



News Release
22 December 2006

BANK OF JAMAICA INTEREST RATES

Effective Friday 22 December 2006, the interest rates applicable to Bank of Jamaica's open market instruments have been reduced. The revised schedule of rates is as follows:

	30-days	60-days	90-days	120-days	180-days
New Rates	11.65	11.70	11.80	11.85	12.00
Previous Rates	11.95	12.00	12.10	12.15	12.30
Basis Points	30	30	30	30	30

This policy action comes against the background of continued robust economic performance and favourable medium term economic outlook.

Notably, the twelve month point-to point rate of inflation at November 2006 fell to 5.3 per cent, the lowest in seven years. All indicators suggest that inflation for fiscal year 2006/07 will be well below the 9.0 per cent to 10.0 per cent target.

The generally positive economic trends have been underscored by an extended period of stability in the foreign exchange market. With reserves of US\$2.3 billion as at 20 December 2006 and an anticipated strong winter tourism season, the prospects for continued macro-stability are positive.

Bank of Jamaica