



News Release
29 September 2011

BANK OF JAMAICA INTEREST RATES

Effective 30 September 2011, the interest rate payable on the Bank of Jamaica's 30-day Certificates of Deposit will be reduced by 25 basis points to 6.25 per cent.

This revision to the Bank's policy rate reflects the continued positive trends in headline and core inflation since the beginning of 2011 and the projection that the rate of domestic price increases for the full fiscal year will be within the BOJ's target range of 6.0 per cent to 8.0 per cent.

The more pessimistic outlook for growth in the global economy and the forecast for slower rates of increase in the prices of international commodities, particularly crude oil, have put a downward bias on domestic inflation for the rest of the fiscal year. These moderating factors are complemented by the continuation of relative stability in the exchange rate and the persistence of weak but improving domestic demand.

In addition, the process of fiscal consolidation continues to support the extended period of stability in the economy. This stability is being reflected in financial market prices and has contributed to the Bank's gross international reserves remaining well above the international benchmark of 12 weeks of projected goods and services imports.