

MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE

# Industrial Performance Report

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**Trend Analysis – 2000 and Beyond**

*Prepared by Policy Planning Projects & Research Division  
November 2011*

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## Summary Points – Trend Analysis of Industrial Performance Indicators

### *Commercial Bank Loans and Advances to Businesses – Stock and Number of Accounts*

The stock of outstanding credit to businesses held by commercial banks has increased considerably, particularly from 2000 to mid-2009, at which point, it peaked at a value of J\$132.98 billion (in July 2009) and has since reflected a downward trend.

Growth in the stock of outstanding credit to businesses was strong during the recessionary periods of 2008 up to 2009. However, by late 2009 to August 2011, commercial bank credit to businesses displayed fluctuating month-to-month changes, with oscillating patterns of increases and decreases between August 2009 and July 2010, followed by six consecutive months of decline between August 2010 and January 2011 and continued fluctuations thereafter.

Overall, the number of loans and advances accounts for businesses held by commercial banks has declined considerably since early 2001, relative to 2000 (see Fig. 1.4). There were significant declines during late 2002 to early 2003, however, credit to businesses started to rebound throughout late 2003 (see Fig.1.5). Consecutive declines occurred between January and June 2004, but the number of accounts generally displayed fluctuating patterns up to October 2005 and again recorded successive periods of decline between December 2005 and May 2006. Significant increase was recorded in June 2006, and this was followed by declines up to October 2006. Sharpe increases could also be seen between November 2006 and January 2007, but this was followed by declines over subsequent months in the first half of the year and increases during late 2007.

Signs of upward trend in the number of accounts could be seen for most of 2008, although declines were recorded for August, September and for three consecutive months - November and December 2008 to January 2009. The number of accounts for the remainder of 2009 generally remained flat, although decreases were recorded for April, June, October and December of that year. The number of accounts recorded throughout the months of 2010 and 2011 fell below the monthly number of accounts recorded in 2009. Declines could be seen for February, March, May, June, August, September, November and December 2010. Between January and August 2011, the only months which recorded an increase were March and August which explain the worsening of the downtrend in the number of business accounts in 2011.

### *Foreign Direct Investment*

The stock of foreign direct investments has increased significantly between 2000 and 2010. Between 2000 and 2010, FDI stock increased as a result of average FDI inflows of US\$682.5 million per annum. At the end of 2010, this stock was estimated at US\$10.9 billion, an increase of US\$227.7 million when compared to the end of 2009.

In 2008, Jamaica attracted US\$1.4 billion in FDI flows, the highest amount in any given year. Investment performance in 2008 is largely due to the purchase of approximately 49% shareholding in the Lascelles de Mercado Company by a Trinidad & Tobago spirits company. However, consequent to the global economic downturn, FDI flows subsequently plunged in 2009 and 2010, with declines of -62.35% and -57.91% respectively.

JAMPRO assisted annual FDI inflows averaged US\$197.9 million between 2000 and 2010. This is higher than the annual average inflows of US\$115.17 million for bauxite for that same period. The agency supported FDI inflows of US\$459.3 million in 2008, which represents the strongest support since 2000.

### ***Gross Fixed Capital Formation***

Gross fixed capital formation (GFCF) increased steadily between 2000 and 2008 but declined in 2009 and increased marginally in 2010. Between 2000 and 2010, GFCF averaged J\$187,823.9 million and amounted to J\$231,488.1 million at the end of 2010, an increase of 1.96%, relative to 2009.

### ***Number of New Businesses Registered***

Between 2000 and 2010, the number of new businesses registered averaged 6,344 annually. There were fluctuations in the number of new businesses registered between 2000 and 2005, followed by gradual increases even during the recessionary periods and surprising peak of 9,549 new business registrations in 2009 (Fig.4). The number of new businesses registered in 2010 (8,598) was however 951 fewer than that for 2009 which ended with a total of 9,549 new registrations.

### ***Employed Labour Force***

There has been an overall increase in the size of the employed labour force and this was most noticeable from the significant jump in employment in April 2002. The increase in April 2002 was 105,300 (11%) employed persons, relative to April 2001. It should be noted that the size of the labour force has since remained above pre-April 2002 levels.

Subsequent to April 2002, there have been fluctuations in the number of persons employed over each reporting period. Declines were reported for some reporting periods of each year, however, with the exception of the period between October 2009 and April 2010, these declines have not prolonged for more than two consecutive periods. Increases were also reported for some reporting periods in each year. Notable increases occurred consecutively between July 2005 and July 2006.

### ***Job Advertised in the Print Media***

The total number of jobs advertised varied between 2005 and 2010 and averaged 15,023 annually. Total job advertisements for 2007 were 19,212, and this represented the largest number of job vacancies for the period. In 2009, these advertisements plummeted significantly with only a total of 5,165 advertised job vacancies for that year, relative to the 18,157 advertisements at the end of the previous year. It should be noted that the number of job vacancies advertised in the print media between January and September 2011 totaled 15,580 - an amount which is close to the number of advertisements at the end of 2010.

A closer look at the number of jobs advertised on a monthly basis reveal that the number of job vacancies advertised since 2005 tend to increase between the beginning and the middle of the year, and then declined towards the end of the year. Also, significant spikes can be seen in the number of job advertisements which tend to occur during early and middle months of each year.

### ***Labour Productivity***

Labour productivity declined consecutively between 2002 and 2008, with the lowest recorded level of 545,798 in 2008. However, this declining trend reversed over 2009 and 2010, with recorded output per worker of 549,303 and 551,670, respectively. These increases are however below the annual average labour productivity of 568,138 for 2000 and 2010. At the end of 2010, labour productivity increased by 0.4% relative to 2009. However, overall, the annual average change in labour productivity is -0.9% between 2000 and 2010.

### ***Goods Exports***

Total annual goods exports declined in 2001 and 2002, increased gradually between 2003 and 2008, declined in 2009 and increased in 2010. Between 2000 and 2010, annual goods exports averaged US\$1.57 billion per annum. Overall, monthly exports for 2011 are higher than exports for 2010. There has been an upward trend in monthly exports since January 2011.

### ***Cement Sales***

Cement sales were relatively stronger between 2004 and 2007 in comparison to recent years. There has been a downward trend in sales which started in 2008, but has taken a turn for the better in 2011, as quarterly sales volumes have again started to rise. Between 2004 and 2011, average cement sales stood at 181,638 Metric Tons per quarter, while the highest level of cement sales reported was 231,256 in the first quarter of 2005.

### ***Electricity Sales to Industry***

Total electricity sales have generally increased between 2000 and 2009 where it peaked at a value of 2,042,243 KWH and later declined at the end of 2010. Electricity sales increased gradually between 2000 and 2003, decreased between 2003 and 2004, then increased steadily up to 2007 and oscillated over subsequent years. The annual average electricity sales to industry stood at 1,857,998 KWH between 2000 and 2010.

Monthly electricity sales seem to display cyclical changes as exhibited in gradual increases in monthly sales at the beginning of the year, a peaking in the middle of the year followed by gradually decreases toward the end of the year.

## **Summary Points – Quarterly Review of Selected Industrial Performance Indicators**

- The total stock of outstanding loans and advances to businesses at the end of the September quarter for 2011 amounted to approximately J\$122.92 billion, and represented a 0.05% increase relative to the June quarter of 2011, which reported an outstanding stock of approximately J\$122.85 billion. However, when compared with the September quarter of 2010, there was a decline of -3.59%.
- The number of loans and advances accounts for businesses at the end of the September quarter of 2011 was 13,170, which represented a -1.47% decline relative to the June quarter of 2011, which had a total of 13,366. When compared with the September quarter of 2010 with a total of 14,279 business accounts, the number of loans and advances accounts for September 2011 represents a decline of -7.77%.



- With respect to the number of new businesses registered, quarter to quarter comparisons reveal a decline of -6.57% for the September quarter of 2011, relative to the June quarter, and a 4.29% increase when compared to the September quarter of 2010.
- The most recent finding coming out of the Labour Force Survey is that 1,084,300 persons were employed in July 2011, which represents a decline when compared with the 1,106,500 employed in January 2011 and the 1,109,200 employed in July 2010.
- Quarter to quarter comparisons also reveal a 31% increase in the number of job vacancies advertised at the end of the third quarter of 2011, relative to the preceding quarter, and a 35.08% increase at the end of that same quarter, relative to the corresponding quarter of 2010.
- STATIN reports that total goods exports during the first six months of 2011 totaled US\$841.6 million, of which, US\$7.1 million was exported by the Jamaica Free Zone. Earnings from total goods exports for January to June 2011 represent a 25.4% increase, relative to the corresponding period in 2010.
- Local cement sales were reported at 133,961 Metric Ton at the end of the September quarter of 2011, an amount which represents a -1.56% decline, relative to the June quarter for this year. It should be noted that the fallout at the end of the September quarter is however lower than the fallout at the end of the June quarter which declined by 4.60% relative to the March quarter for 2011. The volume of cement sales increased by 14.37% during the September 2011, when compared to the corresponding quarter in 2010.
- Electricity sales to industry at the end of the third quarter of 2011 declined by -0.82% relative to the third quarter of 2010. However, there was an increase of 3.03% at the end of the third quarter of 2011, when compared to the preceding quarter. Increases were also recorded for the first and second quarters of 2011, which grew by 0.41% and 3.25% respectively, thereby signaling some amount of buoyancy in the volume of electricity sales for all three quarters of 2011.

<i>Summary Table of Selected Indicators</i>						
Indicators	Reference Period					
	<b>Loans and Advances to Businesses</b>					
	<b>Apr – June 2011</b>	<b>Jul – Sep 2011</b>	<b>Change</b>	<b>Jul – Sep 2010</b>	<b>Jul – Sep 2011</b>	<b>Change</b>
<b>Total Stock of Loans and Advances to Businesses (in JS'000)</b>	122,853,327	122,917,796	<b>0.05%</b>	127,488,980	122,917,796	-3.59%
<b>Total Number of Business Loan Accounts</b>	13,366	13,170	-1.47%	14, 279	13,170	-7.77%
	<b>Number of Businesses Formed</b>					
	<b>Apr – June 2011</b>	<b>Jul – Sep 2011</b>	<b>Change</b>	<b>Jul – Sep 2010</b>	<b>Jul – Sep 2011</b>	<b>Change</b>
<b>Total Number of New Businesses Registered</b>	2,239	2,092	-6.57%	2,006	2,092	<b>4.29%</b>
	<b>Number of Job Vacancies Advertised</b>					
	<b>Apr – June 2011</b>	<b>Jul – Sep 2011</b>	<b>Change</b>	<b>Jul – Sep 2010</b>	<b>Jul – Sep 2011</b>	<b>Change</b>
<b>Total Number of Jobs Advertised</b>	4,732	6,219	<b>31%</b>	4,604	6,219	<b>35.08%</b>
	<b>Employed Labour Force</b>					
	<b>Jan 2011</b>	<b>July 2011</b>	<b>Change</b>	<b>July 2010</b>	<b>July 2011</b>	<b>Change</b>
<b>Total Employed Labour Force</b>	1,106,500	1,084,300	-2.01%	1,109,200	1,084,300	-2.24%
	<b>Exports</b>					
	<b>May 2011</b>	<b>June 2011</b>	<b>Change</b>	<b>Jan – June 2010</b>	<b>Jan – June 2011</b>	<b>Change</b>
<b>Total Goods Exports (including Single Entity Free Zones) in US\$ Millions</b>	143.9	128.9	-10.42%	670.6	841.6	<b>25.4%</b>
	<b>Local Cement Sales</b>					
	<b>Apr – June 2011</b>	<b>Jul – Sep 2011</b>	<b>Change</b>	<b>Jul – Sep 2010</b>	<b>Jul – Sep 2011</b>	<b>Change</b>
<b>Local Cement Sales (in Metric Tons)</b>	136,078	133,961	-1.56%	117,131	133,961	<b>14.3%</b>
	<b>Electricity Sales to Industry</b>					
	<b>Apr – June 2011</b>	<b>Jul – Sep 2011</b>	<b>Change</b>	<b>Jul – Sep 2010</b>	<b>Jul – Sep 2011</b>	<b>Change</b>
<b>Electricity Sales to Industry (KWH)</b>	507,540	522,943	<b>3.03%</b>	527,257	522,943	-0.82%

## Industrial Performance Indicators

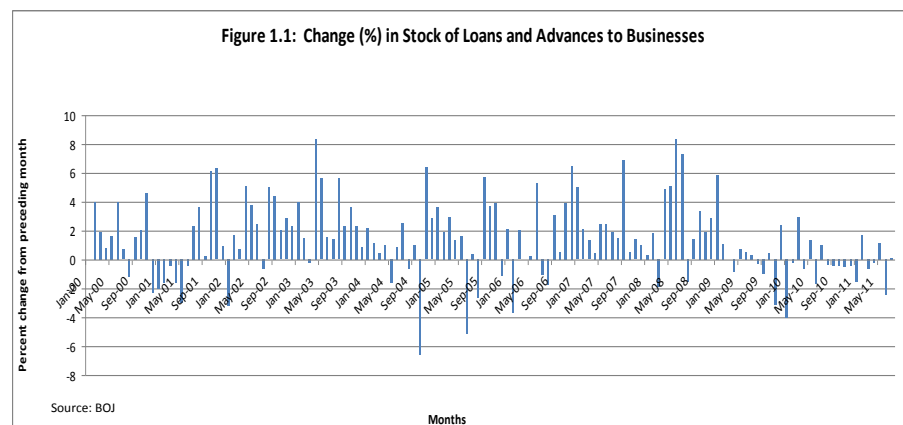
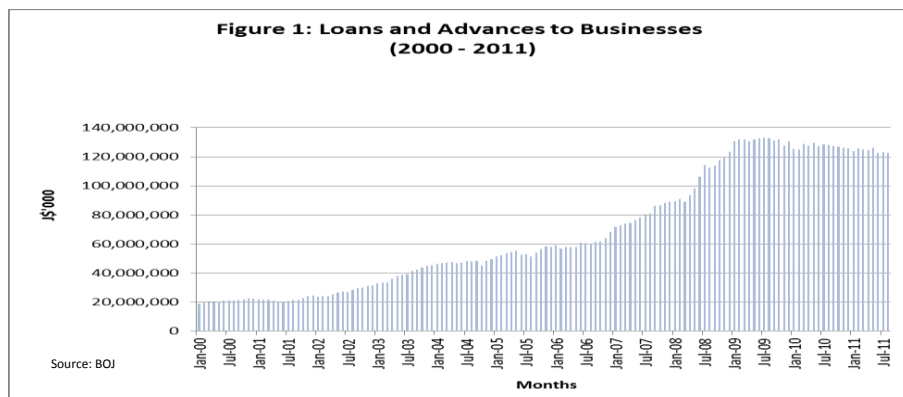
### 1. Stock of Outstanding Commercial Banks Loans and Advances to Businesses

The stock of outstanding credit to businesses held by commercial banks has increased considerably, particularly from 2000 to mid-2009, at which point it peaked at a value of J\$132.98 billion (in July 2009) and has since reflected a downward trend (Fig. 1).

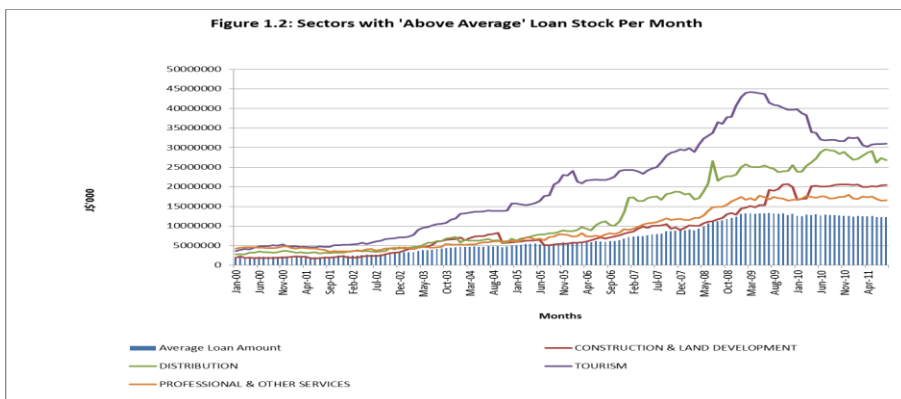
Growth in the stock of outstanding credit to businesses was strong during the recessionary periods of 2008 up to 2009.

However, by late 2009 to August 2011, commercial bank credit to businesses displayed fluctuating month-to-month changes, with oscillating patterns of increases and decreases between August 2009 and July 2010 followed by six consecutive months of decline between August 2010 and January 2011 and continued fluctuations thereafter (Fig.1.1).

The total stock of outstanding loans and advances to businesses at the end of the September quarter for 2011 amounted to approximately J\$122.92 billion and represented a 0.05% increase relative to the June quarter of 2011 which reported an outstanding stock of approximately J\$122.85 billion. The amount of loans and advances owed by businesses at the end of the September quarter for 2011 however decreased by -3.59%, relative to the September quarter of 2010.

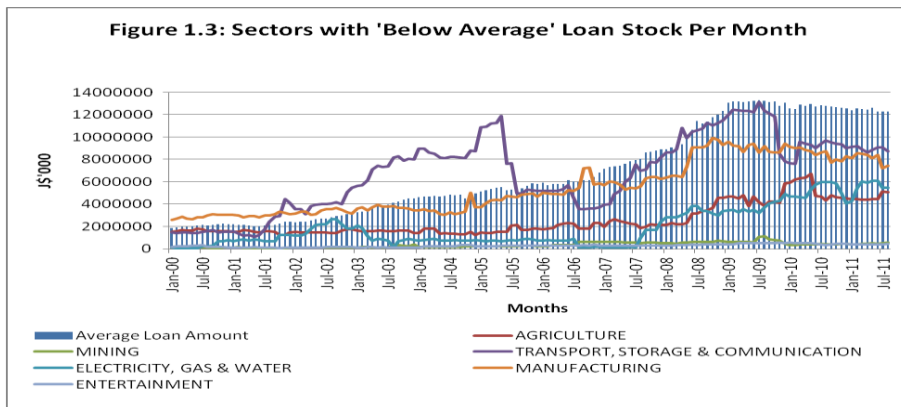






Four sectors reflected outstanding stock of loans and advances which are above the monthly average amount outstanding for all businesses, between January 2000 and August 2011 (Fig. 1.2). These sectors are tourism, construction & land development, professional & other services, and distribution.

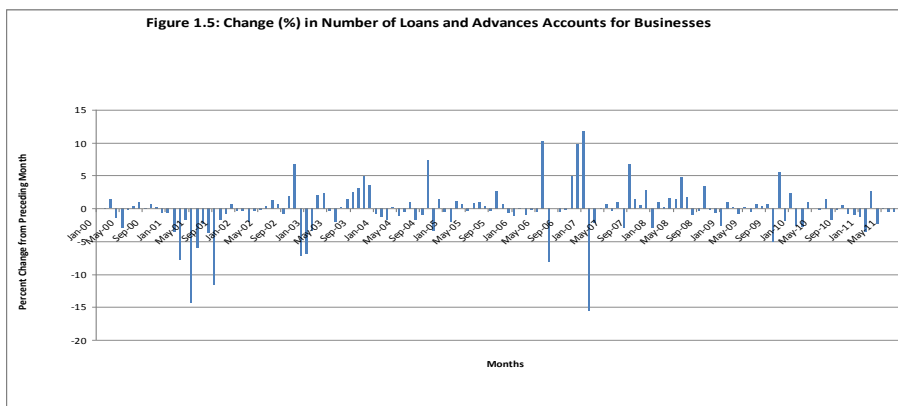
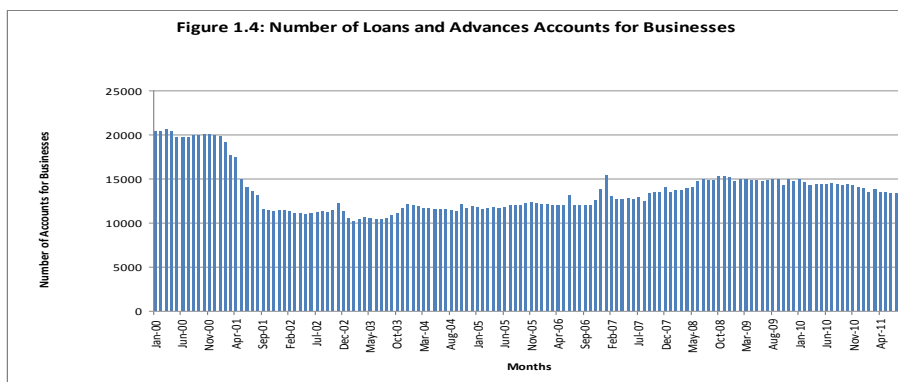
The tourism sector accounts for the largest stock of loans and advances from commercial banks over the period, followed by the distribution sector which has maintained the second highest stock of outstanding loans and advances, particularly since early 2005.



Construction & land development and professional & other services have generally alternated in terms of where they fall in the place for third or fourth highest levels, however construction & land development have maintained the third highest level of the stock of loans and advances since mid-2010.

Sectors with outstanding stock of loans and advances that generally fell below the average per month, particularly since 2005 are mining, electricity, gas & water, agriculture, transport, storage & communication and manufacturing. The

manufacturing, transport, storage & communication sectors have accumulated stock of loans and advances that fell below the average per month, in previous years (Fig. 1.3).



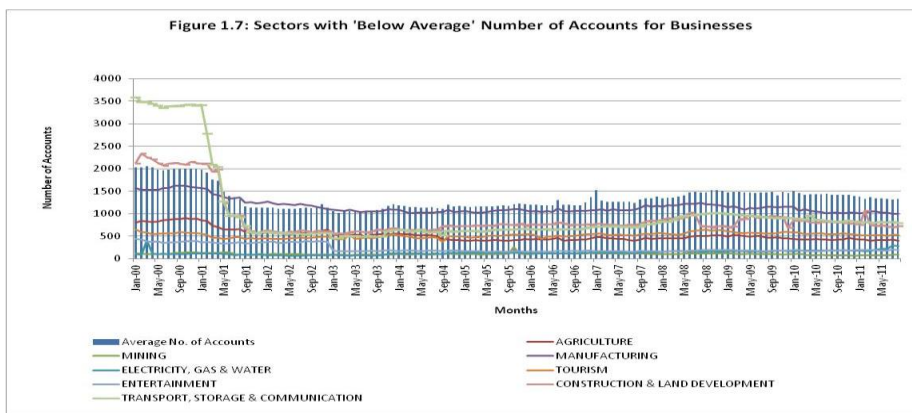
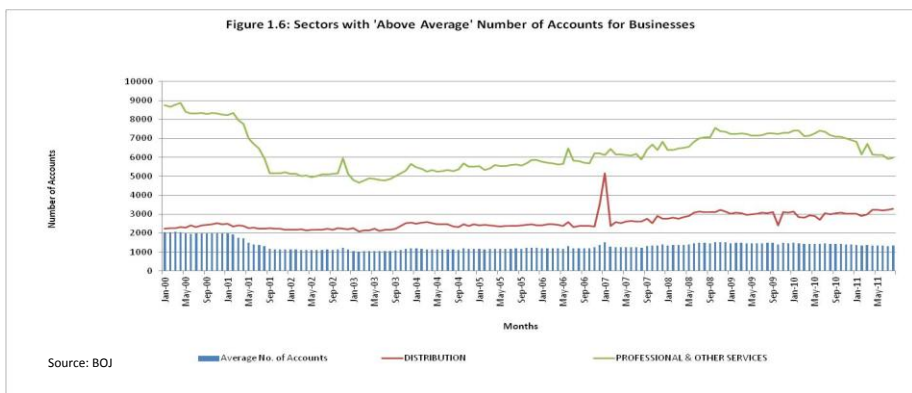
### *Number of Commercial Banks Loans and Advances Accounts*

Overall, the number of loans and advances accounts for businesses held by commercial banks has declined considerably since early 2001, relative to 2000 (see Fig. 1.4).

There were significant declines during late 2002 to early 2003 however credit to businesses started to rebound throughout late 2003 (see Fig.1.5). Consecutive declines occurred between January and June 2004 but the number of accounts generally displayed fluctuating patterns up to October 2005 and again recorded successive periods of decline between December 2005 and May 2006.

Significant increase was recorded in June 2006 and this was followed by declines up to October 2006. Sharpe increases could also be seen between November 2006 and January 2007 but this was followed by declines over subsequent months in the first half of the year and increases during late 2007.

Signs of upward trend in the number of accounts could be seen for most of 2008, although declines were recorded for August, September and for three consecutive months --- November and December 2008 to January 2009. The number of accounts for the remainder of 2009 generally remained flat, although decreases were recorded for April, June, October and December of that year. The number of accounts recorded throughout the months of 2010 and 2011 fell below the monthly number of accounts recorded in 2009. Declines could be seen for February, March, May, June, August, September, November and December 2010. Between January and August 2011, the only months which recorded an increase were March and August which explain the worsening of the downtrend in the number of business accounts in 2011.



The number of loans and advances accounts for businesses at the end of the September quarter of 2011 was 13,170 which represented a -1.47% decline relative to the June quarter of 2011 which had a total of 13,366. When compared with the September quarter of 2010 with a total of 14,279 business accounts, the number of loans and advances accounts for September 2011 represents a decline of -7.77%.

**The declining trend in the stock of outstanding loans as well as the number of businesses that have been borrowing over the last two years, indicate that businesses have been cutting back on their demand for credit. This could reflect dwindling confidence about the prospects for the economy or that businesses have been using other means of financing their operations. Nonetheless, if business loans remain tepid, this could further slow the rate of economic recovery.**

Figure 2: Foreign Direct Investment Stock in US\$Mn

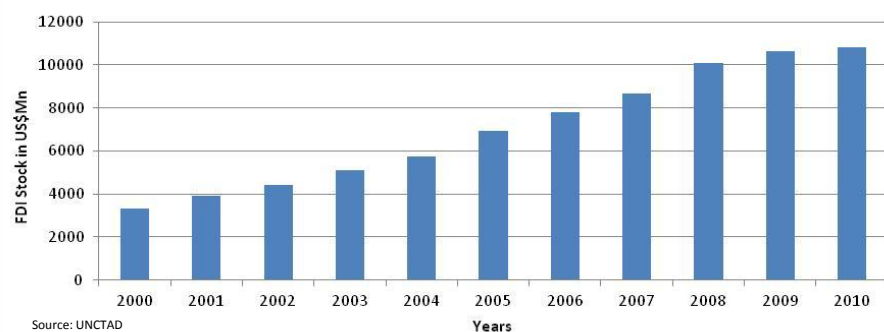


Figure 2.1: Foreign Direct Investment Inflows in US\$Mn

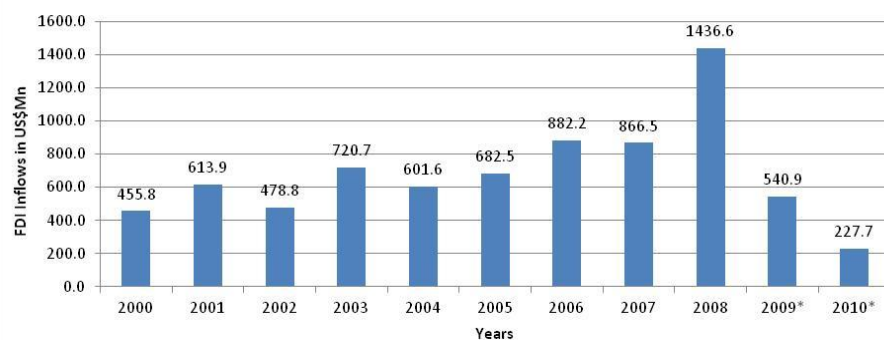
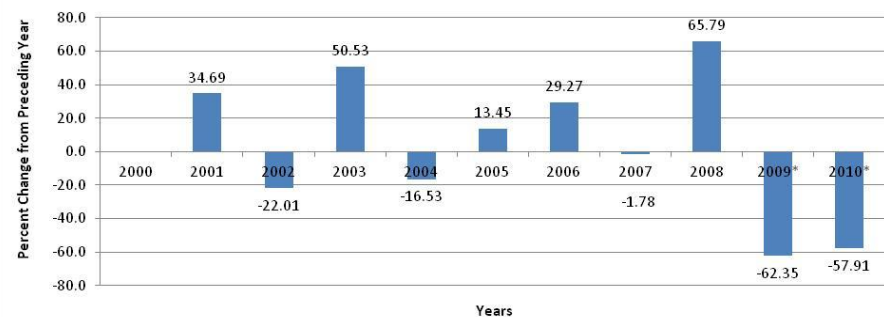


Figure 2.2 : Change (%) in FDIs Inflows



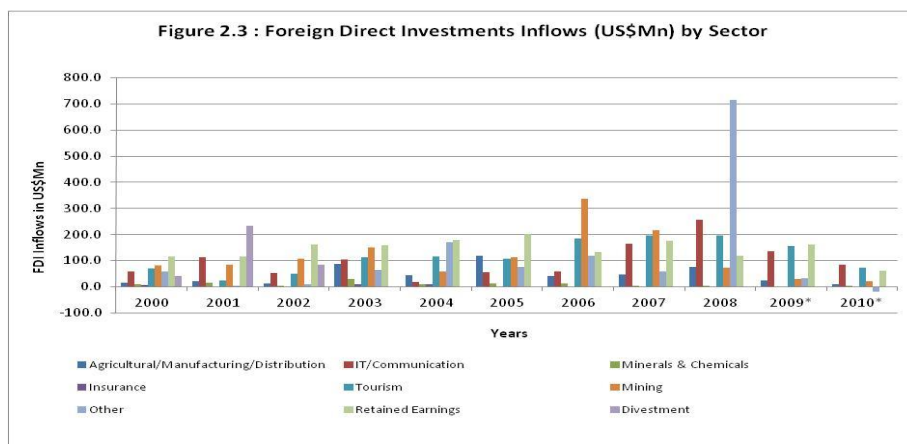
## 2. Foreign Direct Investments

The stock of foreign direct investments has increased significantly between 2000 and 2010 (Fig. 2). Between 2000 and 2010, FDI stock increased as a result of average FDI inflows of US\$682.5 million per annum. At the end of 2010, this stock was estimated at US\$10.9 billion, an increase of US\$227.7 million when compared to end-2009 (Fig. 2.1).

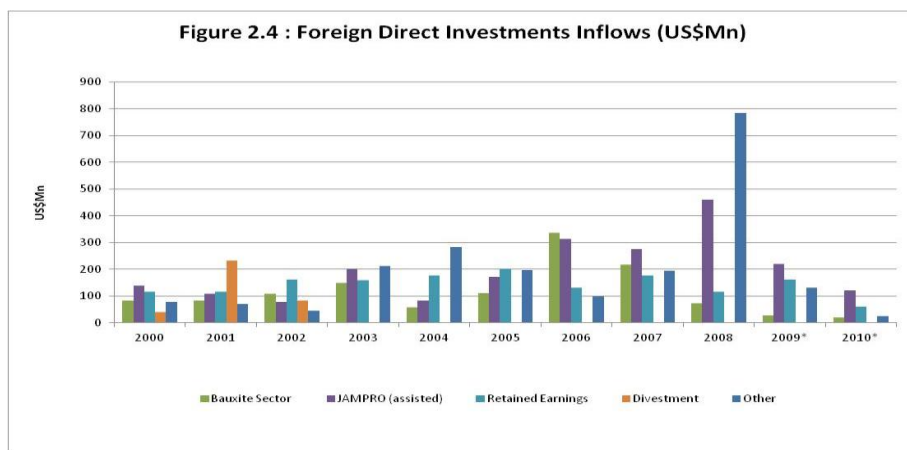
Notably, in 2008, Jamaica attracted US\$1.4 billion in FDI flows, the highest amount in any given year. Investment performance in 2008 is largely due to the purchase of approximately 49% shareholding in the Lascelles de Mercado Company by a Trinidad & Tobago spirits company. However, consequent to the global economic downturn, FDI flows subsequently plunged in 2009 and 2010, with declines of -62.35% and -57.91% respectively (Fig. 2.2).

The ICT, tourism and mining industries have generally accounted for most of the FDI inflows since 2000. Other sectors/industries such as agriculture, manufacturing, distribution, minerals & chemicals and insurance have also attracted these inflows (Fig. 2.3). Significant increases in FDI flows in 2008 were also attributed to inflows in the agricultural/manufacturing/distribution and ICT sectors which increased by 61% and 56.2% respectively, relative to 2007.

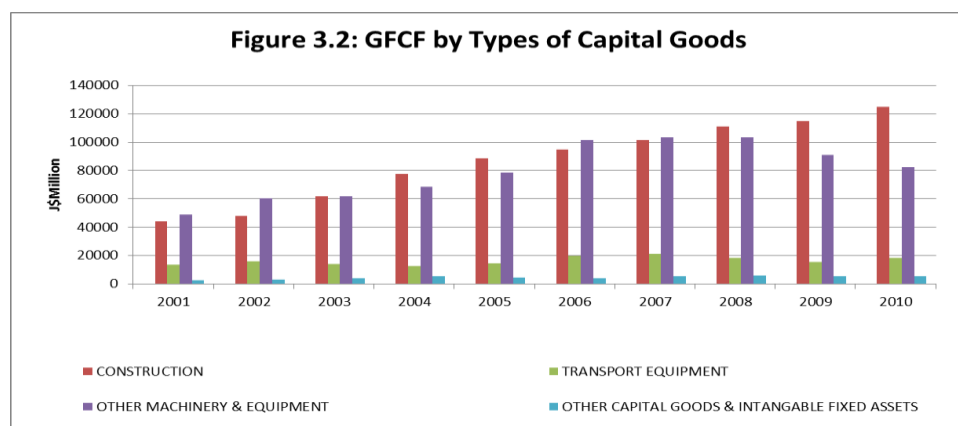
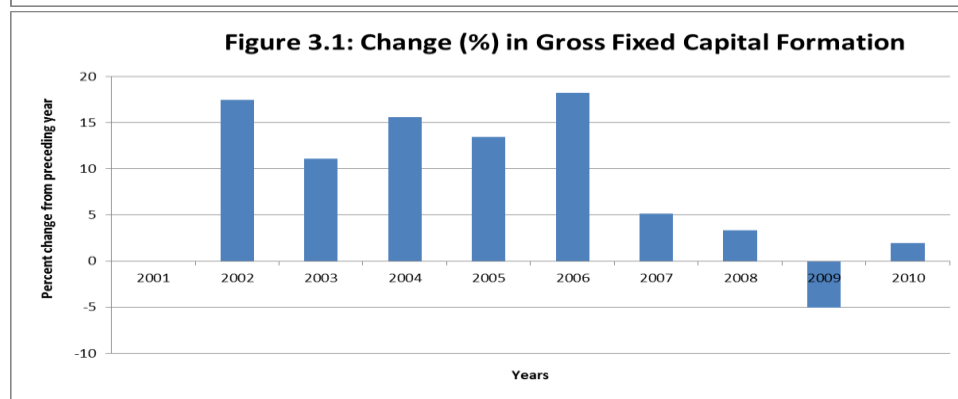
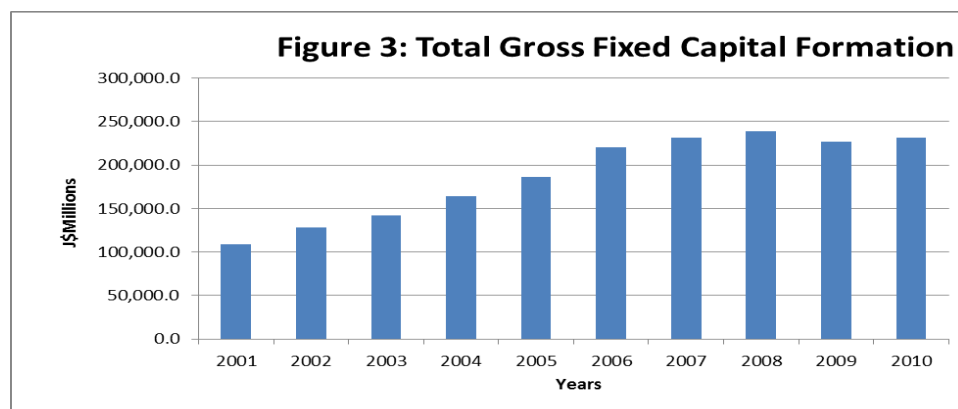
All sectors with the exception of minerals & chemicals (which moved from zero inflows in 2009 to inflows totaling US\$0.6 million in 2010) recorded a decline of as much as -55.43% at the end of 2010, when compared to the corresponding year.



JAMPRO assisted annual FDI inflows averaged US\$197.95million between 2000 and 2010. This is higher than the annual average inflows of US\$115.17 million for bauxite for that same period (Fig. 2.4). The agency supported FDI inflows of US\$459.3 million in 2008, which represents the strongest support since 2000.



**The downtrend in FDI inflows is cause for concern, given the prominent role of FDI for economic growth and development in Jamaica. This decline suggests that investor’s sentiments have been swayed at the end of 2009 and 2010. This could be influenced by a confluence of factors, including the instability in the global economy as well as Jamaica’s relatively unstable social and economic climate, particularly during the periods of decline.**



### 3. Gross Fixed Capital Formation

Gross fixed capital formation (GFCF) increased steadily between 2000 and 2008 but declined in 2009 and increased marginally in 2010 (Fig. 3 & 3.1). Between 2000 and 2010, GFCF averaged J\$187,823.9 million and amounted to J\$231,488.1 million at the end of 2010, an increase of J\$4,456.4 million or 1.96%, relative to 2009.

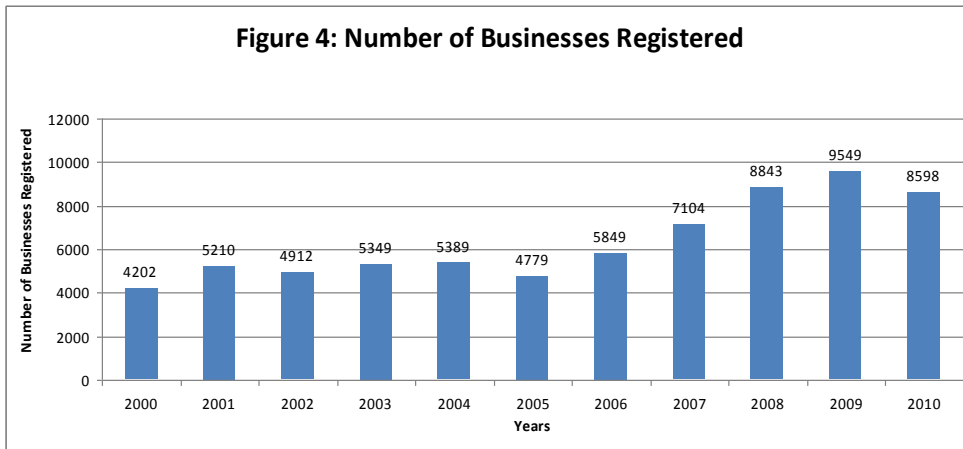
Between 2009 and 2010, there was an increase in the value of expenditure on construction specifically buildings and other structures which increased from J\$95,940.8 million and J\$19,039.2 million to J\$101,017.4 million and J\$23,934.4 million respectively. Increases in the categories of construction capital items such as buildings and other structures follows from the steady upward trend in investments in these areas since 2001 (Fig.3.2).

The value of expenditure on transport equipment also increased from J\$15,536.9 million in 2009 to J\$18,571.8 million in 2010. Other goods and tangible fixed capital also increased marginally from J\$5,604.0 million in 2009 to J\$5,636.2 million in 2010. The value of other machinery and equipment however declined in 2010 at a value of J\$82,328.2 million, down from J\$90,910.8 million in 2009 (Fig. 3.2).

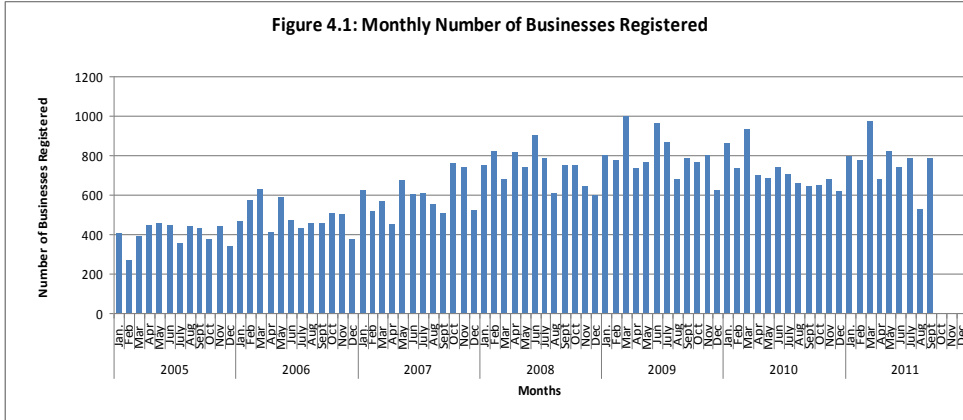
**Higher acquisition of capital items in 2010, relative to 2009 reflects investor optimism about the future of the economy at the end of 2010.**



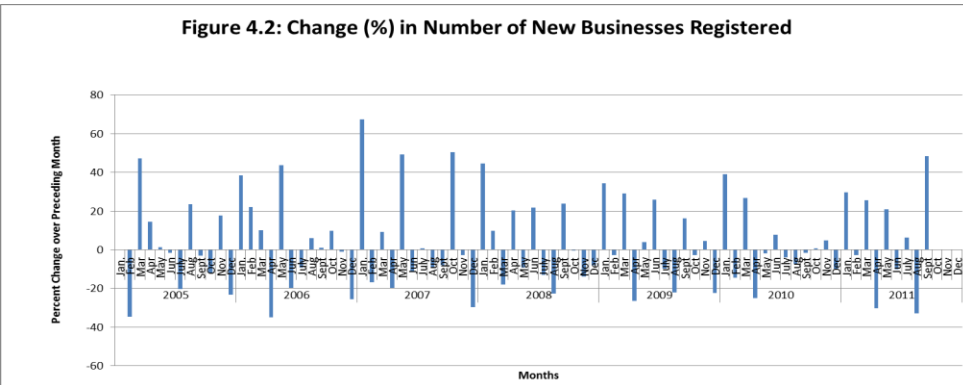
**Figure 4: Number of Businesses Registered**



**Figure 4.1: Monthly Number of Businesses Registered**



**Figure 4.2: Change (%) in Number of New Businesses Registered**

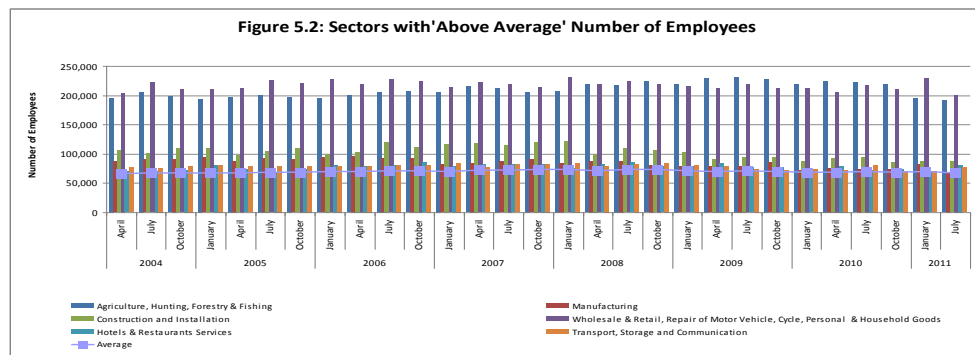
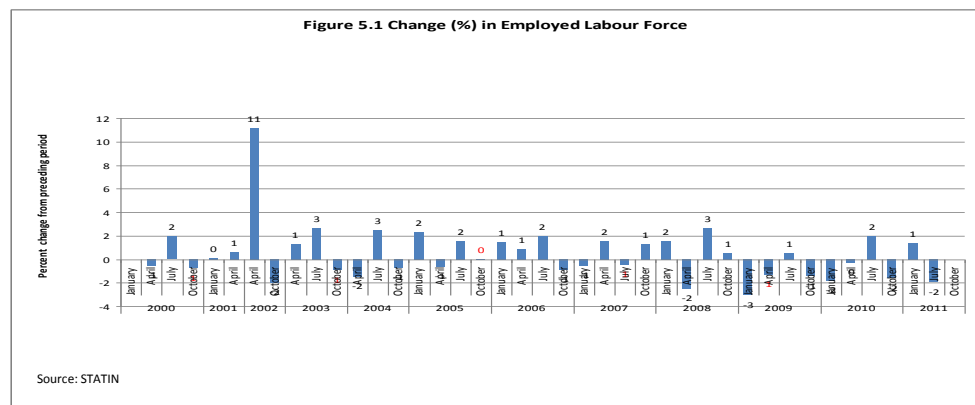
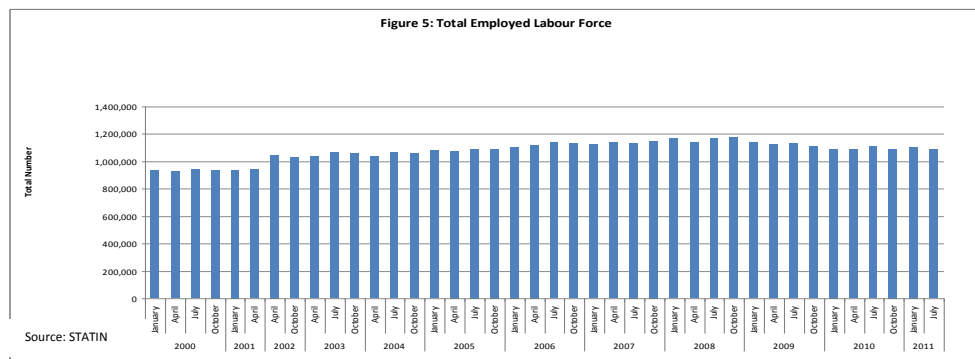


#### 4. Number of New Businesses Registered

Between 2000 and 2010, the number of new businesses registered averaged 6,344 annually. There were fluctuations in the number of new businesses registered between 2000 and 2005, followed by gradual increases even during the recessionary periods and surprising peak of 9,549 new business registrations in 2009 (Fig.4). The number of new businesses registered in 2010 (8,598) was however 951 fewer than that for 2009 which ended with a total of 9,549 new registrations.

Monthly figures for new business registration between 2005 and 2011 also reveal a similar uptrend since 2006. The decline in the number of new businesses registered at the end of 2010 was reflected in the decreases in monthly registration for the months of February, April, May, July, August, September and December of that year (Fig. 4.1& 4.2). At the end of September 2011, the total number of new businesses registered since the start of the year stood at 6,874, an increase of 219 (3.29%) new registration when compared with January to September 2010 with 6,655 new registrations.

Quarter to quarter comparisons reveal a decline of -6.57% for the September quarter of 2011 relative to the June quarter and a 4.29% increase when compared to the September quarter of 2010.



### 5. Employed Labour Force

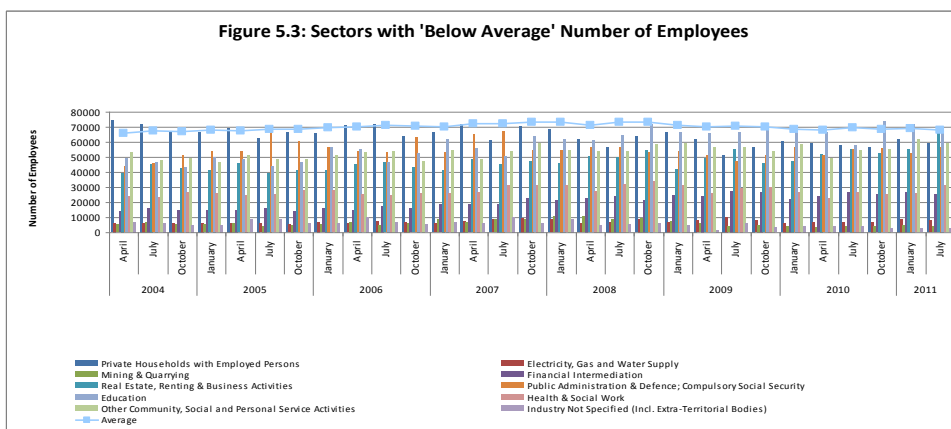
There has been an overall increase in the size of the employed labour force and this was most noticeable from the significant jump in employment in April 2002. The increase in April 2002 was 105,300 (11%) employed persons, relative to April 2001 (Fig. 5). It should be noted that the size of the labour force has since remained above pre-April 2002 levels.

Subsequent to April 2002, there have been fluctuations in the number of persons employed over each reporting period. Declines were reported for some reporting periods of each year, however with the exception of the period between October 2009 and April 2010, these declines have not prolonged for more than two consecutive periods. Increases were also reported for some reporting periods in each year. Notable increases occurred consecutively between July 2005 and July 2006.

The most recent finding coming out of the Labour Force Survey is that 1,084,300 persons were employed in July 2011, which represents a decline when compared with the 1,106,500 employed in January 2011 and the 1,109,200 employed in July 2010.

Sectors which employed more than the average number of employees over each reporting period are agriculture, hunting, forestry & fishing, construction & installation, hotels & restaurants services, manufacturing, wholesale & retail, repair of motor vehicle, cycle, personal and

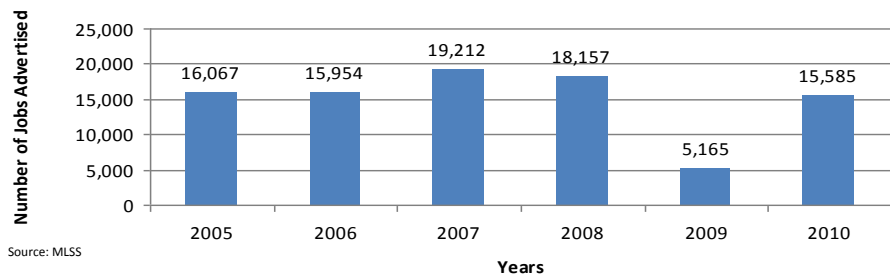
Figure 5.3: Sectors with 'Below Average' Number of Employees



household goods and transport storage & communication (Fig. 5.2). All other sectors generally employed less than the average number of employees for each reporting period (Fig. 5.3), although the education sector had above average employment in October 2010, January 2011 and July 2011. Other sectors have also had above average employment over past reporting periods, these include: private households with employed persons and real estate, renting & business activities.

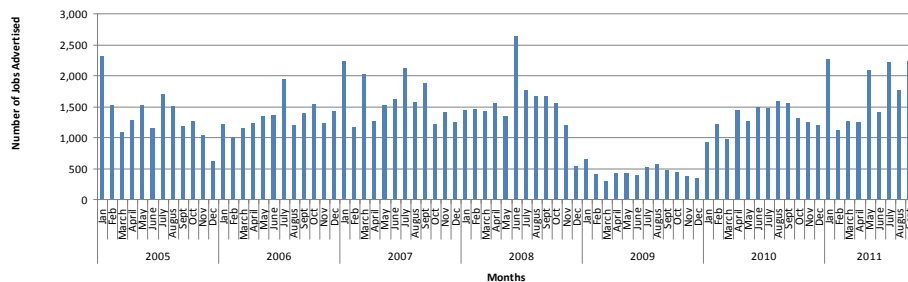
At the end of July 2011, it was reported that employment in real estate, renting & business activities and hotels & restaurants services increased by 20.0 % and 10.9 % respectively, relative to the corresponding period in 2010. Declines were however reported for agriculture, hunting, forestry & fishing and wholesale & retail, repair of motor vehicles & equipment which declined by 14.0% and 7.8%, respectively.

**Figure 6: Total Number of Jobs Advertised**

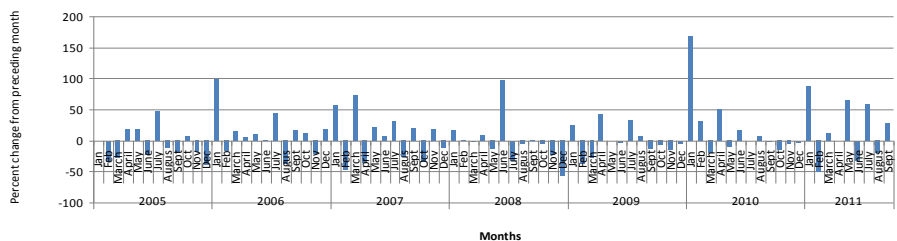


Source: MLSS

**Figure 6.1 : Number of Jobs Advertised in Print Media**



**Figure 6.2: Change (%) in Number of Job Advertised in print Media**



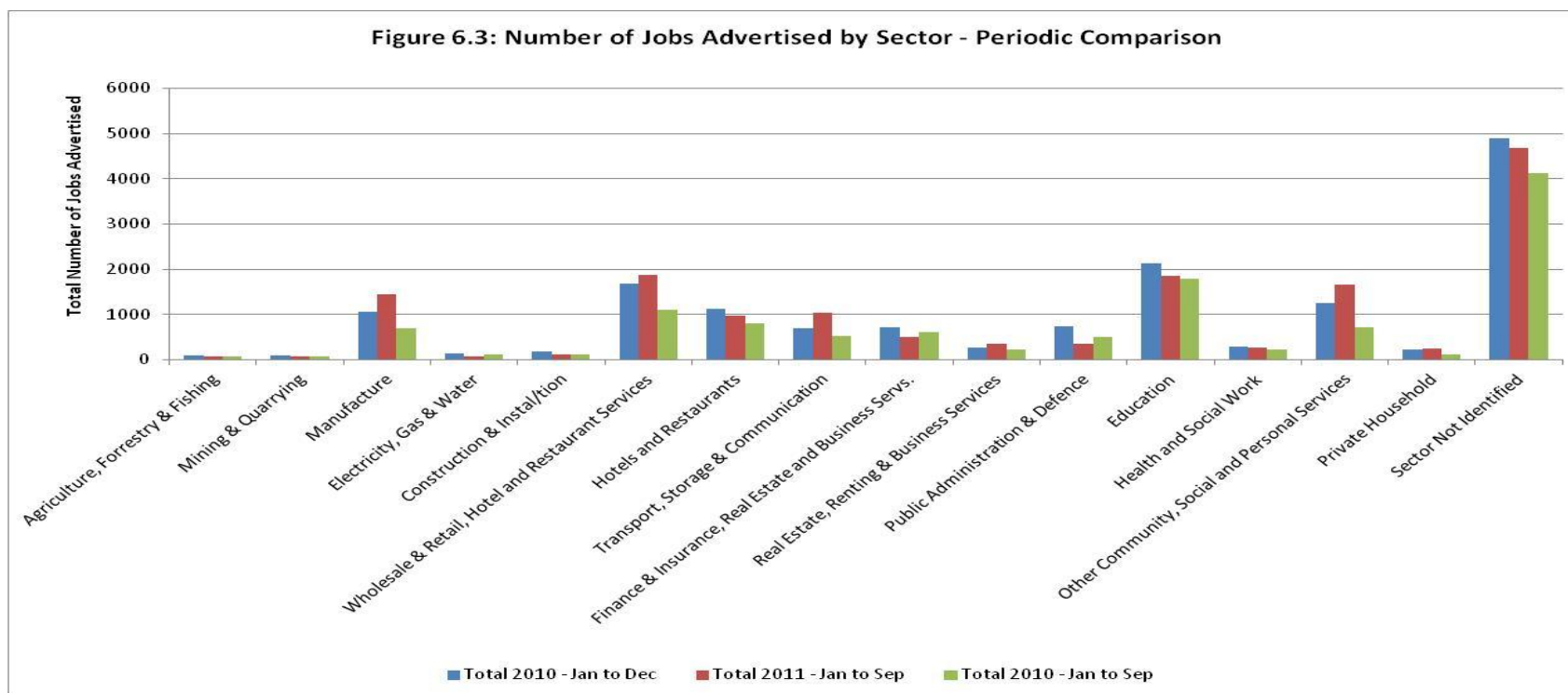
## 6. Number of Jobs Advertised in the Print Media

The total number of jobs advertised varied between 2005 and 2010 and averaged 15,023 annually (Fig. 6). Total job advertisements for 2007 were 19,212 and this represented the largest number of job vacancies for the period. In 2009, these advertisements plummeted significantly with only a total of 5,165 advertised job vacancies for that year, relative to the 18,157 advertisements at the end of the previous year.

It should be noted that the number of job vacancies advertised in the print media between January and September 2011 totaled 15,580--an amount which is close to the number of advertisements at the end of 2010. This amount also represents a 31.45% increase in the number of jobs advertised between January and September 2011 which amounted to 11,852 job advertisements. The number of job advertisements also increased by 27% in September 2011, relative to August 2011.

Quarter to quarter comparisons also reveal a 31% increase in the number of job vacancies advertised at the end of the third quarter of 2011, relative to the preceding quarter and a 35.08% increase at the end of that same quarter relative to the corresponding quarter of 2010.

A closer look at the number of jobs advertised on a monthly basis reveal that the number of job vacancies advertised since 2005 tend to increase between the beginning and the middle of the year and then declined towards the end of the year (Fig. 6.1 & Fig. 6.2). Also, significant spikes can be seen in the number of job advertisements which tend to occur during early and middle months of each year (Fig. 6.1).



A sectoral breakdown of job advertisements between 2010 and 2011 is provided in tables 2 and 3. Figure 6.3 provides a snapshot of the changes in the total of job advertisements by sector, over three different time periods. It shows that the level of demand for labour in manufacture, wholesale & retail, transport, storage & communication, real estate, renting & business services and other community, social and personal services, for January to September 2011 is much higher than the demand for January to September 2010 as well as the total for 2010-end. Sectors such as hotel & restaurant, private household, health and social work, education and ‘sector not specified’ have shown an increase in the number of jobs advertised for January to September 2011, relative to the same period in 2010.

**A decline in the size of the employed labour force is particularly worrying given the fragile state of the economy. However, all things equal there is a possibility that the reported decline for July 2011 could reverse over the coming months based on the relatively strong demand for labour up to the end of September 2011.**

## Industrial Performance Report

<b>Economic Sectors</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Agriculture, Forestry & Fishing	14	11	6	3	16	9	5	5	4	2	6	11	92
Mining & Quarrying	7	21	5	2	22	5	5	10	4	9	2	0	92
Manufacture	42	87	61	71	76	76	78	100	108	133	122	104	1,058
Electricity, Gas & Water	3	8	5	7	11	16	25	7	34	12	7	3	138
Construction & Installation	0	6	23	12	22	22	10	23	10	13	17	28	186
Wholesale & Retail, Hotel and Restaurant Services	68	87	77	40	67	130	193	157	286	251	142	179	1,677
Hotels and Restaurants	3	134	84	62	98	55	93	85	180	99	102	132	1,127
Transport, Storage & Communication	51	77	63	50	54	44	69	55	72	80	30	55	700
Finance & Insurance, Real Estate and Business Servs.	128	82	42	69	70	51	38	72	53	39	39	33	716
Real Estate, Renting & Business Services	2	32	16	33	29	22	33	32	27	34	7	9	276
Public Administration & Defence	0	73	34	97	81	66	51	45	48	55	60	139	749
<b>Education</b>	<b>56</b>	<b>108</b>	<b>119</b>	<b>137</b>	<b>173</b>	<b>421</b>	<b>407</b>	<b>247</b>	<b>132</b>	<b>67</b>	<b>127</b>	<b>134</b>	<b>2,128</b>
Health and Social Work	2	39	14	16	36	23	28	29	32	21	26	19	285
<b>Other Community, Social and Personal Services</b>	<b>7</b>	<b>32</b>	<b>55</b>	<b>56</b>	<b>81</b>	<b>76</b>	<b>98</b>	<b>151</b>	<b>164</b>	<b>173</b>	<b>249</b>	<b>107</b>	<b>1,249</b>
Private Household	0	0	2	2	0	0	28	56	39	30	39	24	220
<b>Sector Not Identified</b>	<b>526</b>	<b>406</b>	<b>350</b>	<b>776</b>	<b>430</b>	<b>465</b>	<b>307</b>	<b>506</b>	<b>363</b>	<b>290</b>	<b>256</b>	<b>217</b>	<b>4,892</b>
<b>Total</b>	<b>909</b>	<b>1,203</b>	<b>956</b>	<b>1,433</b>	<b>1,266</b>	<b>1,481</b>	<b>1,468</b>	<b>1,580</b>	<b>1,556</b>	<b>1,308</b>	<b>1,231</b>	<b>1,194</b>	<b>15,585</b>
<b>Average among sectors per month</b>	<b>57</b>	<b>75</b>	<b>60</b>	<b>90</b>	<b>79</b>	<b>93</b>	<b>92</b>	<b>99</b>	<b>97</b>	<b>82</b>	<b>77</b>	<b>75</b>	

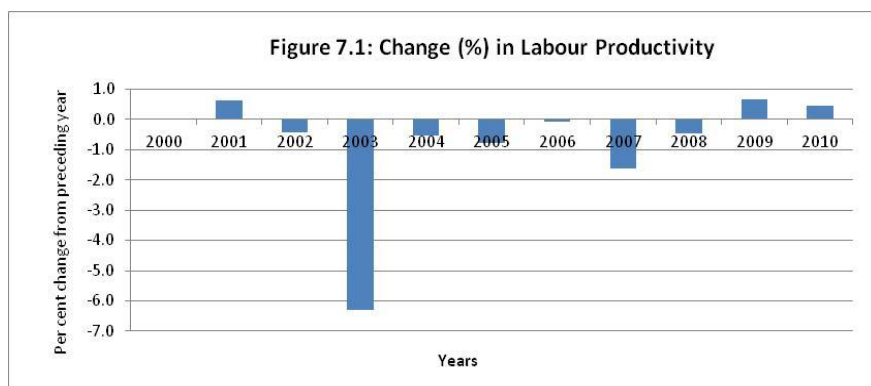
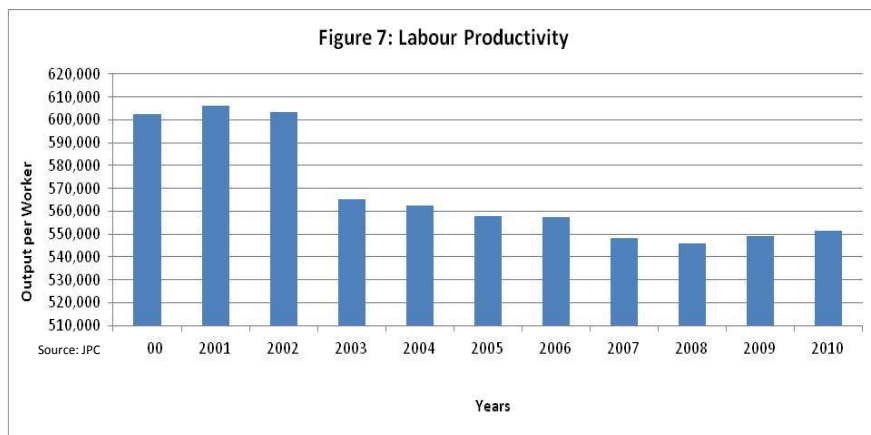
Source: Gleaner and Observer Newspapers/Ministry of Labour and Social Security



## Industrial Performance Report

<b>Economic Sectors</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>Sept</b>	<b>Total</b>
Agriculture, Forestry & Fishing	8	15	4	4	10	6	12	9	4	72
Mining & Quarrying	7	10	1	46	2	4	2	1	2	75
Manufacture	187	121	123	160	149	213	138	210	148	1,449
Electricity, Gas & Water	2	14	2	8	8	7	5	18	4	68
Construction & Installation	18	7	11	10	23	17	11	13	17	127
Wholesale & Retail, Hotel and Restaurant Services	260	159	208	165	287	326	184	109	185	1,883
Hotels and Restaurants	130	85	143	80	147	64	98	79	140	966
Transport, Storage & Communication	81	60	113	55	128	76	111	239	179	1,042
Finance & Insurance, Real Estate and Business Servs.	68	33	38	56	59	64	80	55	45	498
Real Estate, Renting & Business Services	67	49	24	19	17	26	59	40	53	354
Public Administration & Defence	86	43	26	21	46	27	56	26	15	346
Education	171	57	99	159	139	255	554	265	150	1,849
Health and Social Work	47	50	19	16	23	23	47	24	25	274
Other Community, Social and Personal Services	180	126	132	149	293	185	197	152	240	1,654
Private Household	60	21	10	33	31	36	15	9	30	245
Sector Not Identified	882	268	304	271	715	74	655	511	998	4,678
<b>Total</b>	<b>2,254</b>	<b>1,118</b>	<b>1,257</b>	<b>1,252</b>	<b>2,077</b>	<b>1,403</b>	<b>2,224</b>	<b>1,760</b>	<b>2,235</b>	<b>15,580</b>
<b>Average among sectors per month</b>	<b>141</b>	<b>70</b>	<b>79</b>	<b>78</b>	<b>130</b>	<b>88</b>	<b>139</b>	<b>110</b>	<b>140</b>	<b>141</b>

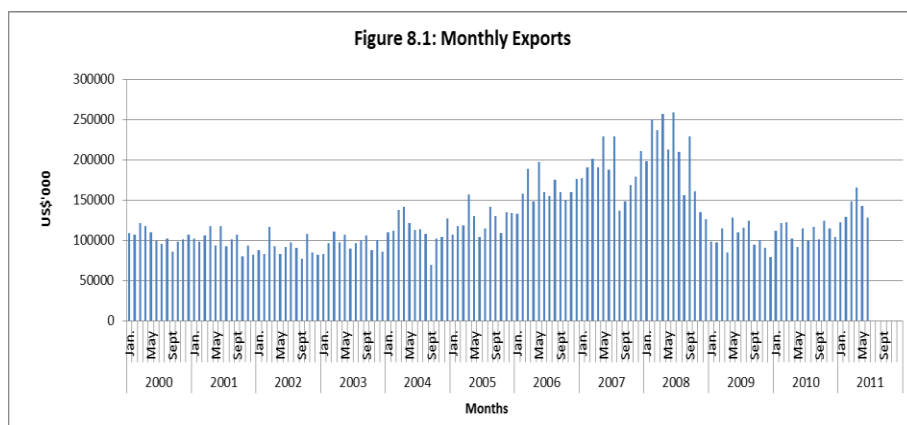
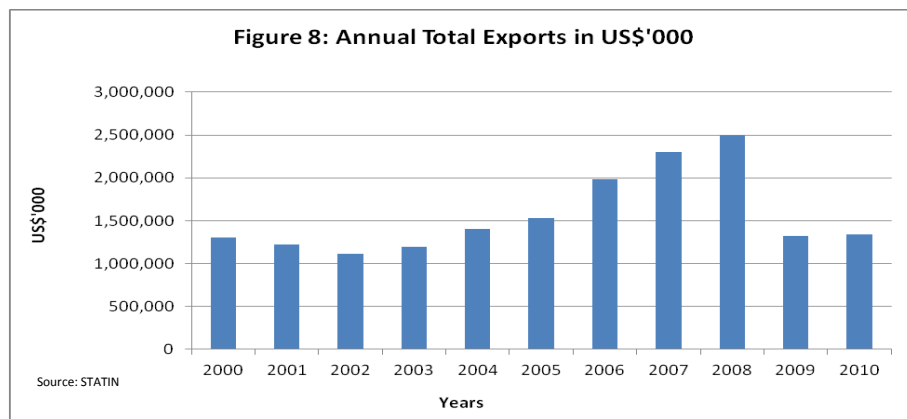
Source: Gleaner and Observer Newspapers/Ministry of Labour and Social Security



### 7. Labour Productivity

Labour productivity declined consecutively between 2002 and 2008, with the lowest recorded level of 545,798 in 2008. However, this declining trend reversed over 2009 and 2010, with recorded output per worker of 549,303 and 551,670, respectively (Fig. 7). These increases are however below the annual average labour productivity of 568,138 for 2000 and 2010. Overall, the annual average change in labour productivity is -0.9% between 2000 and 2010 but at the end of 2010, labour productivity increased by 0.4% relative to 2009.

The year with the largest year-over-year decline in worker output was 2003 when labour productivity fell to 565,275 from 603,284 in the previous year (Fig. 7.1).



### 8. Goods Exports

Total annual goods exports declined in 2001 and 2002, increased gradually between 2003 and 2008, declined in 2009 and increased in 2010 (Fig. 8). Between 2000 and 2010, annual exports averaged US\$1.57 billion.

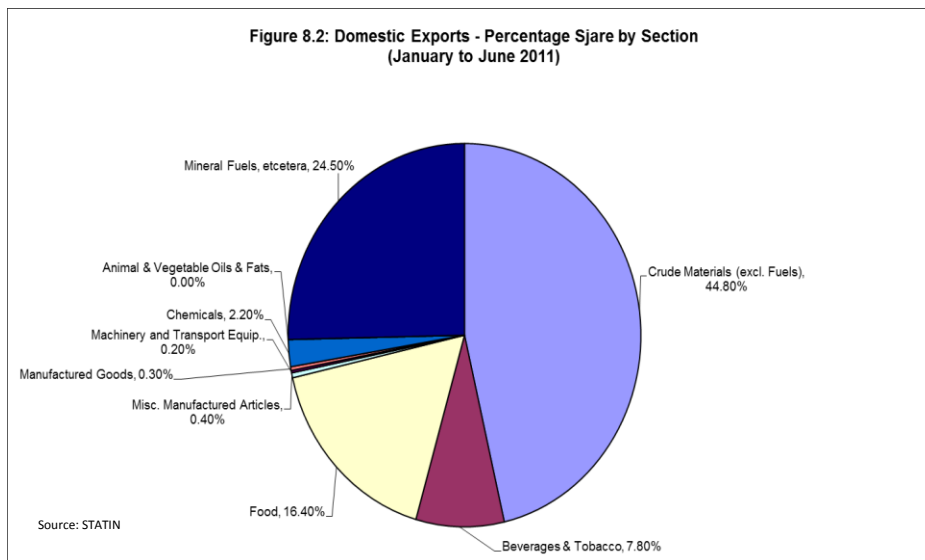
Overall, monthly goods exports for 2011 are higher than exports for 2010 (Fig. 8.1). There has been an upward trend in monthly exports since January 2011.

STATIN reports that total goods exports during the first six months of 2011 totaled US\$841.6 million, of which US\$7.1 million was exported by the Jamaica Free Zone. Earnings from total exports for January to June 2011 represent a 25.4% increase, relative to the corresponding period in 2010.

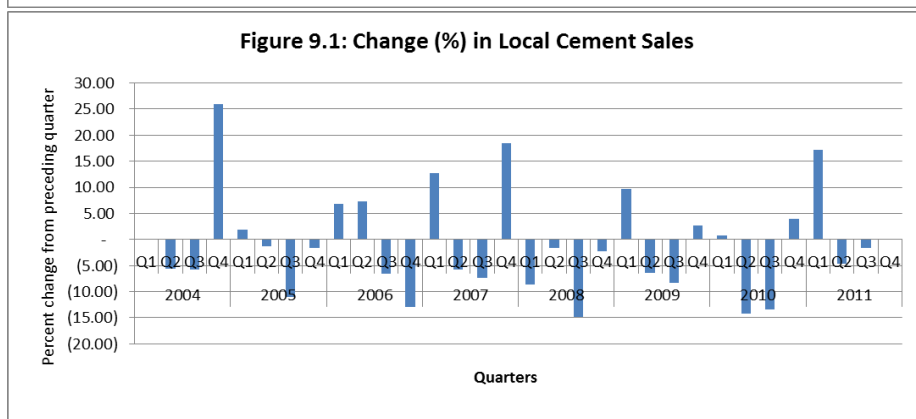
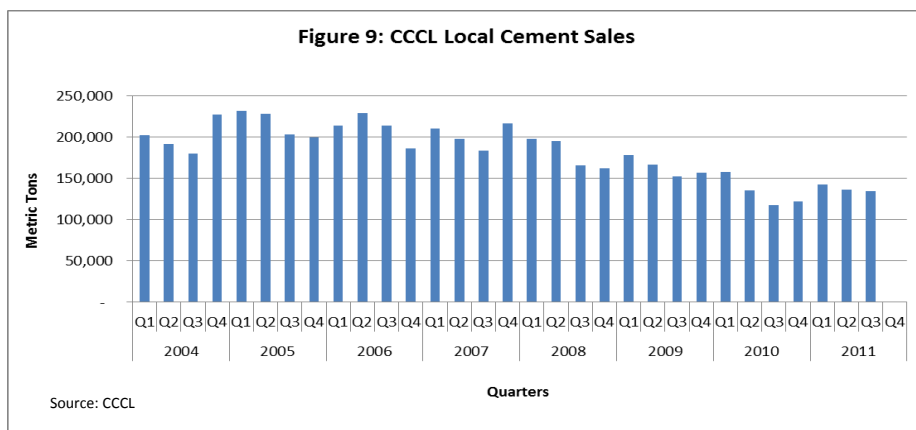
Exports earnings for Crude Materials (excl. Fuels) represented 44.8% of total domestic exports (Fig. 8.3) and increased 59.6 % over the period (moved from US\$144.9 to US\$388 million). Minerals Fuels, etcetera which represent 24.5% of total domestic exports increased by 18.5% (US\$30.9 million to US\$197.8 million) over the period.

With a share of 16.4% of total domestic exports for January to June 2011, exports of Food increased by US\$16.7 million or 14.4%, relative to the corresponding period in 2010. Beverages and tobacco rose by US\$9.2 million in comparison to the previous reporting period for 2010, this represented an increase of 17.3%. Machinery and Transport Equipment and the ‘Other’ commodity group also increased over the January to June review period. All other commodity groups declined over the review period.

Figure 8.2: Domestic Exports - Percentage Sjare by Section (January to June 2011)



Continued improvement in exports over 2010 and 2011 suggest that the demand for exports have shown signs of rebound, although export levels remain below the pre-crisis levels. All things being equal, the relatively higher levels of monthly exports for January to June 2011 could result in an overall increase in exports at the end of 2011 relative to 2010.



### 9. Local Cement Sales

Cement sales were relatively stronger between 2004 and 2007 in comparison to recent years. There was a downward trend in sales which started in 2008 (Fig.9 & Fig.9.1) but has taken a turn for the better in 2011, as quarterly sales volumes have again started to rise.

Between 2004 and 2011, average cement sales stood at 181,638 Metric Tons per quarter while the highest level of cement sales reported between 2004 and 2011 was 231,256 and this reflected during the first quarter of 2005.

Local cement sales were reported at 133,961 Metric Tons at the end of the September quarter of 2011, an amount which represents a -1.56% decline, relative to the June quarter for this year. It should be noted that the fallout at the end of the September quarter is however lower than the fallout at the end of the June quarter which declined by 4.60% relative to the March quarter for 2011 (Fig.9.1).

The volume of cement sales increased by 14.37% during the September 2011, when compared to the corresponding quarter in 2010.

**The increase in the volume of cement being sold for the September quarter of 2011, relative to the same quarter of 2010 is an indication that economic activity in the form of construction and its spillover effects has risen above the levels reported for the corresponding quarter of 2010. The changes in the volume of cement sales are positive signs of economic rebound for 2011.**

### 10. Electricity Sales to Industry

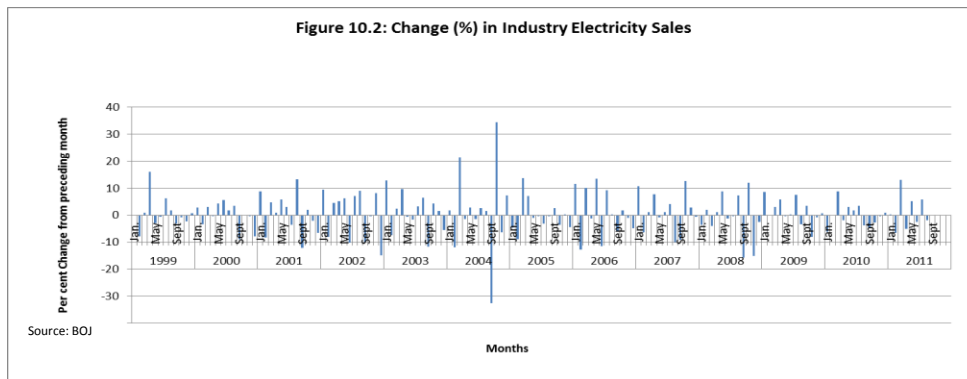
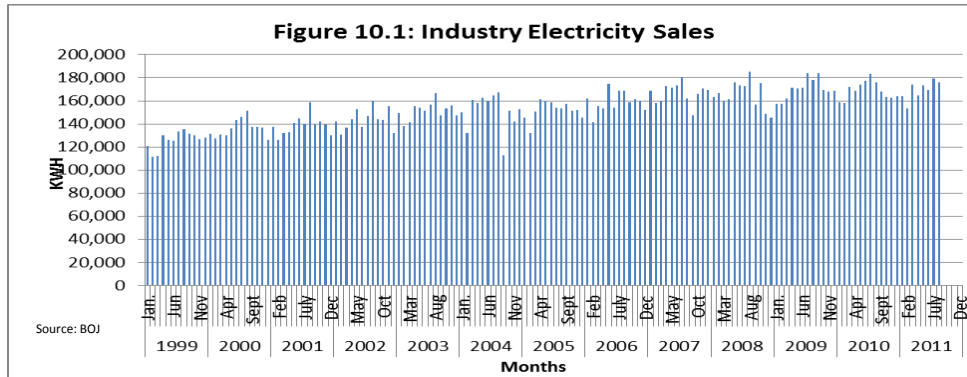
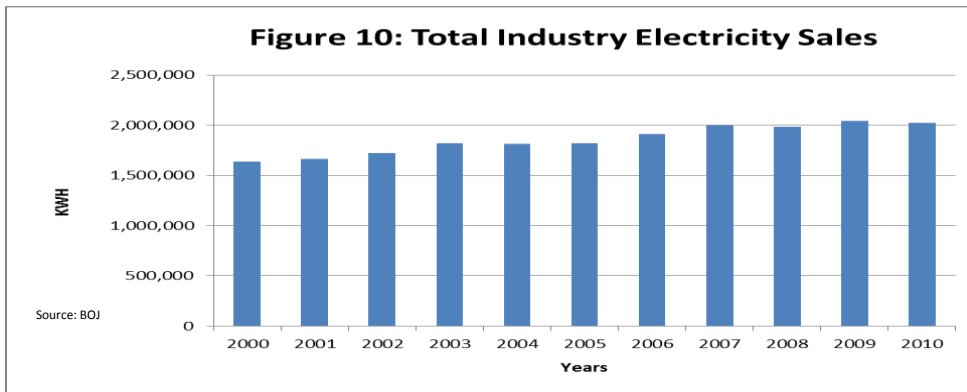
Total electricity sales have generally increased between 2000 and 2009 where it peaked at a value of 2,042,243 KWH and later declined at the end of 2010.

Electricity sales increased gradually between 2000 and 2003, decreased between 2003 and 2004, then increased steadily up to 2007 and oscillated over subsequent years (Fig. 10). The annual average electricity sales to industry stood at 1,857,998 KWH between 2000 and 2010.

Monthly electricity sales seem to display cyclical changes as exhibited in gradual increases in monthly sales at the beginning of the year, a peaking in the middle of the year followed by gradually decreases toward the end of the year.

Electricity sales to industry at the end of the third quarter of 2011 declined by -0.82% relative to the third quarter of 2010. However, there was an increase of 3.03% at the end of the third quarter of 2011, when compared to the preceding quarter. Increases were also recorded for the first and second quarters of 2011, which grew by 0.41% and 3.25% respectively, thereby signaling some amount of buoyancy in the volume of electricity sales for all three quarters of 2011.

**As a rough proxy for industrial production, the increase in the sales volume of electricity to businesses suggests that business consumption of electricity is on the rise which could positively impact the level of industrial output.**





## Explanatory Notes

### Commercial Banks Loans and Advances to Businesses

Credit from commercial banks to businesses was calculated as the difference between total private sector loans and advances and total personal loans and advances.

The number of loans and advances accounts was calculated as the difference between total number of private sector loans and advances accounts and total number of personal loans and advances accounts.

The amount reported excludes credit to financial institutions.

*Data Source: Bank of Jamaica*

### Foreign Direct Investments

The United Nation Conference on Trade and Development (UNCTAD) defines Foreign Direct Investment (FDI) as an investment involving a long-term relationship and reflecting a lasting interest in and control by a resident entity in one economy (foreign direct investor or parent enterprise) of an enterprise resident in a different economy (FDI enterprise or affiliate enterprise or foreign affiliate). Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates.

UNCTAD defines FDI stock as the value of the share of their capital and reserves (including retained profits) attributable to the parent enterprise, plus the net indebtedness of affiliates to the parent enterprises. The difference between the stock at the beginning of the year and its value at year-end must be equal to the flow recorded in the Balance of Payments.

*Data Source: UNCTAD and JAMPRO*

### Gross Fixed Capital Formation

The Statistical Institute of Jamaica defines gross fixed capital formation (GFCF) as that part of the current output of goods and services, which adds to the stock of capital, and therefore increases the future potential income flows of the economy. It is measured by the value of acquisitions less disposal of new or existing fixed assets. The following are the main types of gross fixed capital formation:

1. Tangible fixed assets, namely:
  - dwellings
  - other buildings and structures
  - machinery and equipment
  - cultivated assets such as trees and livestock that are used continuously to produce fruits, milk, etc.
2. Intangible fixed assets, namely:
  - mineral exploration
  - computer software
  - entertainment, literary or artistic originals
3. Major improvements to tangible non-produced assets including land

#### 4. Costs associated with transfer of ownership of non-produced assets.

GFCF could be considered as a general measure of gross net investment in fixed capital during an accounting year. Hence, high levels of GFCF tend to increase productivity and contribute to GDP growth which makes it an important measure of business sentiment as well as a leading indicator for economic growth. When businesses are investing in the big fixed capital items, such as machinery, vehicles, and buildings, it typically reflects optimism for future growth; otherwise, those businesses would other uses for that money.

*Data Source: STATIN*

#### **Number of New Businesses Registered**

This is calculated as the number of business names registered plus number of companies registered.

*Source: Companies Office of Jamaica*

#### **Employed Labour Force**

*Data Source: STATIN*

#### **Number of Jobs Advertised in Print Media**

The number of jobs advertised is calculated as the number of job advertisements in the Gleaner and the Observer Newspapers.

*Data Source: Ministry of Labour and Social Security*

#### **Labour Productivity**

*Data Source: Jamaica Productivity Centre*

#### **Goods Exports**

According to STATIN, goods exports are a combination of domestic exports and re-exports. Domestic exports include commodities grown in the island, extracted from its natural resources or manufactured in the country. Re-exports are exports of goods of foreign origin which have not been transformed while in Jamaica. These re-exported goods include goods moving outward from customs storage or manufacturing warehouses.

*Data Source: STATIN*

#### **Electricity Sales to Industry**

*Data Source: BOJ*