



ECONOMIC STATISTICS

VOLUME 15 - NO. 4

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SELECTED ECONOMIC INDICATORS

Figure 1

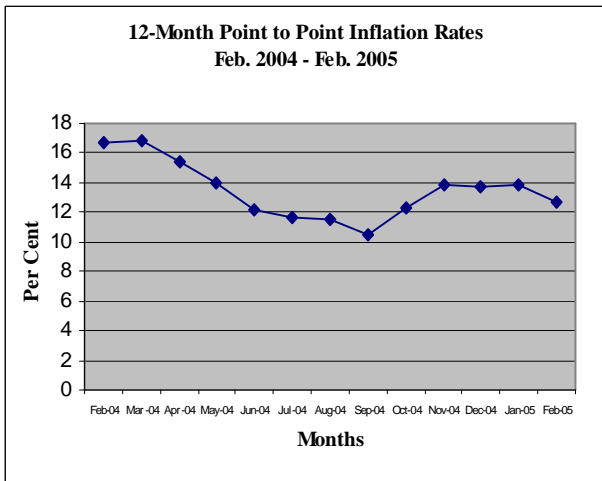


Figure 2

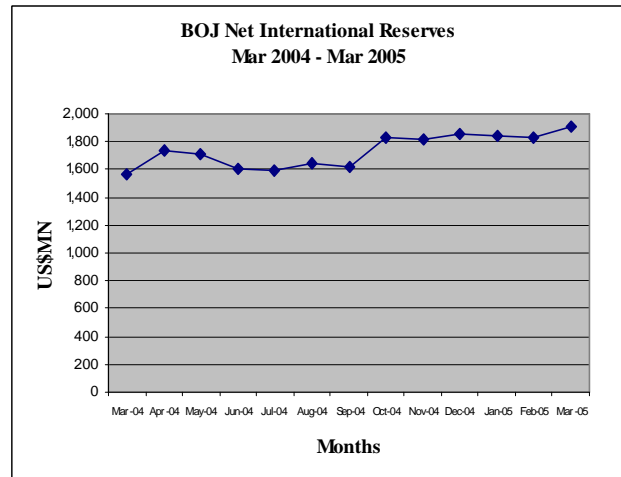


Figure 3

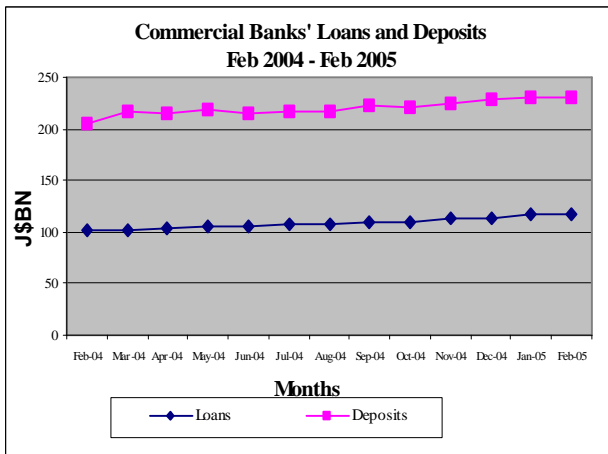


Figure 4

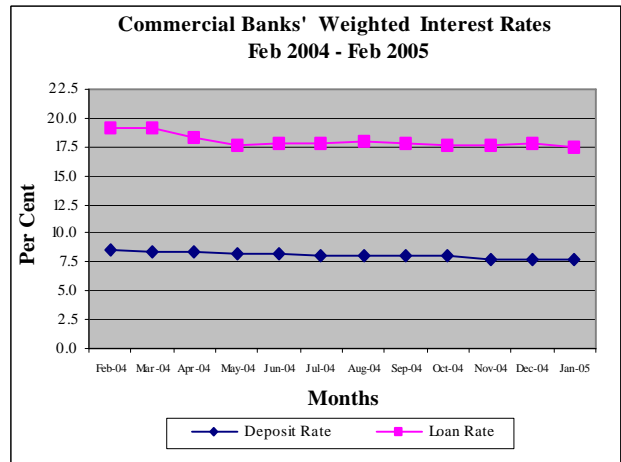


Figure 5

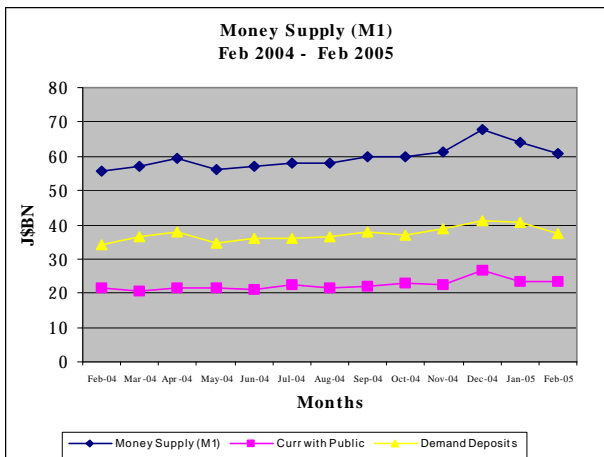
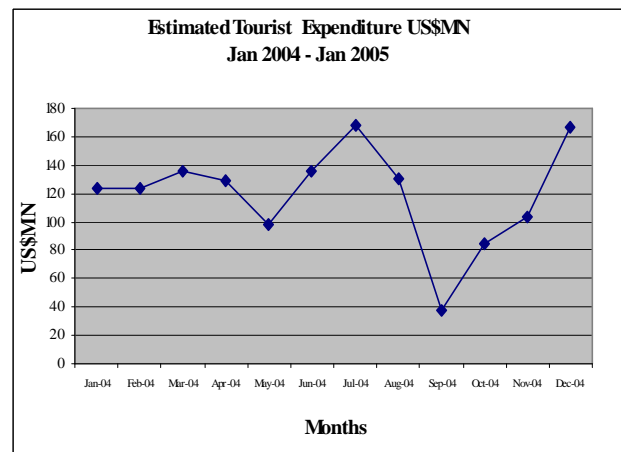


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Feb 2004	Jan 2005	Feb 2005	Change p.a.
Money Supply (M1).....	<u>55,715.00</u>	<u>64,160.66</u>	<u>60,883.60</u>	<u>9.28</u>
(a) Currency with the Public.....	21,479.31	23,316.20	23,490.42	9.36
(b) Demand Deposits (adj.)***.....	34,235.69	40,844.46	37,393.18	9.22
Quasi-Money.....	<u>130,472.66</u>	<u>145,912.07</u>	<u>148,689.28</u>	<u>13.96</u>
(a) Time.....	33,322.25	37,370.21	40,341.18	21.06
(b) Savings.....	97,150.41	108,541.86	108,348.10	11.53
Money Supply (M2).....	<u>186,187.66</u>	<u>210,072.73</u>	<u>209,572.88</u>	<u>12.56</u>
Domestic Credit (net).....	<u>211,997.04</u>	<u>224,243.62</u>	<u>223,756.08</u>	<u>5.55</u>
Local Currency	Feb 2004	Jan 2005	Feb 2005	
Money Supply (M1).....	<u>42,850.29</u>	<u>52,925.21</u>	<u>51,656.76</u>	<u>20.55</u>
(a) Currency with the Public.....	21,479.31	23,316.20	23,490.42	9.36
(b) Demand Deposits (adj.)***.....	21,370.98	29,609.01	28,166.34	31.80
Quasi-Money.....	<u>78,636.73</u>	<u>86,184.59</u>	<u>87,300.24</u>	<u>11.02</u>
(a) Time.....	18,436.36	19,752.63	20,821.20	12.94
(b) Savings.....	60,200.37	66,431.96	66,479.04	10.43
Money Supply (M2).....	<u>121,487.02</u>	<u>139,109.80</u>	<u>138,957.00</u>	<u>14.38</u>
Domestic Credit (net).....	<u>179,620.60</u>	<u>184,859.76</u>	<u>187,169.94</u>	<u>4.20</u>
	Mar 2004	Feb 2005	Mar 2005	
Base Money.....	<u>36,186.42</u>	<u>39,104.18</u>	<u>41,646.82</u>	<u>15.09</u>
II. COMMERCIAL BANKS (J\$mn.)	Feb 2004	Jan 2005	Feb 2005	
Assets & Liabilities (J\$mn.)**.....	<u>319,620.36</u>	<u>343,047.54</u>	<u>339,468.86</u>	<u>6.21</u>
Loans**.....	<u>101,980.45</u>	<u>116,366.79</u>	<u>116,444.08</u>	<u>14.18</u>
Agriculture.....	1,818.57	1,487.18	1,414.80	-22.20
Manufacturing.....	3,541.70	3,714.87	4,114.23	16.17
Construction & Land Development.....	6,397.22	5,927.28	6,016.54	-5.95
Mining.....	160.73	229.19	233.27	45.13
Tourism.....	13,227.71	15,732.65	15,549.74	17.55
Transport, Storage & Communication.....	8,930.41	10,868.61	10,936.95	22.47
Consumer-Oriented.....	39,019.37	45,989.28	46,336.61	18.75
Government Services.....	27,483.91	30,803.55	30,202.14	9.89
Other.....	1,400.83	1,614.18	1,639.80	17.06
	Feb 2004	Jan 2005	Feb 2005	
DEPOSITS.....	<u>205,738.48</u>	<u>230,786.10</u>	<u>231,039.14</u>	<u>12.30</u>
Private Sector (including overseas residents).....	<u>179,272.81</u>	<u>203,597.89</u>	<u>202,999.95</u>	<u>13.24</u>
Time.....	40,333.90	45,072.44	48,078.59	19.20
Savings.....	104,412.76	116,431.67	115,949.82	11.05
Demand.....	34,526.15	42,093.78	38,971.54	12.88
Government.....	<u>14,044.21</u>	<u>14,650.37</u>	<u>14,425.23</u>	<u>2.71</u>
Time.....	398.08	536.33	448.22	12.60
Savings.....	1,657.60	1,772.62	1,833.37	10.60
Demand.....	11,988.53	12,341.42	12,143.64	1.29
Public Entities.....	<u>6,793.10</u>	<u>5,913.58</u>	<u>7,558.91</u>	<u>11.27</u>
Time.....	4,361.77	3,022.77	2,368.75	-45.69
Savings.....	1,176.04	1,459.37	3,532.18	200.35
Demand.....	1,255.29	1,431.44	1,657.98	32.08

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

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

+ Revised

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Feb 2004	Jan 2005	Feb 2005	Change p.a.
Spec. & O. F. Insts.....	<u>5,628.36</u>	<u>6,624.26</u>	<u>6,055.05</u>	<u>7.58</u>
Time.....	747.92	1,271.03	1,311.16	75.31
Savings.....	1,218.10	906.23	852.49	-30.01
Demand.....	3,662.34	4,447.00	3,891.40	6.25
	Mar 2004	Feb 2005	Mar 2005	
Current Account Balances with BOJ (J\$mn).....	<u>159.19</u>	<u>139.40</u>	<u>275.70</u>	
LIQUIDITY (Average) %	Feb 2004	Jan 2005	Feb 2005	
Actual Liquid Assets Ratio.....	<u>33.28</u>	<u>37.32</u>	<u>33.45</u>	
Cash.....	2.60	2.92	2.67	
Deposits with B.O.J.....	9.39	9.40	9.25	
Treasury Bills.....	0.63	0.62	0.45	
Local Registered Stocks.....	7.51	4.22	4.14	
Other.....	13.15	20.16	16.94	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Mar 2004	Feb 2005	Mar 2005	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.25	3.00-14.10	3.00-14.10	
9-12 months.....	8.50-13.50	3.50-14.30	3.50-14.30	
Call Deposits.....	2.00-50.00	1.00-20.00	1.00-25.00	
Average Savings Deposits	6.78	6.48	6.36	
Average Loan Rate.....	25.40	24.89	24.89	
Average Inter-bank Rate	17.16	10.33	12.58	
	Feb 2004	Jan 2005	Feb 2005	
Weighted Fixed Deposits Rate.....	8.57	7.76	7.62	
Weighted Loan Rate.....	19.17	17.54	17.56	
G.O.J. Treasury Bills (Weighted Average) Yield	Mar 2004	Feb 2004	Mar 2005	
2 Months:.....	-	-	-	
3 Months:.....	15.23	13.83	13.21	
6 Months:.....	15.57	13.95	13.46	
9 Months:.....	-	-	14.00	
12 Months:.....	-	-	-	
	Mar 2004	Feb 2005	Mar 2005	
BOJ Reverse Repurchase Rates (%)				
30-Day	14.85	13.50	12.95	
60-Day	15.00	13.65	13.10	
90-Day	15.10	13.75	13.20	
120-Day	15.50	13.85	13.30	
180-Day	16.00	14.00	13.45	
270-Day	16.95	14.50	14.00	
365-Day	17.95	15.00	14.50	
COMMERCIAL BANKS (Foreign Currency)	Mar 2004	Feb 2005	Mar 2005	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	0.25-5.00	0.25-5.00	
3-6 months.....	2.00-4.55	0.25-5.50	0.25-5.50	
6-12 months.....	2.00-6.00	0.25-6.00	0.25-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.50-4.75	0.50-5.75	0.50-5.75	
3-6 months.....	2.50-4.85	0.50-6.25	0.50-6.25	
6-12 months.....	2.50-6.25	0.50-6.75	0.50-6.75	
Average Loan Rates	12.50	12.41	12.41	
Average Savings	2.66	2.69	2.66	

				% Change p.a.
IV. SECURITIES (J\$m.) (outstanding balances)	Dec 2003	Nov 2004	Dec 2004	
GOJ Local Registered Stock.....	228,509.28	220,290.45	220,290.45	-3.60
	Mar 2004	Feb 2005	Mar 2005	
BOJ Open Market Operations 1/.....	108,281.70	138,345.30	143,854.84	32.85
GOJ Treasury Bills.....	3,750.00	4,050.00	4,050.00	8.00
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Jan 2004	Dec. 2004	Jan 2005	
Total Credit Outstanding.....	10,120.06	12,134.87	12,133.06	19.89
New Business.....	740.39	854.20	684.70	-7.52
VI. NEAR-BANKS (J\$m.) (Merchant Banks, Trust Com. & Finance Houses)	Feb 2004	Jan 2005	Feb 2005	
Assets/Liabilities.....	46,977.40	49,128.81	48,766.75	3.81
Loans Outstanding.....	6,128.80	6,588.64	6,591.87	7.56
Total Deposits.....	9,009.92	9,519.75	9,151.21	1.57
Loans.....	<u>6,128.80</u>	<u>6,588.64</u>	<u>6,591.87</u>	<u>7.56</u>
Agriculture.....	66.58	313.35	340.57	411.52
Manufacturing.....	237.13	265.26	292.29	23.26
Construction & Land Development.....	934.71	1,141.50	1,144.74	22.47
Mining, Quarrying & Processing.....	20.90	19.84	27.09	29.62
Tourism.....	406.62	364.86	362.28	-10.90
Transport, Storage & Communication.....	16.54	531.74	533.58	3,126.00
Consumer Oriented.....	3,360.00	2,840.20	2,909.32	-13.41
Government Services.....	913.49	685.53	560.65	-38.63
Other.....	172.83	426.36	421.35	143.79
	Feb 2004	Jan 2005	Feb 2005	
Liquid Assets Ratio (average) %.....	94.77	105.13	60.04	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Feb 2004	Jan 2005	Feb 2005	
Assets/Liabilities.....	69,020.33	82,572.47	83,510.32	20.99
Loan Balances.....	24,430.92	29,732.87	30,561.15	25.09
Savings Funds.....	50,822.13	58,979.35	59,743.94	17.55
VIII. INFLATION	Feb 2004	Jan 2005	Feb 2005	
Consumer Price Index (Jan. 1988 = 100).....	1,811.9	2,032.8	2,041.7	12.68
Monthly Rate (%).....	0.5	0.0	0.4	
Calendar Year to Date (%) (point to point).....	1.9	0.0	0.5	
Fiscal Year to Date (%) (point to point).....	16.8	11.6	12.1	
IX. ACTUAL PRODUCTION ('000)	Feb 2004	Jan 2005	Feb 2005	
Bauxite (metric tonnes).....	245.84	359.74	347.49	41.35
Alumina (metric tonnes).....	321.54	364.05	315.37	-1.92
Sugar (metric tonnes).....	42.41	12.67	27.49	-35.18
Banana (tonnes).....	3.26	-	-	-
X. STOCK MARKET ACTIVITIES	Mar 2004	Feb 2005	Mar 2005	
Index.....	99,630.22	114,221.65	111,931.18	12.35
Volume Traded (mn.).....	2,321.41	202.15	256.61	-88.95
Ordinary Shares.....	403.91	180.47	256.59	-36.47
Block Transactions.....	1,917.50	21.68	0.02	-100.00

4 1/ BOJ Open Market Operations include Reverse Repurchases
- No Production/ Issue
+ Revised

	Mar 2004	Feb 2005	Mar 2005	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	10,157.88	3,314.83	3,792.94	-62.66
Ordinary Shares.....	3,257.48	2,530.98	3,792.91	16.44
Block Transactions.....	6,900.40	783.85	0.03	-100.00
Advance/Decline Ratio.....	31/2	12/25	4/28	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Dec 2003	Jan-Dec 2004		Change
1. EXPORTS				
(a) Major Traditional Exports.....	<u>863.67</u>	<u>1,012.69</u>		<u>149.02</u>
Bauxite.....	90.08	79.21		-10.87
Alumina.....	688.44	822.53		134.09
Sugar.....	66.31	98.14		31.83
Bananas.....	18.84	12.81		-6.03
(b) Other Traditional Exports.....	67.50	76.04		8.54
(c) Non-Traditional Exports.....	235.75	283.28		47.53
(d) Re-exports.....	29.07	39.22		10.15
General Merchandise Exports.....	<u>1,195.99</u>	<u>1,411.23</u>		<u>215.24</u>
(e) Freezone Exports.....	141.73	126.85		-14.88
(f) Goods Procured in Ports.....	48.00	48.00		-
Total Goods Exports.....	<u>1,385.72</u>	<u>1,586.08</u>		<u>200.36</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	487.37	527.30		39.93
(b) Beverage & Tobacco.....	33.46	46.21		12.75
(c) Crude Material.....	52.02	68.00		15.98
(d) Mineral Fuel	830.09	910.49		80.40
(e) Animal & Vegetable Oil.....	24.05	32.39		8.34
(f) Chemical	444.06	403.19		-40.87
(g) Manufactured Goods.....	486.35	563.09		76.74
(h) Machinery & Transportation.....	878.91	880.75		1.84
(i) Miscellaneous Manufactured Goods.....	384.02	426.37		42.35
(j) Miscellaneous Commodities.....	58.55	69.38		10.83
General Merchandise Imports	<u>3,678.88</u>	<u>3,927.17</u>		<u>248.29</u>
Freezone Imports.....	94.30	66.66		-27.64
Goods Procured in Ports.....	76.80	76.80		-
Total Goods Imports.....	<u>3,849.98</u>	<u>4,070.63</u>		<u>220.65</u>
Trade Balance.....	<u>-2,464.26</u>	<u>-2,484.55</u>		<u>-20.29</u>
XII. TOURISM	Jan 2004	Jan 2005		% Change
Tourist Arrivals ('000).....	<u>234.00</u>	<u>228.68</u>		<u>-2.27</u>
Stop Overs.....	109.35	116.84		6.85
Foreign Nationals.....	104.42	112.03		7.29
Non-Resident Jamaicans.....	4.93	4.81		-2.43
Cruise.....	124.65	111.84		-10.28
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	<u>124.10</u>	<u>134.90</u>		<u>8.70</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Dec 2003	Jan-Dec 2004		Change
1. Current Account.....	<u>-763.8</u>	<u>-699.5</u>		<u>64.3</u>
A. Goods balance.....	<u>-1,942.6</u>	<u>-1,939.8</u>		<u>2.8</u>
Exports (f.o.b.).....	1,385.6	1,586.1		200.5
Imports (f.o.b.).....	3,328.2	3,525.9		197.7
B. Service Balance.....	<u>561.1</u>	<u>560.8</u>		<u>-0.3</u>
Transportation.....	-143.6	-163.2		-19.6
Travel.....	1,102.7	1,150.1		47.4
Other Services.....	-397.9	-426.1		-28.2

Balance of Payments (Calendar) (Cont'd)

	Jan-Dec 2003	Jan-Dec 2004	Change
C. Income.....	<u>-571.4</u>	<u>-651.2</u>	<u>-79.8</u>
Compensation of Employees.....	70.7	96.5	25.8
Investment Income.....	-642.1	-747.7	-105.6
D. Current Transfers.....	<u>1,189.1</u>	<u>1,330.7</u>	<u>141.6</u>
Official.....	105.2	104.7	-0.5
Private.....	1,083.9	1,226.0	142.1
2. Capital and Financial Account.....	<u>763.8</u>	<u>699.5</u>	<u>-64.3</u>
A. Capital Account.....	<u>0.1</u>	<u>2.9</u>	<u>2.8</u>
Capital Transfers.....	<u>-0.3</u>	<u>2.9</u>	<u>3.2</u>
Official.....	0.1	0.1	-
Private.....	-0.4	2.8	3.2
Acq./Disp. of non-produced non-fin. assets....	0.4	0.0	-0.4
B. Financial Account.....	<u>763.7</u>	<u>696.6</u>	<u>-67.1</u>
Other Official Investment.....	-363.8	479.3	843.1
Other Private Investment.....	695.4	910.9	215.6
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>432.1</u>	<u>-693.6</u>	
	Apr-Dec	Apr-Dec	
<i>Balance of Payments (Fiscal)</i>	2003/2004	2004/2005	
1. Current Account.....	<u>-521.0</u>	<u>-653.1</u>	<u>-132.1</u>
A. Goods balance.....	<u>-1,410.0</u>	<u>-1,528.4</u>	<u>-118.4</u>
Exports (f.o.b.).....	1,051.4	1,164.7	113.3
Imports (f.o.b.).....	2,461.4	2,693.1	231.7
B. Service Balance.....	<u>400.8</u>	<u>359.1</u>	<u>-41.7</u>
Transportation.....	-113.8	-144.6	-30.8
Travel.....	819.3	824.9	5.6
Other Services.....	-304.7	-321.2	-16.5
C. Income.....	<u>-417.6</u>	<u>-486.0</u>	<u>-68.4</u>
Compensation of Employees.....	67.0	88.6	21.6
Investment Income.....	-484.6	-574.6	-90.0
D. Current Transfers.....	<u>905.8</u>	<u>1,002.2</u>	<u>96.4</u>
Official.....	78.9	78.1	-0.8
Private.....	826.9	924.1	97.2
2. Capital and Financial Account.....	<u>521.0</u>	<u>653.1</u>	<u>132.1</u>
A. Capital Account.....	<u>0.9</u>	<u>3.0</u>	<u>2.1</u>
Capital Transfers.....	0.5	3.0	2.5
Official.....	0.0	0.0	0.0
Private.....	0.5	3.0	2.5
Acq./Disp. of non-produced non-fin. assets	0.4	0.0	-0.4
B. Financial Account.....	<u>520.1</u>	<u>650.1</u>	<u>130.0</u>
Other Official Investment.....	-112.3	224.4	336.7
Other Private Investment.....	457.6	715.6	258.0
<i>(incl. errors & omissions)</i>			
Reserves.....	174.8	-289.9	
Government Reserves.....	0.0	0.0	

XIV. BOJ NET INTERNATIONAL RESERVES	Mar 2004	Feb 2005+	Mar 2005	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,568.66</u>	<u>1,831.07</u>	<u>1,901.61</u>	<u>21.23</u>
Gross Foreign Assets.....	1,596.88	1,854.46	1,924.11	20.49
Gross Foreign Liabilities.....	28.22	23.39	22.50	-20.27
Estimated Gross Reserves in Weeks of Imports.....	<u>24.99</u>	<u>27.47</u>	<u>27.46</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>16.60</u>	<u>18.09</u>	<u>18.77</u>	
XV. FOREIGN EXCHANGE	Mar 2004	Feb 2005+	Mar 2005	
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	749.65	655.75	781.70	4.28
Foreign Exchange Sales (spot).....	768.94	650.13	763.32	-0.73
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()	Jan 2004	Dec 2004+	Jan 2005	
Commercial Banks Balances.....	<u>1,285.07</u>	<u>1,441.95</u>	<u>1,436.79</u>	<u>11.81</u>
"A" Accounts 1/.....	116.88	142.33	148.97	27.46
Other.....	1,168.19	1,299.62	1,287.82	10.24
F.I.As Balance.....	<u>125.30</u>	<u>166.98</u>	<u>131.29</u>	<u>4.78</u>
"A" Accounts 1/.....	71.34	97.70	90.77	27.24
Other.....	53.96	69.28	40.52	-24.91
Building Societies Balances.....	<u>224.70</u>	<u>262.37</u>	<u>261.06</u>	<u>16.18</u>
"A" Accounts 1/.....	154.47	195.52	194.82	26.12
Other	70.23	66.85	66.24	-5.68
Total Foreign Currency Deposits (US\$mn.).....	<u>1,635.07</u>	<u>1,871.30</u>	<u>1,829.14</u>	<u>11.87</u>
Total Foreign Currency Loans (US\$mn.).....	<u>705.84</u>	<u>819.94</u>	<u>837.19</u>	<u>18.61</u>
Commercial Banks.....	628.67	739.97	761.35	21.10
F.I.As	66.63	70.17	65.97	-0.99
Building Societies.....	10.54	9.80	9.87	-6.36
London Interbank Offer Rate (LIBOR) Eurodollars (%)	Mar 2004	Feb 2005	Mar 2005	
3 months.....	1.11	2.82	3.02	
6 months.....	1.16	3.05	3.28	
U.S. Prime Rate (end of period) (%).....	4.00	5.50	5.50	
Selling Exchange Rates (end period)	Mar 2004	Feb 2005	Mar 2005	
US\$1.00 = J\$.....	60.01	61.91	61.54	
Can. \$1.00 = J\$.....	46.46	50.05	50.61	
U.K. Pound = J\$.....	111.34	118.11	115.35	
Euro = J\$**.....	74.99	82.18	79.82	
Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.71	9.91	9.79	
Bdos. \$1 = J\$.....	30.50	30.95	30.77	
Guy. \$1 = J\$.....	0.31	0.31	0.31	
E.C. \$1 = J\$.....	22.59	22.93	22.79	

() Exclude deposits in "B" accounts

** Indicative Rates

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

INFLATION

FEBRUARY 2005

The All Jamaica Consumer Price Index (CPI) increased by 0.4 per cent in February 2005, relative to an unchanged position in the previous month. This outturn brought inflation for the fiscal year (FY) 2004/05 to February to 12.1 per cent, which compares favourably with the 16.2 per cent obtained over the same interval in FY2003/04. The point-to-point inflation rate at February 2005 was 12.7 per cent, relative to 16.2 per cent recorded for the comparable period in the previous year. The mean annual inflation rate was 13.1 per cent, 0.3 of a percentage point lower than the rate obtained in the previous month, but higher than the 12.0 per cent recorded as at February 2004 (Table 1).

The major influences on the inflation outturn for February emanated from increases in some administered prices and, to a lesser extent, increases in petroleum prices. Given the mild appreciation in the Jamaica Dollar vis-à-vis the US dollar for December 2004 and January 2005, foreign currency movements provided some countervailing effect to inflation for the month. In this context, there were positive inflationary impulses primarily from the *Housing & Other Housing Expenses, Healthcare & Personal Expenses* and *Transportation* groups with partially offsetting movements in the *Food & Drink* and *Fuels & Other Household Supplies* groups. The respective increases in the *Housing & Other Housing Expenses, Healthcare & Personal Expenses*, and *Transportation* sub-indices were 6.1 per cent, 0.9 per cent and 0.7 per cent. Providing countervailing impulses to these increases were respective declines of 1.0 per cent and 0.3 per cent in the *Fuels & Other Household Supplies* and *Food & Drink* sub-indices (Table 2).

The increase in the sub-index for *Housing & Other Housing Expenses* was largely influenced by a 20.0 per cent increase in the minimum wage. There were also increases in artisan fees. In particular, there was a 26.9 per cent increase in mason fees and a 14.4 per cent increase in carpenter fees.

For *Healthcare & Personal Expenses*, upward adjustments in hospital charges and doctors' fees were the main factors. The increase in hospital charges was primarily related to a 200.0 per cent increase in registration fees. The increase of 0.7 per cent in the *Transportation* sub-index primarily reflected increases in petroleum prices, which reflected the adverse movements in international oil prices. These movements occurred in a context where international oil prices have been at their highest level since October 2004, averaging approximately US\$47.97 per barrel in February 2005.

Countervailing impulses to February's inflation outturn was reflected in *Fuels & Other Household Supplies*, which decreased by 1.0 per cent. This reduction emanated mainly from a 40.0 per cent decline in the price of ice. This reflected a partial reversal of the significant increase, which occurred as a result of Hurricane Ivan. Other countervailing price impulses of note occurred in *Food & Drink*, which declined by 0.3 per cent. The main sub-groups influencing this downward movement were *Vegetables & Fruits* and *Starchy Foods*, which declined by 5.3 per cent and 2.2 per cent, respectively. The declines experienced in the prices of agricultural produce resulted from a significant improvement in supplies. The production of tomato, lettuce and cabbage, for example, improved by 34 tonnes, 33 tonnes and 14 tonnes, respectively, relative to the previous month.

There was a notable disparity in inflation across the regions. The CPI in the Other Towns and KMA increased by 0.9 per cent and 0.6 per cent, respectively, while the index was unchanged in the Rural Areas. This pattern was largely reflected in *Food & Drink* and *Fuels & Other Household Supplies*. The disparity in *Food & Drink* primarily reflected larger declines in agricultural prices, primarily for starchy foods, in the rural areas. In particular, there was a 4.8 per cent reduction in starchy foods prices in the Rural Areas, compared to a decline of 1.0 per cent in the Other Towns and an increase of 3.3 per cent in the KMA (see Table 3). The other disparity of note occurred in *Fuels & Other Household Supplies*. There were increases of 3.1 per cent, and 0.3 per cent in the Other Towns and Rural Areas, respectively, while the KMA recorded a decline of 4.3 per cent. The sharper movement in Rural Areas primarily reflected a 5.8 per cent increase in kerosene prices relative to 0.2 per cent in the Other Towns and no change in the KMA. The decline registered in the KMA largely reflected a 40.0 per cent decline in the price of ice.

The trimmed mean index was estimated to have increased by 0.28 per cent in February, 0.08 percentage point below the change in the previous month (see Table 4). This represents continued normalization in core inflation to be consistent with a long-run expectation in the range of 4.0 per cent to 5.0 per cent per annum. The 12-month point-to-point core inflation at February 2005 was 5.0 per cent, relative to the 8.2 per cent recorded for the similar period of 2004. The annual average core inflation rate of 6.0 per cent for the month was 0.7 percentage point below what obtained in the similar period of 2004, and 0.3 percentage point lower than the previous month's rate.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.8 per cent in February, compared to 0.4 per cent in the previous month. Between October 2004 and January 2005, the changes in the CPI-A index were trending downward. The upward movement in the index in February principally reflected increases in administered prices, largely due to adjustments in the minimum wage and hospital charges. Additionally, the increase in the CPI-A index reflected higher fuel price charges, where the price of international crude oil has been the highest in history.

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	
2001	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	1,561.3	1,561.9	-0.31	1.44	2.12	6.30	6.83	
	Feb	1,552.2	1,559.9	-0.58	-0.39	1.17	5.74	6.64	
	Mar	1,559.5	1,557.7	0.47	-0.42	0.20	6.20	6.52	
	Apr	1,584.0	1,565.2	1.57	1.45	0.21	7.33	6.50	
	May	1,613.4	1,585.6	1.86	3.94	1.65	9.01	6.66	
	Jun	1,653.1	1,616.8	2.46	6.00	3.80	10.74	7.04	
	Jul	1,678.4	1,648.3	1.53	5.96	5.31	10.74	7.38	
	Aug	1,702.0	1,677.8	1.41	5.49	5.81	11.88	7.85	
	Sept	1,728.4	1,702.9	1.55	4.56	5.33	13.11	8.47	
	Oct	1,756.7	1,729.0	1.64	4.67	4.90	14.13	9.17	
	Nov	1,773.0	1,752.7	0.93	4.17	4.46	13.78	9.74	
	Dec	1,786.8	1,772.2	0.78	3.38	4.07	14.09	10.32	
2004	Jan	1,801.8	1,787.2	0.84	2.57	3.36	15.40	11.08	
	Feb	1,811.9	1,800.2	0.56	2.19	2.71	16.73	11.99	
	Mar	1,820.8	1,811.5	0.49	1.90	2.22	16.76	12.86	
	Apr	1,828.2	1,820.3	0.41	1.47	1.85	15.42	13.52	
	May	1,839.9	1,829.6	0.64	1.55	1.64	14.04	13.93	
	Jun	1,854.8	1,841.0	0.81	1.87	1.63	12.20	14.03	
	Jul	1,854.8	1,855.8	0.97	2.44	1.95	11.58	14.08	
	Aug	1,897.3	1,875.0	1.31	3.12	2.48	11.47	14.02	
	Sept	1,909.2	1,893.1	0.63	2.93	2.83	10.46	13.77	
	Oct	1,972.2	1,926.2	3.30	5.31	3.79	12.27	13.61	
	Nov	2,020.0	1,967.1	2.42	6.47	4.92	13.93	13.62	
	Dec	2,032.1	2,008.1	0.60	6.44	6.07	13.73	13.60	
Jan	2,032.8	2,028.3	0.03	3.07	5.30	12.82	13.39		
Feb	2,041.7	2,035.5	0.44	1.07	3.48	12.68	13.07		

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
February 2005

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation
FOOD & DRINK	0.5563	-0.3	-0.0641
Meals away from home	0.0741	0.3	0.0222
Meat, Poultry & Fish	0.1613	1.1	0.1785
Dairy Products Oils & Fats	0.0668	1.5	0.1017
Baked Products, Cereals & Breakfast Drink	0.0864	0.5	0.0423
Starchy Foods	0.0525	-2.2	-0.1130
Vegetables & Fruits	0.0650	-5.3	-0.3417
Other Food & Beverages	0.0502	0.9	0.0459
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	-1.0	-0.1948
Household Supplies	0.0482	-5.0	-0.2419
Fuels	0.0253	1.9	0.0471
HOUSING & OTHER HOUSING EXPENSES	0.0786	6.1	0.4454
Rental	0.0209	0.0	0.0007
Other Housing Expenses	0.0577	7.7	0.4447
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.5	0.0127
Furniture	0.0068	0.7	0.0051
Furnishings	0.0215	0.4	0.0076
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.9	0.0623
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.2	0.0082
Clothing Materials	0.0055	0.1	0.0004
Readymade Clothing & Accessories	0.0242	0.2	0.0041
Footwear	0.0159	0.2	0.0034
Making & Repairs	0.0051	0.1	0.0003
TRANSPORTATION	0.0644	0.7	0.0439
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0073
ALL GROUPS	1.0000	0.44	0.32

Table 3
REGIONAL INFLATION
February 2005

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.4	0.2	-1.2
Meals away from home	0.1	0.7	0.4
Meat Poultry & Fish	1.4	1.2	0.7
Dairy Products Oils & Fats	1.5	1.9	1.3
Baked Products Cereals & Breakfast Drink	0.5	0.4	0.6
Starchy Foods	3.3	-1.0	-4.8
Vegetables & Fruits	-5.4	-4.8	-5.3
Other Food & Beverages	0.6	1.8	0.8
FUELS & OTHER HOUSEHOLD SUPPLIES	-4.3	0.3	3.1
Household Supplies	-10.7	0.6	0.9
Fuels	0.6	0.1	4.7
HOUSING & OTHER HOUSING EXPENSES	5.3	6.6	7.8
Rental	0.0	0.2	0.2
Other Housing Expenses	7.4	7.4	8.7
HOUSEHOLD FURNISHINGS & FURNITURE	0.0	0.5	0.9
Furniture	0.0	1.1	1.2
Furnishings	0.0	0.2	0.9
HEALTHCARE & PERSONAL EXPENSES	1.0	0.8	0.8
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.2	0.1	0.1
Clothing Materials	0.0	0.1	0.2
Readymade Clothing & Accessories	0.2	0.1	0.1
Footwear	0.4	0.1	0.1
Making & Repairs	0.0	0.2	0.0
TRANSPORTATION	0.5	1.1	0.7
MISCELLANEOUS EXPENSES	0.1	0.0	0.0
ALL GROUPS	0.6	0.9	0.0

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
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
Mar	0.49	0.32	16.76	7.91	7.91	6.99
2004/05						
Apr	0.41	0.32	0.41	0.32	7.55	7.24
May	0.64	0.39	1.05	0.71	7.20	7.41
June	0.81	0.36	1.87	1.08	6.62	7.48
July	0.97	0.36	2.86	1.44	6.00	7.45
Aug	1.31	0.46	4.20	1.91	5.66	7.34
Sept	0.63	0.34	4.86	2.25	5.46	7.19
Oct	3.30	0.66	8.32	2.93	5.33	6.98
Nov	2.42	0.60	10.94	3.54	5.26	6.76
Dec	0.60	0.47	11.60	4.03	5.20	6.52
Jan	0.03	0.36	11.64	4.41	5.07	6.26
Feb	0.44	0.28	12.13	4.70	5.03	6.00

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
December 2004

December 2004

The current account deficit increased by US\$1.0MN in December 2004, relative to December 2003. This marginal deterioration occurred in the context of increases in the deficits on the merchandise trade and income accounts as well as a reduction in the surplus on the services account. These changes were partly offset by an increase in the surplus on the current transfers account. Within the financial account, net private capital investment inflows were more than sufficient to finance net official outflows as well as the deficit on the current account. In this context, there was a build-up in the net international reserves of the Bank of Jamaica for the month.

Merchandise Trade

An increase of US\$50.6MN in payments for imports, partly offset by growth of US\$34.9MN in export receipts, was responsible for the US\$15.7MN expansion in the merchandise trade deficit. With the exception of free zone imports and chemicals, the higher spending on imports was attributed to expansions in all the categories. In particular, there were respective increases of US\$26.5MN and US\$10.9MN in the value of machinery and transport equipment and manufactured goods imports. For exports, the growth in earnings was primarily influenced by a US\$35.1MN expansion in receipts from alumina, related to respective increases of 44.9 per cent and 8.5 per cent in export volume and price. In addition, non-traditional exports expanded by US\$9.9MN, due principally to growth in earnings from chemicals and food exports.

Services

A decline of US\$3.5MN in the services balance for the review month was primarily attributed to expansions of US\$6.4MN and US\$1.5MN in the deficits on the transportation and other services sub-accounts, respectively. The impact of these changes was partly offset by an increase of US\$4.5MN in the surplus on the travel sub-account. The higher net payment for transportation services was influenced by increased freight payments, due to the expansion in imports. An increase of US\$1.3MN in outflows was the main source of the decline in the other services sub-account. For the travel sub-account, gross visitor expenditure rose by US\$3.0MN, largely reflecting growth of 11.8 per cent in cruise passenger arrivals as well as a rise in the estimated average daily expenditure of tourists for the month. In addition, the estimated spending by Jamaicans while travelling abroad fell by US\$1.5MN for the month.

Income

An expansion of US\$8.5MN in net investment income outflows and a reduction of US\$2.5MN in net compensation to employees accounted for the widening of the deficit on the income account. The higher net investment income outflow was associated with an expansion in the government's interest payments on external debt as well as a rise in the imputed profit remittances of the direct investment companies. The fall in net compensation to employees reflected an increase in payments to non-resident employees, as well as a reduction in gross receipts by Jamaicans for work done during their stay abroad.

Current Transfers

The increase in the surplus on the current transfers account largely reflected growth of US\$29.5MN in net inflows to the private sector. An expansion of US\$28.7MN in gross private inflows was largely responsible for the increase in net private sector inflows. Respective increases of US\$14.5MN and US\$12.7MN in inflows through commercial banks and remittance companies were largely responsible for the higher gross inflows.

Capital & Financial Accounts

Surpluses of US\$0.6MN and US\$28.4MN were recorded on the capital and financial accounts, respectively, in December 2004. Within the financial account, net private investment inflows of US\$103.5MN, investment inflows

of US\$103.5MN, along with the capital account surplus, were more than sufficient to offset the net official outflows, as well as finance the deficit on the current account. Consequently, there was a build-up of US\$42.5MN in the net international reserves of the Bank of Jamaica.

April to December 2004

The current account recorded a deficit of US\$653.1MN for the period April to December 2004, relative to the deficit of US\$521.0MN recorded for April to December 2003. This deterioration reflected respective expansions of US\$118.4MN and US\$68.4MN in the deficits on the merchandise trade and income accounts, as well as a reduction of US\$41.7MN in the surplus on the services account. Partly offsetting these changes was an expansion of US\$96.4MN in the surplus on the current transfers account. Within the financial account, net official and private investment inflows were more than sufficient to finance the deficit on the current account. Consequently, there was a build-up of US\$289.9MN in the net international reserves during the review period.

Merchandise Trade

A significant increase of US\$231.7MN in imports, partly offset by an increase of US\$113.3MN in earnings from exports, accounted for the expansion in the merchandise trade deficit for the review period. The growth in imports emanated primarily from increases of US\$83.4MN, US\$72.2MN and US\$33.3MN in spending on manufactured goods, mineral fuel and food imports, respectively. All the export categories increased during the review period, with the exception of free zone exports, which fell by US\$11.3MN. In particular, receipts from major traditional, non-traditional and other traditional exports expanded by US\$81.5MN, US\$32.3MN and US\$10.3MN, respectively. The growth in earnings from major traditional exports was related to increases of US\$85.1MN and US\$15.2MN in receipts from alumina and sugar exports, respectively. Alumina exports benefited from respective increases of 12.7 per cent and 3.5 per cent in the price and volume of the ore in the review period, while the growth in sugar exports largely reflected a 35.9 per cent increase in export volume. The improvement in earnings from non-traditional exports mainly reflected growth in the value of chemicals and food exports.

Services

The reduction in the surplus on the services account was influenced by respective expansions of US\$30.8MN and US\$16.5MN in net payments for transportation and other services, which was partly offset by growth of US\$5.6MN in net travel receipts. Growth in net transportation outflows stemmed from an increase in estimated freight payments, due to higher imports, while the increase in net payments for other services was largely associated with higher charges for financial services and insurance premiums. The increase in net inflows from the travel sector reflected growth of US\$35.7MN in estimated expenditure, associated with a 4.4 per cent increase in stopover foreign national visitor arrivals for the review period. This was, however, partly offset by an expansion of US\$30.1MN in gross travel outflows, reflecting higher expenditure of Jamaicans while travelling abroad.

Income

The widening of the deficit on the income account over the review period was attributed to a US\$90.0MN increase in net investment outflows, influenced primarily by an expansion in the imputed profit remittances of the direct investment companies. This was partially countered by an improvement of US\$21.6MN in net receipts from compensation of employees while working abroad.

Current Transfers

An expansion of US\$97.2MN in net private inflows accounted for the higher surplus on the current transfers account during the review period. This performance was attributed to an increase of US\$140.9MN in gross private inflows, which was partially offset by growth of US\$43.7MN in gross private outflows. Respective increases of US\$65.6MN and US\$41.6MN in inflows through remittance companies and building societies were largely responsible for the growth in gross inflows.

Capital & Financial Accounts

Respective surpluses of US\$3.0MN and US\$650.1MN were recorded on the capital account and the financial account for the review period. Within the financial account, net private and official investment inflows of US\$715.6MN and US\$224.4MN, respectively, were recorded. The net official inflows reflected Government's debt raising activities on the international capital market in April, July and October 2004. The surpluses on the official and private investment accounts were more than sufficient to finance the deficit on the current account. Consequently, there was a build-up of US\$289.9MN in the net international reserves of the Bank of Jamaica. At the end of December 2004, the level of gross reserves stood at US\$1881.9MN, representing 27.5 weeks of imported goods and 18.7 weeks of imported goods and services.

The following table shows the balance of payments for December 2003, December 2004 and for the periods April to December 2003 and April to December 2004.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Dec ^{1/}	Dec ^{2/}		Apr - Dec ^{1/}	Apr - Dec ^{2/}	
	2003	2004	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	-28.0	-29.0	-1.0	-521.0	-653.1	-132.1
A. GOODS and SERVICES	-78.6	-97.7	-19.1	-1009.2	-1169.3	-160.1
a. GOODS BALANCE	-163.3	-179.0	-15.7	-1410.0	-1528.4	-118.4
Exports (f.o.b.)	108.4	143.3	-34.9	1051.4	1164.7	113.3
Imports (f.o.b.)	271.7	322.3	50.6	2461.4	2693.1	231.7
b. SERVICES BALANCE	84.8	81.3	-3.5	400.8	359.1	-41.7
Transportation	-6.6	-13.0	-6.4	-113.8	-144.6	-30.8
Travel	135.0	139.5	4.5	819.3	824.9	5.6
Other Services	-43.7	-45.2	-1.5	-304.7	-321.2	-16.5
B. INCOME	-72.9	-83.9	-11.0	-417.6	-486.0	-68.4
Compensation of employees	10.7	8.2	-2.5	67.0	88.6	21.6
Investment Income	-83.6	-92.1	-8.5	-484.6	-574.6	-90.0
C. CURRENT TRANSFERS	123.4	152.6	29.2	905.8	1002.2	96.4
Official	9.3	9.0	-0.3	78.9	78.1	-0.8
Private	114.1	143.6	29.5	826.9	924.1	97.2
2. CAPITAL & FINANCIAL ACCOUNT	28.0	29.0	1.0	521.0	653.1	132.1
A. CAPITAL ACCOUNT	0.7	0.6	-0.1	0.9	3.0	2.1
a. Capital Transfers	0.7	0.6	-0.1	0.5	3.0	2.5
Official	0.0	0.0	0.0	0.0	0.0	0.0
Private	0.7	0.6	-0.1	0.5	3.0	2.5
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.4	0.0	-0.4
B. FINANCIAL ACCOUNT	27.3	28.4	1.1	520.1	650.1	130.0
Other official investment	-23.6	-32.6	-9.0	-112.3	224.4	336.7
Other private investment ^{3/}	112.6	103.5	-9.1	457.6	715.6	258.0
Change in Reserves (minus = increase)	-61.7	-42.5		174.8	-289.9	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA