

QUARTERLY GROSS DOMESTIC PRODUCT OCTOBER-DECEMBER 2002

The Quarterly Gross Domestic Product October to December 2002 recently released by the Statistical Institute of Jamaica shows that during the fourth quarter of 2002, the economy declined by 0.7 percent when compared to the previous quarter with real Gross Domestic Product moving from J\$5,069 million in the third quarter to J\$5,034 million.

Both the Productive and Services sector recorded declines of 1.3 percent and 0.3 percent respectively. The performance of the Agriculture and Manufacturing sectors contributed to the decline in the Productive sector. There were marginal increases in most of the Services sector but these increases did not offset the declines which occurred in Distributive Trade and the Transportation, Storage and Communication sectors. There was a 3.7 percent increase in the real GDP when compared to the fourth quarter 2001, moving from J\$4,853.0 million in 2001 to J\$5,034 million during the fourth quarter of 2002. This growth was a reflection of the significant increases in Mining and Quarrying and the Miscellaneous Services sectors. Mining and Quarrying grew by 29.2 percent, while the growth in the miscellaneous services sector reflected the partial recovery of the tourist industry, which was affected by the September 11th, 2001 events in the U.S.A.

For the calendar year 2002, the economy grew by 1.0 percent due mainly to the growth in the Services sector of 2.0 percent. The goods producing sectors declined by 0.4 percent as output in Agriculture, Forestry and Fishing and 1 Manufacturing were lower than that of the previous year. Agriculture, Forestry and Fishing declined by 8.3 percent as this sector experienced lower levels of output in all quarters during the year. This sector was severely affected by drought in some parishes and heavy rains in May/June and September/ October.

The Manufacturing sector declined by 0.1 percent reflecting the 0.3 percent decline in the Food, Beverage and Tobacco group. Mining and Quarrying grew by 3.3 percent during the year due to a significant increase of 29.2 percent in the fourth quarter. The Construction and Installation sector grew by 2.2 percent in 2002, due to higher levels of activity in the Building and Installation groups.

The Services sector grew by 1.9 percent with all sectors except for the Miscellaneous Services sector, recording growth. Electricity and Water, Distribution, Finance and Insurance, Real Estate and Business Services and the Producers of Government services grew by 4.7 percent, 0.3 percent, 1.1 percent, 0.4 percent and 0.5 percent respectively. Significant growth of 5.6 percent occurred in the Transport, Storage and Communication sector during 2002. The Communication sub-sector contributed to the performance of this sector. There was a slight decline of 0.1 percent in the Miscellaneous Services sector. This occurred despite growth in the last two quarters of the year.

The Quarterly Gross Domestic Product October - December 2002 further outlines additional information and may be obtained from our Distribution Office located at 9 Swallowfield Road, Kingston 5.