



News Release
22 February 2011

BANK OF JAMAICA INTEREST RATES

Effective Wednesday 23 February 2011, the interest rate payable on Bank of Jamaica 30-day Certificates of Deposit will be reduced by 50 basis points to 6.75 per cent.

This revision to the Bank's policy rate reflects the trend decline in inflation towards the programme projections for the fiscal year and the prospect of even lower headline inflation in FY2011/12. While international prices for agricultural commodities and oil have become more volatile, domestic demand conditions have been weaker than earlier anticipated and have suppressed core, or underlying, inflation in the Jamaican economy.

The reduction in the 30-day rate at this time also anticipates a period of very liquid conditions in the money market arising from the payment of principal and interest on Government benchmark securities. At the same time, the Bank's foreign reserves continue to perform above the benchmarks set in the financial programme and have today been boosted by the proceeds from the Government's recent US\$400 million bond issue.