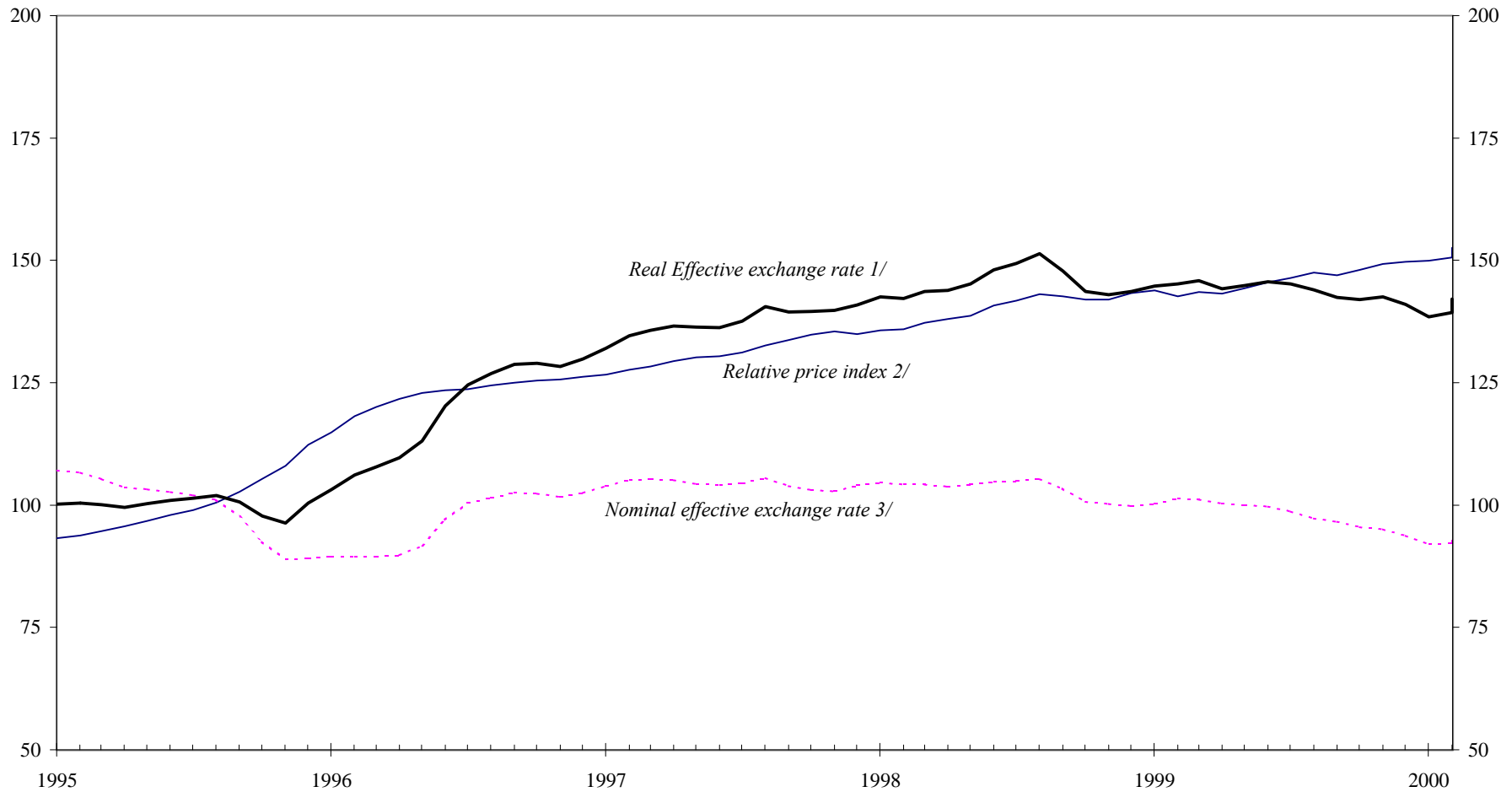


Figure 1. Jamaica
Exchange Rate Developments
(1995=100)



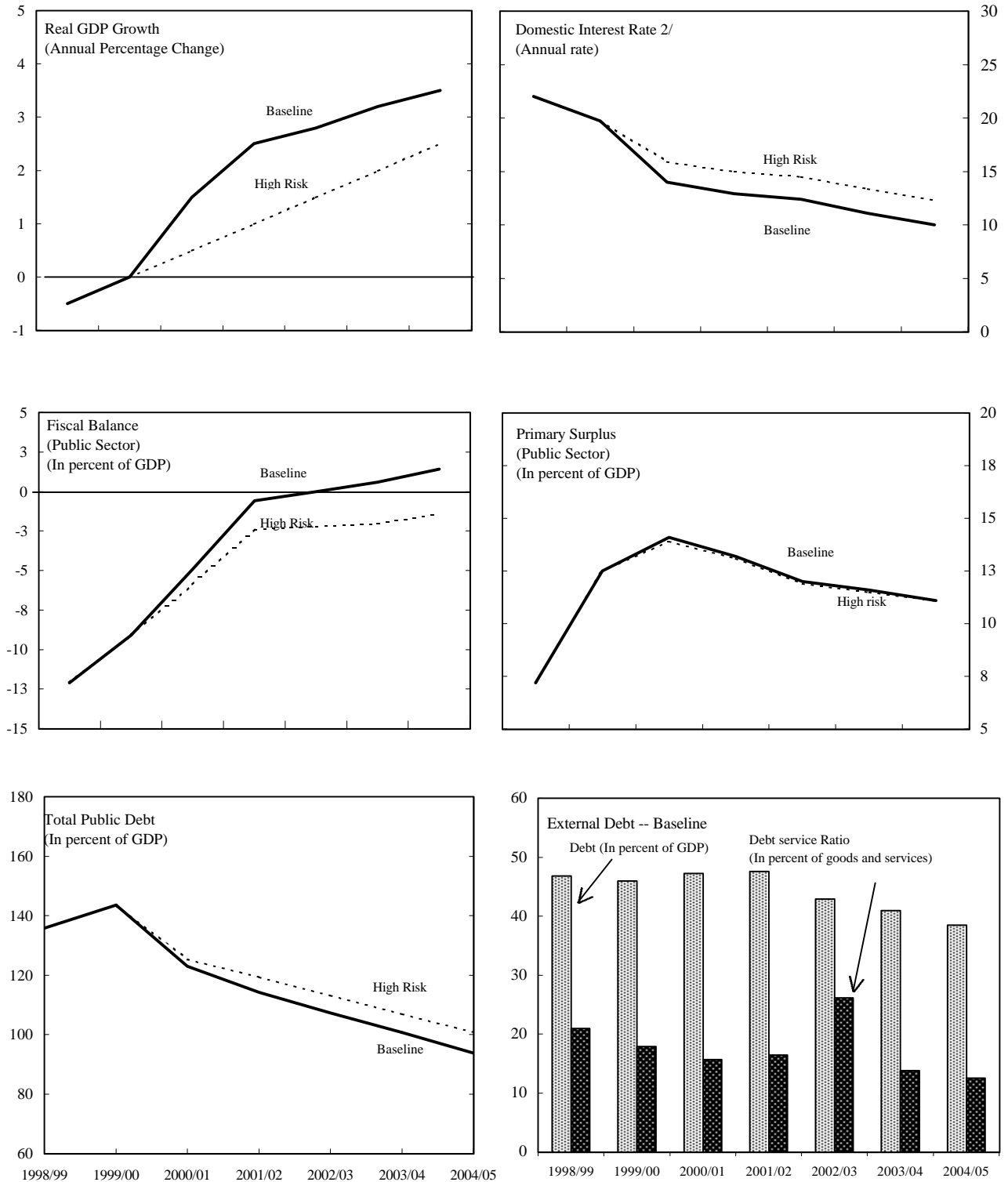
Source: IMF Information Notice System.

1/ Nominal effective exchange rate deflated by relative prices; increase means appreciation.

2/ Measured by seasonally adjusted consumer price indices.

3/ Trade weighted index of nominal exchange rates.

Figure 2. Jamaica: Medium-Term Outlook 1/



Source: Data provided by the Jamaican authorities.

1/ The baseline scenario reflects policies incorporated in the authorities' program. The high risk scenario assumes a less rapid decline in domestic interest rates and slower economic recovery.

2/ Six-month Treasury bill rate that is a key domestic benchmark rate.

Table 1. Jamaica: Selected Economic and Financial Indicators 1/

	1997/98	1998/99	Prel. 1999/2000	Proj. 2/ 2000/01	Proj. 2/ 2001/02
(Annual percentage changes; unless otherwise specified)					
GDP, prices, wages and interest rates					
GDP at constant prices	-1.7	-0.5	0.0	1.5	2.5
GDP deflator	10.5	6.8	7.9	6.8	6.6
Nominal GDP					
(U.S. dollars billions)	6.9	7.1	7.2	7.4	7.8
(Jamaica dollars billions)	246.4	262.2	289.4	313.3	343.7
Per capita GDP (in U.S. dollars)	2,712	2,772	2,789	2,831	2,995
Consumer prices (end of period)					
(period average)	8.8	6.0	8.4	7.0	6.5
	9.1	8.1	6.3	7.7	6.8
Nominal wages 3/					
Large establishments	22.5	12.3	16.1	...	...
Government wage bill (cash basis)	20.9	9.8	-0.1	8.1	8.0
Interest rate (six-month treasury bills, end of period)					
Lending rate (weighted average, end of period)	24.6	22.0	19.7	14.0	12.9
	35.3	32.1	27.7	19.8	17.8
Money and credit 4/					
Net domestic assets of the banking system 5/					
Public sector	7.5	8.8	6.2	-3.4	3.7
Private sector	54.9	25.2	9.0	-4.5	2.4
Liabilities to private sector 6/	-6.3	-6.0	-4.9	2.6	2.9
Velocity (GDP relative to liabilities to private sector)	6.7	11.5	18.6	8.4	9.1
	2.7	2.5	2.4	2.5	2.4
(In percent of GDP; unless otherwise indicated)					
Savings and investment					
Gross national savings	25.8	26.0	25.1	25.2	25.2
Gross investment	31.5	29.0	29.6	30.0	30.5
Public sector					
Revenue and grants (central government)	27.0	28.3	31.2	33.4	30.9
Expenditures (central government)	35.1	35.6	35.5	34.4	29.6
Public sector interest payments 7/	11.5	19.3	21.5	19.0	13.8
Primary balance (central government)	1.9	5.9	10.1	12.6	11.8
Primary balance (public sector)	0.6	7.2	12.5	14.1	13.2
Central government surplus or deficit (-) 8/ 9/	-8.1	-7.3	-4.3	-1.0	1.3
Public sector balance 10/ 11/	-10.9	-12.1	-9.1	-4.9	-0.6
Total debt 12/	123.5	135.8	143.6	122.9	114.1
External sector					
External current account (deficit -)	-5.6	-3.0	-4.5	-4.8	-5.3
Overall balance of payments (millions of U.S. dollars)	-53	-14	122	290	161
Gross official reserves (millions of U.S. dollars)	729.6	700.1	801.3	1,077.6	1,221.0
(weeks of next year's imports of goods and services)	9.7	9.0	9.7	12.9	14.6
(weeks of current year's nonbauxite (industry) imports of goods)	13.0	13.3	14.8	18.6	20.6
Net international reserves (millions of U.S. dollars)	595.1	581.5	703.5	993.2	1,153.8
External terms of trade (percent change)	3.3	-2.4	-4.3	0.6	2.1
External debt (end of period)	48.5	46.8	46.0	47.2	47.6
Debt service ratio 13/	14.9	20.9	17.9	15.7	16.4
Short-term external liabilities/reserves	0.7	1.0	0.8	0.5	0.5
Interest payments 13/	5.4	5.4	5.5	6.3	8.2
Exchange rates					
Jamaica dollar per U.S. dollar					
(end of period)	36.39	38.18	42.10	...	...
(period average)	35.77	36.88	40.14	...	...
Real effective exchange rate	7.1	1.5	-3.8	...	...
Nominal effective exchange rate	-0.3	-2.9	-8.4	...	...

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

1/ Fiscal years run from April 1 to March 31.

2/ Based on 2000/01 budget estimates and adjustment policy stance.

3/ Calendar year (first year).

4/ As of the end of fiscal year.

5/ Flow as percent of liabilities to the private sector at the beginning of the period.

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

7/ Includes interest on FINSAC paper from 1997/98 on.

8/ Includes grants but excludes proceeds from divestment.

9/ Includes the cash cost of FINSAC/FIS.

10/ Includes Bank of Jamaica operating balance and FINSAC/FIS interest due but not paid.

11/ The public sector balance for 1997 has been revised to include FINSAC debt; also, it includes the balances of selected public enterprises.

12/ Excluding FINSAC liabilities held by the government.

13/ In percent of exports of goods and services.

Table 2. Jamaica: Summary of Public Sector Operations

	1997/98	1998/99	Estimate 1999/2000	Proj. 2000/01	Proj. 2001/02
(In millions of Jamaica dollars)					
Central government balance	-19,962	-19,171	-12,431	-2,998	4,390
Revenues and grants	66,426	74,096	90,369	104,563	106,072
Tax 1/	62,097	69,757	81,367	92,567	100,225
Nontax 2/	3,605	3,687	8,068	10,121	5,145
Grants	725	652	935	1,875	701
Expenditures	86,388	93,267	102,800	107,561	101,682
Wages and salaries 3/	29,066	31,913	31,895	34,494	37,253
Interest	24,564	34,589	41,784	42,588	36,316
Other expenditures	19,631	19,262	20,721	20,576	18,698
Capital	13,128	7,503	8,401	9,904	9,415
Rest of public sector balance	-6,865	-12,504	-13,763	-12,273	-6,497
Operating balance of public enterprises 4/	-2,297	3,493	2,060	5,285	4,599
FINSAC balance 5/	-3,772	-15,900	-20,574	-17,006	-11,906
<i>Of which:</i>					
Interest 6/	-3,772	-15,900	-20,574	-17,006	-11,096
Bank of Jamaica operating profit/loss	-796	-97	-558	-552	0
Total public sector balance	-26,827	-31,674.71	-26,194	-15,271	-2,107
Central government primary balance	4,602	15,418	29,353	39,589	40,706
Public sector primary balance	1,509	18,814	36,164	44,322	45,305
External financing (net)	2,930	3,227	-5,219	8,576	10,050
Domestic financing (net)	17,032	15,944	17,651	-5,578	-14,440
<i>Of which:</i>					
Privatization proceeds	0	0	770	7,200	0
Capitalized interest	3,772	15,900	20,574	17,006	0
Other	3,093	-3,590	-6,811	-4,733	6,497
(In percent of GDP)					
Central government balance	-8.1	-7.3	-4.3	-1.0	1.3
Revenues and grants	27.0	28.3	31.2	33.4	30.9
Tax 1/	25.2	26.6	28.1	29.5	29.2
Nontax 2/	1.5	1.4	2.8	3.2	1.5
Grants	0.3	0.2	0.3	0.6	0.2
Expenditures	35.1	35.6	35.5	34.4	29.6
Wages and salaries	11.8	12.2	11.0	11.0	10.8
Interest	10.0	13.2	14.4	13.6	10.6
Other expenditures	8.0	7.3	7.2	6.6	5.4
Capital	5.3	2.9	2.9	3.2	2.7
Rest of public sector balance	-2.8	-4.7	-4.8	-3.9	-1.9
Public enterprises balance	2.8	1.3	0.7	1.7	1.3
Operating FINSAC balance 5/	-1.5	-6.1	-7.1	-5.4	-3.2
<i>Of which:</i>					
FINSAC interest 6/	-1.5	-6.1	-7.1	-5.4	-3.2
Bank of Jamaica profits/loss	-0.3	0.0	0.2	-0.2	0.0
Total public sector balance	-10.9	-12.1	-9.1	-4.9	-0.6
Central government primary balance	1.9	5.9	10.1	12.6	11.8
Public sector primary balance	0.6	7.2	12.5	14.1	13.2
External financing (net)	1.2	1.2	-1.8	2.7	2.9
Domestic financing (net)	6.9	6.1	6.1	-1.8	-4.2
<i>Of which:</i>					
Privatization proceeds	0.0	0.0	0.3	2.3	0.0
Capitalized interest	1.5	6.1	7.1	5.4	0.0
Other	1.3	-1.4	-2.4	-1.5	1.9

Sources: Jamaica authorities; and Fund staff estimates and projections.

1/ Including bauxite levy.

2/ Including capital revenue. The large increases in 1999/2000 and 2000/01 reflect mainly the receipt of licensing fees for the cellular telephone operation.

3/ The wage bill for 2000/01 includes J\$2.5 billion in backpay for 1998-99.

4/ Overall balance after capital outlays. Includes expected gains from restructuring and recently announced increases in rates by public utilities.

5/ Operating balance after all due interest payments.

6/ FINSAC interest is capitalized until 2000/01; from thereon, it is assumed to be paid in cash.

Table 3. Jamaica: Summary Balance of Payments

(In millions of U.S. dollars)

	1997/98	1998/99	Est. 1999/2000	Proj. 2000/01	Proj. 1/ 2001/02
Current account	-385	-217	-326	-352	-415
Trade balance	-1,147	-1,110	-1,185	-1,300	-1,271
Exports (f.o.b.)	1,703	1,551	1,535	1,658	1,733
<i>Of which:</i>					
Alumina	657	588	672	744	768
Imports (f.o.b.)	2,850	2,661	2,719	2,958	3,004
Services (net)	466	539	515	578	626
Transportation	-284	-254	-238	-255	-265
Travel	941	1,021	1,007	1,107	1,179
Other services	-190	-228	-254	-275	-288
Income (net)	-315	-283	-354	-410	-508
Current transfers (net)	611	638	698	780	738
Capital and financial account (less reserves)	331	203	448	643	575
Capital account (net)	13	18	17	58	28
Financial account (less reserves, net)	318	184	431	585	548
Direct investment (net)	169	309	249	365	319
Other official capital (net)	105	-90	-133	199	224
<i>Of which:</i>					
Gross commercial borrowing	305	250	250	300	310
Other sectors investment (net) 2/	44	-35	316	22	5
Overall balance	-53	-14	122	290	161
Financing					
Change in BOJ net reserves (increase -)	53	14	-122	-290	-161
Change in assets	86	30	-101	-276	-143
Change in liabilities	-33	-16	-21	-14	-17
<i>Of which:</i>					
IMF purchases	0	0	0	0	0
IMF repurchases	-33	-16	-21	-14	-17
Memorandum items:					
Current account (percent of GDP)	-5.6	-3.0	-4.5	-4.8	-5.3
Gross official reserves	729.6	700.1	801.3	1,077.6	1,221.0
In weeks of next year imports of goods and services	9.7	9.0	9.7	12.9	14.6
Export volume (percent change)	-1.6	-4.3	-4.2	3.9	3.2
Import volume (percent change)	6.0	-3.8	-5.9	4.8	2.8
Export price (percent change)	2.5	-4.8	3.2	4	1.2
Import price (percent change)	-0.8	-2.5	7.9	3.4	-0.9
Terms of trade (percent change)	3.3	-2.4	-4.3	0.6	2.1
Public external debt (percent of GDP)	47.5	46.8	46.0	47.2	47.6
Debt service ratio (percent of goods and services exports)	14.9	20.9	17.9	15.7	16.4

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

1/ Based on policy objectives and measures described in text.

2/ Including errors and omissions.

Table 4. Jamaica: Indicators of Macroeconomic Liquidity Risks

	1997/98	1998/99	Est. 1999/2000	Proj. 2000/01	Proj. 2001/02
1. Reserve-related indicators					
Gross reserves/short-term external debt 1/	1.40	1.02	1.41	1.80	1.88
Net reserves/short-term external debt 1/	1.14	0.84	1.24	1.66	1.78
Gross reserves/imports 2/	9.7	9.0	9.7	13.0	14.7
Net reserves/imports 2/	7.9	7.5	8.5	12.0	13.9
Gross reserves/money supply 3/	0.37	0.33	0.37	0.45	0.47
Net reserves/money supply 3/	0.30	0.27	0.32	0.42	0.44
Gross reserves/monetary base	0.82	0.85	1.12	1.50	1.70
Net reserves/monetary base	0.67	0.70	0.98	1.38	1.61
Gross reserves/short-term liabilities 4/	0.33	0.29	0.38	0.43	0.45
Net reserves/short-term liabilities 4/	0.27	0.24	0.33	0.40	0.43
2. Debt-related indicators					
External debt/exports	1.92	2.07	2.06	2.06	2.09
External debt/GDP	47.5	46.8	46.0	47.2	47.6
Average interest rate on external debt	4.9	5.7	5.8	6.7	8.6
(In millions of Jamaica dollars)					
Memorandum items:					
Gross official international reserves	26,632	26,255	34,054	45,798	51,893
Net international reserves	21,720	21,807	29,899	42,224	49,066
Short-term external debt 2/	19,031	25,853	24,136	25,414	27,619
Monetary base	32,293	31,004	30,447	30,503	30,507
Money supply (M2) 3/	71,278	79,733	92,845	100,980	111,033
Short-term Liabilities 4/	81,566	91,266	89,729	106,822	114,076

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

1/ External debt due within a year, including debt service of medium- and long-term loans.

2/ In weeks of next year imports of goods and services.

3/ Currency in circulation plus local currency demand, time and savings deposits at banks.

4/ Short term external debt, plus domestic and foreign currency reserves, current account of commercial banks, open market operations, and 30 percent of the currency.

Table 5. Jamaica: Summary Monetary Indicators of the Banking System

	1997/98	1998/99	Est. 1999/2000	Proj. 1/ 2000/01	Proj. 1/ 2001/02
(End of period stock; in millions of Jamaica dollars)					
Net international reserves	23,729	26,182	39,050	53,500	60,767
Net domestic assets	69,228	77,430	83,833	79,644	84,555
Net claims on public sector 2/	56,698	80,100	89,448	83,861	87,090
<i>Of which:</i>					
Central government	22,528	22,351	13,506	6,801	10,582
Credit to private sector	42,362	36,763	31,639	34,817	38,618
<i>Of which:</i>					
Foreign currency	9,039	6,512	7,038	7,745	8,590
Other 3/	-29,831	-39,432	-37,253	-39,034	-41,153
Liabilities to private sector (LPS)	92,957	103,612	122,883	133,144	145,322
Money supply (M2) 4/	71,278	79,733	92,845	100,980	111,033
Foreign currency deposits	21,679	23,880	30,039	32,164	34,289
(Percentage change from a year earlier) 5/					
Net international reserves	-0.8	2.6	12.4	11.8	5.5
Net domestic assets	7.5	8.8	6.2	-3.4	3.7
Net claims on public sector 2/	54.9	25.2	9.0	-4.5	2.4
Open market operations	-14.0	-6.2	-1.4	-14.1	-5.2
Credit to private sector	-6.3	-6.0	-4.9	2.6	2.9
<i>Of which:</i>					
Foreign currency	-2.2	-2.7	0.5	0.6	0.6
Other 3/	-41.1	-10.3	3.5	12.7	3.7
Liabilities to private sector	6.7	11.5	18.6	8.4	9.1
Memorandum items:					
Central bank interest rate 6/	29.0	20.8	18.4	13.5	12.6
Real interest rate 7/	18.6	11.4	9.2	6.1	5.7
Average real lending rate	24.4	24.6	17.8	12.0	10.6
Monetary base (millions of Jamaica dollars)	32,293	31,004	30,447	30,503	30,507
LPS/monetary base	2.9	3.3	4.0	4.4	4.8
M2/monetary base	2.2	2.6	3.0	3.3	3.6
LPS velocity	2.7	2.5	2.4	2.4	2.4

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

1/ Projections based on policy objectives and measures described in the text.

2/ Includes Bank of Jamaica net profit and net unclassified assets.

3/ Includes net credit to nonbank financial institutions, capital accounts, valuation adjustment, and net unclassified assets.

4/ Currency in circulation plus local currency demand deposits, and time and savings deposits at banks.

5/ M2 plus other local currency deposits at banks.

6/ In relation to liabilities to private sector at beginning of period.

7/ Central bank 30-day reverse repurchase rate; end of period.

8/ Reverse repurchase rate deflated by previous 12-month change in consumer price index.

Table 6. Jamaica: Quantitative Targets for Key Variables in the Staff-Monitored Program

	Est.	Est.	Projections			
	Mar. 2000	Jun. 2000	Sep. 2000	Dec. 2000	Mar. 2001	Mar. 2002
(In millions of Jamaica dollars; end of period)						
Net domestic assets of central bank	549	-478	-11,895	-2,285	-11,720	-18,559
Overall balance of selected public enterprises 1/	3,813	-410	1,109	2,977	4,672	4,599
Primary balance of the central government (indicative) 1/	29,353	9,815	19,767	28,942	39,589	40,706
Overall balance of the central government 1/	-12,431	-3,890	-3,780	-4,470	-3,010	4,390
(In million of U.S. dollars; end of period)						
Net international reserves of Bank of Jamaica	704	721	982	838	994	1,155
Foreign short-term commercial borrowing 1/	0	75	75	25	0	0
Foreign medium- and long-term commercial borrowing 1/	249	0	200	400	400	400

1/ Cumulative figures (fiscal year to date).

Table 7. Jamaica: Structural Benchmarks for 2000/01–2001/02

Sector	Measures	Timetable
Financial sector reform	<p>Bring to the point of sale Union Bank</p> <p>Reduce cash reserve requirement to 12 percent and liquidity requirement to 30 percent.</p> <p>Reduce cash reserve requirement to 9 percent and liquidity requirement to 27 percent.</p> <p>Write-off FINSAC debt owed to the Ministry of Finance.</p> <p>Offset FINSAC debt to Bank of Jamaica, and other government agencies against liabilities to government.</p> <p>Start paying cash interest payments on outstanding FINSAC paper.</p> <p>Government to assume explicitly outstanding FINSAC liabilities or their conversion to marketable securities.</p> <p>Reorganize FINSAC shareholding structure in NCB to provide FINSAC with direct controlling stake in NCB's equity.</p> <p>Appoint new management team for NCB.</p> <p>Table in parliament the appropriate legislation to establish the Financial Services Commission for Integrated Supervision of securities, pensions, and insurance industries to strengthen oversight of financial services industry.</p>	<p>June 30, 2000</p> <p>March 31, 2001</p> <p>March 31, 2002</p> <p>July 31, 2000</p> <p>July 31, 2000</p> <p>April 1, 2001</p> <p>April 1, 2001</p> <p>December 31, 2000</p> <p>June 30, 2000</p> <p>March 31, 2001</p>
Privatization	<p>Bring to the point of sale Jamaica Public Service Company (JPSCo).</p>	<p>March 31, 2001</p>
Public enterprise reform	<p>National Housing Trust (NHT): Reduction in staff to 445 (as envisaged in the "Jamaica Public Entities" publication of the Ministry of Finance and Planning, April 2000).</p> <p>National Water Commission (NWC): implement the performance targets approved by the Office of Utility Regulation (OUR) set for end-2000/01 year.</p> <p>National Insurance Fund (NIF): Implement the Insurance Management Database to ensure more efficient payment of benefits.</p>	<p>March 31, 2001</p> <p>March 31, 2001</p> <p>March 31, 2001</p>
Social safety nets	<p>Social safety net expenditures in the 2000/01 budget will be maintained in real terms in 2001/02.</p>	<p>March 31, 2002</p>
Statistics	<p>Implement the new quarterly national accounts.</p>	<p>March 31, 2001</p>

Table 8. Jamaica: Selected Baseline Macroeconomic Medium-Term Projections 1/

	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05
(Annual percentage change)						
Real sector						
GDP (real growth)	0.0	1.5	2.5	2.8	3.2	3.5
Consumer price inflation (end-of-period)	8.4	7.0	6.5	6.0	5.0	4.0
Exports (volume)	-4.2	3.9	3.2	5.1	5.2	5.2
Imports (volume)	-5.9	4.8	2.8	4.4	2.4	2.6
(In percent of GDP)						
Savings and investment						
Gross national savings	25.1	25.2	25.2	25.7	27.9	29.9
Government	-1.3	2.2	4.0	5.3	5.9	6.7
Private 2/	26.4	23.0	21.2	20.4	22.0	23.2
Gross capital formation	29.6	30.0	30.5	31.0	32.5	34.0
Government	3.0	3.2	2.7	4.0	4.4	4.8
Private 3/	26.6	26.8	27.8	27.0	28.1	29.2
External sector						
External current account	-4.5	-4.8	-5.3	-5.3	-4.6	-4.1
Change in net international reserves (US\$ millions)	122	290	161	-215	44	53
Public sector						
Revenues	31.2	33.4	30.9	30.5	30.1	29.6
Expenditures	35.5	34.4	29.6	29.3	28.6	27.6
Central government balance	-4.3	-1.0	1.3	1.3	1.6	2.0
Overall public sector balance 4/	-9.1	-4.9	-0.6	0.0	0.6	1.4
Domestic financing (net)	6.1	-1.8	-4.2	0.7	-2.0	-2.0
External financing (net)	-1.8	2.3	2.9	-2.0	0.4	0.0
Capitalized interest	7.1	5.4	0.0	0.0	0.0	0.0
Other	-2.4	-1.5	1.9	1.3	0.9	0.6
Public sector primary balance	12.5	14.1	13.2	12.0	11.6	11.1
Memorandum items:						
Total public sector debt	143.6	122.9	114.1	107.3	100.6	93.7
Domestic	97.6	75.6	66.5	64.3	59.8	55.2
External	46.0	47.2	47.6	42.9	40.9	38.5
External debt service ratio (percent of exports of goods and services)	17.9	15.7	16.4	26.1	13.8	12.5
Effective interest rate on domestic debt 5/	21.61	19.61	14.94	13.23	12.64	11.51
Effective interest rate on external debt	5.71	7.85	8.83	9.33	9.36	9.46
Gross official international reserves (US\$ millions) (weeks of next year's imports of goods and services)	801	1,078	1,221	989	1,017	1,065
	9.7	12.9	14.6	11.9	12.3	12.9

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

1/ Based on policy objectives and measures described in text.

2/ Including net factor income and current transfers.

3/ Including inventory accumulation.

4/ Including FINSAC balance, public enterprise balances, and the Bank of Jamaica profit/loss position.

5/ Including FINSAC/FIS. The evolution of the effective interest rate (domestic interest payments including FINSAC/FIS as percent of the average stock of total domestic debt) reflects also the write-off/offset of a large part of the FINSAC debt in 2000/01.

Table 9. Jamaica: Public Sector Debt 1/

	Actual		Estimate	Projected				
	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	22003/04	2004/05
(In millions of Jamaican dollars)								
Total debt	304,239	354,426	415,639	384,904	392,231	402,011	407,914	410,122
Domestic debt 4/	184,725	231,686	282,397	236,943	228,694	241,174	242,273	241,712
LRS	75,873	105,121	126,009	...	...	...	...	...
Treasury bills	11,650	10,450	9,559	...	...	...	...	...
Commercial banks	3,089	1,716	2,227	...	...	...	...	...
Bonds and debentures	9,770	17,558	25,000	...	...	...	...	...
FINSAC/FIS securities 2/	10,792	92,483	107,033	73,591	73,591	73,591	73,591	73,591
U.S. dollar issues	0	4,357	12,569	...	...	...	...	...
External debt 3/	119,513	122,740	133,242	147,961	163,537	160,837	165,641	168,410
(In percent of GDP)								
Total debt	123.5	135.2	143.6	122.9	114.1	107.3	100.6	93.7
Domestic debt	75.0	88.4	97.6	75.6	66.5	64.3	59.8	55.2
LRS	30.8	40.1	43.5	...	...	...	...	...
Treasury bills	4.7	4.0	3.3	...	...	...	...	...
Commercial bank	1.3	0.7	0.8	...	...	...	...	...
Bonds and debentures	4.0	6.7	8.6	...	...	...	...	...
FINSAC/FIS securities 2/	4.4	35.3	37.0	23.5	21.4	19.6	18.1	16.8
U.S. dollar issues	0.0	1.7	4.3	...	...	...	...	...
External debt 3/	48.5	46.8	46.0	47.2	47.6	42.9	40.9	38.5
(In percent)								
Effective interest rates 4/	11.27	15.57	16.35	15.48	12.49	11.64	11.32	10.67
Domestic debt	16.30	21.40	21.61	19.61	14.94	13.23	12.64	11.51
External debt	5.24	5.56	5.71	7.85	8.83	9.33	9.36	9.46

Sources: Data provided by the Jamaican authorities; and Fund staff estimates and projections.

1/ Based on policies incorporated in the program for 2000/01-2001/02.

2/ Net of government holdings of FINSAC debt from 2000/01 on.

3/ Public sector external debt converted at end-period exchange rate.

4/ Interest payments relative to average stock of debt during the year.

Table 10. Jamaica: Selected High-Risk Scenario Macroeconomic

Medium-Term Projections 1/

	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05
(Percentage change)						
Real sector						
GDP (real growth)	0.0	0.5	1.0	1.5	2.0	2.5
Consumer price inflation (end-of-period)	8.4	7.0	6.5	6.0	5.0	4.0
Exports (volume)	-4.2	2.6	2.6	4.2	3.1	3.3
Imports (volume)	-5.9	4.1	2.3	3.8	2.1	2.2
(In percent of GDP)						
Savings and investment						
Gross national savings	25.8	25.9	26.2	27.5	28.7	29.5
Government	-1.3	1.4	2.4	3.3	3.5	4.1
Private 2/	27.1	24.5	23.8	24.2	25.2	25.4
Gross capital formation	29.6	29.8	30.1	30.4	31.5	32.5
Government	3.0	3.2	2.5	3.7	4.1	4.5
Private 3/	26.6	26.6	27.6	26.7	27.4	28.0
External sector						
External current account	-4.5	-4.6	-5.0	-5.0	-4.5	-4.4
Change in net international reserves (US\$ millions)	122	280	129	-262	8	9
Public sector						
Revenues	31.2	33.3	30.9	30.6	30.2	30.0
Expenditure	35.5	35.1	31.0	31.0	30.8	30.4
Central government balance	-4.3	-1.8	-0.1	-0.4	-0.6	-0.4
Overall public sector balance 4/	-9.1	-5.9	-2.4	-2.2	-2.0	-1.4
Domestic financing (net)	6.3	-0.9	-2.9	2.5	0.2	0.3
External financing (net)	-2.1	2.8	3.0	-2.1	0.4	0.0
Capitalized interest	7.1	5.6	0.0	0.0	0.0	0.0
Other	-2.1	-1.5	2.3	1.8	1.4	1.1
Public sector primary balance	12.5	13.9	13.1	11.9	11.5	11.1
Memorandum items:						
Total public sector debt	143.6	125.3	119.4	113.2	107.0	100.9
Domestic	97.6	78.5	72.0	72.5	70.7	68.9
External	46.0	46.6	47.4	41.9	38.3	35.1
External debt service ratio (percent of exports of goods and services)	17.9	15.8	16.5	26.4	14.2	12.9
Effective interest rate on domestic debt 4/	21.61	21.51	17.04	15.33	14.94	13.81
Effective interest rate on external debt	5.71	7.85	8.83	9.33	9.36	9.46
Gross official international reserves (US\$ millions) (weeks of next year's imports of goods and services)	801 9.7	1068 12.9	1,179 14.2	900 10.9	876 10.6	862 10.4

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

1/ Based on pessimistic domestic interest rate path and sluggish economic recovery.

2/ Including net factor income and current transfers.

3/ Including inventory accumulation.

4/ Including FINSAC interest. The evolution of the effective interest rate (domestic interest payments including FINSAC/FIS as percent of the average stock of total domestic debt) reflects also the write-off/offset of a large part of the FINSAC debt in 2000/01.