



Ministry of Transport and Works



ANNUAL REPORT

2004/2005



MISSION STATEMENT

To contribute to the economic growth & social development of Jamaica by securing resources & providing effective policies, planning, standards & regulations for:

- The provision of safe & sustainable transport for the movement of people & goods;
- The achievement of efficient, high quality & timely architectural, engineering & technical works

VISION

A modern, safe, reliable and sustainable transport system & works infrastructure.

Ministry of Transport and Works

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Ministry of Transport and Works
Annual Report
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TABLE *of* CONTENTS

Statement of Responsibility	1
Corporate Profile	
Overview	2
Organizational Structure	3
Executive Management Committee	4
Strategic Objectives	5
Portfolio Subjects	6
Minister's Message	7
Minister of State's Message	9
The Jamaican Transport Sector	10
Permanent Secretary's Report	12
Portfolio Public Sector Entities	19
Air Transport	19
Marine Transport	25
Land Transport & Works Infrastructure	35
Audit Committee's Report	49
Financial Report	50



STATEMENT *of* RESPONSIBILITY

As Permanent Secretary in the Ministry of Transport and Works, I am ultimately responsible for the preparation of the Annual Report and for the information set out within.

Further, it is my responsibility to set in place the appropriate performance management and internal control systems from which the information has been derived.

I am satisfied that the information in this report is, in all material aspects, accurate and complete.



Alwin L. Hales Ph.D.
Permanent Secretary
Ministry of Transport and Works
Kingston, Jamaica
October 3, 2005



CORPORATE PROFILE

Overview

The Ministry of Transport and Works was created in January 1998, with the merging of functions and programmes from the former Ministries of Local Government and Works and Public Utilities and Transport. The Ministry's primary responsibility is the country's land, marine and air transport as well as the main road network, including bridges, drains, embankments and other such infrastructure.

The Ministry has regulatory responsibility for the safety of all modes of transportation, whether publicly or privately operated. This includes airports, aerodromes, airline operators, seaports, shipping traffic, public transportation and road infrastructure. Specifically, the system is comprised of 15,394km of road network covering the entire island (844km of arterial roads, 717km of secondary roads, 3,225km of tertiary roads and 282km of urban roads), 800 bridges, 330km of rail track, a large fleet of public passenger buses, two (2) international airports, four (4) domestic aerodromes, ten (10) specialized seaports, three (3) public deep-water ports, and a limited ferryboat service between Port Royal and Kingston.

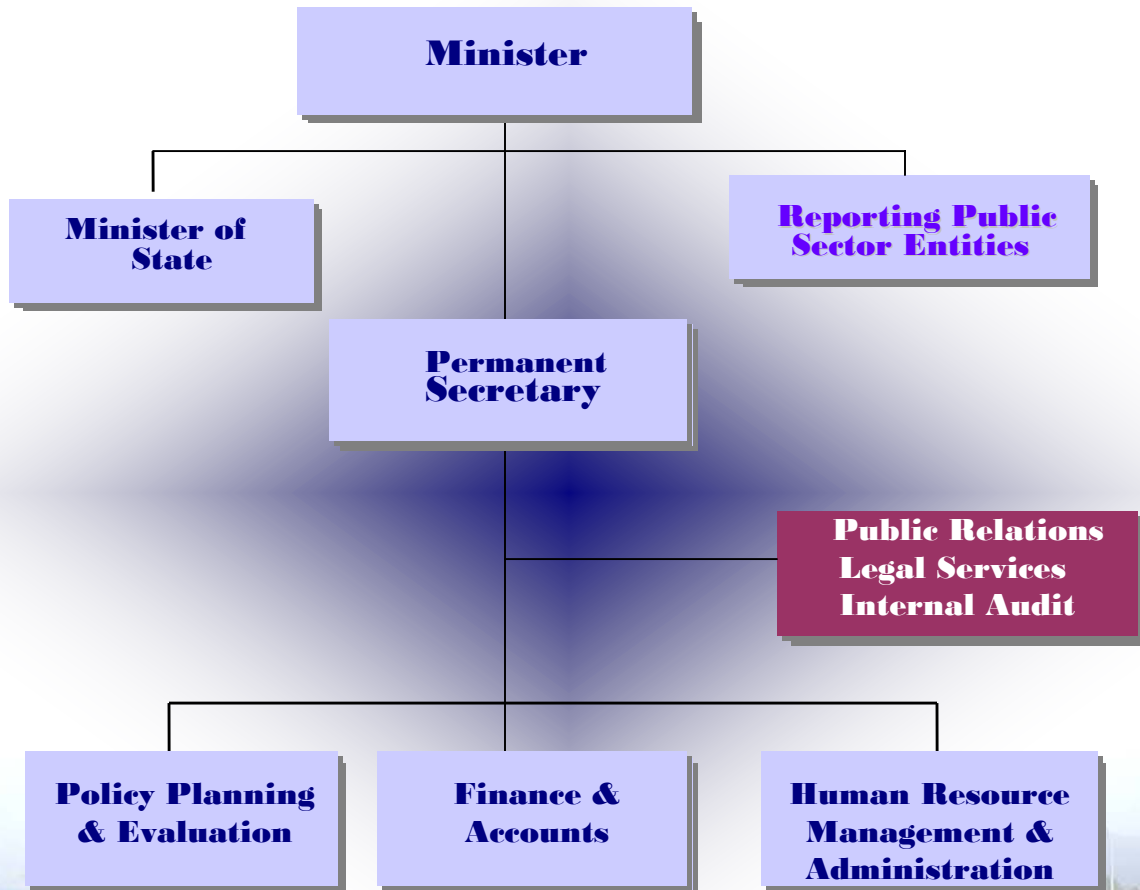
There are twenty reporting entities that currently assist the Ministry in fulfilling its mandate to provide a safe and efficient transport system and the construction and maintenance of quality roads and attendant structures.

The Ministry of Transport and Works continues to facilitate the growth and development of the transport sector to meet the growing needs of the country.



Organizational Structure

The functions of the Ministry of Transport and Works are guided politically by the Honourable Robert D. Pickersgill, while state Minister, the Honourable Dr. Fenton R. Ferguson has specific responsibility for the Works portfolio. The Permanent Secretary, Dr. Alwin Hales manages the day-to-day operations of the Ministry, along with an experienced Executive Management Team.



Executive Management Committee



Mr Michael McFarlane
Chief Internal Auditor



Mrs. Elsa-May Binns
Senior Director, Policy, Planning & Evaluation



Mr Altius Williams
Principal Finance Officer



Dr. Alwin Hales
Permanent Secretary
CHAIRMAN



Mrs. Barbara Cadoğan
Senior Director, Human Resource Management & Administration



Mrs. C.P. Cumberbatch
Senior Legal Officer



Mr. Winston Rattray
Director, Island Traffic Authority



Strategic Objectives



- Ensuring the provision of a linked, modern, sustainable transport infrastructure that fully supports economic and social development.
- Ensuring that quality, coordinated, integrated and efficient transport services are provided that meet the needs of transporters and passengers.
- Ensuring that adequate regulations are in place and are followed so that the transport of people and goods meet national and international safety and environmental standards;
- Ensuring that architectural, engineering and technical works and services are conducted to specified standards and procedures so that work is done safely and efficiently and to a uniformly high quality; and
- Recruiting and retaining highly developed and motivated staff that can formulate, monitor and evaluate policy and plans and provide advice on transport and works issues, utilizing efficient management information systems.

Portfolio Subjects

- Air Traffic Telecommunication
- Air Transport
- Airports
- Civil Aviation
- Driver, Vehicle Testing and Certification
- Education and Training of Seafarers
- Explosives and Other Dangerous Substances
- Flood Water Control
- Land Reclamation
- Licensing Authorities
- Main Roads
- Port Security
- Public Passenger Transport
- Rail Transport
- Road Safety
- Sandy Gully Drainage System
- Sea Defence and River Training
- Seaports



MINISTER'S MESSAGE



We exist in a very dynamic environment and nowhere is this more evident than in the Ministry of Transport and Works.

The sheer nature of the responsibilities of this Ministry – covering land, water, sea and air makes it a challenging proposition to manage; not withstanding that however, we continue to perform in a highly satisfactory manner.

Within the Land Transport portfolio, some very exciting news emerged with the JUTC commencing a pilot exercise of the Automatic Vehicle Locator (AVL) on two major routes thus achieving positive results in (a) buses on schedule (b) improved speed control and (c) vehicle location at all times. Focus was also placed on taxis, as a new system was implemented making it mandatory for them

to be aligned to associations with a view to facilitating easier tracking and identification of vehicles. During this financial year also, ground was broken for the erection of the Half Way Tree Transport Centre; the construction of which will eventually redound to the benefit of the commuting public.

Perhaps the most aggressive area of development last year was in the marine transport arena. The island continued where it left off the previous year welcoming over one million cruise passengers to our shores. There was an increase in container throughput at the Kingston Container Terminal of 1,247,018 TEUs – this confirmed the Terminal's leading 'hub status' in the Central and Caribbean region. At the ports, various security measures, including the installation of a CCTV Surveillance System, were implemented all in an effort to meet the July 1 deadline set by the IMO/ISPS for the certification of ports. With respect to the Maritime Authority of Jamaica, the February deadline of achieving certification under the International Standards Organisation (ISO) 9001:2001 was met. \$17 Million collected by the Maritime Authority of Jamaica (MAJ) from registration and inspection of vessels represented an 82% increase of what was expected and efforts continued with a view to developing crewing in Jamaica. This in an effort to take advantage of the projected worldwide shortage of seafarers wherein Jamaica could provide a steady supply of crew to work on vessels. The MAJ also offered technical services to other Caribbean islands that did not have that kind

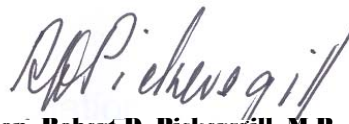
of expertise in their maritime administrations. The aviation sector was no less represented in the last financial year. Plans for the privatisation of the Norman Manley International Airport proceeded smoothly, with the entity NMIA Airports Ltd. formed to facilitate that process. The Airport and Reform Programme (ARIP) under which the majority of capital intensive programmes at NMIA will be implemented got underway. Jamaica continued with its enviable record in the aviation sector when it retained its Category One rating and another international carrier was welcomed to our shores in the form of US Airways.

Perhaps the area which is most easily identified with this Ministry is infrastructure, more specifically roads. In this respect, the National Works Agency and to a lesser extent, the Road Maintenance Fund worked assiduously to provide the public with satisfactory facilities. Some of the notable achievements were the opening of the new Spanish Town Toll Plaza and the very extensive road patching programmes which were undertaken particularly after the damage done to the road network following

various hurricanes and floodings. These works were carried out island wide. Significant work continued on Segment two of the North Coast Highway Improvement Project covering Montego Bay to Ocho Rios.

On the Road Safety front, the National Road Safety Policy was passed in Parliament and work was done to get this implemented and various public education initiatives were implemented via the Ministry's Road Safety Unit in collaboration with partners such as the National Road Safety Council and the Jamaica Gasoline Retailers Association among others.

As we continue to work towards fulfilling our mandate of a modern, safe, reliable and sustainable transport system and works infrastructure, we pledge to do so in the context of transparency and probity befitting our status as servants of the Jamaican public. We thank all stakeholders who played their parts in making the work of the Ministry that much easier and look forward to another year of such fruitful partnerships.



Hon. Robert D. Pickersgill, M.P.
MINISTER OF TRANSPORT AND WORKS



MINISTER of STATE'S MESSAGE

The year under review was a very eventful one for the Ministry and indeed the National Works Agency, the particular aspect of this Ministry's portfolio for which I am responsible.

Notwithstanding the challenges however, we have continued our relentless drive to arrest the deterioration in the island wide main road network and to assist in building a platform for growth and development of the country's economy.

The Agency is responsible for approximately 5,000 km of roadway, which forms the island wide main road network. During last year, the NWA embarked on or completed several infrastructure projects under various programmes. Among these were:


- The post hurricane Ivan Rehabilitation programme
- The Caribbean Development Bank (CDB) Flood Damage Programme
- The Inter-American Development Bank (IADB) Flood Damage Programme
- The Kuwaiti funded Road Rehabilitation Programme
- Segment Two of the Northern Coastal Highway Improvement Project which is more than 70% complete at this time and
- Plans are well underway for the construction of Segment Three from Ocho Rios to Port Antonio.

By no means are we only concerned with roadways as our mandate gives us responsibility for other aspects of the nation's infrastructure such as river training, sea defence, drainage systems and the erection and maintenance of bridges. Against this background, we have been working assiduously at ensuring that these areas also receive attention so that the lot of our citizenry can be improved.



Our efforts at maintaining the country's road network and allied infrastructure would not be possible without the assistance gained from a number of associated entities. To this end, we laud partners such as the EU, IDB, CDB, Ministry of Local Government, the PIOJ, the UDC and the countless private sector bodies that have done their part in advancing the collaborative thrust.

I also wish to applaud the work done by each worker at the Ministry and the NWA – they have performed with distinction and I wish to record our sincere appreciation as we move forward in the cause of service to our beloved country.


Hon. Dr. Fenton R. Ferguson, M.P.
MINISTER OF STATE
MINISTRY OF TRANSPORT AND WORKS



The JAMAICAN TRANSPORT SECTOR

Adapted in part from the Draft Inter-American Bank Country Strategy Assistance for Jamaica 2005-2008.

Jamaica's Transport infrastructure is well developed. An extensive road network connects practically all rural communities to the system. The country has twelve seaports, nine of which are privately operated and designed to handle specific export commodities, and three of which operate as major public ports: Kingston for general cargo; and Montego Bay and Ocho Rios primarily for cruise tourism. Kingston is the world's seventh largest natural harbour, and sophisticated port facilities there and in Montego Bay serve more than 20 international shipping lines. The two international airports - serving Kingston and the Montego Bay area - provide regularly scheduled international and domestic service. There is 205 km of railroads, although all but the 90 km used by the bauxite industry has been inoperative since 1992.

The road network is extensive but in variable condition. About 80 percent of the total length of highways, including national and parochial roads, is asphalt paved but only 12 percent is reported to be in good condition. As a result of insufficient maintenance, increased traffic, and damage caused by periodic flooding, often associated with hurricanes, the main road network is in urgent need of important rehabilitation works. Approximately 40 percent of rural roads are paved.

The macroeconomic environment of fiscal constraint has created funding difficulties, particularly in the roads sector. This underlines the importance of ensuring that infrastructure expenditure is efficient and effective.

In terms of allocation, the effectiveness of public expenditure on road infrastructure has been affected efforts to maintain a road network that is so extensive, and by the propensity to focus on new construction rather than maintenance of existing roads.

Several years ago, the GOJ refined the institutional arrangements in the sector in order to improve the efficiency and effectiveness of public road administration. The National Road Services Improvement Program (NRSIP) is one programme which supports these goals and seeks to improve the focus on and institutional capacity for maintenance.

Poor road quality, a sharp rise in the number of automobiles (112 percent increase from 1993 to 1997), and an inadequate public transport system have contributed to congestion in the major metropolitan areas with the accompanying delays and noise and air pollution levels. Traffic congestion in Kingston and Montego Bay continues to be a factor warranting social and economic considerations.



Furthermore, there is still under-coverage of public transit and low incentives to use it. There are several initiatives under development that will affect the traffic distribution in the Kingston Metropolitan Area, such as toll expressways, a commuter rail project and major changes in the operation of the public bus network. In addition, Kingston requires improvement of traffic management in critical areas.

There is a strong need to have an integrated approach to urban transport that involves infrastructure needs, traffic management and public transit solutions (such as dedicated bus lanes). That approach should clarify the roles of the different institutions participating in the sector.

The GOJ has made several efforts to introduce private participation in the transport sector. A concession contract for the management and upgrading of Sangster International Airport

(Montego Bay) was awarded in 2000. Following this successful example, the privatisation of Norman Manley Airport (Kingston) is also under study. The GOJ is also considering joint ventures in the railroad sector. In the road sector, the Highway 2000 Project is part of a program aimed at upgrading the country's infrastructure and revitalizing the economy by the construction of a toll expressway from Kingston to Montego Bay and Ocho Rios (230 km) through private/public sector financing. Phase IA of this project was recently completed on the basis of a private-public sector partnership under a concession agreement between the government and a private firm.

The key challenges in such undertakings will be to ensure an appropriate legal framework, sound risk management, adequate public sector capacity to manage the concessions, and sound disclosure and accounting requirements.



The PERMANENT SECRETARY'S REPORT

"Coming together is a beginning, keeping together is progress, working together is success." Henry Ford

When the decision was taken to revive the Ministry's Annual Report in 2003, I was particularly thrilled. Thrilled because it presented an opportunity to have the work and achievements of the Ministry chronicled in a formal manner – and perhaps the best part, this document would be maintained for posterity. It is against this background that I welcome another publication of the Annual Report.

The quotation above from Henry Ford in essence encapsulates the MTW story and as this, another chapter of that epic is written, I would like to propose that our 'togetherness' will continue to characterise our successful and progressive existence.

The 2004/2005 financial year has been a successful yet challenging one, especially for the Ministry of Transport and Works. Hurricane Ivan in September 2004 created severe damage to the island's road network, resulting in unexpected costs and unplanned activities. As a result of these and other challenges, the Ministry has had to engage in critical planning activities to ensure the strategic positioning of the Ministry in the nation's development through the provision of a modern, safe, reliable and sustainable transport system and works infrastructure.

The Ministry was able to effectively counter the challenges of 2004/2005 through the working together, spirit and efforts of its staff members. Team effort and togetherness led to what can be described as the inevitable success of the Ministry.

Dr. Alwin L. Hales
Permanent Secretary
Ministry of Transport and Works





Dr. Alwin Hales, Permanent Secretary and Mrs. Elsa-May Binns, Snr. Director- Policy, Planning & Evaluation review and sign the Snr. Director's Work Plan for the 2004/2005 financial year.

Through the Public Sector Modernization Project (PSMP), introduced in 2003/2004, job descriptions are more specific and each staff member is able to understand more clearly where he or she fits into the organizational and to a broader extent the nationwide picture of development. In keeping with the PSMP, the Employee Performance Management and Appraisal (EPMAS) was officially implemented on April 1, 2004. With the introduction of EPMAS, job performance is assessed against set standards agreed on between employees and supervisors. In this process, the objectives agreed on, are directly related to the specific department's and Ministry's objectives. Reviews of the employee's performance are conducted bi-annually and rewards and sanctions levied where applicable. The Ministry is cognizant of the fact that not only are employees expected to know their individual roles in the achievement of the Ministry's objectives, but they must also be evaluated based on their assigned roles and individual goals to ensure performance that adds value to the Ministry. As part of the EPMAS programme, all staff members were expected to complete individual work plans for the financial year and achievement is assessed based on activities undertaken during the assessment period.

The introduction of EPMAS into the MTW is designed to benefit both the employee and the organization. In addition to clarified goals and objectives, the employee benefits, as there is also a greater level of interaction with management as well as more opportunities for growth and development in the organization. The Ministry, through the EPMAS programme will experience improved leadership, improved levels of staff performance and better management of goals and objectives. We envision that the general work culture of the Ministry will improve and the Ministry will inevitably make more momentous strides in the nation's development.

World Health Day was celebrated on April 7, 2004 and in recognition of the need to address global problem of mortality due to traffic accidents, the World Health Organization (WHO) decided to observe World Health Day under the theme “Road Safety is No Accident.” The Ministry played its part in observing the day by introducing and erecting Driver Feedback signs. As a symbolic gesture, the Minister activated the feedback sign erected on Mountain View Avenue. The device provides motorists with the electronically generated speed at which they are travelling, on approach to the sign, and helps them to determine if they are exceeding the designated speed limit.



Above: Participants in local World Health Day activities 2004. Minister of Transport and Works, Hon. R.D. Pickersgill activates the driver feedback sign on Mountain View Avenue on April 7, 2004.

Simultaneous with the activities on Mountain View Avenue, The **National Labour Day Project for 2004**, an all-island programme in which pedestrian crossings were either erected or repaired was initiated. This thrust was ongoing throughout May, and climax in June, which was celebrated as Road Safety Month.



Crescent Primary School – one focus of the 2004 Labour Day Project

One of the most significant “movements” of the Ministry was the physical move of the corporate offices of the Ministry from Pawsey Road to its present location on Maxfield Avenue in July 2004. The new building is an extended and refurbished structure inclusive of 3, 574 square feet of additional space. The ground floor of the building strategically houses the Human Resource Directorate, the Registry and Documentation Centre and a soon to be established library.





The Ministry of Transport and Works Corporate Office at 138H Maxfield Avenue.

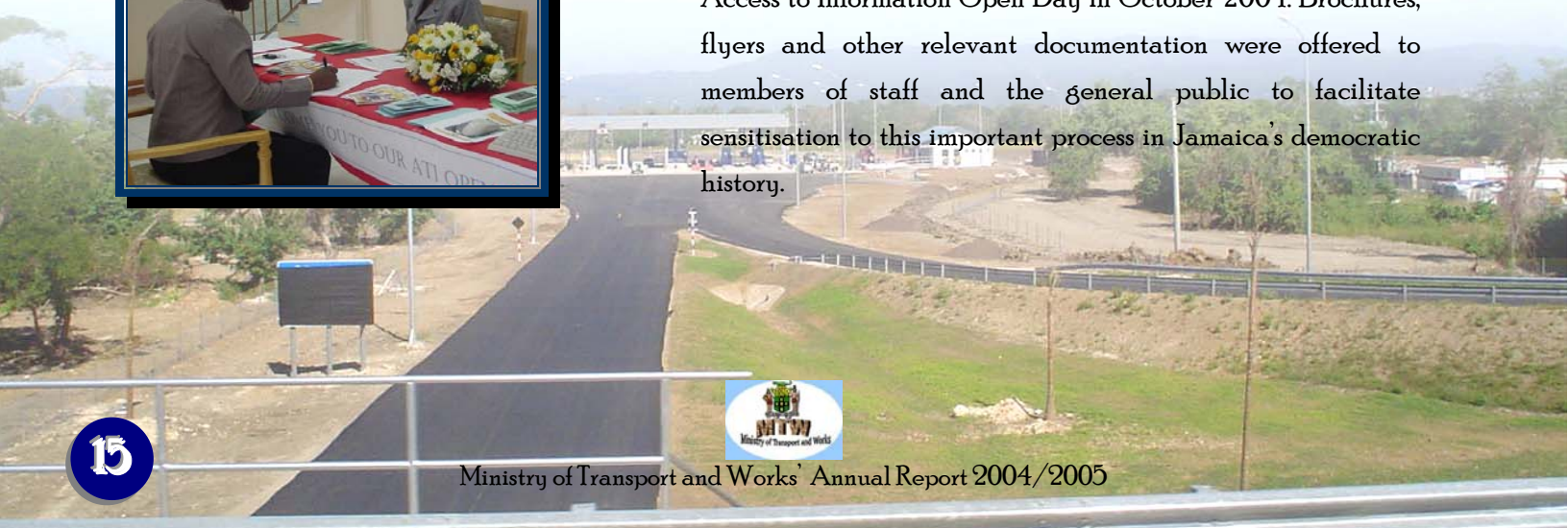
On the first floor the Directorates of Policy, Technical Services, Corporate Planning and Performance Monitoring, New Initiatives and Special Projects, Management and Information Systems as well as the Administration Unit are housed. The Offices of the Minister, the Minister of State, the Permanent Secretary, the Legal and Public Relations Units are located on the second floor. While, there was some amount of transitional discomfort, the administration unit as well as the New Initiatives and Special Projects Directorate effectively ensured that the moving process was as hassle free as possible for all staff members. Efforts are still being made to develop the general aesthetics of the building.

Subsequent to the movement of the corporate offices, the New Initiatives and Special Projects Unit began the process of sourcing a new electronic access security system for the building. In March 2005, staff members took identification pictures to facilitate the pending new system.



MTW's Access to Information Open Day

Access to Information became the buzz words for 2004 and on August 31 the Ministry joined other governmental organizations that fell under the purview of the Access to Information Act. Under the Act, the public is able to request and subsequently view official MTW documents that are not exempt from public disclosure. In an attempt to educate the public about the processes associated with accessing governmental information, the Ministry converted its Pawsey Road Office lobby into an information centre as they hosted Access to Information Open Day in October 2004. Brochures, flyers and other relevant documentation were offered to members of staff and the general public to facilitate sensitisation to this important process in Jamaica's democratic history.



On November 26, 2004, the Ministry was invited to have its staff members **tour the Portmore leg of Highway 2000**. The experience was a privileged and interesting one, as the Ministry staff were able to get a first hand view of the construction of the Highway. The tour was an interactive one in which Ministry staff were able to ask pertinent questions regarding the Highway's development. High Technology machines and equipment were observed at work during the dredging process to facilitate the construction of a roadway above sea level.



Staff taking in the sights on the Highway 2000 Tour

The Social Ministry

Easter Reflections for the Ministry were held in April at the Pawsey Road Office prior to the move of the Corporate Office to Maxfield Avenue. Staff members were represented in their numbers and a host of guest performers were on hand to participate in the celebration of the Saviour's life and crucifixion.

The occasion was a solemn one, in which Christ's life and work were memorialised much to the gratification of those present. Songs of thanksgiving, poems of hope, relevant scriptures and the provision of traditional bun and cheese combined to make the Easter Reflections of 2004 a truly moving occasion.



*Above: The reading of Scripture.
Below: Performers at Easter Reflections 2004*





Above: Staff enjoying the food, drink, camaraderie and the domino game.

Jerk Friday was held on November 12, 2004 and hosted by the MTW Social Welfare Committee. Staff members feasted on jerk chicken and roasted fish with side orders of festival and bammy. The meals were delectable and enjoyed by all partakers. The latter part of the evening saw some staff members participating in domino and card games. The funds generated from this event were added to a pool of existing funds to assist with staff welfare.

The staff and friends of the Ministry who were present at the Ministry's **Annual Christmas Party** had a "bashment" time this year. The new location – on the roof of the Corporate Offices of 138H Maxfield Avenue added to the excitement and feeling of invigoration that permeated the proceedings.



The music and food provided also added to the vibe that emanated from those in attendance, resulting in a wonderful evening for everyone present.



Love was in the air 🎵 and so was excitement ...

Valentine's Day was celebrated in the Ministry with the MTW Social Committee hosting a successful **Post Valentine's Day Auction**. Specially invited Master of Ceremonies for the evening, Joan Andrea Hutchinson ignited the activities of the evening with her wit, charm and poetry excerpts.

Staff members in attendance were treated to the modelling, and in some cases, the dancing prowess of some of their fellow staff members, all done in a bid to get 'sold' to a potential 'buyer'. Some buying staff members put up fierce fights to ensure that



they left with whom they came to buy – all in good fun. On the spot prizes were given to the highest bidder and the staff member who amassed the highest bid. A great time was had by all and staff members left looking forward to next year's event.

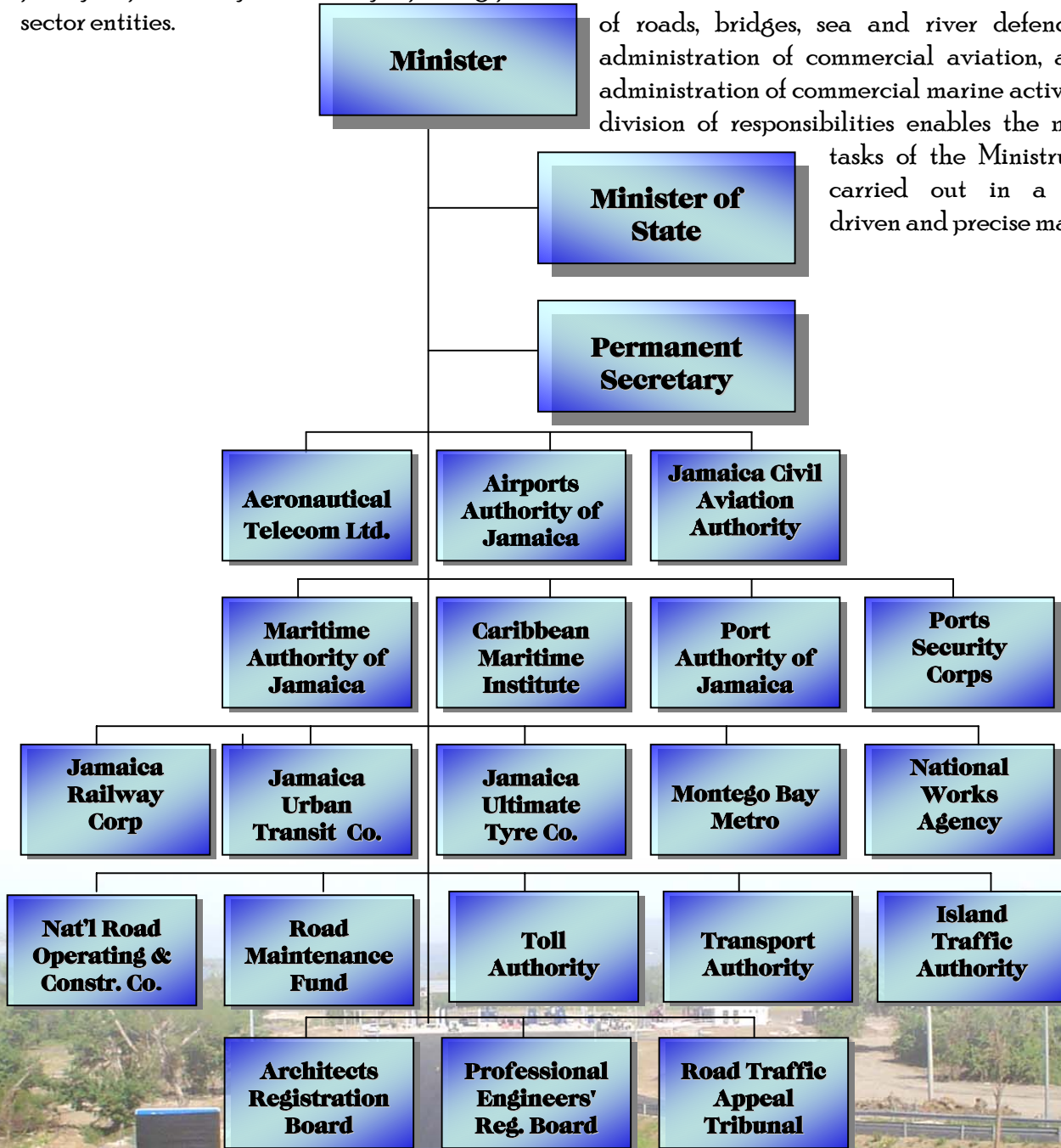
As we continue our efforts at making a positive difference in the development of our nation, I want to exhort all of us to do so in a manner befitting those of proud civil servants. Congratulations to all those associated with the continued publication of the Annual Report.



PORTFOLIO PUBLIC SECTOR ENTITIES

The Ministry of Transport and Works is composed of a core Ministry that retains policy responsibility and twenty reporting public sector entities.

The entities are responsible for implementing the various components of the Ministry's mandate, which include the construction and maintenance of roads, bridges, sea and river defences, the administration of commercial aviation, and the administration of commercial marine activity. The division of responsibilities enables the multiple tasks of the Ministry to be carried out in a sector-driven and precise manner.





Aeronautical Telecommunications Limited

Aeronautical Telecommunications Limited (Aerotel) is a limited liability company incorporated in 1978. In 1998 the entity, which is responsible for the provision of aeronautical telecommunication network and radio services in Jamaica, became a subsidiary of the Jamaica Civil Aviation Authority.

Aerotel efficiently undertook its major objective of providing engineering and telecommunication services in Jamaica's Flight Information region. It also continued the operation of KOOL 97 FM through which it provides flight information.

Engineering and Telecommunications Services

During the year the Company took preparatory steps to create a secondary telecommunications link/path across the island, in order to have adequate backup/redundancy facilities. It also enhanced the reliability of its Air-To-Ground Communications by installing a second standby generator.

This year the Company maintained its record of 99.9% minimum system reliability. It was also able to ensure adequate availability of spares for timely equipment servicing and replacement. In respect of its microwave linkages the Company experienced frequent interruptions in its service as a result of interference from CB radio operators. This situation was remedied by the identification of exclusive operating frequencies.

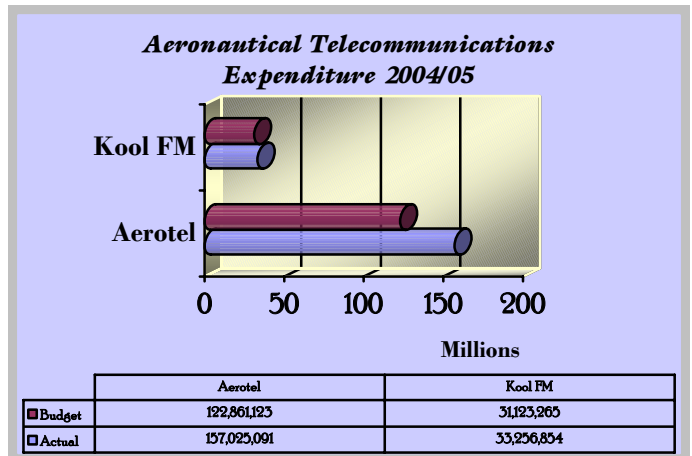
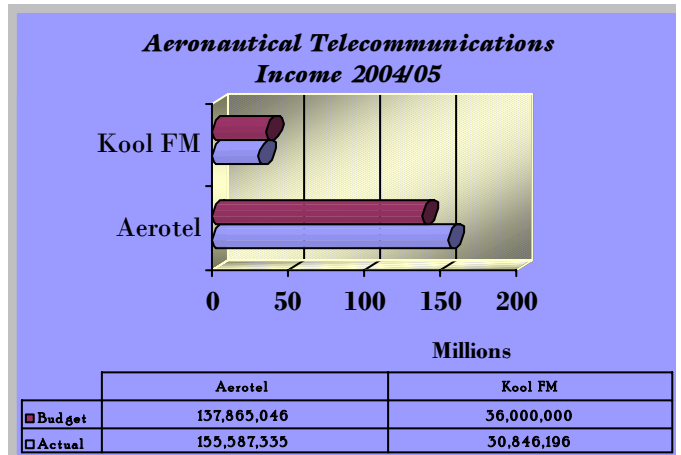
KOOL 97 FM

The Agency's subsidiary company, KOOL 97 FM continued to provide 80% broadcasting coverage across the island. Within this financial year the Company entered into a lease agreement with the cutting edge talk show programme *Nationwide* for coverage during primetime. In addition to this development the station continued its marketing thrust to increase its advertising income.

Financial Performance

Aerotel's main revenue stream continued to be its specialized telecommunications services provided to private enterprise. A secondary link is also being

considered to increase bandwidth, which Aerotel can, in turn, lease to non-aviation customers, thereby obtaining an additional source of income. Total income and expenditure are shown in the tables below.



The financial year saw an adverse expenditure variance for AEROTEL of 27.8%, while, KOOL 97 FM also showed an adverse variance of 6.9%.

The financial performance of the Company was boosted by a positive income variance of 12.9%, however over the same period KOOL 97FM continued to show an adverse variance which stood at 14.3%.





Airports Authority of Jamaica

The Airports Authority of Jamaica (AAJ) was established on July 31, 1974 to administer, control and manage prescribed airports, and to provide and maintain such services and facilities as are necessary for their efficient operations. It is also the responsibility of the Authority to provide rescue and fire fighting equipment and services

This year, the AAJ celebrated its thirtieth year of ownership and control of the Norman Manley International Airport (NMIA/KIN) in addition to its responsibilities for the Sangster International Airport (SIA/MBJ), and later the four (4) domestic aerodromes.

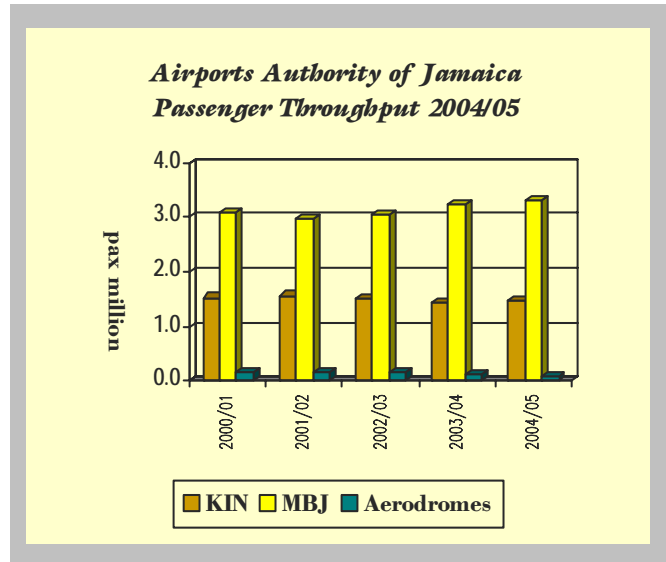
The Norman Manley International Airport, located in the nation's capital city of Kingston, functions as a wholly owned subsidiary of the AAJ, while the Authority in April 2003 entered into a concession and lease agreement for the management of the Sangster International Airport. The AAJ continues to provide oversight and contract administration for the concession agreement, and is currently positioning the Norman Manley International Airport to operate as an autonomous commercial entity, which in due course will also be privatised.

Economic Development

During the 2004-5 financial year the airports generated over 13,000 direct and indirect jobs and its economic activity, valued an estimated J\$15.2 billion, was equivalent to approximately 5.6% of Jamaica's GDP.

Aeronautical Services

The industry during this financial year showed a rebound from the adverse impact of events of 2001. Passenger arrivals have continued to show positive trends. KIN showed increased throughput, moving from 1.44million pax in 2003/2004 to 1.49 million in 2004/2005.



MBJ also recorded increased throughput, moving from 3.25 million pax the previous year to 3.32 million this year, as depicted in the diagram. The overall increase in passenger throughput stood at 1.7% above the previous financial year.

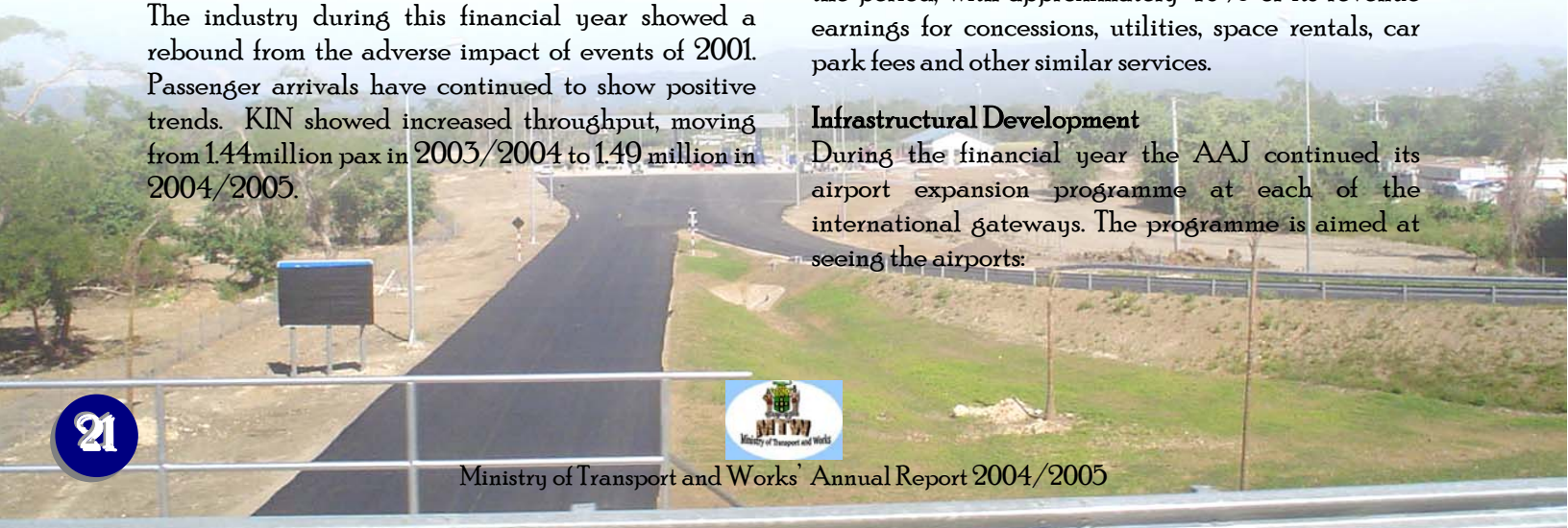
The Authority fell marginally behind target as its revenue per enplaned passenger stood at US\$19.65, while expense per enplaned passenger was US\$20.31. Regionally, Jamaica lagged behind other Caribbean and Latin American countries in respect of the total passenger growth due to the effects of Hurricane Ivan, though it recorded total volume of 4.9 million passengers for the period ending March 2005.

Non-Aeronautical Services

AAJ continued to diversify its revenue stream over the period, with approximately 40% of its revenue earnings for concessions, utilities, space rentals, car park fees and other similar services.

Infrastructural Development

During the financial year the AAJ continued its airport expansion programme at each of the international gateways. The programme is aimed at seeing the airports:



- remaining competitive with other regional airports
- providing increased levels of service to address the changing needs of travellers
- continuing the thrust as significant economic catalysts and contributors to Jamaica's growth and development.

Norman Manley International Airport

The AAJ has continued the implementation of the 20-year three-phased Capital Development programme for the NMIA, valued at \$127.7 million. During this financial year detailed designs were prepared for approval and the tendering process initiated for Phase 1A which is estimated at approximately \$62.8 million. The completion of the initial aspect of this development is expected to coincide with the hosting of World Cup Cricket in 2007. This phase will involve the construction of a new three-level departure concourse which will be integrated with the existing ticketing concourse, and further renovation of the arrival and departure areas.

Sangster International Airport

The three-phased major expansion programme at SIA commenced in the 1999/2000 financial year, and has been progressing smoothly. Phase 1A of the programme was completed in 2003 and was valued at US\$13.1 million covering the installation of six (6) passenger-boarding jet bridges at the existing airport terminal building. Phase 1B of the programme is estimated to cost US\$42.5 million for the construction of a twelve-gate airside concourse complete with gate lounges, passenger loading bridges and new shopping facilities. At the end of this financial year this Phase was 65% complete and it is projected to be completed within the next financial year.

Strengthening of Airport Security

Safety and security continued to be an area of critical focus given the global concerns. The airport security strengthening project valued at approximately US\$625,000 is underway through the support of the Inter-America Development Bank (IDB). During the financial year the AAJ made significant improvements to enhance its operating procedures, the establishment of standards to support the aviation security regulatory framework, as well as the

installation of additional closed caption televisions (CCTVs) and other equipment. During this period the AAJ has also negotiated contract terms for its public awareness campaign.

Privatisation- NMIA

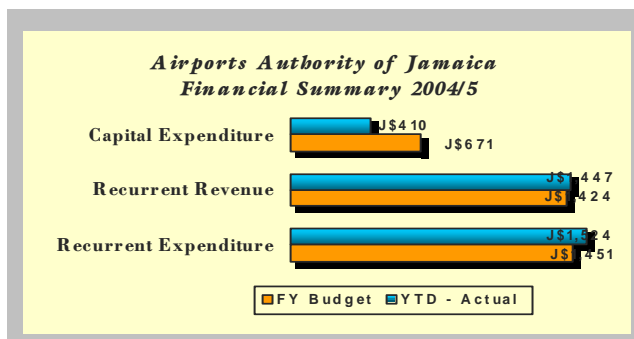
Initiatives for the privatisation of the NMIA continued parallel with the Capital Development Programme. This privatisation is being done on similar terms as the SIA.

Aerodromes

Work is underway at the Negril Aerodrome to rehabilitate and improve the level of service and operational safety on the airside, with the extension of the existing 660m runway to create a 150m safety area. This project is scheduled for completion within the next financial year.

Financial Performance

The financial performance for the year showed similar trends to the previous financial year. Capital expenditure was below target, given planned adjustments under the Terminal Development programme. The diagram below provides a comparison of the Authority's revenue and expenditure for the financial year.



Recurrent revenue for the period was 16% above target, while recurrent expenditure showed a negative variance of 5%. The AAJ showed positive trends in respect of its recurrent revenue that surpassed target by 16%.

Overall, revenue continued on an upward trend while the Authority's expenditure reflected a sustained downward pattern.





Jamaica Civil Aviation Authority

Established under The Civil Aviation Act, 1995, the Jamaica Civil Aviation Authority is responsible for regulating air navigation and all matters relating to safety in civil aviation in Jamaica. The JCAA continued to fulfil its mandate of administering all regulations related to flight safety and navigational services in accordance with the standards developed by the International Civil Aviation Organization.

Major Achievements

During the 2004/5 financial year the JCAA made significant strides in ensuring the safety of Jamaica's airspace, its major achievements included the following:

- Revision of the Civil Aviation Act which was passed in August 2004, and corresponding amendments to the Regulation which was approved in December 2004. Through the revision of its legislative framework the JCAA has ensured that the country retained its Category 1 rating by the FAA, and is operating in accordance with the current standards and recommended practices of the International Civil Aviation Organization (ICAO).
- Successful air-sector audit conducted by the Federal Aviation Administration (FAA) in December 2004.
- Routine flight checks performed in October and December 2004 on the Norman Manley International Airport Landing System (ILS) and its instrument approach procedures.
- Issuance of thirty-eight (38) permits, and one-hundred and eleven (111) overflight approvals under its economic regulation strategy.
- Processing of four (4) fare filings from Cayman Airways, eleven (11) from American Airlines, and one (1) from Air Canada.
- Administered twenty-four (24) written and nine (9) oral exams, issued thirty-one (31) pilot licenses, and renewed a total of two hundred and twenty-four (224) licenses of varying categories.

Monitoring Framework

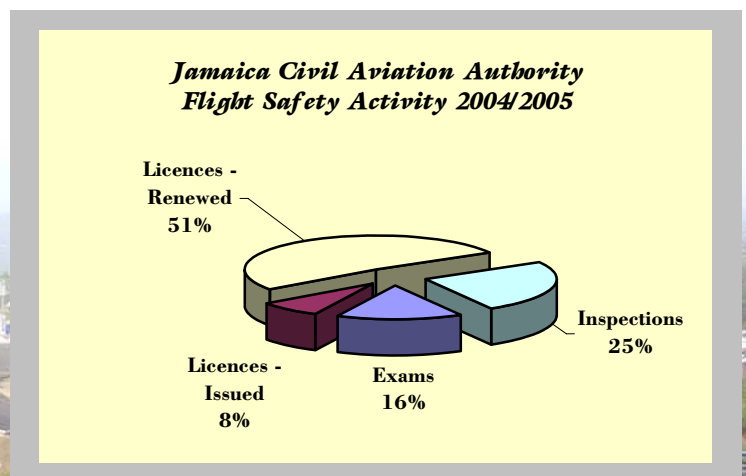
The JCAA continued to strengthen its monitoring framework by:

- engaging its officers in a training program to Reduce Vertical Separation Minima (RVSM). This strategy was in response to the intermittent triggering of the conflict alarms between aircraft separated at the minimum vertical separation standard.
- continued development of radar suites and the loading of the reclassified airspace for the recommencement of its Approach Radar Services.
- the implementation of new air navigation rates and a levy on Airline Tickets, which is also a measure to achieve self funding for the Authority.

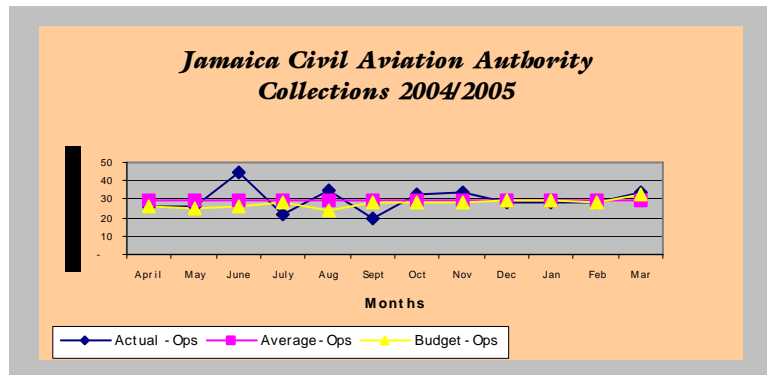
Despite its successes the JCAA experienced some level of instability attributed to strike action taken by Air Traffic Controllers in February 2005.

Financial Performance

During the period under review the JCAA recorded its highest earnings from its inspection services, as shown in the diagram below. Income from this source totalled J\$9.71M which represented 71% of its total earnings. The Authority recorded total earnings of J\$13.77M from its flight safety services.



The Authority was marginally successful in its collection projections. As depicted in the diagram, actual collections the first half of the financial year showed an increase above target, save for July and September where there was significant decline. The second half of the financial year showed greater stability in the Authority's collections. With the exception of December 2004, the level of collections showed positive signs.



The JCAA's Radar Station at Montego Bay





Maritime Authority of Jamaica

The Maritime Authority of Jamaica (MAJ) was established to implement the provisions of the Shipping Act of 1998 which itself provides for the establishment of maritime administration. The objective of the Authority is to pursue the development of shipping and to regulate matters relating to merchants, shipping and seafarers. Accordingly, the Authority has responsibility for ensuring that the wide-ranging activities regulated under the Act are carried out in an efficient and sustainable manner.

The achievements of the Authority versus its planned activities for the financial year 2004/2005 are highlighted below.

Strengthening of the Legislative Framework

During the 2004-05 financial year the Authority focused on consolidating the legislative work in progress, namely, the Marine Environment Protection from Ship Source Pollution Act as well as the following regulations:

- Shipping (Fees), (Registration) & (Local Trade) regulations under the Shipping Act
- Maritime Security Regulations
- International Convention for the Safety of Life at Sea (SOLAS)
- International Conventions on Load lines
- Tonnage Measurement Convention, (which govern matters relating to the safe operation of ships).

Maritime legislative framework on International Conventions that were targeted for Jamaica during the 2004/05 were:

- The Convention on the Suppression of Unlawful Acts Against Navigation 1988
- International Convention on the limitation of Liability for Maritime Claims
- International Convention on the Facilitation of Maritime Traffic
- The draft Shipping (Fees) Regulations 2004 and the Shipping (Registration) Regulations 2004, which support the administration of the Jamaica Ship Registry were finalised and are expected to be promulgated in the 2005/06 financial year.

Similarly, the preparatory process towards the promulgation of the Marine Pollution Bill advanced significantly during the period with the completion of the review of the provisions by the Attorney General.

Submissions were prepared for consideration by Cabinet relative to Jamaica's accession to the 1978 protocol to the International Convention on the Safety of Life at Sea (SOLAS) 1974, the 1991 Amendments to the IMO Convention, the International Convention on the Limitation of Liability for Maritime Claims 1976 and its Protocol of 1996. Preparatory work to facilitate Jamaica's accession to the International Labour Organization (ILO) Minimum Standards on Merchant Ships also commenced.

The Authority also continued to facilitate Jamaica's reporting obligations under the International Convention on the establishment of an International Oil Pollution Compensation Fund. This Fund is intended to provide compensation to countries that have suffered damage to their territorial waters caused by marine oil spills.

Maritime Safety and Prevention of Marine Pollution

During the reporting period, a total of 837 vessels operating locally were inspected and 48 Coxswain licenses were issued to boat handlers. Vessel inspections for this year represented a decrease of 33.5% of the 1,258 small vessels inspected last financial year. Additionally, 21 Flag State Inspections were conducted on large international vessels including four inspections of foreign vessels for local trade.

MAJ continued to ensure that foreign vessels operating in Jamaican waters do not pose a threat to maritime safety and the marine environment on which the economy so heavily depends. In fulfilling its obligation under the Caribbean Memorandum on Port State Control to inspect a minimum of 15% of the foreign vessels visiting its ports, the Authority conducted 95 Port State Control inspections on foreign vessels using Jamaican ports, 21% more than the last financial year.

During the period under review, the Authority also completed investigation into three (3) marine casualties.

Certification and Licensing of Seafarers

The Authority regulates the certification of seafarers by ensuring that they are upgraded and certified at the recognized international levels of competence. During the year under review, the Authority revalidated 8 Standards of Training Certification and Watch-keeping for Seafarers (STCW) '95 Certificates of Competency and issued 183 Reciprocal Recognition Endorsements issued to seafarers, as well as the following:

<i>Maritime Authority of Jamaica Certification and Licensing of Seafarers 2004/05 & 2003/04</i>		
Type	# 2004/05	# 2003/04
STCW '95 Certificates of Competency issued	15	26
Endorsements upgrading STCW Certified of Competency from 78 to 95	7	7
Coxswain Licenses issued	48	52
Examination conducted for CMI students	263	128

Jamaica: An International Shipping Centre

Since the launch of the Jamaica Ship Registry in October 2000, resource constraints have limited the degree of marketing effort necessary to establish the Registry in the very competitive market of international ship registration and to significantly achieve its potential to contribute to the income of the MAJ and Jamaican economy. The number of international trading vessels currently on the register is 32.

During the reporting period, the Authority actively promoted the shipping centre concept, which will require private sector investment in providing ancillary services to complement what is being done in the public sector to develop a vibrant maritime sector in Jamaica. Tangible results were realized during the reporting period, evidenced by the private investment by a Greek company in an offshore facility to provide bunkers to vessels plying the trade routes close to Jamaica's territorial waters

The Authority continued to attend major international shipping conferences to market and promote the Jamaica Ship Registry and to build its international visibility.

Efforts continued to develop crewing in Jamaica to take advantage of the projected worldwide shortage of seafarers to work on international vessels.

International Certification

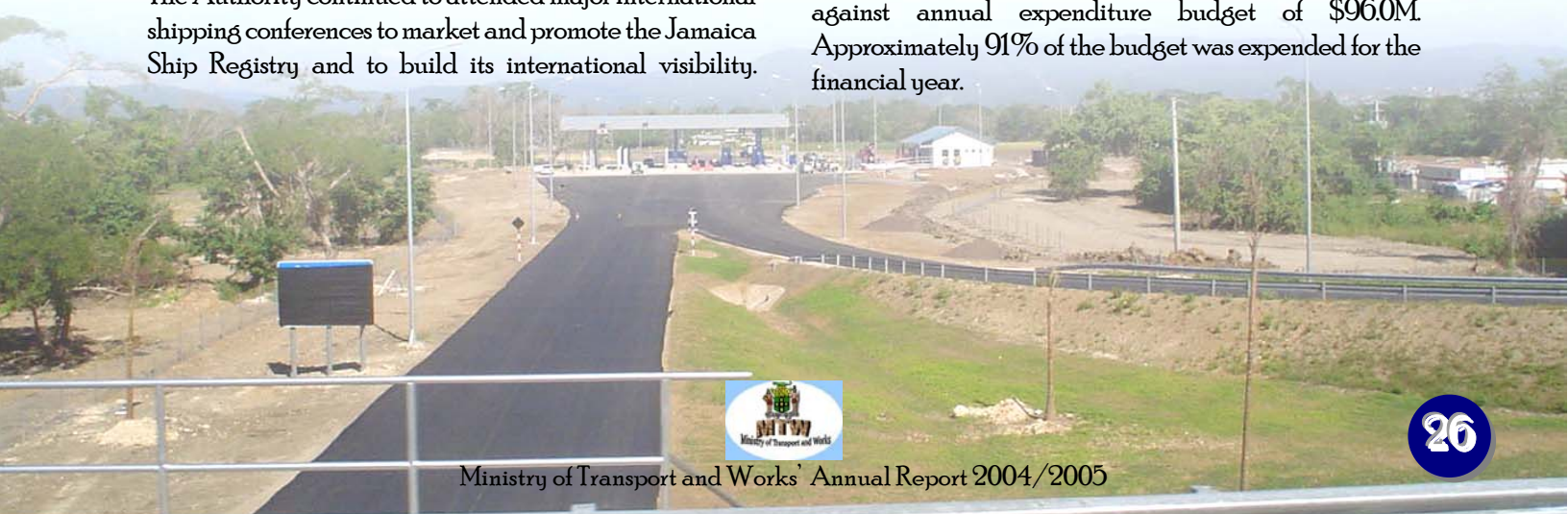
The Authority succeeded in maintaining its certification under the International Standards Organization ISO 9001:2000 quality standards, which has enabled Jamaica to maintain its status on the IMO white list of countries whose maritime training standards are certified as being in keeping with the accepted international standards. The annual surveillance audit of its ISO, conducted by the American Bureau of Shipping (ABS), was successfully completed.

The Authority also played a key role in Jamaica's implementation to the International Ship and Port Facility Security Code (ISPS), which came into operation in July 2004. This Code determines the procedures to be adopted at the ports and on ships to counter terrorist and other security threats. The Authority conducted workshops on the ISPS Code for the local shipping industry. One workshop was conducted for Company and Port Facility Security Officers targeting managers within the industry.

Financial Performance 2004/2005

Since its inception in 1999, the MAJ has pursued strategies to increase its income generating potential with the ultimate objective of becoming self-sustaining. Earnings of the MAJ were recorded at J\$22.5 million for the 2004/2005 fiscal year, a 40% increase over the J\$16 million earned in the previous year, but approximately 6% below the target of J\$24.4 million. This increase was achieved primarily from ship registrations and the activities of the Maritime Technical Services Ltd, the company incorporated to provide surveying and other technical services to the local and international markets.

Actual annual expenditure for the year was \$87.2M, as against annual expenditure budget of \$96.0M. Approximately 91% of the budget was expended for the financial year.





Caribbean Maritime Institute

The Caribbean Maritime Institute (CMI), formerly the Jamaica Maritime Institute, re-named in September 2001, was established by the Governments of Jamaica and Norway in 1980. Its funding partners are the Port Authority of Jamaica and the Shipping Association of Jamaica. The Institute provides professional maritime education and training to Seafarers, the Regional Shipping Industry, Coast Guards, Maritime Administrations and allied industries. The institute has linkages with the University of the West Indies, the University of Technology and the University Council of Jamaica, as well as close relationships with the World Maritime Institute, the British Columbia Institute of Technology and the Norwegian Shipping Academy.

The year 2005 marked the 25th anniversary of the CMI. A series of events took place to mark the anniversary which was celebrated under the **theme: *Serving Nationally...Extending Regionally...Achieving Globally.***

Academic Programmes

The CMI's student body increased by 6.5% in the September 2003 to August 2004 academic year with 394 students participating in various full/part time programmes at the Institute. At the end of the academic year, 105 students successfully completed core programmes, however no graduation was held for the academic year due to the passage of hurricanes.

Sixty-five (65) students were enrolled in the International Maritime Organisation Professional Seafarer's programme, while a majority of the remaining students pursued courses leading to the Diploma in International Shipping and Logistics (DISL) and the Associate of Science Degree (ASc) in Industrial Systems Operations and Maintenance (ISOM).

Regional Programme

To date the CMI has successfully provided the Regional Shipping Industry with 231 highly trained and qualified graduates, an increase of 12.13% over the previous year.

One hundred and twelve (112) participants from the Caribbean Islands of Guyana, Trinidad, Barbados, Dominica, St. Kitts and Jamaica have enrolled in the STCW and the DISL Course which, since 1994, has been offered in collaboration with the British Columbia Institute of Technology (BCIT) and Vancouver, Canada.

Since the signing of the MOU with the Montego Bay Community College to conduct the DISL programme, 14 students have been enrolled in the DISL and 23 enrolled in the ASc. ISOM programmes. A MOU was also signed with the Critchlow Labour College, Guyana. One is to be signed with the BVI shortly and another is being negotiated with Cuba.

Local Training Programme

During the academic year, 451 persons ranging from Managers, Supervisors to Operators in the Shipping and Allied Industries including the Military, Fisheries and Hospitality fields successfully completed various Specialized/TRAINMAR and Customized Short Courses.

International Crewing Agency – Caribbean Programme

The International Crewing Agency Caribbean (ICAC) Programme helps to secure sea service placement for basic deck and engine and multipurpose rating, who have undergone training at the Institute and are registered with them. Cadets are placed on board merchant trading ships or at power generation plants to gain hands-on experience and to acquire approved sea-time.

It continues to be a challenge for the CMI to place cadets on the mandatory sea service due to a lack of adequate ships. However the Institute managed to secure enough berths to place cadets on ships both for hands-on training and thereafter as employed seafarers. One hundred and twenty (120) cadets were placed during the 2004/2005 year, as compared to sixty-five (65) for the previous year, as shown below:

**Caribbean Maritime Institute
Placement of Cadets 2004/05 & 2003/04**

Type of Placement	No. of Cadets	
	2004/2005	2003/2004
Placed on board ships	30	18
MPR placed at sea and employed ashore	68	8
Engine Cadets rotated with the Ja Private Power Co., Rockfort	11	15
Engine cadets rotated with Doctor Bird Power Barge, Old Harbour	11	24
TOTAL	120	65

TRANSAS Simulator Complex

The state of the art TRANSAS Simulator Complex commissioned in September 2003, which consists of a Full Mission Bridge Simulator, Marine Diesel Engine & Power Plant Simulator, GMDSS and Liquid Cargo Loading Simulators, was updated with the latest version of software, enabling greater realization during the 2004/2005 financial year.

Admiralty Houses

The restoration of the historic Admiralty Houses in Port Royal has seen the completion of phase 1 from a NORAD grant of NOK2.0M, while the funding available for phase 2 of House #1, which was scheduled for completion in October 2004, has been exhausted. An additional J\$14.5M is being sought to complete the House. Phase 3 of the project requires \$36.0M to complete House #2.

ISO 9001 Certification

The Internal Gap Analysis for ISO was completed in February 2005 and the procedures in accordance with ISO 9001:2000 are being prepared. Fourteen (14) Internal Auditors were trained and the first audit completed in February 2005. Corrective actions are

expected to be undertaken by May 2005 and the Pre-Audit, Registration & Certification by June 2005 at a cost of \$354,000.

Restructuring of the Organisation

The Institute is currently undergoing restructuring in order to streamline and improve the Management System in line with projected growth. A new Organizational Structure is being developed for implementation and change management exercises are expected by June 2005. A consultant has been employed by the board on a four-month contract.

Financial Performance

The CMI recorded operating revenue of \$110.84M, of this amount course income amounted to \$27.6M, a 7.4% increase over the previous financial year.

Operating expense for the financial year was approximately \$103M, representing a 32% increase over the previous year. The increase is attributable to a reclassification exercise. The short fall in operating income has been offset by grants from the Institute's partners and GOJ subvention. The table below provides details.

**Caribbean Maritime Institute
Financial Highlights 2004/2005**

Budget Category	Actual 04/05 \$'000	Budget 04/05 \$'000	Variance \$'000	% Change 2004/2005
Course Income	24,524	27,641	(3,117)	-11.3
Other Income	2,476	2,077	399	19.2
Grants	83,837	83,837	-	-
Total Income	110,837	113,555	2,718	-1.7
Total Expenditure	103,489	108,651	5,162	-0.05





Port Authority of Jamaica

The Port Authority of Jamaica (PAJ) is a Statutory Corporation established by the Port Authority Act (1972). It is the Government's principal maritime agency responsible for regulating and fostering development of Jamaica's ports and shipping industry. The Authority owns the Kingston Container Terminal, the Port of Montego Bay and the cruise shipping terminals at Ocho Rios and Port Antonio. In its regulatory capacity, the Authority is responsible for the safety of all vessels navigating the ports of entry and the regulation of the tariffs for the movement of goods over the public wharves. In its developmental role, the Authority fosters the expansion and upgrading of port facilities and is responsible for the development of the public sector export free zones.

Kingston Container Terminal

The Kingston Container (transshipment) Terminal, the flagship of Jamaica's maritime industry as well as the principal commercial entity of the Port Authority, continued positive performance throughout the year, demonstrating growth in container throughput, ship calls and productivity and was a premier performer during the year. At the end of the fiscal year, the Terminal recorded container throughput of 1,247,018 TEUs, a 14.63% increase over the 1,087,853 TEUs achieved the previous year, a landmark achievement (See diagram.)

Of the overall throughput at the Terminal, transshipment accounted for 81.9%, confirming the Terminal's leading "Hub Status" in the Central American and Caribbean Region.

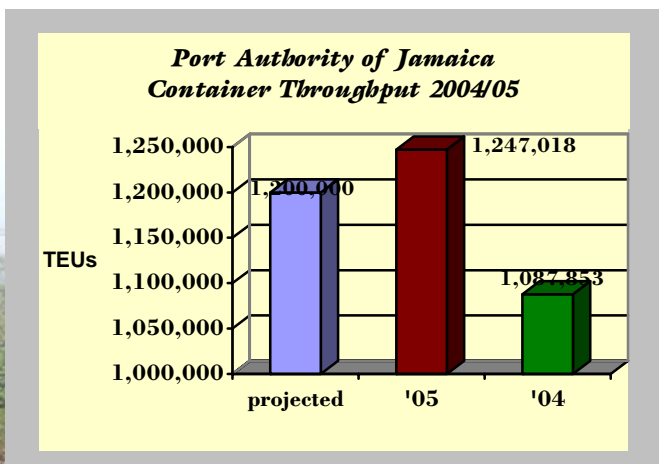
The further expansion of the capacity of the Regional Transshipment Hub at Gordon Cay in Kingston to add an additional 300,000 TEUs to the existing 1.2 million TEUs is progressing smoothly and is expected to be completed by August 2005, two months ahead of schedule. The projected cost of \$45.9 million is almost spot on with the final costs now expected. Ships have already begun berthing at the North Terminal since April of this year.

Plans for the Fifth Phase expansion of the Port are well underway with the realignment of the Causeway Road, in the vicinity of the six-lane highway and bridge from Kingston to Portmore. This development represents billions of dollars in investment and will transform the entire Portmore area and its environs in an unprecedented way.

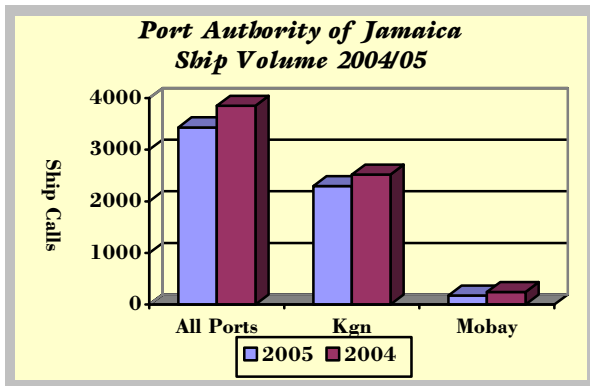
Ship & Cargo Traffic

During the financial year, 3,432 ship calls were made to the island's ports, as against 3,850 ship calls in the previous year, reflecting a decrease of 10.86%. This trend of fewer ship calls is expected in international shipping as the industry moves to use more mega vessels, which transport more cargo. This development has significant implications for the PAJ's port development plans and expenditure, because ports will have to meet the infrastructure requirements for accommodating larger vessels.

The Port of Kingston accommodated 2,292 ship calls and handled 14 million metric tonnes of cargo, as against 2,515 ship calls, and 12.9 million metric tonnes of cargo the previous year, reflecting a decline of 8.98.0% of ship calls and an increase of 8% over cargo volumes the previous year. This inverse relationship of ship calls to cargo volumes resulted from growth in the number of larger vessels calling at the Container Terminal, which handled 8.8 million metric tonnes of transshipment cargo.



The Port of Montego Bay, the country's second public port, accepted 177 cargo ship calls, transporting 688,946 metric tonnes of cargo, compared to 244 ship calls and 676,203 metric tonnes the previous year, reflecting a decrease of 27.46 % in ship calls and an increase of 1.88% in cargo volumes, again reflecting the trend of larger vessels calling at the ports. The diagram below summarises ship calls for the financial year.



Cruise Shipping and Passenger Traffic

For the second consecutive year, the Port Authority accommodated over 1 million cruise passengers. For the 2004/05 year, cruise ship calls to Jamaica's ports amounted to 492 transporting 1,088,760 visitors to various destinations, as against 498 ship calls, and 1,125,402 cruise passengers the previous year, reflecting a decrease of 1.20% in ship calls and 3.26% in cruise passengers.

Ships and passengers were distributed in the 3 main ports of Ocho Rios, Montego Bay, and Port Antonio, as indicated in the table below:

Ports	2004-2005		2003-2004		Change
	Ships	Passengers	Ships	Passengers	
Ocho Rios	315	768,542	325	816,338	decrease
Montego Bay	165	315,718	162	303,939	increase
Port Antonio	11	4,630	10	4,447	increase
Other Ports	1	130	1	678	-
Total	491	1,088,760	497	1,125,402	decrease

Ocho Rios remains the premier cruise shipping port of the island although reflecting a 3.08% decrease in ship calls and a 5.85% decrease in visitor traffic compared to the previous year. On the other hand, the Port of Montego Bay, the second major cruise shipping port of the island, achieved a growth of 1.85% in ship calls and 3.88% in cruise visitors,

while Port Antonio achieved a 10% increase in ship calls and 3.88% in cruise visitors.

Plans are underway for the expansion of the Montego Bay Cruise Ship Pier to satisfy the demand for additional berths. In addition to cruise ship calls from the traditional North American cruise partners, the cruise shipping sector began seasonal home porting in Montego Bay for "Aida Cruises" and "Sun Cruises". A third Line is expected to shortly commence service out of Europe.

Port Antonio Marina

The Port Antonio Marina Plan, which includes the creation of a Heritage Village at Titchfield Hill, was revisited to incorporate the wider Port Antonio area including Navy Island. The Bar and Grill are in operation while the restaurant is expected to commence operation shortly. The Marina currently employs 22 persons. Boat hoist have been purchased and commissioned, since then 177 boats have berthed at the Marina.

Offshore Bunkering

In conjunction with the Maritime Authority, the PAJ embarked on offshore bunkering of ships using local costal waters, which has the potential to reap significant returns for the sector and other business interests. As a result, the Authority regularly serviced 20 ships per month from a major international company, which were refuelled in open waters without the ships having to stop.

Port Security

The Port Authority was appointed by the Government as the "Designated Authority" responsible for port security under the IMO ISPS Code and a security programme approved at a cost of J\$1.2 Billion for Jamaica's major international cargo and cruise ports. As a result of the Port Authority successfully meeting the requirements of the IMO ISPS Code on the July 5, 2004 deadline, Jamaica became one of the first countries to be accorded the security certification for its ports. Since its implementation, the new security system has been operating effectively. In addition to the five Vacsis X-Ray machines that were put in place, the Port Authority has acquired one Aracor X-Ray machine, which has a deeper penetration capability and will be used to x-ray all agricultural and refrigerated cargo.

Since the new security arrangements have been put in place, there has been an increase of some \$1 billion in the revenue intake by the Customs Department. The



American Authorities are desirous of using the security profile of the Port as a model for the region which could result in some beneficial financial considerations for the Port Authority of Jamaica.

The installation of closed circuit television (CCTV) system, which will see round-the-clock surveillance of the ports, was completed during the financial year at a total project cost of US\$3.95M.

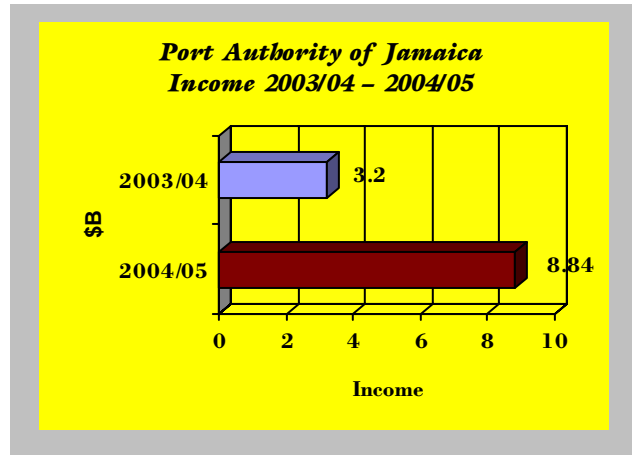
Port Congestion

Increased business over and above projections that had accrued to the port from June of last year caused congestion at the port. The situation was aggravated by the disruption in service at a number of other ports in the Caribbean and the United States within our chain of operations, which suffered the effects of the active hurricane season that saw four major systems including hurricanes Ivan and Charley affecting the region. Storage space constraints were aggravated by the fact that some large companies are using the port as a storehouse for containers.

The year 2004 registered a period of unprecedented growth in the international shipping industry, which was propelled by a ten percent (10 %) increase in world trade.

Financial Performance

The fiscal year 2004/2005 was another successful year for The Port Authority financially. One reason was the relative stability of the local currency during the period and the strengthened cash management system. Preliminary figures show that \$8.84 Billion was earned for the year, which represented an increase of 63.8% relative to the levels achieved last year, as shown below.



Port of Kingston

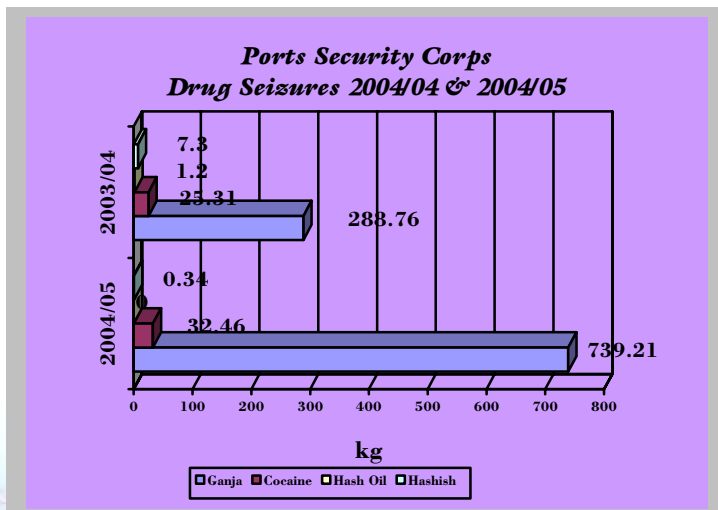


Ports Security Corps

The Ports Security Corps (PSC/the Corps) was incorporated in 1989, and is the principal arm of government providing security services to four of the country's main revenue earning sectors, namely, airports, seaports, free zones and tourism, as well as for the four JUTC bus depots in the KMTR. The Corps deploys over 650 Officers at 17 locations across Jamaica. A primary function of the PSC is to reduce the trade in illicit goods through air and seaports and to implement a program for restricted access to these sensitive areas.

Airport Security

The Ports Security Corps is actively working with MBJ Airports Limited (Sangster International Airport) and NMIA Airports Limited (Norman Manley International Airport) to transform and improve the quality of security and safety services provided at both locations. The operations of the PSC to significantly reduce the illegal drug activity on Jamaica's airports resulted in the seizures shown below:



**Ports Security Corps
Other Seizures & Arrests 2003/04 & 2004/05**

Activity	2004/05	2003/04
Expired Passes Seized	160	719
Arrested Made	22	29
Vessels Towed (as a result of illegal parking)	705	466

Training

The Corps underwent a series of training activities during the 2004/2005 financial year. These include the following:

<i>Ports Security Corps Training Activities 2004/2005</i>		
Course	No. of Officers	Description
Aviation Training	20	This is taken by officers who were no longer needed at the Bus Depots and were later assigned to the NMIA
Narcotics Investigation	2	Held at the Caribbean Regional Drug Law Enforcement Training Centre. Attended by a Port Commander and a Security Officer
Intelligence Gathering and Analysis	1	Held at the Caribbean Regional Drug Law Enforcement Training Centre. Attended by a Security Officer
ISPS Code Refresher	90	Course offered to ensure compliance with international standards. Attended by Security Officers.
Customer Service	234	Three (3) days per week course over a six weeks period. Attended by Security Officers.
Development Work course	160	Attended by Security Officers from the NMIA for one day over a seven (7) weeks period.
Development workshop	15	Attended by supervisors from the NMIA in a day.
Standing Orders Training	undetermined	Training seminar held for supervisors that are a requirement for the Terminals and IMO Standards.

In May 2004 two instructors were certified by the ICAO to conduct aviation security (AVSEC) training courses. The following month the Corps was certified as a Recognised Security Organisation (RSO) by the Port authority of Jamaica.



Seaports

The Ports Security Corps has established itself as the provider of high calibre security services at APM Terminals (Jamaica) Limited. The services in conjunction with the new measures which will be implemented shortly (X-ray machines) and the ISPS Code will provide a high level of sterility to the operations at APM Terminals.

For the period January – December 2004 the Corps' offices serviced 1170 vessels at the APM Terminals. This activity has resulted in vessel turnaround time at the ports being reduced, hence positive news is being circulated and an increase in business is evident at the APM Terminals.

With these positive changes at the airports and seaports it is expected that there will be increased passenger travel, increased job opportunities, greater investor confidence (both local and foreign investors) and a reduction in crime and violence.

Financial Performance

During the year adverse variances in the actual and budgeted revenue and expenditure were recorded for the Corps at a rate of 5.20% and 0.33% respectively. The PSC's budgeted revenue was approximately \$248.95 million as against actual revenue of \$236.0 million, while budgeted expenses were approximately \$246.5m as against actual expenses of \$247.2m. This resulted in a financial loss for the 2004/2005 financial year of approximately \$13.76 million, as shown below.

Ports Security Corps Revenue & Expenditure 2004/05	
	Amount
Budgeted Revenue	\$248,952,731.00
Actual Revenue	\$236,001,188.00
Variance	\$12,951,542.00
Budgeted Expenses	\$246,349,877.00
Actual Expenses	\$247,156,100.00
Variances	(\$806,203.00)
Total Loss	\$13,757,745.00



Jamaica Railway Corporation

The Jamaica Railway Corporation (JRC/the Railway/the Corporation) was established in 1960 under the Jamaica Railway Corporation Act, to manage and operate the railway and to provide all reasonable facilities for carriage of passengers and goods.

Since the suspension of service in 1992, the Corporation, independent of government financial support, has managed to cover operating expenses, fulfil statutory obligations and finance inescapable activities.

There is a new initiative afoot to restore the Montego Bay to Appleton section of the tracks to enhance the tourism product. Private sector interest is high and will in fact drive this initiative.

Negotiations to restore rail operation

Negotiations with RITES Ltd. were terminated in August 2004. The National Investment Bank of Jamaica Ltd. (NIBJ) received Cabinet approval to invite investors on file to confirm their continued interest in the privatisation of the entity. This process is in progress and the prospective investors will be asked to submit bids.

On February 2, 2005, the Government of Jamaica signed a Memorandum of Understanding with the China CAMC Engineering Co. Ltd. (CAMCE), a government of China Company. CAMCE is proying to undertake a feasibility study on the revitalization of the Railway, execute the project and finance 85% of the project. CAMCE has requested information from NIBJ and the Jamaica Railway Corporation and is in the process of signing a confidentiality agreement. A team of technicians should be in shortly to carry out a due diligence exercise.

Track User Agreements

In fulfilling its obligations under the user track agreement (inspection and maintenance of Permanent Way Structure, Squatter Control, Security Insurances etc.) the Corporation achieved satisfactory discharge of its trains control and gatekeeping function.

The construction of gatehouses at May Pen and Hampton Road, Porus were completed in the financial year. Building approvals were granted and contracts were awarded for the construction of the gatehouse at Lakesmore and Mickleton level crossings.

A new Track User Agreement is in place between Glencore Alumina Jamaica Ltd, Jamaica Bauxite Mining Ltd. and Jamaica Railway Corporation, that replaced the Alcan/JRC Agreement of 1990, and is working well. Glencore continues to be the Corporation's main source of revenue. The special arrangement between the Railway and Glencore is a perfect example of what Private and Public Sector co-operation can achieve.

Workshop Services

The Corporation continued to provide Workshop services during the year. Spares were secured and the planning stage for major mechanical and electrical works on another Locomotive was completed during the review period at a total expenditure of \$2.8M. The JRC also obtained Workshop machining jobs from WINDALCO and other companies, while JAMALCO contributed \$1.1M and participated in basic repairs for the restoration of the Williamsfield to Balaclava track and the facilitation of a study on the bauxite expansion project.

Kingston to Spanish Town Rehabilitation

Plans for the rehabilitation of infrastructure equipment for the Kingston – Spanish Town track were submitted and the Corporation is currently awaiting their approval. The Kingston to Spanish Town track was closed in December 2004 due to the bridge construction for the Highway 2000 project. The Corporation is following up on payment for loss of use of the track. Similarly, the track for the Sandy Gully Bridge remained closed while the JRC sought financing to carry out repairs to the bridge, which is considered unsafe.

Collections from Tenants

In an effort to improve servicing of its Tenant portfolio, the Board held discussions to regularize these arrangements and improve collections.



However, the tenants are reluctant to make payments due to uncertainty of tenure in many instances. As a result, there is an adverse change of \$1.3M in rental receivable.

Re-structuring Hopes

The Corporation lacks the formal structure and staff to implement and effectively monitor its responsibilities and has sought approval to undertake an institutional strengthening project that would see staff being reorganised and new manuals, systems, and controls developed at a cost of \$1.0M, in addition to the restructuring of the Engineering Workshop at a cost of \$5.6M.

Financial Performance

The Corporation earned revenue of \$60.94 million during the 2004/05 financial year, a 6.3% decrease compared to the \$65.20 million earned the previous financial year. Changes in operating expenses between

the 2004/05 and 2003/04 showed a slight positive variance of 18% for expenditure of \$51.25 million this year. The Corporation achieved an operating surplus of \$7.17 million, although a 28% decrease compared to the previous financial year, as shown in the table

<i>Jamaica Railway Corporation Revenue 2004/05</i>		
Services	2004/2005 (\$'m)	2003/2004 (\$'m)
Use of transport facilities	39.10	40.80
Other transport related services	6.20	8.91
Workshop Services	0.60	0.98
Real Estate Rentals	8.30	7.30
Other	4.64	6.41
Sub-total revenue	58.84	64.40
Interest	<u>2.10</u>	<u>0.80</u>
	60.94	65.20
Operating expenses	<u>51.25</u>	<u>52.02</u>
Less depreciation	9.69	13.18
Operating surplus	<u>7.17</u>	<u>3.16</u>



A old, transformed JRC Train Car in Railway Gardens, Montego Bay



Jamaica Urban Transit Company

The Jamaica Urban Transit Company (JUTC) was established in 1998 under the Public Passenger Transport Act to operate public passenger transport in the Kingston Metropolitan Region.

Ridership

The financial year saw JUTC'S total ridership at 77.4 million persons, which was a decrease of 12.5% when compared to the previous year. The following factors contributed to this downturn:

- Increased and intense competition from illegal transport operators
- Violence with various degrees of intensity in areas of August Town, Mountain View, Spanish Town, and Downtown.
- Intense rainfall resulting from hurricane Charley in August 2004 and Hurricane Ivan in September 2004, where the Company was closed for another three (3) days and also operated at reduced levels for three (3) days. During this period however the Company provided exceptional evacuation services to victims of Hurricane Ivan.

The JUTC continued to offer special services to address the needs of children, the elderly and physically challenged, as concessionary ridership reflected a slight increase from 27% to 28%.

In order to increase ridership, marketing strategies were used to promote the use of Smart Cards. This initiative resulted in an increase in revenue from J\$59.7 million the previous year to \$110.9 million this financial year. Overall, ridership using smart cards was increased by 71.06% over the previous year.

Depots

This year saw the commencement of full operations at the Rockfort depot, and the Company is now in the process of establishing Ashenheim Road Depot as a central maintenance workshop. Improved arrangements have been made to facilitate dispatching operations in the Parade area of Downtown Kingston. Over a six-month period, prior to the recent handing over of the site for the construction of a new Transport Centre, the South

Odeon Avenue facility was converted to off peak parking, resulting in savings of 10,000 dead kilometres per month.

Safety

The Company commenced its safety awareness campaign to encourage safe driving habits. This effort contributed to a 6.27% reduction in accidents compared to the same period last year. The Company's safety record has continued to be an area of critical focus at all depots.

Information Technology Solutions

The JUTC has now acquired a number of computer systems, namely Trapeze Software Solutions-FX, Blockbuster, OPS and Plan modules to enhance its ability to prepare schedules in a timely manner, as well as to effectively manage bus and duty assignments. The Trapeze team visited the JUTC in March of this year and completed an operational review with different groups of JUTC staff, prior to implementation.

Computer hardware and database software were ordered in February 2005 in preparation for implementation of the first phase of the project.

The introduction of these new information technology systems have contributed to:

- the reduction in the preparation time for route plans and schedules and greater flexibility in adjusting and optimising schedules to suit the JUTC'S operations.
- the designing of schedules that allow the JUTC to utilize fewer buses to move the same volume of passengers.

Financial Performance

A review of the operations of JUTC showed that the Company achieved revenue of \$2.27 billion, which gives a positive variance of 2.25% when compared to the 2003/2004 corresponding period. The Company was able to reduce its expenditure on labour as the ratio of staff to bus was reduced from 4.79 in 2003/4 to 4.62 this year. Earnings from the fare box showed a marginal decline from 68.88% last year to 68.84% this year.



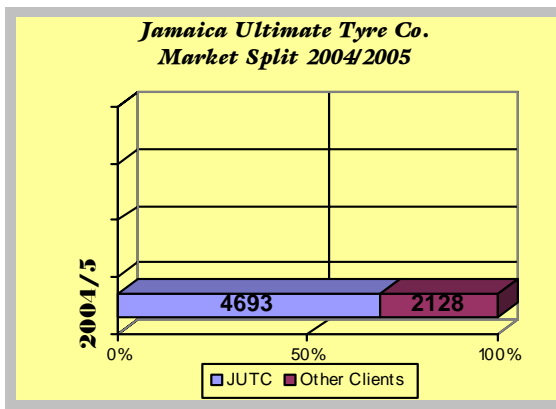


Jamaica Ultimate Tyre Co

The Jamaica Ultimate Tyre Company (the Tyre Company) was formed in 2001 with a view to effecting savings in the operational costs of the Jamaica Urban Transit Company (JUTC), by providing a stable quality of long-lasting retreaded tyres for the Company's bus fleet. The Company has since extended its services to other Government agencies.

During the period under review the Jamaica Ultimate Tyre Company continued to fulfil its primary mandate of providing tyre related services to the JUTC.

The Company showed increased volumes of retreaded tyres this year compared to the previous financial year. Overall, the Company produced 6,821 tyres, with 4,693 being for the JUTC, as shown in the diagram. This represents an increased production of 1,075 tyres over the previous year.



The other facets of the Company, including the alignment stand, tyre shop and tire repairs also operated efficiently and showed an increase over year 2003/2004.

This financial year saw increased business for the Company given its new contract to supply one thousand one hundred and sixty (1160) new tyres to the Ministry of Water and Housing's, Rapid Response Unit, at a value of Twenty One point Six (J\$21.6) Million Dollars. The first lot of these tyres, valued at Nine Million (J\$9.) Dollars has been delivered, and the order for the remaining two (2) lots will be filled during the year 2005 /2006.

The Company also continued to supply new tyres and provide retreads for the National Solid Waste Management Authority, the National Works Agency and the Ministry of Land and the Environment. The Company is waiting finalization on a number of packages from other entities on which it has tendered.

It is expected that the Jamaica Ultimate Tyre Company will significantly increase its customer base in the 2005/2006 financial year.

The Company reduced and kept expenses to a minimum. All statutory obligations were up to date and it showed profit of Twenty-four Million (\$24M) Dollars for the period.



The National Works Agency (NWA) is the former Public Works Department of the Ministry, which gained Executive Agency status on April 1, 2001. Its responsibilities extend to the management of the country's public works infrastructure, including maintenance of the national road network and associated structures.

The NWA had a number of on-going and new projects implemented during the 2004/2005 financial year. as detailed below.

Northern Jamaica Development Programme (NJDP) Northern Coastal Highway Improvement Project

The Northern Coastal Highway extends some 270 km along the island's north coast. When completed, it will link Negril in Westmoreland to Fair Prospect in Portland. The improvements along the corridor are divided into three segments for administrative purposes:

Segment 1: This 75 km stretch from Negril to Montego Bay was funded by the Overseas Economic Corporation Fund (OECF) and was completed in 2002.

Segment 2: Montego Bay to Ocho Rios is funded by the Inter-American Development Bank (IDB) and is 97 km long, and

Segment 3: Ocho Rios Fair Prospect, a 120km stretch, is funded by the European Union (EU).

Segment 2: Montego Bay to Ocho Rios

The Contractor, Jose Cartellone Construcciones Civiles, continued working along the segment from the Falmouth bypass to Priory carrying out major earthworks, laying of drainage pipes, construction of box culverts, asphaltic paving and the construction of four bridge structures. Just over 12 km of roadway, including the Duncans Bypass, Coopers Pen Deviation, Burwood and Braco, was completed and used by the motoring public. Construction works continued on the Falmouth Bypass and the section between Salem and Priory. In addition, works proceeded on bridge structures at Martha Brae, Bengal, Pear Tree and Wakefield Interchange.

There were a number of difficulties with segment 2 and as a result the scope of works under the programme was revised to exclude section 1 of the corridor between Montego Bay and Greenside (27 km). Works for this section have been put to tender and should commence once a suitable contractor has been identified.

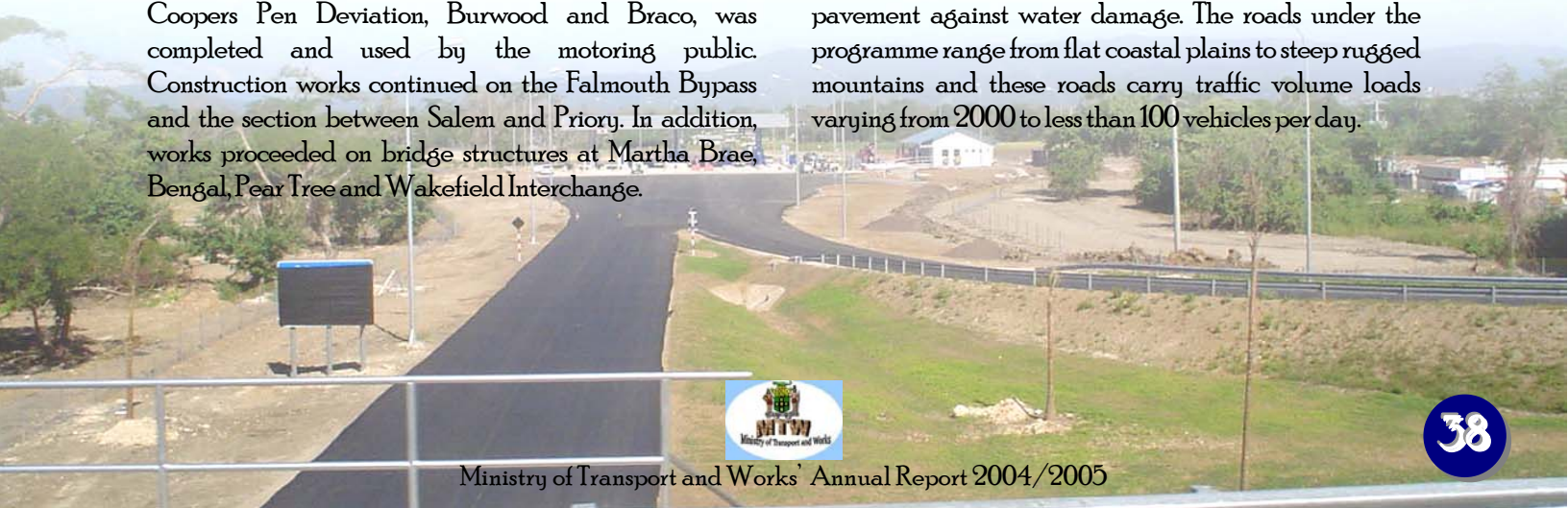
Segment 3: Ocho Rios - Fair Prospect

The Government of Jamaica (GOJ) secured a financing agreement from the European Development Fund (EDF) for financing this segment. The design was completed in late 2002 and final approval obtained from the EU for the Works Tender Dossier in June 2003. The Works Tender was first launched on September 23, 2003, with local and international publications. Only one (1) firm, submitted a tender which was higher than the available funds. This resulted in the cancellation and re-launch of the tender on October 19, 2004 with some modifications to the dossier, eligibility criteria and allowing for the participation of firms from selected Latin American countries. The second tender was closed on February 28, 2005 and two (2) tenders were received. Both tenders have exceeded the available funds. As a result the European Commission has given its approval for GOJ to obtain a direct agreement contract, after negotiations with both tenderers.

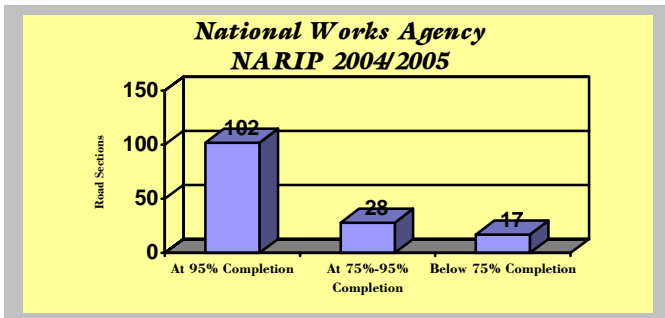
GOJ's obligations under the Financing Agreements are substantially completed. These include land acquisition, resettlement of the population and relocation of utilities.

National Road Improvement Programme (NARIP)

The works for the roads selected for repair and rehabilitation under this project in 13 parishes across the island were designed with emphasis on protecting the pavement against water damage. The roads under the programme range from flat coastal plains to steep rugged mountains and these roads carry traffic volume loads varying from 2000 to less than 100 vehicles per day.



Some 152 roads were identified for rehabilitation. The works were undertaken by Surrey Paving and Aggregates Ltd. and Pavement and Structures Ltd. The project was managed by the NWA through a team of consultants. The Chart below shows the status of completion of the roads.



The Ministry experienced financial difficulties that affected the project and works were suspended in January 2004. Negotiations are underway to restart work on 44 roads at an estimated cost of \$982M. Six of these roads have been transferred to the CDB Programme.

National Road Services Improvement Programme

The programme is comprised of two components, namely the provision of institutional strengthening consulting services; and support for the establishment of the 3-year performance based routine maintenance programme utilizing the RMMS software (to generate prioritised work programmes).

The programme was revised in January 2005 under a re-scoping of all IDB projects and is now funded at US\$29M. The IDB approved the selection of Dillon Consulting (Canada) to conduct the Institutional Strengthening consultancy.

Corporate Area Road Improvement Project

The Project is funded by the Road Maintenance Fund and is geared at improving a number of the major intersections and corridors within the Corporate Area. Thirteen corridors were identified. These included: East Kings House Road, Barbican Road/Russell Heights intersection, Half Way Tree Road, Old Hope Road/Munroe Road/Stanton Terrace, Constant Spring Road/Shortwood Road and Constant Spring/Dunrobin intersection; and Eastwood Park Road.

Improvements have been completed along three corridors, namely Half Way Tree Road, Old Hope Road and Eastwood Park at a cost of \$105M. Work is ongoing on the other projects.

Flood Damage Restoration Works

The island has been experiencing unusual weather patterns over the past three years. This has included instances of heavy and continuous rainfall which in turn has caused excessive flooding and damage to road infrastructure.

The Flood Damage Rehabilitation Programme funded through the Caribbean Development Bank addresses the rehabilitation of flood damage to roads caused by the October 2001 floods and also the May/June 2002 flood rains through a loan in the amount of US\$36.0M. Over forty contract packages are ongoing island-wide under this programme. The Project is approximately 85% complete. Of the 144 roads started, 98 have been completed.

The parishes of Manchester, Clarendon, St. Elizabeth, St. Catherine and St. Thomas experienced extensive damaged during the passage of hurricanes Lili and Isadore. These parishes were declared disaster areas. The Inter-American Development Bank funded Flood Damage Rehabilitation Programme was aimed at restoring some 178 kilometres of the main roads in these parishes. Of the 18 contracts which were awarded only the YS -Maggotty road in St Elizabeth is incomplete. On the whole, at the end of the financial year, work was now approximately 75% completed. Total expenditure on these roads amounted to J\$585 million or 93% of the projected final cost.

Inter-American Development Bank Hurricane Ivan Restoration

Hurricane Ivan struck Jamaica between Friday, September 10 and Sunday, September 12, 2004. The heavy rains that lashed the island during the passage of the hurricane did not spare the road network and as such, almost all roadways suffered damage. The island received between 15mm to 20mm of rainfall per hour. This resulted in saturation of the soil which was just recovering from tropical storm Charley, which affected the island just over a month before.

Responding to the effects of the devastation, in January the IDB and the GOJ agreed that the remaining funds of US\$ 4.2 million (from the IDB) would be reallocated to fund a programme of repairs for damage caused by Hurricane Ivan. In addition, a further US\$3 million was allocated to this programme.

To date, 52 contracts have been awarded and work is underway on 32 sites, island-wide. The work is focused mainly on replacing damaged structures. Designs for the remaining 20 packages are in progress. The works should be completed during the 2005/06 financial year.

Environmental Management/Protection Activities

The 2004/05 Hurricane Season again highlighted the fragility of the nation's infrastructure to natural events. Responding to the need for critical information about the effects of the 2004/05 Hurricane Season on the network, the NWA launched the Landslide/Road Breakaway Mapping Exercise to identify and document the overall distribution of landslides and breakaways. This mapping exercise was performed using a combination of ground based field inspections, gathering of GPS data using mobile mapping devices and photographic records. The intention was to plot physiographic and material (soil) susceptibility factors.

Following the data collection in the field, the information was placed onto a GPS database and referenced to the NWA network. This information helped to generate a categorization of each event into breakaways or landslides and a Hurricane Ivan Landslide Inventory Report generated describing the findings discussed above. Although the Agency has collaborated with other stakeholders such as the UWT's Department of Mines and Geology, this is the first that the information gathered has been linked to the network in a meaningful way, which will help with the prioritisation of the rehabilitation works.

Jamaica Bridge Development Programme

The Agency has thoroughly examined well over 700 bridges that span the over 5,000 kilometres of main roads across the island. This survey has given us a true picture of the state of our bridges and has put us in a position to take the necessary steps to protect them.

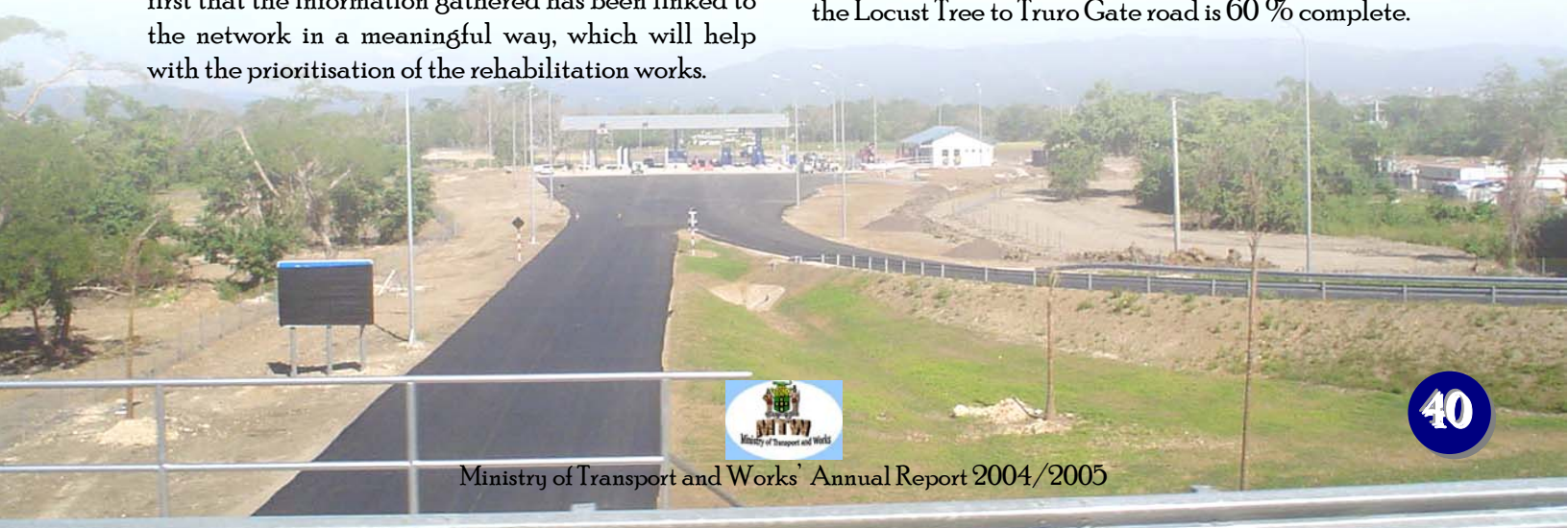
Under the Mabey and Johnson Priority Bridge Programme the government intends to spend over £22,800M over the next two years to complete the rehabilitation of 40 bridges. The contract calls for the design, fabrication and supply of bridge members. So far 43 bridges have been identified for replacement and 2 for rehabilitation.

The R.A. Murray Bridge Programme is for a duration of five years with the construction of an average eight per year, valued at C\$25M. The programme will be undertaken in two phases. Under Phase I, eight bridges are currently under construction and are at varying stages of completion. Under Phase II of the programme, the designs and fabrication in respect of eight bridges have been completed.

Kuwait /OPEC Funded Assisted Road Rehabilitation Project

This programme was executed through funding from the Governments of Kuwait and Jamaica in the ratio of 70/30. Five roads were identified for total rehabilitation. Of this number, the three roads in Manchester have been completed. These are the Whitney Turn to Trinity, Mandeville to Mark Post and Williamsfield to Greenvale roads. The Stony Hill to Tom's River road in St. Andrew is now 80% complete, while the scope of works of the Spanish Town Bypass in St. Catherine had to be adjusted.

The OPEC funded aspect of the programme is well underway. One of the three roadways identified, Luana to Sandy Ground, was completed. The Torrington to Galloway road is 90% complete while the Locust Tree to Truro Gate road is 60 % complete.





National Road Operating & Constr. Co

The National Road Operating and Constructing Company (NROCC) Ltd. is a wholly owned Government company responsible for ensuring the implementation of Highway 2000. NROCC is responsible for monitoring the Concession Agreement with Trans Jamaican Highway Ltd. (TJH), a subsidiary of Bouygues Travaux Public of France. The project is comprised of two parts, namely, Phase 1. Kingston to Williamsfield and Phase 2. Williamsfield to Montego Bay and Bushy Park To Ocho Rios

The first phase of the development comprises some 83 km from Kingston to Williamsfield including the Hunts Bay Bridge and the Dyke Road. The cost of the project is US\$390M based on January 2001 pricing. Under the agreement between NROCC and TJH, of the total amount, US\$283M is being provided by TJH without any guarantee from the Government of Jamaica. NROCC is loaning the Developer the remainder of US\$107M, which was raised by a Bond Issue.

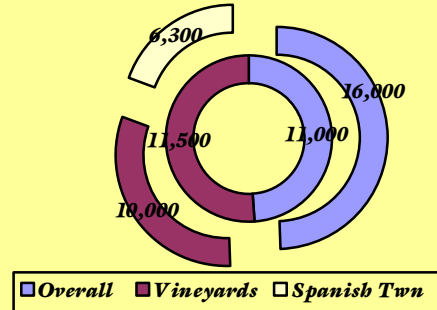
The agreement requires TJH, the Developer, to finance, design, build, operate and maintain Phase 1 for a period of thirty-five years, at which time full operational control the Highway, which the company is required to maintain at specified standards, will revert to the Government of Jamaica.

The second segment of Phase 1 of the development, Bushy Park to Mandela, was opened on December 15, 2004 following the opening of the first segment from Bushy Park to Sandy Bay in October 2003.

Traffic Flows

Since the opening of the second segment in December 2004, average daily usage of the highway has moved from 11,000 to 16,000 vehicles. Average daily traffic through the Vineyards Toll Plaza has been reduced from 11,500 to 10,000 since the opening of the Spanish Town Toll Plaza, which has recorded average daily traffic of 6,300 vehicles, as shown in the diagram.

**National Road Operating & Constr. Co
Traffic Volumes 2004/2005**



Over the twelve-month period between May 2004 and April 2005 there were 117 accidents on the highway, resulting in one fatality, twenty-three serious injuries and twenty minor injuries. There has however, been a decrease in accidents occurring since February of this year. The table shows the general findings of an analysis of accidents over the past year.

A great number of these accidents, 47%, have been as a result of poor driving, while mechanical defects have accounted for another 34%, and speeding the cause of 19% of the accidents on the highway during the last financial year.

Construction

Construction has been completed on thirty-three of forty-four kilometres in Phase 1A of the project, and is in progress on the remainder, that being the Portmore Causeway and the Dyke Road. Work on the Dyke Road between the Portmore Interchange and the southern end of Waterford has been completed.

Portmore Causeway

Pile driving for the Hunts Bay Bridge on the Portmore Causeway is in progress, with more than sixty percent of the piles having been driven to finality. Work on the interchanges at Marcus Garvey Drive and Fort Augusta Drive is progressing. All of the work on the Portmore Causeway is targeted for completion by the end of June 2006.

Accidents

41

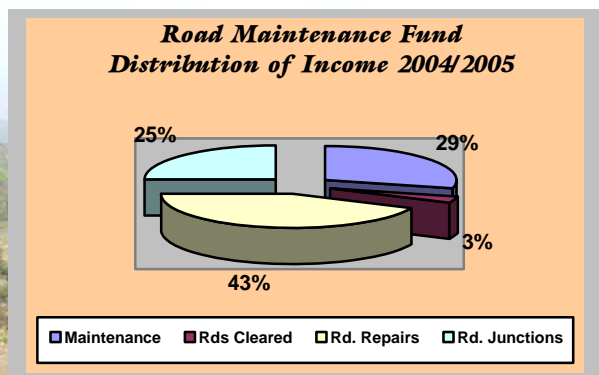




Road Maintenance Fund

The Road Maintenance Fund (RMF) came into being subsequent to the promulgation of the Road Maintenance Fund Act 2002, which sought to establish a dedicated fund for the maintenance of the main road network. The purpose of the RMF is to manage the pool of funds specifically for the maintenance of main roads and structures island wide, in accordance with Section (4) of the Main Roads Act. Over 5,000 km of roadways have been designated as main roads. The scope of the maintenance activities ranges from periodic and routine maintenance to other matters incidental to the upkeep of the road network. The Fund is governed by an eleven member Board.

In its continued quest to provide financial support for efforts towards the improvement of road infrastructure, the RMF financed road works in excess of \$390M, during the 2004/2005 financial year. The major share of this expenditure was for the National Works Agency (NWA) to effect repairs to approximately 394,000m² of roadways across the island. Another \$112M was approved to effect maintenance work in various Parishes. In addition to this some \$98M was approved by the RMF Board to carry out improvements to road junctions which the experts felt were of crucial importance to the smooth movement of traffic through these corridors. The remaining \$12M was used to offset costs associated with the clearing of roads as a result of the effects of flood rains. The diagram below shows the percentage distribution of the \$390M.



Completed Projects

Two of the projects undertaken and completed during the year by the NWA were the Monroe Road/Old Hope Road and Half Way Tree Road Projects. Motorists and pedestrians have found the improvements useful and timely, given the reduction in travelling time and the easing of the traffic congestion.

The RMF is particularly pleased with the work carried out at Monroe Road down to the intersection with Stanton Terrace. This includes the face-lift in the vicinity of the Police Headquarters along the corridor. With respect to the Half Way Tree Road Project, the work on the corridor between Ruthven and Oxford Roads involved the creation of a new lane, improvements to the Chelsea Avenue and Half Way Tree Road junction, the installation of modern traffic signals, the upgrading of storm drain systems and the relocation of utility poles.

Projects Under Construction

The following projects are under construction and are important priorities in keeping with the entity's objectives. These small but very important road improvements are but some of the objectives of the RMF for the ensuing financial year

- Constant Spring Road and Dunrobin Avenue junction and corridors.
- Shortwood and Constant Spring Roads
- Barbican Road and Russell heights junction
- East Kings House Road Bridge expansion

The RMF will be looking to duplicate these efforts across the island where needed.





Toll Authority

The Toll Authority was established under the Toll Roads Act 2002 to regulate the operation and maintenance of toll roads and other facilities necessary, or adjacent to toll roads, monitor compliance of concessionaires, and provide advice on the design, construction, safety regulation, operation and maintenance of toll roads in Jamaica.

Opening of Highway

Another section of Phase 1A of the highway, Kingston to Sandy Bay, was completed and opened in December 2004, and has made commuting for the motoring public much easier.

User Satisfaction

The Toll Authority continues to monitor the operations of the highway and has processed over eighty contact calls for the past year. User satisfaction surveys were conducted by the Operators and these showed that 97% of the motoring public was satisfied with the road.

Accidents

The Jamaica Constabulary Force has reported that accidents on the highway are lower than other roads in Jamaica. Further, the Authority has investigated reports

of inadequate signage on the highway and made a number of recommendations to Jamaica Infrastructure Operators, to correct the problems identified. These have subsequently been addressed. Additionally, the Maintenance Plans proposed by the Operator were reviewed and recommendations regarding modifications to better suit the Jamaican environment were made. Further, through field visits to the highway, suggestions have been made regarding the placement and maintenance of proper signage along the route.

Concession Agreement

The Authority conducted several inspections during the year. Indications are that the operators of the highway are conforming to the terms of the Concession Agreement.

Further Developments

The opening of interior lands will give way to additional housing stock, creating employment opportunities and developing new communities.

The Toll Authority is working to have a full-scale public education campaign within the next financial year.





Transport Authority

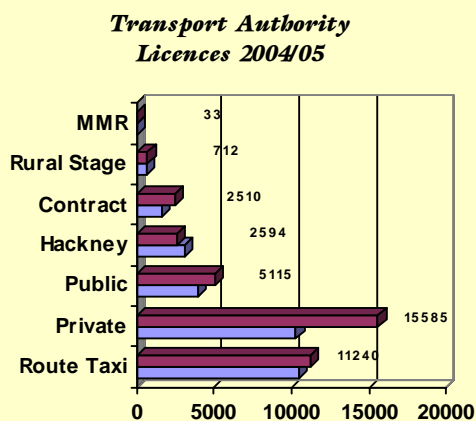
The Transport Authority is responsible for the regulating of the operations of public passenger vehicles, the issuance of licences to operators of public and commercial vehicles, and the regulation and monitoring of public transportation throughout the island.

During the period under review the functions of the Agency were further strengthened by amendments to both the Road Traffic Act and The Transport Authority Act, wherein the Transport Authority has been granted greater autonomy to effectively regulate the operators of public transport and protect the interest of legitimate operators and the commuting public.

The programmes pursued by the Transport Authority during the 2004/05 financial year included the following:

Public Passenger Vehicle Licensing

For the year under review the Transport Authority received a total of 30, 276 applications, of which requests for route taxi licences accounted for 35%. Licences issued for the period totalled 37,789, which included a backlog from the previous financial year. The diagram below shows the breakdown of licences issued per category.



During the year the Authority was able to significantly reduce its turn-around time for processing of applications. This improvement was attributed to the introduction of the new Licence Management Information System (LMIS). In February 2005, under this system the Transport Authority also upgraded its 128kbps leased line to 256kbps in order to increase connection speed and improve efficiency. This has reduced the processing time for applications to as short as 3 days or a maximum of 10 days. While actual delivery dates are down to between 3-4 weeks instead of several months.

Increased Regulation of Route Taxis

In the previous year the Transport Authority partnered with several taxi associations to implement strategies for the colour coding of taxis, introduction of a number system for taxis, and the affixing of taxi association logos on vehicles. This initiative bore fruit this financial year as reflected in greater accountability within the public transport system. This is evident as the registration and identification system has made information on legitimate operators of public passenger vehicles more readily available. Coupled with this benefit is a more effective communication channel provided by the formation of taxi associations.

Infrastructural Improvements

The Transport Authority continued to strive to improve its corporate image through initiatives to refurbish its Head Office. During this year the Authority commenced its tendering process for the issue of its refurbishing contract.

Pound facilities were also identified in Santa Cruz and Highgate and it is expected that these arrangements will be finalized within the 2005/6 financial year.



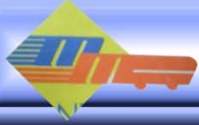
Financial Performance

The table below summarizes the Authority's financial performance for the financial year.

Transport Authority Financial Highlights 2004/2005				
FINANCIAL HIGHLIGHTS	ACTUAL YTD (M)	BUDGETED YTD (M)	VARIANCE YTD (M)	PREVIOUS YTD (M)
Operating Income	\$253.6	\$268.9	(\$15.3)	\$252.9
Other Income	\$11.5	\$7.0	\$4.5	\$15.8
Total Income	\$265.0	\$276.0	\$11.0	\$268.7
Total Expenses	\$277.9	\$270.7	(7.2)	\$251.0
Profit Before Tax	(\$12.9)	\$5.3	(\$18.2)	\$16.7
Deposits	\$38.0	\$29.5	\$8.5	\$46.5
Capital Expenditure	\$26.9	\$39.1	\$12.2	\$26.8

The Company's total income showed a slight shortfall compared to target, and 1% decline compared to the previous year. Total expenses on the other hand also marginally exceeded target and trended upwards, when compared to the previous financial year. The net position of the company reflected a negative variance of J\$18.2 Million.





Montego Bay Metro

Montego Bay Metro (MBM) was set up in 1997 as a private entity to manage the operations of a dedicated school bus service in Montego Bay. In 2000 a municipal bus service was introduced.

MBM continued its limited service over the course of the financial year, operating on three routes. The service carried just under four hundred and sixty-six thousand (466,000) passengers comprised of some two hundred and seventy-one thousand (271,000) adults and just over one hundred and eighty-two thousand (182,000) children on its:

- Greenwood to City Centre
- Sandy Bay to City Centre, and
- Cambridge to City Centre routes.

Eleven buses were used to service the routes and the operations were conducted by a staff compliment of thirty-eight (38), inclusive of management and administrative personnel, drivers and conductors.

Notwithstanding financial constraints, in 2005/2006 the Company plans to focus on the following:

- procuring spare parts on a timely basis in order to carry out routine maintenance and repairs effectively,
- repairing and returning four buses to service,
- establishing a number of bus stops with a modicum of shelter from the elements,
- the relocation of some existing bus stops, and
- effecting repairs to the building housing the Company's offices.



Passengers disembarking a Montego Bay Metro Bus



Architects Registration Board

The Architects Registration Board is mandated to register architects, regulate the practice of architecture in Jamaica, and to ensure the maintenance of acceptable standards of professional conduct of persons registered under the Architects Registration Act.

During the 2004/2005 financial year, Parliament gave approval for the Board to become compliant with CARICOM Single Market and Economy stipulations. The GOJ agreed to accelerate the process of becoming compliant with the CSME, and consequent on that decision, needed to commit itself to fulfilling its obligation under Chapter three of the Revised Treaty of Chaguaramus. In order to do so, certain amendments were made to the Architects Registration Act

The Act was amended to remove the requirements that applicants for registration be "Jamaican citizens or ordinarily resident in Jamaica". The Amendments allowed "Caribbean Community Nationals" as defined in the Act, to be registered to practice architecture in Jamaica, therefore removing the requirement of being a

citizen of Jamaica.

The Architects Registration Board is charged with the responsibility of ensuring that only such persons as are appropriately qualified and registered, are permitted to practice in Jamaica. In order to fulfil this mandate the Board reviews the qualification and experience of applicants for registration and those deemed eligible are issued a practicing certificate on payment of the prescribed fee.

The amendments also increased the fines in the schedule to the Act. Any person not registered by the Board under the Architects Registration Act, but found "practising" shall pay \$250,000 up from \$2,000 for a first offence and \$500,000 up from \$5,000 for second or subsequent offences.

The penalties have also been increased for persons whose registration has been cancelled or suspended by the Board or upon whom the Board has imposed specific conditions and who while such conditions remain in force, practice the profession or do so in violation of the conditions imposed by the Board.



Professional Engineers' Registration Board

The Professional Engineers Registration Board (PERB) is charged under The Professional Engineers' Act (1987) with responsibility for the registration of professional engineers and for regulating the practice of engineering in Jamaica. The Board's responsibility extends to accrediting engineer training programmes and determining the suitability of candidates for registration.

PERB, like the Architects Registration Board, became compliant with the CARICOM Single Market and Economy, through amendment of its governing Act, thereby fulfilling GOJ's obligations under the revised Treaty of Chaguaramus. This Act was also amended to remove the requirements that applicants for registration be "Jamaican citizens or ordinarily resident in Jamaica", and to allow for "Caribbean Community Nationals" to be registered to practice engineering in Jamaica.

The amendments also increased the fines in the schedule to the Professional Engineers Registration Act. The newly inserted Section 23A of the Professional Registration Engineers Act provides that the Minister may, by order, subject to affirmative resolution in the House of Representatives, amend or vary any penalty or fine under the Act. The fines have been increased for persons who are not registered as engineers but who practice or use in relation to themselves the designation "engineer". Any person who contravenes the provisions of the section shall be guilty of an offence and shall be liable on summary conviction before a Resident Magistrate. The fine for a first offence has been increased from \$2,000 to \$250,000 and in the case of second or subsequent offence the fine has increased from \$5,000 to \$500,000.

MTW Audit Committee REPORT

The Ministry of Transport and Works Audit Committee held four (4) meetings in respect of the 2004/2005 financial year. At these meetings the Committee reviewed three (3) quarterly reports from the Ministry's Internal Audit Unit dealing with the assessments carried out in many of its portfolio entities. The Committee also reviewed the Government of Jamaica Audit Committee Policy and the October 2003 to February 2004 Report of the Public Accounts Committee (PAC).

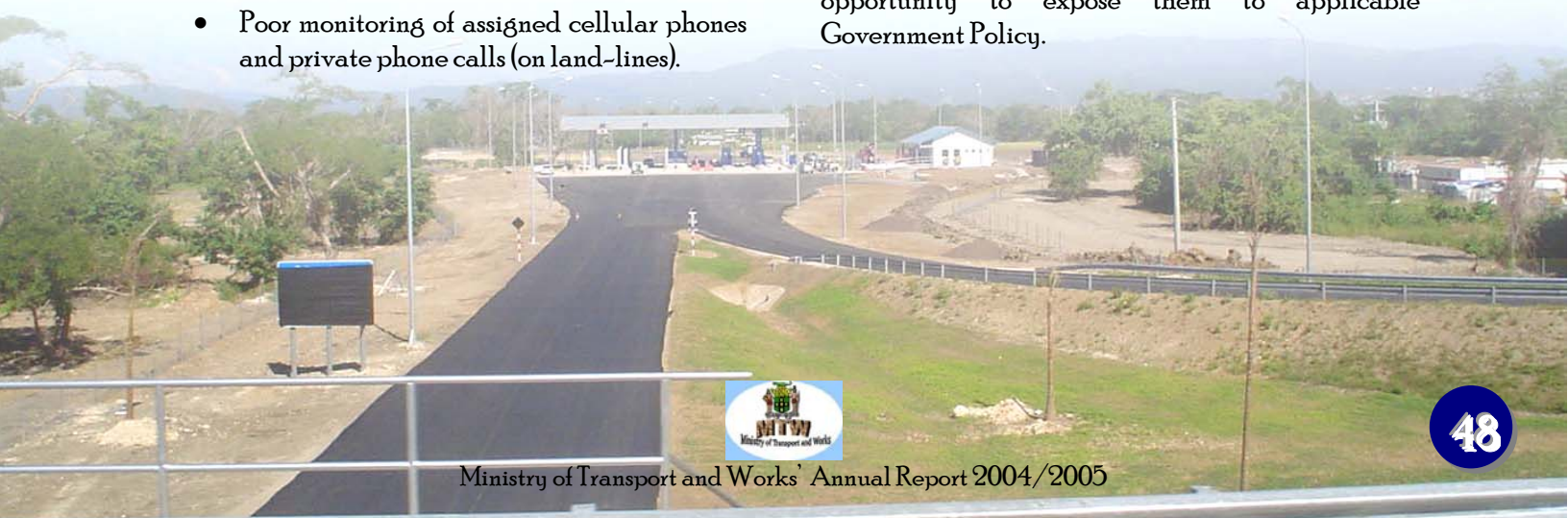
The reports based on the internal audit exercises conducted during the year highlighted areas of deficiency in operation and financial management in seven (7) of the Ministry's reporting entities. Areas of deficiency included the following:

- Increases in compensation packages without approval from the Ministry or the Ministry of Finance and Planning;
- Poor asset management and disposal
- Poor inventory control;
- Poor contract management;
- Poor Human Resource and Accounting policy development;
- Automatic payment of Board Members' fees;
- Improper use of Government funded credit cards and
- Poor monitoring of assigned cellular phones and private phone calls (on land-lines).

The Committee also convened two (2) special meetings during the year. The first involved the Permanent Secretary, Ministry of Transport and Works and one of the portfolio entities, the Caribbean Maritime Institute, to discuss a number of areas of concern noted at the entity, some of which are listed above. The second meeting, with the Ministry's Chief Internal Auditor examined several recommendations aimed at improving the quality of the audit examination and reporting process.

General recommendations to address the areas of deficiency outlined, as well as proposals for the revamping of the Committee to bring the make-up in line with the stipulations of the Jamaica Audit Committee Policy were also forwarded to the Permanent Secretary, along with reports on all the sittings of the Committee.

As per the deliberations of the Committee, the Ministry of Transport and Works remains generally compliant with the Financial Administration and Audit Act in the main, as well as the other applicable Regulations and Financial Instructions. In so far as Portfolio Entities are concerned, widespread regard for and implementation of government financial and operational policies is still not evident. It is recommended that the Ministry continues to closely monitor these entities and take every opportunity to expose them to applicable Government Policy.



Financial REPORT

Comparison of Revised Recurrent Budgets Fiscal Years 2004/2005 and 2003/2004

\$'000

Function / Sub Function / Programme Authorized by Law	Revised Estimates	
	2004/2005	2003/2004
Function 01 - General Government Services		
06 Public Works	2,919.0	3,528.0
06 002 Training	2,524.0	3,068.0
06 126 Government Office Buildings	395.0	460.0
07 Other General Government Services	248,452.0	210,337.0
07 001 Executive Direction and Administration	248,452.0	210,337.0
07 125 Elections		
Total Function 01 - General Government Services	251,371.0	213,815.0
Function 18 - Roads		
00 228 Urban Roads, Kingston and St. Andrew	1,291.0	1,488.0
00 230 Road Traffic and Safety	981.0	1,540.0
00 231 Supporting Services	15,887.0	16,478.0
232 Toll Road Authority	3,656.0	-
Total Function 18 Roads	21,815.0	19,506.0
Function 23-Transport and Communication Services		
01 Rail Transport	9,531.0	23,173.0
01 001 Executive Direction and Administration	9,531.0	23,173.0
02 Shipping Ports and Lighthouses	194,337.0	198,154.0
02 002 Training	79,837.0	63,094.0
02 004 Regional and International Cooperation		
02 557 Ports and Lighthouses	18,500.0	37,000.0
02 560 Caribbean Maritime Services	96,000.0	98,060.0
03 Roads Transport	89,955.0	110,309.0
03 230 Road Traffic and Safety	67,216.0	65,549.0
03 558 Improvement of Public Transport	22,739.0	44,760.0
04 Civil Aviation	533,635.0	475,455.0
04 552 Civil Aviation Administration	533,635.0	475,455.0
Total Function 23 Transport and Communication Services	827,458.0	807,091.0
Total Budget 1 - Recurrent	1,100,644.0	1,040,462.0
Less Appropriation- In- Aid	458,035.0	364,795.0
Net Total Budget 01 - Recurrent	642,609.0	675,667.0



Comparison of Budgeted and Actual Expenditure
Recurrent 2004/2005

\$'000				
Function / Sub Function / Programme	Authorized by Law	Revised Estimates 2004/2005	Actual Expenditure* 2004/2005	Variance
Function 01 - General Government Services				
06 Public Works		2,919.0	2,138.8	780.2
06 002 Training		2,524.0	1,941.7	582.3
06 126 Government Office Buildings		395.0	197.1	197.9
07 Other General Government Services		248,452.0	240,932.0	7,520.0
07 001 Executive Direction and Administration		248,452.0	240,932.0	7,520.0
Total Function 01 - General Government Services		251,371.0	243,070.8	8,300.2
Function 18 - Roads				
228 Urban Roads Kingston And St Andrew		1,291.0	1,291.9	-0.9
00 230 Road Traffic and Safety		981.0	925.6	55.4
00 231 Supporting Services		15,887.0	18,232.2	-2,345.2
232 Toll Road Authority		3,656.0	1,663.0	1,993.0
Total Function 18 Roads		21,815.0	22,112.7	-297.7
Function 23 - Transport and Communication Services				
01 001 Executive Direction and Administration		9,531.0	6,827.9	2,703.1
02 Shipping Ports and Lighthouses		194,337.0	191,029.0	3,308.0
02 002 Training (Caribbean Maritime Institute)		79,837.0	78,622.7	1,214.3
02 557 Ports and Lighthouses		18,500.0	18,500.0	0.0
02 560 Caribbean Maritime Services (Maritime Authority. of Ja.)		96,000.0	93,906.3	2,093.7
03 Roads Transport		89,955.0	87,062.0	2,893.0
03 230 Road Traffic and Safety		67,216.0	64,323.3	2,892.7
03 558 Improvement of Public Transport		22,739.0	22,738.7	0.3
04 Civil Aviation		533,635.0	477,886.2	55,748.8
04 552 Civil Aviation Administration		533,635.0	477,886.2	55,748.8
Total Function 23 Transport and Communication Services		827,458.0	762,805.1	64,652.9
Total Budget 1 - Recurrent		1,100,644.0	1,027,988.6	72,655.4

*Unaudited Expenditure



Capital "A"
Comparison of Revised Budgets
Fiscal Years 2004/2005 and 2003/2004

\$'000

Function / Sub Function / Programme	Authorized by Law	Revised Estimates 2004/2005	Revised Estimates 2003/2004
Function 01 - General Government Services			
06 Public Works		49,800.0	43,800.0
06 126 Government Office Buildings		49,800.0	43,800.0
Total Function 01 - General Government Services		49,800.0	43,800.0
00 006 Social and Economic Support Programme		14,662.0	7,326.0
00 225 Arterial Roads		595,443.0	463,927.0
00 226 Secondary Roads		706,402.0	3,000.0
00 227 Tertiary Roads		637.0	110.0
00 230 Road Traffic And Safety		95,348.0	2,915.0
00 231 Supporting Services			
Total Function 18 - Roads		1,412,492.0	477,278.0
03 Roads Transport		14,522.0	6,527.0
03 558 Improvement of Public Transport		14,522.0	6,527.0
04 Civil Aviation		20,000.0	60,000.0
04 554 Air Navigation Facilities		20,000.0	60,000.0
Total Function 23 - Transport And Communication Services		34,522.0	66,527.0
Total Budget 2 - Capital ' A '		1,496,814.0	587,605.0



Capital "A"
Comparison of Budgeted and Actual Expenditure
Fiscal Year 2004/2005
 \$'000

Function / Sub Function / Programme		Authorized by Law	Revised Estimates 2004/2005	Actual Expenditure* 2004/2005	Variances
Function 01 - General Government Services					
06	Public Works		49,800.0	27,948.2	21,851.8
06	126 Government Office Buildings		49,800.0	27,948.2	21,851.8
Total Function 01 - General Government Services			49,800.0	27,948.2	21,851.8
Function 18 - Roads					
00	005 Disaster Management			250.1	-250.1
00	006 Social and Economic Support Programme		14,662.0		14,662.0
00	225 Arterial Roads		595,443.0	595,442.4	.6
00	226 Secondary Roads		706,402.0	592,226.2	114,175.8
00	227 Tertiary Roads		637.0	636.1	.9
00	228 Urban Roads, Kingston and St. Andrew			5,880.5	-5,880.5
00	230 Road Traffic And Safety		95,348.0	4,532.8	90,815.2
00	231 Supporting Services				
Total Function 18 - Roads			1,412,492.0	1,198,968.1	213,523.9
Function 23 - Transport and Communication Services					
02	560 Caribbean Maritime Services				
03	Roads Transport		14,522.0	15,025.1	-503.1
03	558 Improvement of Public Transport		14,522.0	15,025.1	-503.1
04	Civil Aviation		20,000.0	20,000.0	-
04	554 Air Navigation Facilities		20,000.0	20,000.0	-
Total Function 23 - Transport And Communication Services			34,522.0	35,025.1	-503.1
Total Budget 2 - Capital ' A '			1,496,814.0	1,261,941.4	234,872.6

*Unaudited Expenditure



Capital "B"
Comparison of Revised Budgets
Fiscal Years 2004/2005 and 2003/2004

\$'000

Function / Sub Function / Programme	Authorized by Law	Revised Estimates 2004/2005	Revised Estimates 2003/2004
Function 18 - Roads			
00 005 Disaster Management		367,000.0	2,000.0
00 225 Arterial Roads		1,433,389.0	909,858.0
00 228 Urban Roads Kingston and St. Andrew		106,000.0	14,000.0
00 231 Supporting Services		-	5,030.0
Total Function 18 - Roads		1,906,389.0	930,888.0
04 Civil Aviation			
04 553 Airports		-	1,000.0
Total Function 23 - Transport and Communication Services		-	1,000.0
Total Budget 3 - Capital "B"		1,906,389.0	931,888.0



Capital "B"
Comparison of Budget and Actual Expenditure
Fiscal Year 2004/2005

\$'000

Function / Sub Function / Programme	Authorized by Law	Revised Estimates 2004/2005	Actual Expenditure* 2004/2005	Variance
Function 18 - Roads				
00 005 Disaster Management		367,000.0	113,107.8	253,892.0
00 225 Arterial Roads		1,433,389.0	1,582,191.0	-148,802.0
00 228 Urban Roads Kingston and St. Andrew		106,000.0	185,826.4	-79,826.4
00 231 Supporting Services				
Total Function 18 - Roads		1,881,125.2	1,881,125.2	25,263.8
Total Budget 3 - Capital "B"		1,906,389.0	1,881,125.2	25,263.8

*Unaudited Expenditure



Trial Balance

Recurrent - HD: 6500

Period: April 1, 2004 - March 31, 2005

Acc#	Description	Debit	Credit
0002	Vote		\$1,100,644,000.00
0003	Consolidated Fund	\$642,609,000.00	
0004	Appropriations-in-Aid Pro	\$458,035,000.00	
0020	Commitment Control	\$621,507,568.80	
0021	Undischarged Commitment A	\$1,370,219.80	
0022	Commitment for Jnl Payable		\$47,925,724.49
0023	Commitment for Direct Pay		\$66,814,207.53
0024	Commitments for Statutory		\$112,684,170.84
0025	Purchase Order Control		\$395,103,687.24
0026	Undischarged Purchase Order		\$349,998.50
3010	BANK ACCOUNT	\$4,384.00	
3050	Advances Control Account	\$632,066.10	
4001	Account Payable Control		\$3,554,329.77
7001	Warrant Issued Control A/C		\$642,609,000.00
7002	Appropriations-in-Aid Con		\$407,044,048.63
8000	Expenditure by AP Journal	\$3,554,329.77	
8001	Expenditure Control A/C	\$1,027,988,692.72	
8002	Surrender to Consolidated	\$21,027,905.81	
	Retained Earnings		0.00
		\$2,776,729,167.00	\$2,776,729,167.00



Trial Balance

CAPITAL "A" HD: 6500A Period: April 1, 2004 - March 31, 2005

Acc#	Description	Debit	Credit
0002	Vote		\$1,496,814,000.00
0003	Consolidated Fund	\$1,496,814,000.00	
0020	Commitment Control	\$997,586,607.30	
0022	Commitment for Jnl Payable		\$2,090,959.71
0023	Commitment for Direct Pay		\$61,368,540.02
0025	Purchase Order Control		\$933,948,227.88
0026	Undischarged Purchase Order		\$178,879.69
3050	Advances Control Account	\$116,110,218.00	
4009	Advances from Treasury Deposit		\$5,000,000.00
7001	Warrant Issued Control A/C		\$1,495,814,000.00
8001	Expenditure Control A/C	\$1,261,941,407.21	
8002	Surrender to Consolidated	\$122,762,374.79	
	Retained Earnings		0.00
		\$3,995,214,607.30	\$3,995,214,607.30



Trial Balance

CAPITAL "B" HD:6500B Period: April 1, 2004 - March 31, 2005

Acc#	Description	Debit	Credit
0002	Vote		\$1,906,389,000.00
0003	Consolidated Fund Account	\$1,906,389,000.00	
0020	Commitment Control	\$1,819,540,165.76	
0022	Commitment for Jnl Payable		\$14,523,298.46
0023	Commitment for Direct Pay		\$619,500,000.00
0025	Purchase Order Control		\$1,185,516,867.30
3050	Advances Control Account	\$60,402.70	
4009	Advances from Treasury Deposit		\$50,000,000.00
7001	Warrant Issued Control A/C		\$1,906,389,000.00
8001	Expenditure Control A/C	\$1,881,125,202.16	
8002	Surrender to Consolidated Retained Earnings	\$75,203,395.14	0.00
		\$5,682,318,165.76	\$5,682,318,165.76



*Background photo: View of the Spanish Town Toll Plaza
from an interchange still under construction.*



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