



News Release
20 August 2009

BANK OF JAMAICA INTEREST RATES

Effective Thursday, 20 August 2009, the interest rates applicable to Bank of Jamaica's open market instruments have been reduced by 100 basis points. The revised schedule of rates is as follows:

	30-days	60-days	90-days	120-days	180-days
New Rates	13.50	14.00	16.50	16.70	18.00
Previous Rates	14.50	15.00	17.50	17.70	19.00

This rate adjustment comes against the background of a notable decline in inflation and continued stability in the foreign currency market. The twelve month point-to point rate of inflation as at July 2009 declined further to 7.0 per cent, from 8.9 per cent in June 2009.

Inflation expectations, measured by regular surveys of the business sector, continue to fall as input costs have also stabilized over the past six months. This trend is expected to continue and, in conjunction with weak aggregate demand, should temper underlying inflation impulses.