



ECONOMIC STATISTICS

VOLUME 14 - NO. 4

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SELECTED ECONOMIC INDICATORS

Figure 1

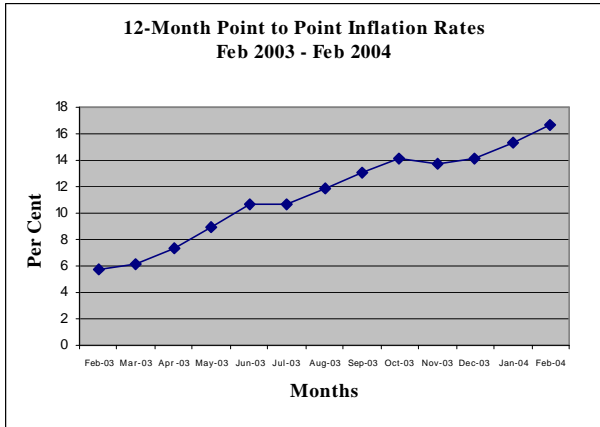


Figure 2

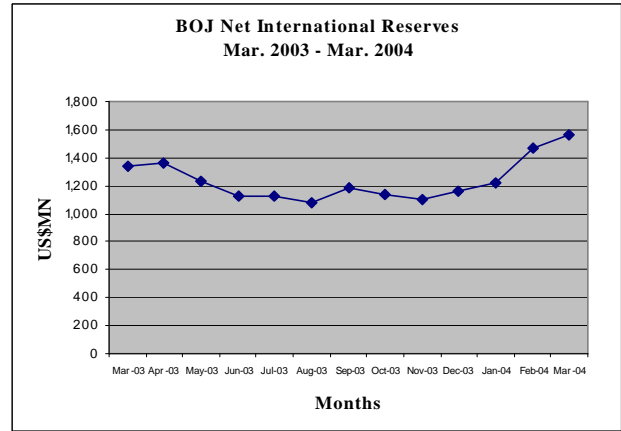


Figure 3

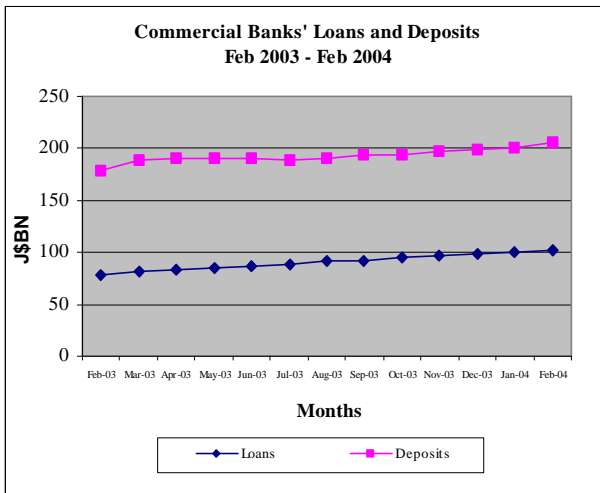


Figure 4

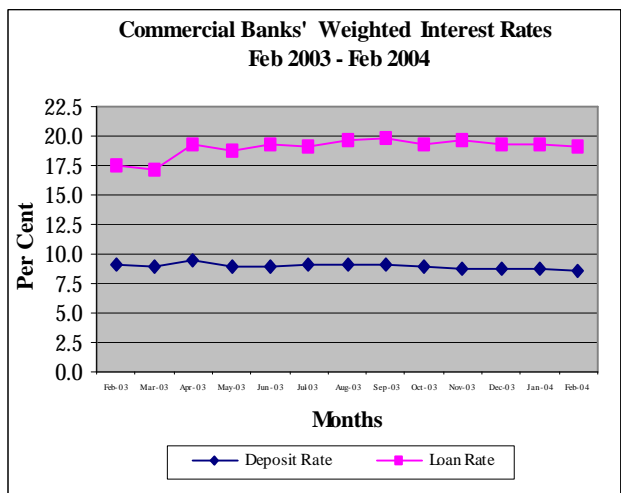


Figure 5

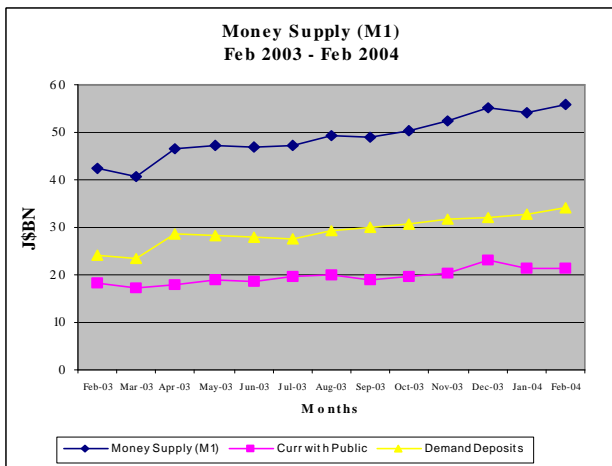
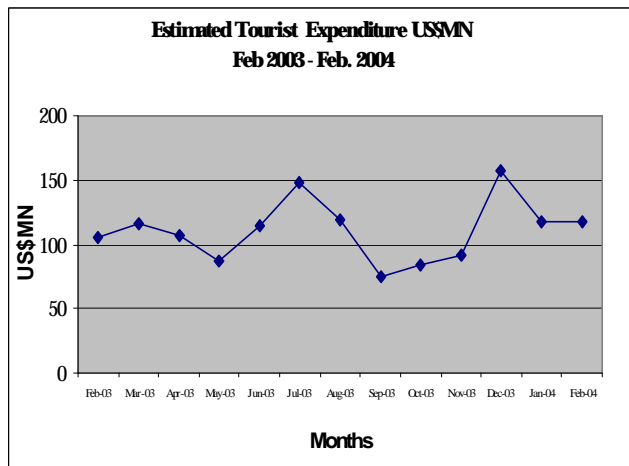


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Feb 2003	Jan 2004	Feb 2004	Change p.a.
Money Supply (M1).....	<u>42,576.46</u>	<u>54,038.24</u>	<u>55,715.00</u>	<u>30.86</u>
(a) Currency with the Public.....	18,356.56	21,284.67	21,479.31	17.01
(b) Demand Deposits (adj.)***.....	24,219.90	32,753.57	34,235.69	41.35
Quasi-Money.....	<u>112,495.25</u>	<u>129,628.51</u>	<u>130,472.66</u>	<u>15.98</u>
(a) Time.....	29,345.31	32,912.20	33,322.25	13.55
(b) Savings.....	83,149.94	96,716.31	97,150.41	16.84
Money Supply (M2).....	<u>155,071.71</u>	<u>183,666.75</u>	<u>186,187.66</u>	<u>20.07</u>
Domestic Credit (net).....	<u>168,640.58</u>	<u>219,089.51</u>	<u>212,246.44</u>	<u>25.86</u>
Local Currency	Feb 2003	Jan 2004	Feb 2004	
Money Supply (M1).....	<u>36,358.05</u>	<u>43,741.45</u>	<u>42,850.29</u>	<u>17.86</u>
(a) Currency with the Public.....	18,356.56	21,284.67	21,479.31	17.01
(b) Demand Deposits (adj.)***.....	18,001.49	22,456.78	21,370.98	18.72
Quasi-Money.....	<u>72,145.20</u>	<u>77,690.79</u>	<u>78,636.73</u>	<u>9.00</u>
(a) Time.....	17,436.10	17,832.86	18,436.36	5.74
(b) Savings.....	54,709.10	59,857.93	60,200.37	10.04
Money Supply (M2).....	<u>108,503.25</u>	<u>121,432.24</u>	<u>121,487.02</u>	<u>11.97</u>
Domestic Credit (net).....	<u>150,068.27</u>	<u>187,774.26</u>	<u>179,763.55</u>	<u>19.79</u>
	Mar 2003	Feb 2004	Mar 2004	
Base Money.....	<u>32,499.96</u>	<u>35,792.39</u>	<u>36,186.42</u>	<u>11.34</u>
II. COMMERCIAL BANKS (J\$mn.)	Feb 2003	Jan 2004	Feb 2004	
Assets & Liabilities (J\$mn.)**.....	<u>271,166.20</u>	<u>311,493.47</u>	<u>320,178.56</u>	<u>18.07</u>
Loans**.....	<u>78,393.32</u>	<u>99,926.29</u>	<u>101,980.45</u>	<u>30.09</u>
Agriculture.....	1,586.78	1,420.39	1,818.57	14.61
Manufacturing.....	3,712.52	3,416.55	3,541.70	-4.60
Construction & Land Development.....	4,113.46	7,084.97	6,397.22	55.52
Mining.....	149.79	189.24	160.73	7.30
Tourism.....	7,270.31	13,145.20	13,227.71	81.94
Transport, Storage & Communication.....	5,703.41	8,976.25	8,930.41	56.58
Consumer-Oriented.....	26,776.09	37,541.29	39,019.37	45.72
Government Services.....	25,397.37	26,832.08	27,483.91	8.22
Other.....	3,683.59	1,320.32	1,400.83	-61.97
	Feb 2003	Jan 2004	Feb 2004	
DEPOSITS.....	<u>178,114.53</u>	<u>200,193.46</u>	<u>205,738.48</u>	<u>15.51</u>
Private Sector (including overseas residents).....	<u>149,135.30</u>	<u>176,675.36</u>	<u>179,272.81</u>	<u>20.21</u>
Time.....	34,165.55	39,761.24	40,333.90	18.05
Savings.....	89,579.29	103,987.17	104,412.76	16.56
Demand.....	25,390.46	32,926.95	34,526.15	35.98
Government.....	<u>14,769.21</u>	<u>11,053.51</u>	<u>14,044.21</u>	<u>-4.91</u>
Time.....	717.81	441.97	398.08	-44.54
Savings.....	1,436.42	1,419.56	1,657.60	15.40
Demand.....	12,614.98	9,191.98	11,988.53	-4.97
Public Entities.....	<u>6,410.72</u>	<u>6,951.54</u>	<u>6,793.10</u>	<u>5.96</u>
Time.....	2,783.50	4,364.66	4,361.77	56.70
Savings.....	2,292.10	1,524.12	1,176.04	-48.69
Demand.....	1,335.12	1,062.76	1,255.29	-5.98

** Includes provision for loan losses; and excludes loans acquired by FINSAC.

*** Excludes Deposits of Government, Public Entities, Financial Institutions and Overseas Residents

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Feb 2003	Jan 2004	Feb 2004	Change p.a.
Spec. & O. F. Insts.....	<u>7,799.30</u>	<u>5,513.05</u>	<u>5,628.36</u>	<u>-27.84</u>
Time.....	1,789.62	889.28	747.92	-58.21
Savings.....	1,094.97	910.24	1,218.10	11.25
Demand.....	4,914.71	3,713.53	3,662.34	-25.48
	Mar 2003	Feb 2004	Mar 2004	
Current Account Balances with BOJ (J\$mn).....	<u>519.55</u>	<u>226.45</u>	<u>159.19</u>	
LIQUIDITY (Average) %	Feb 2003	Jan 2004	Feb 2004	
Actual Liquid Assets Ratio.....	<u>30.64</u>	<u>34.05</u>	<u>33.28</u>	
Cash.....	1.98	3.11	2.60	
Deposits with B.O.J.....	9.32	9.19	9.39	
Treasury Bills.....	0.50	0.78	0.63	
Local Registered Stocks.....	7.86	7.90	7.51	
Other.....	10.98	13.07	13.15	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Mar 2003	Feb 2004	Mar 2004	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.15	8.50-13.25	8.50-13.25	
9-12 months.....	8.50-13.15	8.50-13.50	8.50-13.50	
Call Deposits.....	5.00-45.00	1.00-54.00	2.00-50.00	
Average Savings Deposits	8.22	8.30	8.30	
Average Loan Rate.....	24.73	25.56	25.40	
Average Inter-bank Rate	21.90	24.21	17.16	
	Feb 2003	Jan 2004	Feb 2004	
Weighted Fixed Deposits Rate.....	9.10	8.51	8.57	
Weighted Loan Rate.....	17.44	19.18	19.17	
G.O.J. Treasury Bills (Weighted Average) Yield	Mar 2003	Feb 2004	Mar 2004	
2 Months:.....	-	-	-	
3 Months:.....	-	-	15.23	
6 Months:.....	33.47	16.31	15.57	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Apr 2003	Mar 2004	Apr 2004	
BOJ Reverse Repurchase Rates (%)				
30-Day	15.00	14.85	14.60	
60-Day	15.30	15.00	14.70	
90-Day	20.00	15.10	14.80	
120-Day	24.00	15.50	15.10	
180-Day	28.00	16.00	15.60	
270-Day	32.50	16.95	16.50	
365-Day	33.00	17.95	17.40	
COMMERCIAL BANKS (Foreign Currency)	Mar 2003	Feb 2004	Mar 2004	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	2.00-4.50	2.00-4.50	
3-6 months.....	2.00-4.50	2.00-4.55	2.00-4.55	
6-12 months.....	2.00-6.00	2.00-6.00	2.00-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	3.25-4.75	2.50-4.75	2.50-4.75	
3-6 months.....	3.25-4.75	2.50-4.85	2.50-4.85	
6-12 months.....	3.50-6.25	2.50-6.25	2.50-6.25	
Average Loan Rates	11.50	12.50	12.50	
Average Savings	2.72	2.66	2.66	

				%
IV. SECURITIES (J\$mn.) (outstanding balances)	Feb 2003	Jan 2004	Feb 2004	Change p.a.
GOJ Local Registered Stock.....	249,140.24	229,814.28	228,014.28	-8.48
	Mar 2003	Feb 2004	Mar 2004	
BOJ Open Market Operations 1/.....	86,203.85	97,271.92	108,281.70	25.61
GOJ Treasury Bills.....	2,950.00	3,400.00	3,750.00	27.12
V. INSTALMENT CREDIT (J\$mn.) (Banks & Near-Banks)	Feb 2003	Jan 2004	Feb 2004	
Total Credit Outstanding.....	7,357.74	10,120.06	10,414.77	41.55
New Business.....	484.32	740.39	718.99	48.45
VI. NEAR-BANKS (J\$mn.) (Merchant Banks, Trust Com. & Finance Houses)	Feb 2003	Jan 2004	Feb 2004	
Assets/Liabilities.....	30,095.83	52,295.94	46,976.00	56.09
Loans Outstanding.....	4,961.49	5,924.90	6,128.80	23.53
Total Deposits.....	8,751.52	8,742.55	9,079.24	3.74
Loans.....	<u>4,961.49</u>	<u>5,924.90</u>	<u>6,128.80</u>	<u>23.53</u>
Agriculture.....	103.87	78.38	66.58	-35.90
Manufacturing.....	612.65	219.52	237.13	-61.29
Construction & Land Development.....	554.01	796.69	934.71	68.72
Mining, Quarrying & Processing.....	55.09	20.85	20.90	-62.06
Tourism.....	437.16	402.24	406.62	-6.99
Transport, Storage & Communication.....	18.45	13.87	16.54	-10.35
Consumer Oriented.....	2,051.75	3,309.42	3,360.00	63.76
Government Services.....	900.62	911.38	913.49	1.43
Other.....	227.89	172.55	172.83	-24.16
	Feb 2003	Jan 2004	Feb 2004	
Liquid Assets Ratio (average) %.....	99.61	90.59	97.96	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mn.) (members & associate members)	Feb 2003	Jan 2004	Feb 2004	
Assets/Liabilities.....	55,745.66	67,828.21	69,226.66	24.18
Loan Balances.....	20,783.00	23,354.43	24,539.36	18.07
Savings Funds.....	43,431.36	50,227.64	50,822.13	17.02
VIII. INFLATION	Feb 2003	Jan 2004	Feb 2004	
Consumer Price Index (Jan. 1988 = 100).....	1,552.2	1,801.8	1,811.9	16.73
Monthly Rate (%).....	-0.6	0.8	0.6	
Calendar Year to Date (%) (point to point).....	-0.9	0.8	1.4	
Fiscal Year to Date (%) (point to point).....	5.7	15.5	16.2	
IX. ACTUAL PRODUCTION ('000)	Mar 2003	Feb 2004	Mar 2004	
Bauxite (metric tonnes).....	318.13	362.68	348.95	9.69
Alumina (metric tonnes).....	320.71	357.18	368.30	14.84
Sugar (metric tonnes).....	40.19	42.41	41.92	4.30
Banana (tonnes).....	2.78	3.26	2.78	-
X. STOCK MARKET ACTIVITIES	Mar 2003	Feb 2004	Mar 2004	
Index.....	46,981.96	80,008.99	99,630.22	112.06
Volume Traded (mn.).....	265.22	223.26	2,321.41	775.28
Ordinary Shares.....	132.22	206.81	403.91	205.48
Block Transactions.....	133.00	16.45	1,917.50	1,341.73

	Mar 2003	Feb 2004	Mar 2004	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	1,368.13	1,963.20	10,157.88	642.46
Ordinary Shares.....	1,029.69	1,879.33	3,257.48	216.36
Block Transactions.....	338.44	83.87	6,900.40	1,938.88
Advance/Decline Ratio.....	11/21	26/10	31/2	
XI. EXTERNAL TRADE (US\$mn.)				
	Jan-Aug 2002	Jan-Aug 2003		Change
1. EXPORTS				
a) Major Traditional Exports.....	<u>551.48</u>	<u>578.86</u>		<u>27.38</u>
Bauxite.....	69.55	59.27		-10.28
Alumina.....	403.75	441.58		37.83
Sugar.....	66.15	65.20		-0.95
Bananas.....	12.03	12.81		0.78
b) Other Traditional Exports.....	53.40	49.28		-4.12
c) Non-Traditional Exports.....	140.95	149.94		8.99
d) Re-exports.....	14.24	16.22		1.98
General Merchandise Exports.....	<u>760.07</u>	<u>794.30</u>		<u>34.23</u>
(e) Freezone Exports.....	121.46	91.88		-29.58
(f) Goods Procured in Ports.....	19.20	20.00		0.80
Total Goods Exports.....	<u>900.73</u>	<u>906.18</u>		<u>5.45</u>
2. IMPORTS				
(a) Consumer Goods.....	699.09	674.97		-24.12
(b) Raw Materials.....	1,155.56	1,360.32		204.76
(c) Capital Goods.....	440.34	386.09		-54.25
General Merchandise Imports.....	<u>2,294.99</u>	<u>2,421.38</u>		<u>126.39</u>
(d) Freezone Imports.....	72.32	72.01		-0.31
(e) Goods Procured in Ports.....	25.40	26.20		0.80
Total Goods Imports.....	<u>2,392.71</u>	<u>2,519.59</u>		<u>126.88</u>
Trade Balance.....	<u>-1,491.98</u>	<u>-1,613.41</u>		<u>-121.43</u>
Memo:				
Caricom Exports.....	29.17	31.49		2.32
Caricom Imports.....	256.47	345.45		88.98
Caricom Trade Balance.....	<u>-227.30</u>	<u>-313.96</u>		<u>-86.66</u>
XII. TOURISM				
	Feb 2003	Feb 2004		% Change
Tourist Arrivals ('000).....	<u>227.91</u>	<u>235.48</u>		<u>3.32</u>
Stopovers.....	106.44	115.18		8.21
Non-Resident Jamaicans.....	5.02	4.95		-1.39
Cruise.....	116.45	115.35		-0.94
Armed Forces.....	-	-		-
Monthly Estimated Expenditure (US\$mn.).....	<u>107.90</u>	<u>116.90</u>		<u>8.34</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
<i>Balance of Payments (Calendar)</i>				
1. Current Account.....	Jan-Aug 2002	Jan-Aug 2003		Change
A. Goods balance.....	<u>-615.8</u>	<u>-634.7</u>		<u>-18.9</u>
Exports (f.o.b.).....	<u>-1,151.5</u>	<u>-1,268.8</u>		<u>-117.3</u>
Imports (f.o.b.).....	900.7	906.2		5.5
	2,052.2	2,175.0		122.8
B. Service Balance.....				
Transportation.....	<u>218.4</u>	<u>338.6</u>		<u>120.2</u>
Travel.....	-155.2	-129.3		25.9
Other Services.....	663.6	759.8		96.2
	-290.0	-291.9		-1.9

Balance of Payments (Calendar) (Cont'd)

	Jan-Aug 2002	Jan-Aug 2003	Change
C. Income.....	<u>-418.4</u>	<u>-422.0</u>	<u>-3.6</u>
Compensation of Employees.....	41.6	30.7	-10.9
Investment Income.....	-460.0	-452.7	7.3
D. Current Transfers.....	<u>735.7</u>	<u>717.5</u>	<u>-18.2</u>
Official.....	74.8	57.4	-17.4
Private.....	660.9	660.1	-0.8
2. Capital and Financial Account.....	<u>615.8</u>	<u>634.7</u>	<u>18.9</u>
A. Capital Account.....	<u>-12.5</u>	<u>-12.7</u>	<u>-0.2</u>
Capital Transfers.....	<u>-12.5</u>	<u>-12.7</u>	<u>-0.2</u>
Official.....	0.2	0.1	-0.1
Private.....	-12.7	-12.8	-0.1
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
B. Financial Account.....	<u>628.3</u>	<u>647.4</u>	<u>19.1</u>
Other Official Investment.....	35.6	-333.8	-369.4
Other Private Investment.....	437.6	464.3	26.7
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>155.1</u>	<u>516.9</u>	
	Apr-Aug	Apr-Aug	
Balance of Payments (Fiscal)	2002	2003	
1. Current Account.....	<u>-447.2</u>	<u>-336.6</u>	<u>110.6</u>
A. Goods balance.....	<u>-774.2</u>	<u>-739.7</u>	<u>34.5</u>
Exports (f.o.b.).....	571.0	578.5	7.5
Imports (f.o.b.).....	1,345.2	1,318.2	-27.0
B. Service Balance.....	<u>124.5</u>	<u>208.0</u>	<u>83.5</u>
Transportation.....	-106.4	-83.1	23.3
Travel.....	415.6	473.5	57.9
Other Services.....	-184.7	-182.4	2.3
C. Income.....	<u>-272.1</u>	<u>-252.0</u>	<u>20.1</u>
Compensation of Employees.....	38.6	25.8	-12.8
Investment Income.....	-310.7	-277.8	32.9
D. Current Transfers.....	<u>474.6</u>	<u>447.1</u>	<u>-27.5</u>
Official.....	49.6	35.7	-13.9
Private.....	425.0	411.4	-13.6
2. Capital and Financial Account.....	<u>447.2</u>	<u>336.6</u>	<u>-110.6</u>
A. Capital Account.....	<u>-6.9</u>	<u>-7.7</u>	<u>-0.8</u>
Capital Transfers.....	-6.9	-7.7	-0.8
Official.....	0.1	0.0	-0.1
Private.....	-7.0	-7.7	-0.7
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	0.0
B. Financial Account.....	<u>454.1</u>	<u>344.3</u>	<u>-109.8</u>
Other Official Investment.....	-16.5	-82.3	-65.8
Other Private Investment.....	214.6	167.0	-47.6
<i>(incl. errors & omissions)</i>			
Reserves.....	256.0	259.6	
Government Reserves.....	0.0	0.0	

XIV. BOJ NET INTERNATIONAL RESERVES	Mar 2003	Feb 2004	Mar 2004	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,339.67</u>	<u>1,473.96</u>	<u>1,568.66</u>	<u>17.09</u>
Gross Foreign Assets.....	1,382.15	1,505.31	1,596.88	15.54
Gross Foreign Liabilities.....	42.48	31.35	28.22	-33.57
Estimated Gross Reserves in Weeks of Imports.....	<u>22.44</u>	<u>23.55</u>	<u>24.99</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>15.02</u>	<u>15.65</u>	<u>16.60</u>	
 XV. FOREIGN EXCHANGE				
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	755.75	594.67	749.65	-0.81
Foreign Exchange Sales (spot).....	770.79	597.67	768.94	-0.24
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()				
Commercial Banks Balances.....				
"A" Accounts 1/.....	81.13	116.88	118.56	46.14
Other.....	1,039.38	1,168.19	1,192.37	14.72
F.I.As Balance.....				
"A" Accounts 1/.....	32.15	54.96	76.67	138.48
Other.....	90.95	38.50	53.51	-41.17
Building Societies Balances.....				
"A" Accounts 1/.....	122.21	154.47	158.73	29.88
Other	55.23	70.23	71.51	29.48
Total Foreign Currency Deposits (US\$mn.).....	<u>1,421.05</u>	<u>1,603.23</u>	<u>1,671.35</u>	<u>17.61</u>
Total Foreign Currency Loans (US\$mn.).....				
Commercial Banks.....	516.92	628.67	632.42	22.34
F.I.As	58.37	45.10	68.57	17.47
Building Societies.....	14.19	10.54	10.57	-25.51
 London Interbank Offer Rate (LIBOR) Eurodollars (%)				
3 months.....	1.29	1.13	1.11	
6 months.....	1.27	1.19	1.16	
U.S. Prime Rate (end of period) (%).....	4.25	4.00	4.00	
 Selling Exchange Rates (end period)				
Mar 2003 Feb 2004 Mar 2004				
US\$1.00 = J\$.....	56.24	60.96	61.01	
Can. \$1.00 = J\$.....	37.48	45.35	46.46	
U.K. Pound = J\$.....	87.41	112.39	111.34	
Euro = J\$**.....	61.87	75.83	74.99	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.14	9.79	9.71	
Bdos. \$1 = J\$.....	28.38	30.48	30.50	
Guy. \$1 = J\$.....	0.30	0.31	0.31	
E.C. \$1 = J\$.....	21.02	22.58	22.59	

() Exclude deposits in "B" accounts

** Indicative Rates

1/ 'A' Accounts are tax free Foreign Currency Accounts Held by non-residents

+ Revised

INFLATION

FEBRUARY 2004

The All Jamaica Consumer Price Index (CPI) increased by 0.6 per cent in February 2004. This outturn brought inflation for the fiscal year (FY) 2003/04 to February to 16.2 per cent, 10.5 percentage points above that which obtained in the similar period of 2002/03. The annual point-to-point rate at February was 16.7 per cent, 11.0 percentage points above that rate at February 2003 (Table 1). The annual average rate was lower at 12.0 per cent but still higher than the 6.6 per cent as at February 2003.

The primary influences on the inflation outturn in February were increases in global commodity prices and administered price adjustments. These increases were largely reflected in the *Housing & Other Housing Expenses* sub-index, which increased by 3.4 per cent and contributed 47.6 per cent to the overall inflation (Table 2). Other inflationary impulses of note were registered in the *Food & Drink* (0.2%) and *Miscellaneous Expenses* (0.6%) sub-indices. These groups contributed 26.7 per cent and 9.7 per cent, respectively, to the overall inflation (Table 2).

The primary impetus to prices in the *Housing & Other Housing Expenses* sub-index emanated from the *Other Housing Expenses* sub-group. This sub-group increased by 4.3 per cent, and primarily reflected a 20.1 per cent increase in water rates, which came against the background of a 26.4 per cent increase announced in December 2003. Additionally, there was an increase in the price of steel across regions. The increase in the price of steel was the result of price movement on the world market, as world demand increased.

The *Food & Drink* sub-index increased by 0.2 per cent, largely influenced by the *Meat, Poultry & Fish* and *Meals Away From Home* sub-groups. The movement in the *Meat, Poultry & Fish* sub-group was primarily influenced by increases in the prices of fish, beef and chicken. Recent movements in meat prices and other food items in turn had an adverse impact on the *Meals Away From Home* sub-group. This was evidenced in the increases in the prices of patties and some cooked meals. Of note, there were expected countervailing impulses from the *Starchy Foods* and *Vegetables & Fruits* sub-groups, reflective of large production volumes.

The *Miscellaneous Expenses* sub-index increased by 0.6 per cent. This was primarily influenced by an adjustment of 11.1 per cent in the prices of newspapers. There were also influential movements in the prices of magazines and writing pens, particularly in the Other Towns. Other impulses of note arose in the *Healthcare & Personal Expenses* and the *Fuels & Other Household Supplies* sub-indices. The *Healthcare & Personal Expenses* sub-index rose mainly on the account of increases in the prices of dentists' and opticians' fees, while the increase in the *Fuels & Other Household Supplies* group was due primarily to upward adjustments in kerosene prices in the Other Towns region.

At the regional level, each area reported an increase in its overall index for the month. The CPI in the Rural Areas increased by 0.3 per cent, while the index for the KMA and Other Towns rose by 0.7 per cent and 0.6 per cent, respectively. Inflation in the three regions was mainly influenced by the *Housing & Other Housing Expenses* sub-index, which increased by 2.6 per cent in the Rural Areas and 3.6 per cent in both the KMA and Other Towns

Agricultural prices were the main moderating impulse across regions, particularly in the Other Towns. Of note, additional countervailing impulses in the Rural Areas came from the *Household Furnishings & Furniture* and *Transportation* sub-indices, both recording declines of 0.1 per cent (See Table 3).

The trimmed mean index was estimated to have increased by 0.32 per cent in February, 0.18 of a percentage point below the estimate for the previous month (Table 4). This outturn reflects the continuing trend of reduction in core inflation since the 0.94 per cent increase in July 2003. The 12-month point-to-point core inflation rate at February 2004 was 8.2 per cent, 4.5 percentage points above the comparable measure at February 2003. Similarly, the annual average core inflation rate of 6.7 per cent was 3.5 percentage points above the rate recorded in the corresponding month of 2003.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.68 per cent in February. This estimate shows a decrease of 0.03 percentage point compared to the previous month's measure. Non-agricultural inflation had peaked in June 2003, consequent on impulses arising from budgetary measures and instability in the exchange rate. Subsequent measures at limiting inflationary effects from this development and restoring stability have led to a downward trend

Inflation over the fiscal year increased significantly in the first quarter on the basis of significant shocks and rapid depreciation in the exchange rate. This resulted in the highest quarterly inflation since 1996. In line with the gradual return to relative stability in the macroeconomic environment, inflation has trended downwards consistently over the subsequent three quarters. This also occurred in the context of reductions in the effects of the shocks since the beginning of the FY 2003/04. There are exceptions, however, in the case of sub-categories such as *Meat, Poultry & Fish* and *Baked Products, Cereals & Breakfast Drinks* which continue to be affected by global grain prices. Likewise, the hike in crude oil prices has militated against the lowering of the prices of items impacted directly by this commodity.

Table 1

JAMAICA: INFLATION RATES

		1/ C.P.I.	3 Month AVG. C.P.I.	Monthly % change	3 Month* % change	3 Month # % change	12 Month* % change	12 Month # % change	
1999	Mar	1,182.5	1,183.1	0.48	-0.25	0.52	5.97	8.06	
	Apr	1,179.9	1,179.7	-0.22	-0.84	-0.26	5.37	7.79	
	May	1,190.6	1,184.3	0.91	1.17	0.02	5.46	7.53	
	Jun	1,205.9	1,192.1	1.29	1.98	0.77	4.93	7.10	
	Jul	1,220.4	1,205.6	1.20	3.43	2.20	4.99	6.67	
	Aug	1,234.3	1,220.2	1.14	3.67	3.03	5.09	6.28	
	Sept	1,237.6	1,230.7	0.27	2.63	3.24	5.26	6.02	
	Oct	1,247.5	1,239.8	0.80	2.22	2.83	6.43	5.96	
	Nov	1,259.9	1,248.3	0.99	2.07	2.31	7.39	6.03	
	Dec	1,265.9	1,257.7	0.48	2.29	2.19	6.78	5.95	
	2000	Jan	1,268.1	1,264.6	0.17	1.65	2.00	6.57	5.88
		Feb	1,273.1	1,269.0	0.39	1.05	1.66	8.18	6.04
Mar		1,281.7	1,274.3	0.68	1.25	1.31	8.39	6.25	
Apr		1,294.4	1,283.0	0.99	2.07	1.46	9.70	6.61	
May		1,300.0	1,292.0	0.43	2.11	1.81	9.19	6.92	
Jun		1,311.4	1,301.9	0.88	2.32	2.17	8.75	7.24	
Jul		1,324.0	1,311.8	0.96	2.29	2.24	8.49	7.53	
Aug		1,335.9	1,323.7	0.90	2.76	2.46	8.23	7.79	
Sept		1,349.3	1,336.4	1.00	2.89	2.65	9.03	8.10	
Oct		1,351.1	1,345.4	0.13	2.05	2.56	8.30	8.25	
Nov		1,352.4	1,350.9	0.10	1.24	2.05	7.34	8.25	
Dec		1,342.6	1,348.7	-0.72	-0.50	0.92	6.06	8.17	
2001	Jan	1,342.9	1,345.9	0.02	-0.61	0.04	5.90	8.11	
	Feb	1,358.6	1,348.0	1.17	0.46	-0.21	6.72	7.98	
	Mar	1,365.0	1,355.5	0.47	1.67	0.50	6.50	7.82	
	Apr	1,370.8	1,364.8	0.42	2.08	1.40	5.90	7.51	
	May	1,381.1	1,372.3	0.75	1.65	1.80	6.24	7.27	
	Jun	1,404.9	1,385.6	1.73	2.93	2.22	7.13	7.14	
	Jul	1,418.7	1,401.6	0.98	3.50	2.70	7.15	7.03	
	Aug	1,431.1	1,418.3	0.87	3.63	3.35	7.13	6.94	
	Sept	1,442.9	1,430.9	0.82	2.70	3.27	6.94	6.78	
	Oct	1,454.9	1,443.0	0.83	2.55	2.95	7.68	6.73	
	Nov	1,456.2	1,451.3	0.09	1.75	2.33	7.68	6.76	
	Dec	1,460.2	1,457.1	0.27	1.20	1.83	8.76	6.99	
2002	Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38	7.28	
	Feb	1,468.0	1,465.6	-0.05	0.81	0.99	8.05	7.39	
	Mar	1,468.5	1,468.4	0.03	0.57	0.78	7.58	7.48	
	Apr	1,475.9	1,470.8	0.50	0.48	0.62	7.67	7.62	
	May	1,480.0	1,474.8	0.28	0.82	0.62	7.16	7.69	
	Jun	1,492.8	1,482.9	0.86	1.65	0.99	6.25	7.61	
	Jul	1,515.6	1,496.1	1.53	2.69	1.72	6.83	7.58	
	Aug	1,521.2	1,509.9	0.37	2.79	2.38	6.29	7.51	
	Sept	1,528.0	1,521.6	0.45	2.36	2.61	5.90	7.41	
	Oct	1,539.2	1,529.5	0.73	1.56	2.23	5.80	7.25	
	Nov	1,558.3	1,541.8	1.24	2.44	2.12	7.01	7.20	
	Dec	1,566.1	1,554.5	0.50	2.49	2.16	7.25	7.08	
2003	Jan	1561.3	1561.9	-0.31	1.44	2.12	6.30	6.83	
	Feb	1552.2	1559.9	-0.58	-0.39	1.17	5.74	6.64	
	Mar	1559.5	1557.7	0.47	-0.42	0.20	6.20	6.52	
	Apr	1584.0	1565.2	1.57	1.45	0.21	7.33	6.50	
	May	1613.4	1585.6	1.86	3.94	1.65	9.01	6.66	
	Jun	1653.1	1616.8	2.46	6.00	3.80	10.74	7.04	
	Jul	1678.4	1648.3	1.53	5.96	5.31	10.74	7.38	
	Aug	1702.0	1677.8	1.41	5.49	5.81	11.88	7.85	
	Sept	1728.4	1702.9	1.55	4.56	5.33	13.11	8.47	
	Oct	1756.7	1729.0	1.64	4.67	4.90	14.13	9.17	
	Nov	1773.0	1752.7	0.93	4.17	4.46	13.78	9.74	
	Dec	1786.8	1772.2	0.78	3.38	4.07	14.09	10.32	
2004	Jan	1801.8	1787.2	0.84	2.57	3.36	15.40	11.08	
	Feb	1811.9	1800.2	0.56	2.19	2.71	16.73	11.99	

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
February 2004

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.2	0.1394	26.7
Meals away from home	0.0741	0.9	0.0689	13.2
Meat, Poultry & Fish	0.1613	0.7	0.1065	20.4
Dairy Products Oils & Fats	0.0668	0.9	0.0589	11.3
Baked Products, Cereals & Breakfast Drink	0.0864	0.4	0.0360	6.9
Starchy Foods	0.0525	-1.8	-0.0959	-18.3
Vegetables & Fruits	0.0650	-0.8	-0.0518	-9.9
Other Food & Beverages	0.0502	0.3	0.0168	3.2
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.4	0.0294	5.6
Household Supplies	0.0482	0.4	0.0179	3.4
Fuels	0.0253	0.5	0.0115	2.2
HOUSING & OTHER HOUSING EXPENSES	0.0786	3.4	0.2488	47.6
Rental	0.0209	0.0	0.0000	0.0
Other Housing Expenses	0.0577	4.3	0.2488	47.6
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.4	0.0113	2.2
Furniture	0.0068	0.2	0.0011	0.2
Furnishings	0.0215	0.5	0.0102	1.9
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0326	6.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.2	0.0096	1.8
Clothing Materials	0.0055	0.0	0.0000	0.0
Readymade Clothing & Accessories	0.0242	0.1	0.0022	0.4
Footwear	0.0159	0.4	0.0067	1.3
Making & Repairs	0.0051	0.1	0.0006	0.1
TRANSPORTATION	0.0644	0.0	0.0010	0.2
MISCELLANEOUS EXPENSES	0.0785	0.6	0.0508	9.7
ALL GROUPS	1.0000	0.56	0.52	100.0

Table 3
REGIONAL INFLATION
February 2004

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.4	0.0	0.1
Meals away from home	0.9	1.0	0.8
Meat Poultry & Fish	0.7	1.3	0.3
Dairy Products Oils & Fats	1.4	0.2	0.7
Baked Products Cereals & Breakfast Drink	0.6	0.4	0.2
Starchy Foods	-3.0	-3.0	-1.0
Vegetables & Fruits	-0.5	-3.5	0.3
Other Food & Beverages	0.4	0.3	0.3
FUELS & OTHER HOUSEHOLD SUPPLIES	0.2	1.4	0.2
Household Supplies	0.3	0.9	0.2
Fuels	0.1	1.9	0.1
HOUSING & OTHER HOUSING EXPENSES	3.6	3.6	2.6
Rental	0.0	0.0	0.0
Other Housing Expenses	5.1	4.0	3.0
HOUSEHOLD FURNISHINGS & FURNITURE	0.9	0.2	-0.1
Furniture	1.6	-0.4	-0.5
Furnishings	0.7	0.5	0.2
HEALTHCARE & PERSONAL EXPENSES	0.3	0.8	0.5
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.2	0.5	0.0
Clothing Materials	0.0	0.0	0.0
Readymade Clothing & Accessories	0.2	0.1	0.0
Footwear	0.5	1.0	0.0
Making & Repairs	0.0	0.6	0.0
TRANSPORTATION	-0.1	0.4	-0.1
MISCELLANEOUS EXPENSES	0.8	0.6	0.4
ALL GROUPS	0.7	0.6	0.3

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2000/01						
Apr	0.99	0.50	0.99	0.50	4.52	3.24
May	0.43	0.27	1.43	0.77	4.38	3.39
Jun	0.88	0.34	2.32	1.11	4.27	3.53
Jul	0.96	0.29	3.30	1.40	3.91	3.62
Aug	0.90	0.52	4.23	1.92	3.87	3.69
Sept	1.00	0.42	5.27	2.35	4.13	3.79
Oct	0.13	0.37	5.41	2.72	4.27	3.89
Nov	0.10	0.28	5.52	3.01	4.23	3.97
Dec	-0.72	0.16	4.75	3.18	4.03	4.03
Jan	0.02	0.13	4.77	3.31	4.05	4.12
Feb	1.17	0.85	6.00	4.19	4.55	4.18
Mar	0.47	0.22	6.50	4.41	4.41	4.22
2001/02						
Apr	0.42	0.14	0.42	0.14	4.04	4.18
May	0.75	0.50	1.18	0.65	4.29	4.17
June	1.73	0.35	2.93	1.00	4.30	4.17
July	0.98	0.44	3.94	1.44	4.46	4.22
Aug	0.87	0.39	4.85	1.84	4.33	4.26
Sept	0.82	0.28	5.71	2.12	4.18	4.26
Oct	0.83	0.34	6.59	2.46	4.15	4.25
Nov	0.09	0.15	6.68	2.61	4.01	4.23
Dec	0.27	0.13	6.97	2.75	3.98	4.23
Jan	0.59	0.35	7.60	3.11	4.22	4.24
Feb	-0.05	0.15	7.55	3.26	3.49	4.15
Mar	0.03	0.06	7.58	3.32	3.32	4.06
2002/03						
Apr	0.50	0.28	0.50	0.28	3.46	4.01
May	0.28	0.19	0.78	0.47	3.14	3.91
June	0.86	0.39	1.65	0.86	3.18	3.82
July	1.53	0.30	3.21	1.16	3.04	3.70
Aug	0.37	0.24	3.59	1.41	2.89	3.58
Sept	0.45	0.21	4.05	1.62	2.82	3.47
Oct	0.73	0.28	4.82	1.90	2.76	3.35
Nov	1.24	0.55	6.12	2.47	3.18	3.29
Dec	0.50	0.34	6.65	2.82	3.39	3.24
Jan	-0.31	0.37	6.32	3.20	3.41	3.17
Feb	-0.58	0.38	5.70	3.59	3.65	3.19
Mar	0.47	0.54	6.20	4.15	4.15	3.26
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
June	2.46	0.91	6.00	2.30	5.64	3.72
July	1.53	0.94	7.62	3.27	6.31	3.99
Aug	1.41	0.79	9.14	4.08	6.90	4.33
Sept	1.55	0.52	10.83	4.62	7.22	4.70
Oct	1.64	0.79	12.65	5.45	7.77	5.12
Nov	0.93	0.66	13.69	6.14	7.89	5.51
Dec	0.78	0.53	14.58	6.70	8.09	5.90
Jan	0.84	0.50	15.54	7.23	8.22	6.30
Feb	0.56	0.32	16.18	7.57	8.15	6.68

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
August 2003

August 2003

The current account of the balance of payments recorded a deficit of US\$50.7MN in **August 2003**, relative to the deficit of US\$101.0MN in August 2002. The improvement in the current account deficit reflected contractions of US\$38.9MN and US\$2.2MN in the deficits on the trade and income sub-accounts, as well as an increase of US\$14.5MN in net receipts from services. Partly offsetting these changes was a reduction of US\$5.3MN in the surplus on the current transfers sub-account. Within the financial account, net private investment inflows were insufficient to finance net official investment outflows, as well as the deficits on the current and capital accounts. In this context, there was a draw down of US\$44.8MN in the net international reserves of the Bank of Jamaica during the review month.

Merchandise Trade

A contraction of US\$37.5MN in the value of imports (f.o.b.), which was supplemented by an increase of US\$1.4MN in earnings from exports, was responsible for the narrowing of the deficit on the merchandise trade account. Growth in export earnings largely resulted from an expansion of US\$8.6MN in the non-traditional export category, which was partially offset by a reduction of US\$8.5MN in receipts from free zone exports.

Respective declines of US\$19.7MN, US\$14.7MN and US\$11.6MN in the c.i.f. values of raw materials, capital goods and consumer goods contributed to the overall reduction in imports. Raw material imports were mainly influenced by a contraction of US\$17.5MN for other raw materials, associated with the non-repetition of the purchase of aircraft parts in August 2002. The decline in expenditure on capital goods primarily reflected decreased spending on construction equipment and telephone apparatus for the telecommunication sector during the review month. All sub-categories contributed to the contraction in consumer goods imports, in particular, a reduction of US\$6.7MN in spending on motorcars.

Services

A decline of US\$8.1MN in net transportation payments was the main influence on the increased surplus in the services account for the review month. This was supplemented by an expansion of US\$6.7MN in net receipts from the travel sub-sector. The reduction in net transportation payments was associated with lower freight charges, given the lower value of imports, while the travel sub-sector benefited from increases of 8.9 per cent in both foreign national and cruise passenger arrivals.

Income

The reduction in the deficit on the income account in August 2003 was attributable to a decline of US\$3.4MN in net investment income outflows, which was associated with a US\$5.8MN contraction in the imputed profit remittances of direct investment companies. This outturn was, however, partially offset by an increase of US\$3.3MN in interest payments on Government of Jamaica external debt.

Current Transfers

A decrease of US\$7.7MN in net official inflows contributed to the decline in net current transfers for the review month. The fall-off was largely due to the non-repetition of a US\$6.3MN grant to the Government of Jamaica from the European Union in August 2002. This outturn was partly offset by growth of US\$2.4MN in net private inflows during the review month.

Capital & Financial Accounts

A deficit of US\$1.6MN was recorded on the capital account, while a surplus of US\$52.3MN was recorded on the financial account. Within the financial account, net private investment inflows of US\$19.0MN was insufficient to finance net official investment outflows of US\$11.5MN, as well as the deficits on the current and capital accounts. Consequently, there was a draw down of US\$44.8MN in the net international reserves of the Bank of Jamaica during the review month.

April to August 2002

The current account deficit improved by US\$110.6MN to US\$336.6MN in the period April to August 2003, relative to the deficit recorded for the corresponding period in 2002. The improvement reflected an increase of US\$83.5MN in net earnings from services, as well as respective reductions of US\$34.5MN and US\$20.1MN in the deficits on the trade and income accounts. Partly offsetting these changes was a decline of US\$27.5MN in the surplus on the current transfers sub-account. Within the financial account, net private investment inflows of US\$167.0MN, which were US\$47.6MN below the level recorded for the similar period of 2002, were insufficient to finance net amortisation of US\$82.3MN of Government's external debt, as well as the deficits on the current and capital accounts. In this context, there was a draw down of US\$259.6MN in the net international reserves for the review period.

Merchandise Trade

Payments for imports (f.o.b.), which declined by US\$27.0MN, was the primary influence on the improvement in the merchandise trade deficit. This was augmented by an increase of US\$7.5MN in export receipts. The contraction in imports reflected declines of US\$57.5MN and US\$43.6MN in capital and consumer goods imports, respectively, partly offset by an expansion of US\$58.9MN in raw material imports, relative to the corresponding period in 2002. Increased spending of US\$43.6MN and US\$15.3MN on fuels and other raw material imports, respectively, were responsible for the growth in raw material imports. The higher value of fuel imports was attributed to increased volume and price, while parts and accessories, industrial supplies and food influenced the growth in other raw material imports. The contraction in capital goods imports was mainly due to declines in "other machinery" resulting from lower spending on cellular telephones and "transport and equipment", the latter being due to the non-repetition of the purchase of buses for the public transportation system in April to August 2002. The reduction in consumer goods imports stemmed from lower expenditure on all its subcategories, in particular, durable goods imports.

Major traditional and non-traditional exports increased, respectively, by US\$25.3MN and US\$10.4MN during the review period, while respective declines of US\$24.8MN, and US\$4.0MN were recorded in receipts from free zone and other traditional exports. With the exception of bauxite, all the major traditional exports recorded growth during the review quarter. In particular, the value of alumina exports grew by US\$27.2MN, reflecting increases of 6.0 per cent and 4.5 per cent in volume and price, respectively, relative to the similar period in 2002. Contractions of US\$2.9MN and US\$1.1MN in receipts from rum and coffee exports primarily accounted for the decline in other-traditional exports.

Services

The expansion in the surplus on the services account, relative to 2002, primarily reflected an increase of US\$57.9MN in net travel receipts. Total visitor arrivals for the review period rose by 14.5 per cent, relative to the corresponding period in 2002, influenced by respective increases of 6.8 per cent and 29.3 per cent in foreign national stopover and cruise visitor arrivals. In addition, there were reductions of US\$16.2MN and US\$2.7MN in payments for the “transportation” and “other services” subcategories respectively.

Income

An estimated decline of US\$40.8MN in outflows related to the activities of the direct investment companies influenced the reduction in the deficit on the income account for the review period.

Current Transfers

The contraction in net current transfers reflected respective reductions of US\$13.9MN and US\$13.6MN in net official and private transfers, in the context of significant growth in inflows in the comparable period of 2002.

Capital & Financial Accounts

A deficit of US\$7.7MN was recorded on the capital account for the review period, while a surplus of US\$344.3MN was registered on the financial account. Within the financial account, net private investment inflows of US\$167.0MN and net official outflows of US\$82.3MN were recorded. The net official payment, in conjunction with the deficits on the current and capital accounts, led to a draw down of US\$259.6MN in the net international reserves of the Bank of Jamaica. At the end of August 2003, the level of gross reserves stood at US\$1117.6MN, representing 17.7 weeks of imports of goods and 12.0 weeks of imports of goods and services.

The following table shows the balance of payments for August 2002, August 2003 and for the periods April to August 2002 and April to August 2003.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Aug^{1/}	Aug^{2/}		Apr - Aug^{1/}	Apr -Aug^{2/}	
	2002	2003	Change	2002	2003	Change
1. CURRENT ACCOUNT	-101.0	-50.7	50.3	-447.2	-336.6	110.6
A. GOODS and SERVICES	-128.8	-75.4	53.4	-649.7	-531.7	118.0
a. GOODS BALANCE	-154.3	-115.4	38.9	-774.2	-739.7	34.5
Exports (f.o.b.)	117.4	118.8	1.4	571.0	578.5	7.5
Imports (f.o.b.)	271.7	234.2	-37.5	1345.2	1318.2	-27.0
b. SERVICES BALANCE	25.5	40.0	14.5	124.5	208.0	83.5
Transportation	-21.2	-13.1	8.1	-106.4	-83.1	23.3
Travel	83.6	90.3	6.7	415.6	473.5	57.9
Other Services	-36.9	-37.2	-0.3	-184.7	-182.4	2.3
B. INCOME	-71.1	-68.9	2.2	-272.1	-252.0	20.1
Compensation of employees	10.9	9.7	-1.2	38.6	25.8	-12.8
Investment Income	-82.0	-78.6	3.4	-310.7	-277.8	32.9
C. CURRENT TRANSFERS	98.9	93.6	-5.3	474.6	447.1	-27.5
Official	14.9	7.2	-7.7	49.6	35.7	-13.9
Private	84.0	86.4	2.4	425.0	411.4	-13.6
2. CAPITAL & FINANCIAL ACCOUNT	101.0	50.7	-50.3	447.2	336.6	-110.6
A. CAPITAL ACCOUNT	-1.3	-1.6	-0.3	-6.9	-7.7	-0.8
a. Capital Transfers	-1.3	-1.6	-0.3	-6.9	-7.7	-0.8
Official	0.0	0.0	0.0	0.1	0.0	-0.1
Private	-1.3	-1.6	-0.3	-7.0	-7.7	-0.7
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	102.3	52.3	-50.0	454.1	344.3	-109.8
Other official investment	-7.5	-11.5	-4.0	-16.5	-82.3	-65.8
Other private investment ^{3/}	51.5	19.0	-32.5	214.6	167.0	-47.6
Change in Reserves (minus = increase)	58.3	44.8		256.0	259.6	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA

15 Jan 2004