



# ECONOMIC STATISTICS

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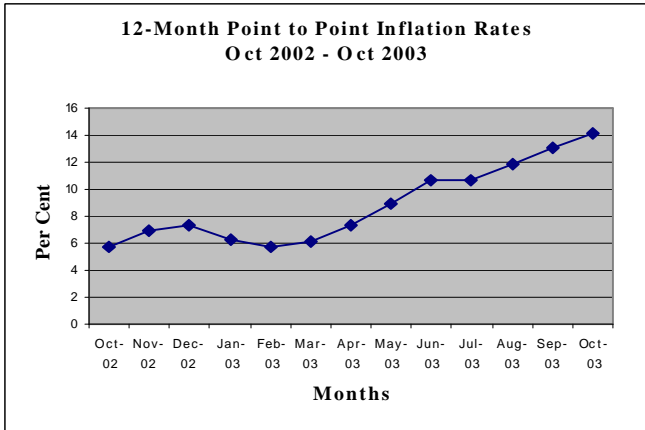
DECEMBER 2003

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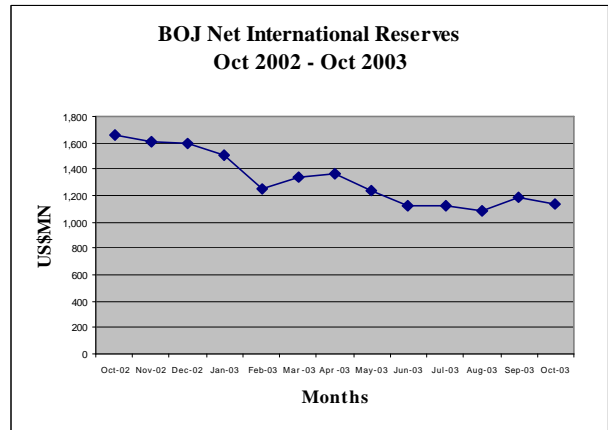


# SELECTED ECONOMIC INDICATORS

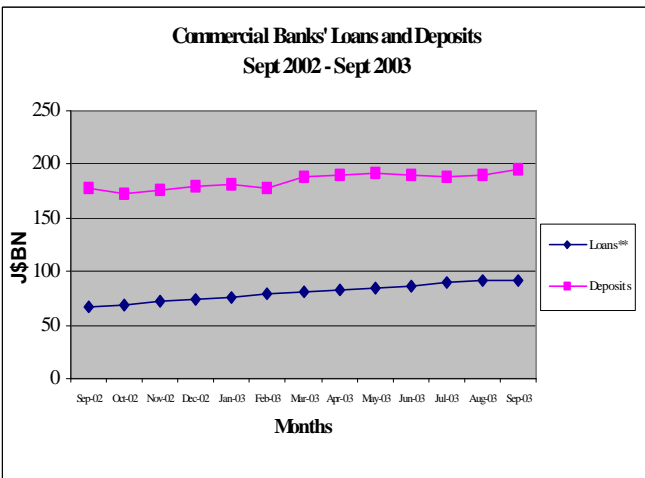
**Figure 1**



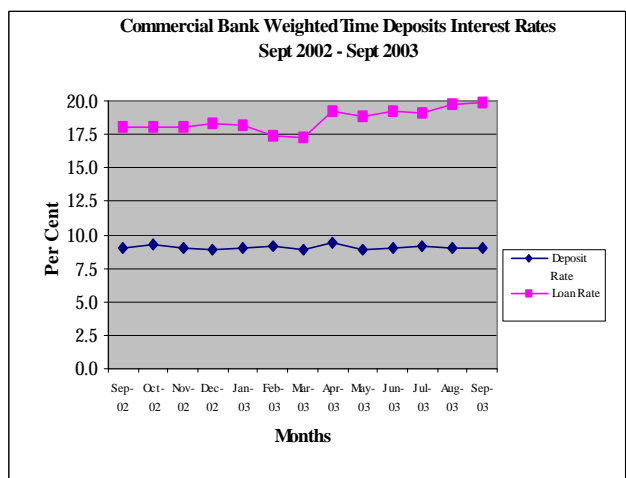
**Figure 2**



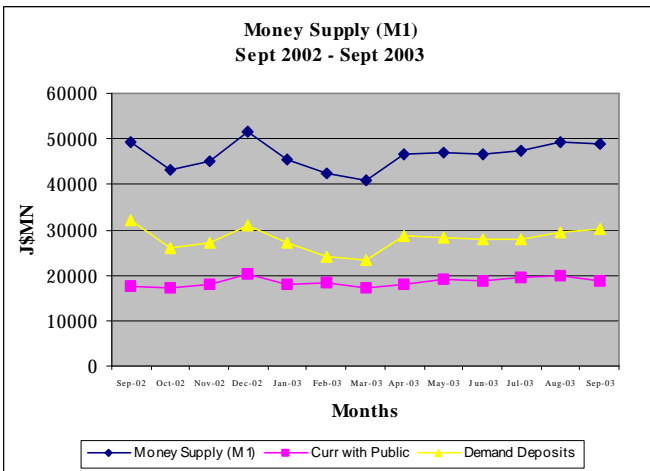
**Figure 3**



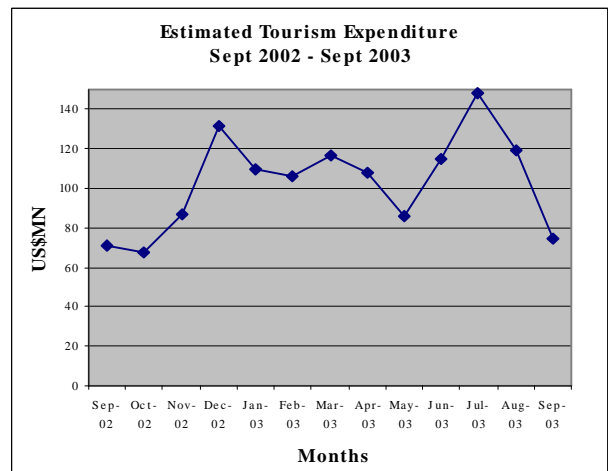
**Figure 4**



**Figure 5**



**Figure 6**



<b>1. MONETARY AGGREGATES (J\$mn.)</b>				<b>%</b>
	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	<b>Change p.a.</b>
<b>Local and Foreign Currency</b>				
Money Supply (M1).....	<u>49,450.62</u>	<u>49,361.04</u>	<u>49,028.95</u>	<u>-0.85</u>
(a) Currency with the Public.....	17,524.10	19,981.07	18,907.61	7.89
(b) Demand Deposits (adj.)***.....	31,926.52	29,379.97	30,121.34	-5.65
Quasi-Money.....	<u>111,140.72</u>	<u>121,814.81</u>	<u>123,731.41</u>	<u>11.33</u>
(a) Time.....	32,843.92	31,436.67	31,040.33	-5.49
(b) Savings.....	78,296.80	90,378.14	92,691.08	18.38
Money Supply (M2).....	<u>160,591.34</u>	<u>171,175.85</u>	<u>172,760.36</u>	<u>7.58</u>
Domestic Credit (net).....	<u>163,441.96</u>	<u>204,975.56</u>	<u>202,876.49</u>	<u>24.13</u>
<b>Local Currency</b>				
Money Supply (M1).....	<u>42,275.02</u>	<u>40,517.14</u>	<u>39,838.80</u>	<u>-5.76</u>
(a) Currency with the Public.....	17,524.10	19,981.07	18,907.61	7.89
(b) Demand Deposits (adj.)***.....	24,750.92	20,536.07	20,931.19	-15.43
Quasi-Money.....	<u>75,070.10</u>	<u>75,120.21</u>	<u>74,282.99</u>	<u>-1.05</u>
(a) Time.....	22,079.86	18,023.14	17,452.68	-20.96
(b) Savings.....	52,990.24	57,097.07	56,830.31	7.25
Money Supply (M2).....	<u>117,345.12</u>	<u>115,637.35</u>	<u>114,121.79</u>	<u>-2.75</u>
Domestic Credit (net).....	<u>146,297.45</u>	<u>179,160.59</u>	<u>175,760.72</u>	<u>20.14</u>
	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	
Base Money.....	<u>31,236.00</u>	<u>32,622.60</u>	<u>33,565.46</u>	<u>7.46</u>
<b>II. COMMERCIAL BANKS (J\$mn.)</b>				
Assets & Liabilities (J\$mn.)**.....	<u>259,213.26</u>	<u>303,379.55</u>	<u>307,362.24</u>	<u>18.58</u>
Loans**.....	<u>67,045.98</u>	<u>92,012.40</u>	<u>91,254.85</u>	<u>36.11</u>
Agriculture.....	1,408.11	1,588.73	1,636.19	16.20
Manufacturing.....	3,660.32	3,833.81	3,683.30	0.63
Construction & Land Development.....	2,749.48	5,989.55	6,194.30	125.29
Mining.....	106.52	324.35	322.34	202.61
Tourism.....	6,654.83	10,471.60	10,574.73	58.90
Transport, Storage & Communication.....	4,167.51	8,192.55	8,266.78	98.36
Consumer-Oriented.....	23,149.75	33,209.37	34,476.83	48.93
Government Services.....	20,784.39	27,426.70	24,858.10	19.60
Other.....	4,365.07	975.74	1,242.28	-71.54
	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
DEPOSITS.....	<u>177,801.93</u>	<u>190,174.46</u>	<u>194,580.26</u>	<u>9.44</u>
Private Sector (including overseas residents).....	<u>153,333.74</u>	<u>164,054.00</u>	<u>167,042.05</u>	<u>8.94</u>
Time.....	35,753.29	36,843.13	36,691.40	2.62
Savings.....	84,074.28	97,184.75	99,602.95	18.47
Demand.....	33,506.17	30,026.12	30,747.70	-8.23
Government.....	<u>13,298.79</u>	<u>11,923.91</u>	<u>13,206.86</u>	<u>-0.69</u>
Time.....	278.16	553.13	510.58	83.56
Savings.....	463.17	1,520.26	1,577.08	240.50
Demand.....	12,557.46	9,850.52	11,119.20	-11.45
Public Entities.....	<u>6,388.12</u>	<u>7,979.79</u>	<u>7,972.77</u>	<u>24.81</u>
Time.....	3,785.48	4,874.30	4,938.67	30.46
Savings.....	1,368.99	1,917.23	1,970.15	43.91
Demand.....	1,233.65	1,188.26	1,063.95	-13.76

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

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

<b>II. COMMERCIAL BANKS (J\$mn.) (Cont'd)</b>				%
	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	<b>Change p.a.</b>
Spec. & O. F. Insts.....	<u>4,781.28</u>	<u>6,216.76</u>	<u>6,358.58</u>	<u>32.99</u>
Time.....	838.96	1,933.22	1,641.18	95.62
Savings.....	720.22	755.10	960.92	33.42
Demand.....	3,222.10	3,528.44	3,756.48	16.58
Current Account Balances with BOJ (J\$mn).....	<b>Sept 2002</b> <u>159.22</u>	<b>Aug 2003</b> <u>94.09</u>	<b>Sept 2003</b> <u>265.67</u>	
<b>LIQUIDITY (Average) %</b>	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
Actual Liquid Assets Ratio.....	<u>40.97</u>	<u>33.46</u>	<u>33.71</u>	
Cash.....	1.77	2.15	2.37	
Deposits with B.O.J.....	9.31	9.15	9.15	
Treasury Bills.....	0.70	0.42	0.45	
Local Registered Stocks.....	7.01	10.43	9.50	
Other.....	22.18	11.31	12.24	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
<b>III. SELECTED INTEREST RATES (%)</b>	<b>Nov 2002</b>	<b>Oct 2003</b>	<b>Nov 2003</b>	
<b>COMMERCIAL BANKS (Domestic Currency)</b>				
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	7.75-13.25	8.50-13.25	8.50-13.25	
9-12 months.....	7.75-12.10	8.50-13.50	8.50-13.50	
Call Deposits.....	2.00-8.00	1.00-60.00	2.00-65.50	
Average Savings Deposits .....	8.96	8.43	8.43	
Average Loan Rate.....	26.13	25.60	25.60	
Average Inter-bank Rate .....	14.40	14.27	26.68	
Weighted Fixed Deposits Rate.....	<b>Sept 2002</b> 8.98	<b>Aug 2003</b> 9.03	<b>Sept 2003</b> 9.02	
Weighted Loan Rate.....	18.08	19.70	19.87	
<b>G.O.J. Treasury Bills (Weighted Average) Yield</b>				
3 Months:.....	<b>Nov 2002</b> -	<b>Oct 2003</b> 22.44	<b>Nov 2003</b> -	
6 Months:.....	16.89	-	23.46	
9 Months:.....	17.39	-	23.80	
12 Months:.....	-	-	23.93	
<b>BOJ Reverse Repurchase Rates (%)</b>				
30-Day .....	<b>Nov 2002</b> 12.95	<b>Oct 2003</b> 15.00	<b>Nov 2003</b> 15.00	
60-Day .....	13.05	15.30	15.30	
90-Day .....	18.25	18.00	18.00	
120-Day .....	18.40	21.00	21.00	
180-Day .....	13.45	23.50	23.50	
270-Day .....	13.85	23.75	23.75	
360-Day .....	14.50	24.00	24.00	
<b>COMMERCIAL BANKS (Foreign Currency)</b>				
Fixed Deposits (Under US\$100,000)				
1-3 months.....	<b>Nov 2002</b> 2.00-4.50	<b>Oct 2003</b> 2.00-4.50	<b>Nov 2003</b> 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.....	2.00-4.75	2.50-4.75	2.50-4.75	
3-6 months.....	2.00-4.75	2.50-5.25	2.50-4.85	
6-12 months.....	2.00-6.25	2.50-6.25	2.50-6.25	
Average Loan Rates .....	12.64	12.15	12.15	
Average Savings .....	2.86	2.66	2.66	

				% Change p.a.
<b>IV. SECURITIES (J\$mn.)</b> (outstanding balances)	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
GOJ Local Registered Stock.....	231,873.86	234,546.69	232,914.53	0.45
	<b>Nov 2002</b>	<b>Oct 2003</b>	<b>Nov 2003</b>	
BOJ Open Market Operations 1/.....	93,413.92	83,079.63	84,640.34	-9.39
GOJ Treasury Bills.....	4,150.00	3,000.00	3,900.00	-6.02
<b>V. INSTALMENT CREDIT (J\$mn.)</b> (Banks & Near-Banks)	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
Total Credit Outstanding.....	6,550.59	8,716.28	9,119.65	39.22
New Business.....	427.89	678.21	639.95	49.56
<b>VI. NEAR-BANKS (J\$mn.)</b> (Merchant Banks, Trust Com. & Finance Houses)	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
Assets/Liabilities.....	27,507.73	43,325.87	35,776.35	30.06
Loans Outstanding.....	4,136.67	5,395.86	5,812.00	40.50
Total Deposits.....	8,492.53	7,757.25	8,735.36	2.86
Loans.....	<u>4,136.67</u>	<u>5,395.86</u>	<u>5,812.00</u>	<u>40.50</u>
Agriculture.....	38.13	85.09	103.85	172.36
Manufacturing.....	653.72	270.90	303.45	-53.58
Construction & Land Development.....	418.30	740.07	736.01	75.95
Mining, Quarrying & Processing.....	57.42	75.38	55.45	-3.43
Tourism.....	301.51	417.29	433.84	43.89
Transport, Storage & Communication.....	28.85	13.13	17.42	-39.62
Consumer Oriented.....	2,381.46	2,611.11	2,997.11	25.85
Government Services.....	158.63	984.76	993.74	526.45
Other.....	98.65	198.13	171.13	73.47
	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
Liquid Assets Ratio (average) %.....	90.20	67.10	66.20	
Statutory Requirement.....	23.00	23.00	23.00	
<b>VII. BUILDING SOCIETIES (J\$mn.)</b> (members & associate members)	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
Assets/Liabilities.....	54,532.65	60,486.42	61,633.86	13.02
Loan Balances.....	19,377.29	22,605.34	22,896.56	18.16
Savings Funds.....	42,604.58	45,905.54	46,814.32	9.88
<b>VIII. INFLATION</b>	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	
Consumer Price Index (Jan. 1988 = 100).....	1,539.2	1,728.4	1,756.7	14.13
Monthly Rate (%).....	0.7	1.6	1.6	
Calendar Year to Date (%) (point to point).....	5.4	10.4	12.2	
Fiscal Year to Date (%) (point to point).....	4.8	10.8	12.6	
<b>IX. ACTUAL PRODUCTION ('000)</b>	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	
Bauxite (metric tonnes).....	326.08	272.43	341.94	4.86
Alumina (metric tonnes).....	321.28	310.76	338.84	5.47
Sugar (metric tonnes).....	-	-	-	-
Banana (tonnes).....	4.12	3.44	3.57	-13.35
<b>X. STOCK MARKET ACTIVITIES</b>	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	
Index.....	41,044.49	57,769.13	60,304.20	46.92
Volume Traded (mn.).....	83.60	166.37	165.24	97.66
Ordinary Shares.....	75.84	149.17	164.81	117.31
Block Transactions.....	7.76	17.20	0.43	-94.46

<b>X. STOCK MARKET ACTIVITIES (cont'd)</b>	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	<b>% Change p.a.</b>
Value of Stocks Traded (J\$mn.).....	555.46	1,017.91	1,421.24	155.87
Ordinary Shares.....	324.96	968.14	1,420.81	337.23
Block Transactions.....	230.50	49.77	0.43	-99.81
Advance/Decline Ratio.....	25/6	19/11	12/13	
<b>XI. EXTERNAL TRADE (US\$mn.)</b>	<b>Jan-May 2002</b>	<b>Jan-May 2003</b>		<b>Change</b>
<b>1. EXPORTS</b>				
a) Major Traditional Exports.....	<u>340.67</u>	<u>366.42</u>		<u>25.75</u>
Bauxite.....	43.00	37.10		-5.90
Alumina.....	237.55	265.87		28.32
Sugar.....	52.46	54.76		2.30
Bananas.....	7.66	8.69		1.03
b) Other Traditional Exports.....	32.46	30.47		-1.99
c) Non-Traditional Exports.....	91.63	94.09		2.46
d) Re-exports.....	7.17	8.84		1.67
General Merchandise Exports.....	<u>471.93</u>	<u>499.82</u>		<u>27.89</u>
(e) Freezone Exports.....	53.56	39.51		-14.05
(f) Goods Procured in Port.....	12.00	12.50		0.50
Total Goods Exports.....	<u>537.49</u>	<u>551.83</u>		<u>14.34</u>
<b>2. IMPORTS</b>				
(a) Consumer Goods.....	419.17	416.58		-2.59
(b) Raw Materials.....	698.63	845.90		147.27
(c) Capital Goods.....	275.64	238.84		-36.80
General Merchandise Imports.....	<u>1,393.44</u>	<u>1,501.32</u>		<u>107.88</u>
(d) Freezone Imports.....	36.33	33.60		-2.73
(e) Goods Procured in Port.....	15.80	16.30		0.50
Total Goods Imports.....	<u>1,445.57</u>	<u>1,551.22</u>		<u>105.65</u>
Trade Balance.....	<u>-908.08</u>	<u>-999.39</u>		<u>-91.31</u>
Memo:				
Caricom Exports.....	17.40	18.98		1.58
Caricom Imports.....	158.77	207.18		48.41
Caricom Trade Balance.....	<u>-141.37</u>	<u>-188.20</u>		<u>-46.83</u>
<b>XII. TOURISM</b>	<b>Jan-Oct 2002</b>	<b>Jan-Oct 2003</b>		<b>% Change</b>
Tourist Arrivals ('000).....	<u>1,712.03</u>	<u>2,026.20</u>		<u>18.35</u>
Stopovers.....	1,046.45	1,046.32		-0.01
Cruise.....	665.14	912.46		37.18
Armed Forces.....	0.44	-		-
Cumulative Expenditure (US\$mn.).....	<u>978.80</u>	<u>1,075.00</u>		<u>9.83</u>
<b>XIII. BALANCE OF PAYMENTS (US\$mn.)</b>	<b>Jan-May 2002</b>	<b>Jan-May 2003</b>		<b>Change</b>
<i>Balance of Payments (Calendar)</i>				
<b>1. Current Account.....</b>	<u>-372.2</u>	<u>-327.2</u>		<u>45.0</u>
<b>A. Goods balance.....</b>	<u>-700.5</u>	<u>-786.5</u>		<u>-86.0</u>
Exports (f.o.b.).....	537.4	551.8		14.4
Imports (f.o.b.).....	1,237.9	1,338.3		100.4
<b>B. Service Balance.....</b>	<u>117.9</u>	<u>252.6</u>		<u>134.7</u>
Transportation.....	-93.9	-75.5		18.4
Travel.....	383.0	503.3		120.3
Other Services.....	-171.2	-175.2		-4.0

**Balance of Payments (Calendar) (Cont'd)**

	<b>Jan-May 2002</b>	<b>Jan-May 2003</b>	<b>Change</b>
<b>C. Income.....</b>	<u>-233.2</u>	<u>-238.7</u>	<u>-5.5</u>
Compensation of Employees.....	10.3	7.3	-3.0
Investment Income.....	-243.5	-246.0	-2.5
<b>D. Current Transfers.....</b>	<u>443.6</u>	<u>445.4</u>	<u>1.8</u>
Official.....	41.5	35.5	-6.0
Private.....	402.1	409.9	7.8
<b>2. Capital and Financial Account.....</b>	<u>372.2</u>	<u>327.2</u>	<u>-45.0</u>
<b>A. Capital Account.....</b>	<u>-8.5</u>	<u>-8.2</u>	<u>0.3</u>
Capital Transfers.....	<u>-8.5</u>	<u>-8.2</u>	<u>0.3</u>
Official.....	0.2	0.1	-0.1
Private.....	-8.7	-8.3	0.4
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
<b>B. Financial Account.....</b>	<u>380.7</u>	<u>335.4</u>	<u>45.3</u>
Other Official Investment.....	11.4	-284.6	-296.0
Other Private Investment.....	339.2	256.3	82.9
<i>(incl. errors &amp; omissions)</i>			
Reserves.....	<u>30.1</u>	<u>363.7</u>	
	<b>Apr-May</b>	<b>Apr-May</b>	
<b>Balance of Payments (Fiscal)</b>	<b>2002</b>	<b>2003</b>	
<b>1. Current Account.....</b>	<u>-203.8</u>	<u>-63.6</u>	<u>140.2</u>
<b>A. Goods balance.....</b>	<u>-323.2</u>	<u>-252.7</u>	<u>70.5</u>
Exports (f.o.b.).....	207.7	228.4	20.7
Imports (f.o.b.).....	530.9	481.1	-49.8
<b>B. Service Balance.....</b>	<u>24.0</u>	<u>87.5</u>	<u>63.5</u>
Transportation.....	-45.1	-29.3	15.8
Travel.....	135.0	182.5	47.5
Other Services.....	-65.9	-65.7	0.2
<b>C. Income.....</b>	<u>-86.9</u>	<u>-73.4</u>	<u>13.5</u>
Compensation of Employees.....	7.3	2.4	-4.9
Investment Income.....	-94.2	-75.8	18.4
<b>D. Current Transfers.....</b>	<u>182.3</u>	<u>175.0</u>	<u>-7.3</u>
Official.....	16.3	13.8	-2.5
Private.....	166.0	161.2	-4.8
<b>2. Capital and Financial Account.....</b>	<u>203.8</u>	<u>63.6</u>	<u>-140.2</u>
<b>A. Capital Account.....</b>	<u>-2.9</u>	<u>-3.2</u>	<u>-0.3</u>
Capital Transfers.....	-2.9	-3.2	-0.3
Official.....	0.1	0.0	-0.1
Private.....	-3.0	-3.2	-0.2
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	0.0
<b>B. Financial Account.....</b>	<u>206.7</u>	<u>66.8</u>	<u>-139.9</u>
Other Official Investment.....	-40.7	-33.1	7.6
Other Private Investment.....	116.4	-6.5	-122.9
<i>(incl. errors &amp; omissions)</i>			
Reserves.....	131.0	106.4	
Government Reserves.....	0.0	0.0	

<b>XIV. BOJ NET INTERNATIONAL RESERVES</b>	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	<b>% Change p.a.</b>
<b>(US\$mn.)</b>				
BOJ Net International Reserves (US\$mn.).....	<u>1,655.16</u>	<u>1,182.63</u>	<u>1,131.13</u>	-31.66
Gross Foreign Assets.....	1,706.43	1,216.66	1,165.17	-31.72
Gross Foreign Liabilities.....	51.27	34.03	34.04	-33.61
Estimated Gross Reserves in Weeks of Imports.....	<u>28.55</u>	<u>18.62</u>	<u>17.83</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>19.03</u>	<u>12.66</u>	<u>12.12</u>	
<b>XV. FOREIGN EXCHANGE</b>	<b>Sept 2002</b>	<b>Aug 2003</b>	<b>Sept 2003</b>	
<b>DEVELOPMENTS (US\$mn.)</b>				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	889.82	612.29	652.83	-26.63
Foreign Exchange Sales (spot).....	859.82	613.78	648.10	-24.62
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ( )	<b>Oct 2002</b>	<b>Sept 2003</b>	<b>Oct 2003</b>	
Commercial Banks Balances.....	<u>1,057.80</u>	<u>1,240.91</u>	<u>1,250.68</u>	<u>18.23</u>
"A" Accounts 1/.....	65.99	108.20	105.66	60.12
Other.....	991.81	1,132.71	1,145.02	15.45
F.I.As Balance.....	<u>103.40</u>	<u>131.74</u>	<u>143.40</u>	<u>38.68</u>
"A" Accounts 1/.....	26.87	30.49	33.47	24.56
Other.....	76.53	101.25	109.93	43.64
Building Societies Balances.....	<u>167.58</u>	<u>200.72</u>	<u>207.02</u>	<u>23.54</u>
"A" Accounts 1/.....	114.45	138.85	143.17	25.09
Other .....	53.13	61.87	63.85	20.18
Total Foreign Currency Deposits (US\$mn.).....	<u>1,328.78</u>	<u>1,573.37</u>	<u>1,601.10</u>	<u>20.49</u>
Total Foreign Currency Loans (US\$mn.).....	<u>520.58</u>	<u>665.43</u>	<u>677.70</u>	<u>30.18</u>
Commercial Banks.....	470.61	587.75	601.72	27.86
F.I. As .....	35.53	65.89	64.27	80.89
Building Societies.....	14.44	11.79	11.71	-18.95
London Interbank Offer Rate (LIBOR) Eurodollars (%)	<b>Nov 2002</b>	<b>Oct 2003</b>	<b>Nov 2003</b>	
3 months.....	1.43	1.16	1.17	
6 months.....	1.47	1.20	1.24	
U.S. Prime Rate (end of period) (%).....	4.25	4.00	4.00	
Selling Exchange Rates (end period)	<b>Nov 2002</b>	<b>Oct 2003</b>	<b>Nov 2003</b>	
US\$1.00 = J\$.....	49.91	60.44	60.65	
Can. \$1.00 = J\$.....	31.88	45.90	46.10	
U.K. Pound = J\$.....	77.46	102.01	103.10	
Euro = J\$**.....	50.21	70.17	72.75	
Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	8.08	9.66	9.71	
Bdos. \$1 = J\$.....	25.28	30.22	30.32	
Guy. \$1 = J\$.....	0.27	0.31	0.31	
E.C. \$1 = J\$.....	18.72	22.39	22.46	

( ) Exclude deposits in "B" accounts

\*\* Indicative Rates

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



## INFLATION OCTOBER 2003

**The All Jamaica Consumer Price Index (CPI) increased by 1.6 per cent in October 2003. This outturn brought inflation for the first seven months of FY 2003/04 to 12.6 per cent, compared to 4.8 per cent obtained over the same interval in FY 2002/03.** For the first ten months of the calendar year, the inflation rate was 12.2 per cent, relative to 5.4 per cent in the comparable period of 2002. The 12-month point-to-point inflation rate as at October 2003 was 14.1 per cent, 8.3 percentage points above the rate recorded in the previous year. Similarly, the annual average inflation rate at October 2003 was 9.2 per cent, or 2.0 percentage points above the rate recorded for October 2002 (Table 1).

**The major influences on October's inflation were higher vegetables, fruits and meat prices, and increases in bus fares in the rural areas. Additional impulses emanated from the increased cost of rental, healthcare and electricity (see Table 4).** All the sub-indices of the CPI recorded increases relative to September. The major increases were recorded in the *Food & Drink, Transportation, Housing & Other Housing Expenses, and Healthcare & Personal Expenses* sub-indices. Inflation in these sub-indices were 1.6 per cent, 6.8 per cent, 1.9 per cent and 1.0 per cent, contributing 52.6 per cent, 25.5 per cent, 9.1 per cent, and 3.9 per cent, respectively, to the overall outturn (see Table 2).

**The increase in the *Food & Drink* sub-index was influenced primarily by price movements in the *Vegetables & Fruits, Meat, Poultry & Fish and Baked Products, Cereals & Breakfast Drinks* sub-indices. These subgroups increased by 5.8 per cent, 0.7 per cent and 1.2 per cent, respectively (see Table 2).** The increase in these sub-groups was influenced by a combination of seasonal declines in output, exchange rate movements, international commodity prices and revenue measures. Exchange rate movements were primarily reflected in the price of feeds, flour, meat and baked products prices. Since August, soybean prices, an important input in animal feeds, have increased from \$160 per short ton to \$250 per short ton, which represents a seven-year high.

**The *Transportation* sub-index was influenced primarily by increased cost of air travel and an upward adjustment in bus fares in the Rural Areas.** Airfares were increased by an average 16.7 per cent while rural bus fares rose by 32.0 per cent. Other price pressures emanated from recent increases in oil prices and adjustments in the exchange rate.

**The *Housing & Other Housing Expenses* sub-index increased by 1.9 per cent, largely influenced by the *Other Housing Expenses* sub-group. There was also a significant movement in the *Rental* sub-group.** The primary impetus for the increase in the *Other Housing Expenses* sub-group resulted from a higher electricity bill, which jumped by 4.2 per cent, largely as a result of an increase in the billed fuel rate.

**The upward movement in the *Healthcare & Personal Expenses* sub-category of 1.0 per cent resulted primarily from higher prices for *dental products, powders, tonics and increased dentists' fees.***

**There was a significant disparity in inflation across the regions. The CPI in the Rural Areas increased by 2.1 per cent, while the indices for the KMA and Other Towns increased by 1.3 per cent and 1.7 per cent, respectively.** The pattern was due mainly to the movements in the *Transportation* sub-index, which increased by 17.8 per cent in the Rural Areas, 11.9 per cent in the Other Towns and marginally by 0.4 per cent in the KMA.

**The measure of inflation that excludes agricultural prices (CPI-A) was 1.26 per cent for October.** This estimate was 0.32 percentage point lower than the measure in the previous month but 0.99 percentage points above that which obtained in October 2002. This index has trended downward since June, in tandem with the sharp appreciation in the exchange rate, particularly subsequent to the June quarter. A similar pattern was observed in the durable products index.

**The trimmed mean index was estimated to have increased by 0.79 percent in October, 0.27 percentage points above the estimate for the previous month (Table 5).** The rise in core contrasts with the previous three months declining trend and goes contrary to the Bank's efforts at restricting monetary expansion. The 12-month point-to-point core inflation rate was 7.8 per cent, 5.1 percentage points above the comparable measure at October 2002. Similarly, the annual average core inflation rate of 5.1 per cent was 1.7 percentage points above the rate in the corresponding month of 2002.

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	Jan	1,189.9	1,182.9	0.37	1.52	0.74	7.51	8.48
	Feb	1,176.8	1,184.1	-1.10	0.31	0.88	6.26	8.30
	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
2000	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
	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	
2001	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
	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	
2002	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
	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	
2003	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
	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	

1/ January 1998 = 100

# Moving average

\* Point to point

Source: STATIN

**Table 2**  
**COMPONENT CONTRIBUTION TO INFLATION**  
**October 2003**

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
<b>FOOD &amp; DRINK</b>	<b>0.5563</b>	<b>1.6</b>	<b>0.9063</b>	<b>52.6</b>
Meals away from home	0.0741	0.8	0.0562	3.3
Meat, Poultry & Fish	0.1613	0.7	0.1154	6.7
Dairy Products Oils & Fats	0.0668	1.3	0.0867	5.0
Baked Products, Cereals & Breakfast Drink	0.0864	1.2	0.1072	6.2
Starchy Foods	0.0525	1.6	0.0825	4.8
Vegetables & Fruits	0.0650	5.8	0.3764	21.8
Other Food & Beverages	0.0502	1.6	0.0818	4.7
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>0.0735</b>	<b>0.6</b>	<b>0.0552</b>	<b>3.2</b>
Household Supplies	0.0482	1.0	0.0503	2.9
Fuels	0.0253	0.2	0.0049	0.3
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>0.0786</b>	<b>1.9</b>	<b>0.1565</b>	<b>9.1</b>
Rental	0.0209	3.4	0.0708	4.1
Other Housing Expenses	0.0577	1.5	0.0857	5.0
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>0.0283</b>	<b>1.1</b>	<b>0.0325</b>	<b>1.9</b>
Furniture	0.0068	1.1	0.0073	0.4
Furnishings	0.0215	1.2	0.0252	1.5
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>0.0697</b>	<b>1.0</b>	<b>0.0669</b>	<b>3.9</b>
<b>PERSONAL CLOTHING FOOTWEAR &amp; ACCESSORIES</b>	<b>0.0507</b>	<b>0.9</b>	<b>0.0469</b>	<b>2.7</b>
Clothing Materials	0.0055	1.0	0.0056	0.3
Readymade Clothing & Accessories	0.0242	0.3	0.0071	0.4
Footwear	0.0159	2.1	0.0341	2.0
Making & Repairs	0.0051	0.0	0.0001	0.0
<b>TRANSPORTATION</b>	<b>0.0644</b>	<b>6.8</b>	<b>0.4389</b>	<b>25.5</b>
<b>MISCELLANEOUS EXPENSES</b>	<b>0.0785</b>	<b>0.3</b>	<b>0.0204</b>	<b>1.2</b>
<b>ALL GROUPS</b>	<b>1.0000</b>	<b>1.64</b>	<b>1.72</b>	<b>100.0</b>

**Table 3**  
**REGIONAL INFLATION**  
**October 2003**

	KMA (%)	Other Towns (%)	Rural (%)
<b>FOOD &amp; DRINK</b>	<b>1.7</b>	<b>1.0</b>	<b>1.7</b>
Meals away from home	0.7	1.4	0.5
Meat Poultry & Fish	1.0	0.2	0.7
Dairy Products Oils & Fats	1.0	0.4	2.3
Baked Products Cereals & Breakfast Drink	1.4	1.1	1.1
Starchy Foods	2.3	0.4	1.6
Vegetables & Fruits	7.7	4.3	4.6
Other Food & Beverages	1.3	1.0	2.4
<b>FUELS &amp; OTHER HOUSEHOLD SUPPLIES</b>	<b>0.6</b>	<b>0.9</b>	<b>0.3</b>
Household Supplies	1.4	1.1	0.5
Fuels	0.0	0.7	0.1
<b>HOUSING &amp; OTHER HOUSING EXPENSES</b>	<b>2.0</b>	<b>1.7</b>	<b>1.7</b>
Rental	3.2	4.2	4.2
Other Housing Expenses	1.5	1.4	1.5
<b>HOUSEHOLD FURNISHINGS &amp; FURNITURE</b>	<b>1.8</b>	<b>0.9</b>	<b>0.6</b>
Furniture	0.5	1.2	1.4
Furnishings	2.3	0.8	0.2
<b>HEALTHCARE &amp; PERSONAL EXPENSES</b>	<b>0.9</b>	<b>0.8</b>	<b>1.2</b>
<b>PERSONAL CLOTHING FOOTWEAR &amp; ACCESSORIES</b>	<b>1.1</b>	<b>0.5</b>	<b>1.0</b>
Clothing Materials	1.8	0.0	0.1
Readymade Clothing & Accessories	0.7	0.2	0.0
Footwear	1.9	1.1	3.1
Making & Repairs	0.0	0.1	0.0
<b>TRANSPORTATION</b>	<b>0.4</b>	<b>11.9</b>	<b>17.8</b>
<b>MISCELLANEOUS EXPENSES</b>	<b>0.2</b>	<b>0.6</b>	<b>0.1</b>
<b>ALL GROUPS</b>	<b>1.3</b>	<b>1.7</b>	<b>2.1</b>

**Table 4**  
**INFLATION: ACTUAL & CORE**

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
<b>2000/01</b>						
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
<b>2001/02</b>						
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
<b>2002/03</b>						
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
<b>2003/04</b>						
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

**JAMAICA:  
BALANCE OF PAYMENTS DEVELOPMENTS  
April 2003**

**April 2003**

The current account of the balance of payments recorded a deficit of US\$42.8MN in **April 2003**, relative to the deficit of US\$77.0MN recorded in April 2002. The improvement in the current account deficit largely reflected an increase of US\$30.8MN in net receipts from services, primarily tourism. Additionally there were reductions of US\$5.4MN and US\$0.5MN in the deficits on the trade and income sub-accounts. These improvements were partly offset by a decline of US\$2.5MN in net receipts from current transfers. Within the financial account, net private investment inflows were more than sufficient to finance net official investment outflows, as well as the deficits on the current and capital accounts. Consequently, there was a build-up of US\$22.4 million in the net international reserves of the Bank of Jamaica during the month.

**Merchandise Trade**

The narrowing of the deficit on the merchandise trade account stemmed from an expansion of US\$5.5MN in the value of exports and a marginal increase of US\$0.1MN in payments for imports (f.o.b.).

The growth in export earnings reflected respective increases of US\$9.0MN and US\$1.6MN in the values of major traditional and free zone exports, which were partially offset by reductions of US\$3.8MN and US\$1.2MN in receipts from non-traditional and other traditional exports, respectively. All the components of the major traditional export category recorded growth in the review month. In particular, the value of sugar and alumina exports grew by US\$4.9MN and US\$3.3MN, respectively, due to increases in both volume and price, relative to April 2002. Non-traditional exports were mainly affected by declines in garments and chemicals, while other-traditional exports reflected lower earnings from rum, pimento and cocoa exports.

The increase in imports reflected growth of US\$8.2MN and US\$1.8MN in the values (c.i.f.) of raw material and consumer goods, respectively, which was almost fully countered by a decline of US\$9.3MN in the c.i.f. value of capital goods imports. The growth in raw material imports was influenced by an increase of US\$9.0MN in the value of other raw material imports, in particular, parts and accessories and industrial supplies. Higher imports of motorcars were primarily responsible for the increase in consumer goods imports. The lower expenditure on capital goods imports primarily reflected the non-repetition of spending on machinery and communication equipment, which were purchased in April 2002.

**Services**

An expansion of US\$26.9MN in net receipts from the travel sub-sector was the main influence on the increase in the surplus on the services account during April 2003. This was complemented by a reduction of US\$4.9MN in net payments for transportation. An increase of 11.2 per cent in stopover passenger arrivals was the major contributor to the improvements on the travel sub-account for the month, relative to April 2002. In addition, there was a reduction of approximately US\$14.0MN in expenditure by Jamaicans while travelling abroad.

**Income**

The narrowing in the deficit on the income account in April 2003 was attributable to a reduction in interest payments on Government of Jamaica external debt, which was partly offset by reduced earnings on Bank of Jamaica's foreign assets.

**Current Transfers**

The decline in net current transfers for the review month stemmed from reductions of US\$1.3 MN and US\$1.2MN in net official and private inflows, respectively.

**Capital & Financial Accounts**

A deficit of US\$1.5MN was recorded on the capital account, in contrast to a surplus of US\$44.3MN on the financial account. Within the financial account, net private investment inflows of US\$79.5MN were more than sufficient to finance net official investment outflows of US\$12.8MN, as well as the deficits on the current and capital accounts. In this context, the net international reserves of the Bank of Jamaica increased by US\$22.4MN during the month.



**BALANCE OF PAYMENTS SUMMARY (US\$M)**

	Apr <sup>1/</sup>	Apr <sup>2/</sup>	
	2003	2003	Change
<b>1. CURRENT ACCOUNT</b>	<b>-77.0</b>	<b>-42.8</b>	<b>34.2</b>
<b>A. GOODS and SERVICES</b>	<b>-128.2</b>	<b>-92.0</b>	<b>36.2</b>
<b>a. GOODS BALANCE</b>	<b>-150.8</b>	<b>-145.4</b>	<b>5.4</b>
Exports (f.o.b.)	103.8	109.3	5.5
Imports (f.o.b.)	254.6	254.7	0.1
<b>b. SERVICES BALANCE</b>	<b>22.6</b>	<b>53.4</b>	<b>30.8</b>
Transportation	-19.6	-14.7	4.9
Travel	75.4	102.3	26.9
Other Services	-33.2	-34.2	-1.0
<b>B. INCOME</b>	<b>-34.2</b>	<b>-33.7</b>	<b>0.5</b>
Compensation of employees	1.4	0.6	-0.8
Investment Income	-35.6	-34.3	1.3
<b>C. CURRENT TRANSFERS</b>	<b>85.4</b>	<b>82.9</b>	<b>-2.5</b>
Official	8.4	7.1	-1.3
Private	77.0	75.8	-1.2
<b>2. CAPITAL &amp; FINANCIAL ACCOUNT</b>	<b>77.0</b>	<b>42.8</b>	<b>-34.2</b>
<b>A. CAPITAL ACCOUNT</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-0.2</b>
<b>a. Capital Transfers</b>	<b>-1.3</b>	<b>-1.5</b>	<b>-0.2</b>
Official	0.1	0.0	-0.1
Private	-1.4	-1.5	-0.1
<b>b. Acq/disposal of non-prod. Non-fin'l assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>B. FINANCIAL ACCOUNT</b>	<b>78.3</b>	<b>44.3</b>	<b>-34.0</b>
Other official investment	-21.0	-12.8	8.2
Other private investment <sup>3/</sup>	57.4	79.5	22.1
Change in Reserves (minus = increase)	41.9	-22.4	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA

05 November 2003