



ECONOMIC STATISTICS

VOLUME 14 - NO. 12

DECEMBER 2004



SELECTED ECONOMIC INDICATORS

Figure 1

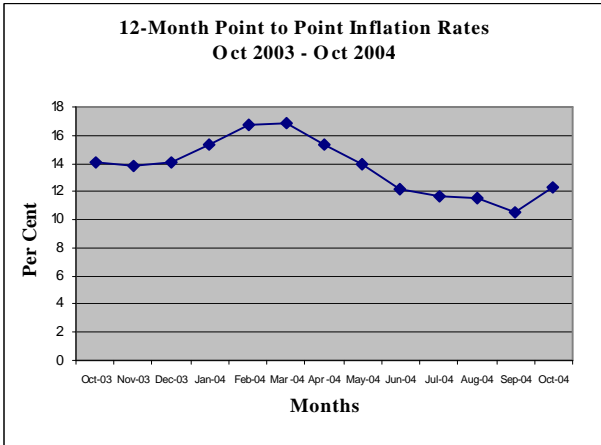


Figure 2

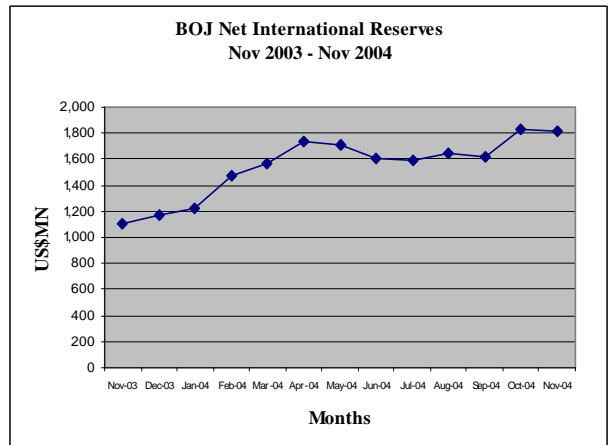


Figure 3

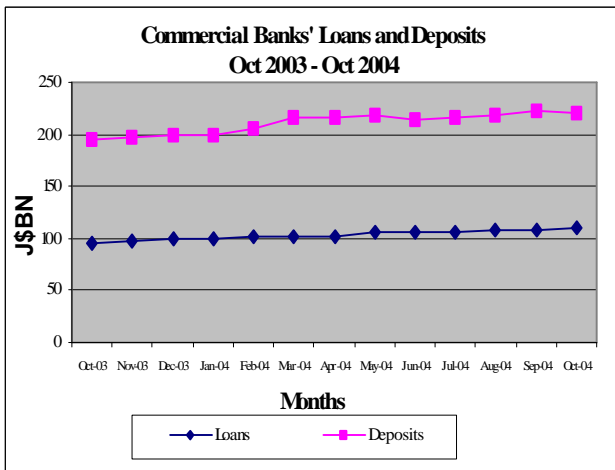


Figure 4

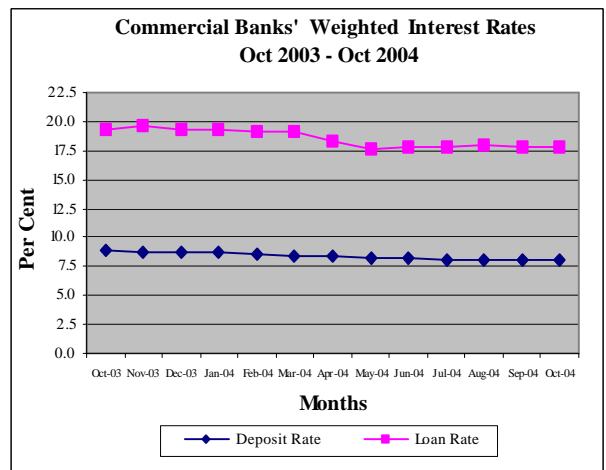


Figure 5

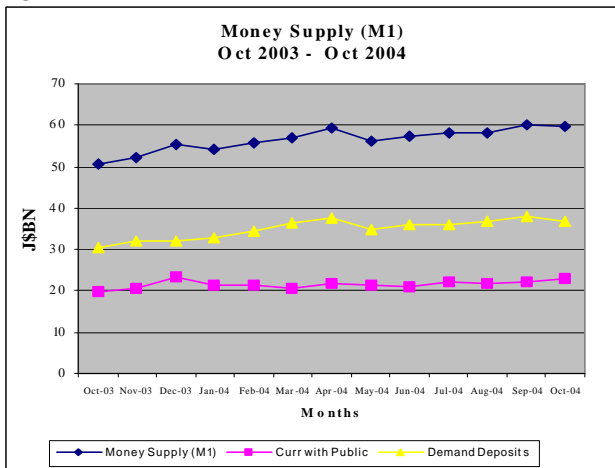
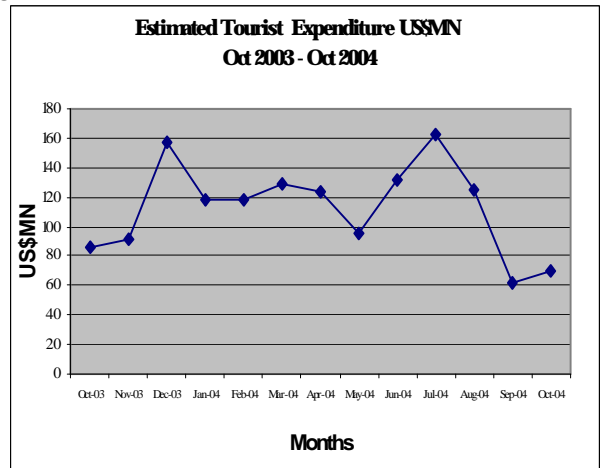


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Oct 2003	Sept 2004+	Oct 2004	Change p.a.
Money Supply (M1).....	<u>50,454.09</u>	<u>60,090.58</u>	<u>59,782.29</u>	<u>18.49</u>
(a) Currency with the Public.....	19,813.29	22,160.36	22,922.26	15.69
(b) Demand Deposits (adj.)***.....	30,640.80	37,930.22	36,860.03	20.30
Quasi-Money.....	<u>124,393.56</u>	<u>140,085.12</u>	<u>139,949.08</u>	<u>12.51</u>
(a) Time.....	31,142.60	33,986.09	34,449.61	10.62
(b) Savings.....	93,250.96	106,099.03	105,499.47	13.13
Money Supply (M2).....	<u>174,847.65</u>	<u>200,175.70</u>	<u>199,731.37</u>	<u>14.23</u>
Domestic Credit (net).....	<u>211,577.43</u>	<u>223,043.92</u>	<u>219,612.91</u>	<u>3.80</u>
Local Currency	Oct 2003	Sept 2004+	Oct 2004	
Money Supply (M1).....	<u>41,205.18</u>	<u>48,959.12</u>	<u>47,981.32</u>	<u>16.44</u>
(a) Currency with the Public.....	19,813.29	22,160.37	22,922.26	15.69
(b) Demand Deposits (adj.)***.....	21,391.89	26,798.75	25,059.06	17.14
Quasi-Money.....	<u>75,609.37</u>	<u>81,456.98</u>	<u>84,596.59</u>	<u>11.89</u>
(a) Time.....	17,449.25	17,641.41	18,104.19	3.75
(b) Savings.....	58,160.12	63,815.57	66,492.40	14.33
Money Supply (M2).....	<u>116,814.55</u>	<u>130,416.10</u>	<u>132,577.91</u>	<u>13.49</u>
Domestic Credit (net).....	<u>184,944.13</u>	<u>189,926.14</u>	<u>181,814.42</u>	<u>-1.69</u>
	Nov 2003	Oct 2004	Nov 2004	
Base Money.....	<u>34,629.80</u>	<u>38,714.66</u>	<u>39,409.26</u>	<u>13.80</u>
II. COMMERCIAL BANKS (J\$mn.)	Oct 2003	Sept 2004+	Oct 2004	
Assets & Liabilities (J\$mn.)**.....	<u>309,408.99</u>	<u>341,547.14</u>	<u>332,213.41</u>	<u>7.37</u>
Loans**.....	<u>95,755.57</u>	<u>108,989.07</u>	<u>109,381.11</u>	<u>14.23</u>
Agriculture.....	1,625.14	1,308.15	1,319.20	-18.83
Manufacturing.....	3,674.17	3,201.71	3,338.79	-9.13
Construction & Land Development.....	6,492.46	8,204.16	5,649.12	-12.99
Mining.....	286.03	196.78	217.05	-24.12
Tourism.....	10,835.64	13,817.81	13,857.51	27.89
Transport, Storage & Communication.....	7,897.37	8,177.74	8,104.59	2.62
Consumer-Oriented.....	36,436.53	44,075.70	43,973.64	20.69
Government Services.....	26,986.14	28,301.73	31,245.46	15.78
Other.....	1,522.09	1,705.29	1,675.75	10.10
DEPOSITS.....	<u>194,239.01</u>	<u>223,188.91</u>	<u>220,290.07</u>	<u>13.41</u>
Private Sector (including overseas residents).....	<u>168,088.86</u>	<u>193,109.78</u>	<u>193,486.10</u>	<u>15.11</u>
Time.....	37,019.04	41,521.86	42,679.78	15.29
Savings.....	100,254.36	113,587.02	112,907.55	12.62
Demand.....	30,815.46	38,000.90	37,898.77	22.99
Government.....	<u>11,497.33</u>	<u>15,004.59</u>	<u>14,468.87</u>	<u>25.85</u>
Time.....	491.89	303.42	304.13	-38.17
Savings.....	1,569.57	1,512.53	1,485.30	-5.37
Demand.....	9,435.87	13,188.64	12,679.44	34.37
Public Entities.....	<u>8,743.48</u>	<u>7,999.83</u>	<u>6,052.39</u>	<u>-30.78</u>
Time.....	4,907.98	3,995.37	3,385.67	-31.02
Savings.....	2,896.68	2,645.77	1,226.57	-57.66
Demand.....	938.82	1,358.69	1,440.15	53.40

** 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)	Oct 2003	Sept 2004	Oct 2004	Change p.a.
Spec. & O. F. Insts.....	<u>5,909.34</u>	<u>7,074.71</u>	<u>6,282.71</u>	<u>6.32</u>
Time.....	1,657.16	1,416.29	805.93	-51.37
Savings.....	965.00	977.95	1,035.57	7.31
Demand.....	3,287.18	4,680.47	4,441.21	35.11
	Nov 2003	Oct 2004	Nov 2004	
Current Account Balances with BOJ (J\$mn).....	<u>444.34</u>	<u>209.20</u>	<u>686.68</u>	
LIQUIDITY (Average) %	Oct 2003	Sept 2004	Oct 2004	
Actual Liquid Assets Ratio.....	<u>33.72</u>	<u>38.61</u>	<u>37.71</u>	
Cash.....	2.27	2.64	2.68	
Deposits with B.O.J.....	9.22	9.70	9.46	
Treasury Bills.....	0.53	3.76	3.60	
Local Registered Stocks.....	9.25	3.32	3.29	
Other.....	12.45	19.19	18.68	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Nov 2003	Oct 2004	Nov 2004	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.25	8.50-13.25	8.50-13.15	
9-12 months.....	8.50-13.50	8.50-13.50	8.50-13.15	
Call Deposits.....	2.00-65.50	1.00-15.00	1.00-17.00	
Average Savings Deposits	8.43	7.84	7.84	
Average Loan Rate.....	25.60	25.00	24.89	
Average Inter-bank Rate	26.68	8.75	10.00	
	Oct 2003	Sept 2004	Oct 2004	
Weighted Fixed Deposits Rate.....	8.84	7.99	8.00	
Weighted Loan Rate.....	19.36	17.76	17.76	
G.O.J. Treasury Bills (Weighted Average) Yield	Nov 2003	Oct 2004	Nov 2004	
2 Months:.....	-	-	-	
3 Months:.....	-	-	-	
6 Months:.....	23.46	14.78	14.90	
9 Months:.....	23.80	-	-	
12 Months:.....	23.93	-	16.05	
	Nov 2003	Oct 2004	Nov 2004	
BOJ Reverse Repurchase Rates (%)				
30-Day	15.00	14.00	14.00	
60-Day	15.30	14.10	14.10	
90-Day	18.00	14.20	14.20	
120-Day	21.00	14.35	14.35	
180-Day	23.50	14.80	14.80	
270-Day	23.75	15.35	15.35	
365-Day	24.00	16.00	16.00	
COMMERCIAL BANKS (Foreign Currency)	Nov 2003	Oct 2004	Nov 2004	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	1.00-5.00	1.00-5.00	
3-6 months.....	2.00-4.55	1.25-5.50	1.25-5.50	
6-12 months.....	2.00-6.00	1.50-6.00	1.50-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.50-4.75	2.00-5.75	2.00-5.75	
3-6 months.....	2.50-4.85	2.25-6.25	2.25-6.25	
6-12 months.....	2.50-6.25	2.50-6.75	2.50-6.75	
Average Loan Rates	12.15	12.41	12.41	
Average Savings	2.66	2.69	2.69	

				% Change p.a.
IV. SECURITIES (J\$mn.) (outstanding balances)	Sept 2003	Aug 2004	Sept 2004	
GOJ Local Registered Stock.....	232,914.53	223,806.93	222,522.44	-4.46
	Nov 2003	Oct 2004	Nov 2004	
BOJ Open Market Operations 1/.....	84,640.34	130,904.54	131,384.45	55.23
GOJ Treasury Bills.....	3,900.00	3,650.00	3,750.00	-3.85
V. INSTALMENT CREDIT (J\$mn.) (Banks & Near-Banks)	Oct 2003	Sept 2004	Oct 2004	
Total Credit Outstanding.....	9,358.70	11,295.45	11,483.72	22.71
New Business.....	719.58	569.22	764.76	6.28
VI. NEAR-BANKS (J\$mn.) (Merchant Banks, Trust Com. & Finance Houses)	Oct 2003	Sept 2004	Oct 2004	
Assets/Liabilities.....	43,333.82	43,231.79	44,493.47	2.68
Loans Outstanding.....	5,703.40	5,949.29	6,199.35	8.70
Total Deposits.....	9,538.50	9,687.26	10,540.67	10.51
Loans.....	<u>5,703.40</u>	<u>5,949.29</u>	<u>6,199.35</u>	<u>8.70</u>
Agriculture.....	121.29	295.67	301.88	148.89
Manufacturing.....	287.13	285.05	280.77	-2.22
Construction & Land Development.....	733.02	1,074.46	1,100.94	50.19
Mining, Quarrying & Processing.....	32.19	21.94	21.68	-32.65
Tourism.....	501.59	390.17	426.16	-15.04
Transport, Storage & Communication.....	17.88	476.36	448.25	2,406.99
Consumer Oriented.....	2,915.71	2,480.96	2,709.31	-7.08
Government Services.....	921.88	692.03	684.36	-25.76
Other.....	172.71	232.65	226.00	30.86
	Oct 2003	Sept 2004	Oct 2004	
Liquid Assets Ratio (average) %.....	66.90	73.79	86.55	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mn.) (members & associate members)	Oct 2003	Sept 2004+	Oct 2004	
Assets/Liabilities.....	62,972.51	78,060.42	79,357.70	26.02
Loan Balances.....	23,398.93	27,399.08	28,096.66	20.08
Savings Funds.....	47,429.54	55,996.96	56,650.72	19.44
VIII. INFLATION	Oct 2003	Sept 2004	Oct 2004	
Consumer Price Index (Jan. 1988 = 100).....	1,756.7	1,909.2	1,972.2	12.27
Monthly Rate (%).....	1.6	0.6	3.3	
Calendar Year to Date (%) (point to point).....	12.2	6.8	10.4	
Fiscal Year to Date (%) (point to point).....	12.6	4.9	8.3	
IX. ACTUAL PRODUCTION ('000)	Oct 2003	Sept 2004	Oct 2004	
Bauxite (metric tonnes).....	341.94	265.39	64.57	-81.12
Alumina (metric tonnes).....	338.84	188.32	350.03	3.30
Sugar (metric tonnes).....	-	-	-	-
Banana (tonnes).....	3.57	1.44	-	-
X. STOCK MARKET ACTIVITIES	Nov 2003	Oct 2004	Nov 2004	
Index.....	67,586.72	104,000.86	107,329.40	58.80
Volume Traded (mn.).....	259.78	205.96	143.35	-44.82
Ordinary Shares.....	243.07	205.42	143.20	-41.09
Block Transactions.....	16.71	0.54	0.15	-99.10

	Nov 2003	Oct 2004	Nov 2004	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	1,523.30	1,994.39	2,468.03	62.02
Ordinary Shares.....	1,386.09	1,993.44	2,467.75	78.04
Block Transactions.....	137.21	0.95	0.28	-99.80
Advance/Decline Ratio.....	24/10	22/10	15/14	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Mar 2003	Jan-Mar 2004		Change
1. EXPORTS				
a) Major Traditional Exports.....	<u>214.89</u>	<u>282.41</u>		<u>67.52</u>
Bauxite.....	21.72	23.69		1.97
Alumina.....	162.56	211.54		48.98
Sugar.....	25.89	42.54		16.65
Bananas.....	4.72	4.64		-0.08
b) Other Traditional Exports.....	18.84	17.04		-1.80
c) Non-Traditional Exports.....	56.86	72.08		15.22
d) Re-exports.....	5.58	15.40		9.82
General Merchandise Exports.....	<u>296.17</u>	<u>386.93</u>		<u>90.76</u>
(e) Freezone Exports.....	26.03	22.44		-3.59
(f) Goods Procured in Ports.....	12.00	12.00		-
Total Goods Exports.....	<u>334.20</u>	<u>421.37</u>		<u>87.17</u>
2. IMPORTS				
(a) Consumer Goods.....	260.40	246.57		-13.83
(b) Raw Materials.....	559.06	470.49		-88.57
(c) Capital Goods.....	150.32	137.65		-12.67
General Merchandise Imports.....	<u>969.78</u>	<u>854.71</u>		<u>-115.07</u>
(d) Freezone Imports.....	13.01	10.34		-2.67
(e) Goods Procured in Ports.....	19.20	19.20		-
Total Goods Imports.....	<u>1,001.99</u>	<u>884.25</u>		<u>-117.74</u>
Trade Balance.....	<u>-667.79</u>	<u>-462.88</u>		<u>204.91</u>
Memo:				
Caricom Exports.....	12.47	14.11		1.64
Caricom Imports.....	123.03	106.92		-16.11
Caricom Trade Balance.....	<u>-110.56</u>	<u>-92.81</u>		<u>17.75</u>
XII. TOURISM	Jan-Oct 2003	Jan-Oct 2004		% Change
Tourist Arrivals ('000).....	<u>2,026.55</u>	<u>2,049.16</u>		<u>1.12</u>
Stop Overs.....	1,113.75	1,181.84		6.11
Foreign Nationals.....	1,046.32	1,113.73		6.44
Non-Resident Jamaicans.....	67.43	68.11		1.01
Cruise.....	912.46	867.32		-4.95
Armed Forces.....	0.35	-		-
Estimated Expenditure (US\$mn.).....	<u>1,093.50</u>	<u>1,134.80</u>		<u>3.78</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
<i>Balance of Payments (Calendar)</i>	Jan-Aug 2003	Jan-Aug 2004*		Change
1. Current Account.....	<u>-509.8</u>	<u>-219.3</u>		<u>290.5</u>
A. Goods balance.....	<u>-1,298.6</u>	<u>-1,064.7</u>		<u>233.9</u>
Exports (f.o.b.).....	924.4	1,110.8		186.4
Imports (f.o.b.).....	2,223.0	2,175.5		-47.5
B. Service Balance.....	<u>413.8</u>	<u>444.5</u>		<u>30.7</u>
Transportation.....	-91.4	-73.0		18.4
Travel.....	772.8	810.6		37.8
Other Services.....	-267.6	-293.1		-25.5

* Preliminary

Balance of Payments (Calendar) (Cont'd)

	Jan-Aug 2003	Jan-Aug 2004*	Change
C. Income.....	<u>-378.4</u>	<u>-462.2</u>	<u>-83.8</u>
Compensation of Employees.....	27.5	48.7	21.2
Investment Income.....	-405.9	-510.9	-105.0
D. Current Transfers.....	<u>753.4</u>	<u>863.1</u>	<u>109.7</u>
Official.....	71.0	72.7	1.7
Private.....	682.4	790.4	108.0
2. Capital and Financial Account.....	<u>509.8</u>	<u>219.3</u>	<u>-290.5</u>
A. Capital Account.....	<u>-1.1</u>	<u>1.4</u>	<u>2.5</u>
Capital Transfers.....	<u>-1.5</u>	<u>1.4</u>	<u>2.9</u>
Official.....	0.1	0.1	0.0
Private.....	-1.6	1.3	2.9
Acq./Disp. of non-produced non-fin. assets....	0.4	0.0	-0.4
B. Financial Account.....	<u>510.9</u>	<u>217.9</u>	<u>-293.0</u>
Other Official Investment.....	-333.5	340.4	673.9
Other Private Investment.....	327.5	262.4	-65.1
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>516.9</u>	<u>-384.9</u>	

	Apr-Aug 2003/2004	Apr-Aug* 2004/2005	
Balance of Payments (Fiscal)			
1. Current Account.....	<u>-265.7</u>	<u>-223.2</u>	<u>42.5</u>
A. Goods balance.....	<u>-766.0</u>	<u>-722.0</u>	<u>44.0</u>
Exports (f.o.b.).....	590.2	689.4	99.2
Imports (f.o.b.).....	1,356.2	1,411.4	55.2
B. Service Balance.....	<u>254.8</u>	<u>262.0</u>	<u>7.2</u>
Transportation.....	-61.6	-60.4	1.2
Travel.....	489.4	509.1	19.7
Other Services.....	-173.0	-186.6	-13.6
C. Income.....	<u>-224.6</u>	<u>-297.0</u>	<u>-72.4</u>
Compensation of Employees.....	23.8	40.8	17.0
Investment Income.....	-248.4	-337.8	-89.4
D. Current Transfers.....	<u>470.1</u>	<u>533.9</u>	<u>63.8</u>
Official.....	44.7	45.6	0.9
Private.....	425.4	488.3	62.9
2. Capital and Financial Account.....	<u>265.7</u>	<u>223.2</u>	<u>-42.5</u>
A. Capital Account.....	<u>-0.3</u>	<u>1.5</u>	<u>1.8</u>
Capital Transfers.....	-0.7	1.5	2.2
Official.....	0.0	0.0	0.0
Private.....	-0.7	1.5	2.2
Acq./Disp. of non-produced non-fin. assets	0.4	0.0	-0.4
B. Financial Account.....	<u>266.0</u>	<u>221.7</u>	<u>-44.3</u>
Other Official Investment.....	-82.0	82.6	164.6
Other Private Investment.....	88.4	120.2	31.8
<i>(incl. errors & omissions)</i>			
Reserves.....	259.6	18.8	
Government Reserves.....	0.0	0.0	

* Preliminary

XIV. BOJ NET INTERNATIONAL RESERVES	Nov 2003	Oct 2004+	Nov 2004	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,103.25</u>	<u>1,826.66</u>	<u>1,816.06</u>	<u>64.61</u>
Gross Foreign Assets.....	1,137.36	1,850.91	1,840.35	61.81
Gross Foreign Liabilities.....	34.11	24.25	24.29	-28.79
Estimated Gross Reserves in Weeks of Imports.....	<u>17.39</u>	<u>26.30</u>	<u>26.15</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>11.88</u>	<u>18.03</u>	<u>17.93</u>	
 XV. FOREIGN EXCHANGE				
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	639.00	574.71	670.91	4.99
Foreign Exchange Sales (spot).....	617.47	604.15	680.38	10.19
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()				
Oct 2003 Sept 2004 Oct 2004				
Commercial Banks Balances.....	<u>1,250.69</u>	<u>1,419.55</u>	<u>1,366.79</u>	<u>9.28</u>
"A" Accounts 1/.....	105.67	140.55	141.54	33.95
Other.....	1,145.02	1,279.00	1,225.25	7.01
F.I.As Balance.....	<u>142.95</u>	<u>135.09</u>	<u>148.69</u>	<u>4.02</u>
"A" Accounts 1/.....	33.47	67.54	64.70	93.31
Other.....	109.48	67.55	83.99	-23.28
Building Societies Balances.....	<u>207.02</u>	<u>253.29</u>	<u>257.95</u>	<u>24.60</u>
"A" Accounts 1/.....	143.17	174.52	178.92	24.97
Other	63.85	78.77	79.03	23.77
Total Foreign Currency Deposits (US\$mn.).....	<u>1,600.66</u>	<u>1,807.93</u>	<u>1,773.43</u>	<u>10.79</u>
Total Foreign Currency Loans (US\$mn.).....	<u>677.70</u>	<u>742.45</u>	<u>740.76</u>	<u>9.31</u>
Commercial Banks.....	601.72	669.91	665.93	10.67
F.I.As	64.27	63.66	65.99	2.68
Building Societies.....	11.71	8.88	8.84	-24.51
 Nov 2003 Oct 2004 Nov 2004				
London Interbank Offer Rate (LIBOR) Eurodollars (%)				
3 months.....	1.17	2.07	2.29	
6 months.....	1.24	2.22	2.47	
U.S. Prime Rate (end of period) (%).....	4.00	4.75	5.00	
 Selling Exchange Rates (end period)				
Nov 2003 Oct 2004 Nov 2004				
US\$1.00 = J\$.....	60.65	61.88	61.98	
Can. \$1.00 = J\$.....	46.10	50.48	51.75	
U.K. Pound = J\$.....	103.10	112.63	117.62	
Euro = J\$**.....	72.75	78.87	82.18	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.71	9.90	9.90	
Bdos. \$1 = J\$.....	30.32	30.94	30.99	
Guy. \$1 = J\$.....	0.31	0.31	0.31	
E.C. \$1 = J\$.....	22.46	22.92	22.95	

() Exclude deposits in "B" accounts

** Indicative Rates

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

+ Estimated Weeks of Imports Revised

INFLATION OCTOBER 2004

The All Jamaica Consumer Price Index (CPI) increased by 3.3 per cent in October 2004. This outturn brought inflation for the first seven months of fiscal year (FY) 2004/05 to 8.3 per cent, compared with the 12.6 per cent obtained over the same interval in FY2003/04. For the first ten months of the calendar year, the inflation rate was 10.4 per cent, relative to 12.2 per cent in the comparable period of 2003. The annual point-to-point inflation rate increased for the first time since March 2004 to 12.3 per cent, relative to 10.5 per cent recorded at the end of the previous month. However, the annual point-to-point inflation for the review period was 1.9 percentage points below the rate recorded at October 2003. In contrast, the annual average inflation rate at October 2004 was 13.6 per cent, which while lower than the previous month, was higher than the 9.2 per cent recorded at October 2003 (Table 1).

The major influences on October's inflation were increases in the prices of domestic agricultural products, other selected domestic items and some international commodities. The upward movement in the prices of domestic products was caused by supply shocks that stemmed principally from the impact of the recent hurricane. External shocks originated mainly from the movements in international crude oil prices. These impulses were largely reflected in the *Food & Drink*, *Fuels & Other Household Supplies* and the *Housing & Other Housing Expenses* sub-indices that increased by 4.8 per cent, 6.5 per cent and 1.9 per cent, respectively (Table 2). The respective contributions from these sub-groups to inflation were 73.9 per cent, 16.4 per cent and 4.4 per cent.

The increase in *Food & Drink* emanated mainly from the *Vegetables & Fruits* and the *Starchy Foods* sub-groups. There were respective increases of 20.2 per cent and 12.2 per cent in these sub-groups that were due primarily to seasonal reductions in agricultural supply, exacerbated by damage from Hurricane Ivan. The main items affected were yams, potatoes, dasheen, green bananas, tomato, cabbage, escallion, pumpkin and oranges.

For *Fuels & Other Household Supplies*, an upward adjustment in the price of a 25lb block of ice was the main factor behind the increase. The price of this commodity increased by 127.3 per cent in the KMA, with negligible impulses reflected in the Other Towns and Rural Areas. Additionally, there was an average increase of 11.1 per cent in the price of kerosene in the Other Towns and Rural Areas.

The *Housing & Other Housing Expenses* sub-index was primarily influenced by a 3.75 per cent increase in water rates across the regions. This reflected the lagged effects of increases in electricity rates. There was a countervailing decline of 0.3 per cent in the *Transportation* sub-index, primarily as the result of reductions in airfare and petroleum prices.

The increase in the sub-index for *Housing & Other Housing Expenses* was primarily influenced by a 5.1 per cent increase in electricity rates. This stemmed from an 11.8 per cent increase in the fuel rate, which reflected the lagged effects of upward movement in international oil prices. Since the beginning of the year, the benchmark West Texas Intermediate (WTI) crude oil price has risen by 65.2 per cent. There was no significant impact to the monthly electricity bill from the exchange rate, which has remained stable, depreciating by 0.1 per cent over the past three months.

There was relatively uniform inflation across the regions. The CPI in the Other Towns, Rural Areas, and KMA rose by 3.5 per cent, 3.4 per cent and 3.2 per cent, respectively. Despite this convergence, there were some disparities between changes in the sub-groups. In the *Household Supplies* sub-group, the KMA index increased significantly faster than the other regions (see Table 3) and was caused primarily by a significant increase in the price of block ice. Similarly, the increase in the *Fuels* index for the Other Towns was mainly attributable to higher price increases for kerosene. The *Rental* sub-group rose by 5.7 per cent in the Other Towns and Rural Areas, compared with 1.3 per cent in the KMA.

The trimmed mean index was estimated to have increased by 0.66 per cent in October, 0.32 of a percentage point above the previous month's measure (Table 4). Though core inflation increased significantly in the review month, when averaged over the past two months, underlying inflation is still consistent with the trajectory established over the last two quarters. In support of this, the 12-month point-to-point core inflation rate of 5.3 per cent at October 2004 was 0.2 of a percentage point below the comparable measure in the previous month and 2.5 percentage points below the measure one year ago. Similarly, core inflation for the fiscal year to date was 2.9 per cent, which compared favourably with the 5.5 per cent recorded for the same period in the previous fiscal year. The annual average core inflation rate of 7.0 per cent was less than what obtained in the previous month, but higher by 1.9 percentage points when compared with the rate recorded in October 2003.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 1.56 per cent in October. This estimate represents a significant increase, relative to the 0.27 per cent recorded for the previous month. Since May 2004, the changes in the CPI-A index have been increasing, a reversal in the declining trend which was observed between June 2003 and April 2004.

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
2000	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
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	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	
2004	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
	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	

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
October 2004

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	4.8	2.5983	73.9
Meals away from home	0.0741	0.8	0.0566	1.6
Meat, Poultry & Fish	0.1613	1.3	0.2087	5.9
Dairy Products Oils & Fats	0.0668	2.1	0.1389	4.0
Baked Products, Cereals & Breakfast Drink	0.0864	2.0	0.1741	5.0
Starchy Foods	0.0525	12.2	0.6403	18.2
Vegetables & Fruits	0.0650	20.2	1.3147	37.4
Other Food & Beverages	0.0502	1.3	0.0650	1.8
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	6.5	0.5772	16.4
Household Supplies	0.0482	9.8	0.4739	13.5
Fuels	0.0253	4.1	0.1033	2.9
HOUSING & OTHER HOUSING EXPENSES	0.0786	1.9	0.1544	4.4
Rental	0.0209	2.2	0.0460	1.3
Other Housing Expenses	0.0577	1.9	0.1085	3.1
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.6	0.0456	1.3
Furniture	0.0068	1.2	0.0082	0.2
Furnishings	0.0215	1.7	0.0374	1.1
HEALTHCARE & PERSONAL EXPENSES	0.0697	1.2	0.0862	2.5
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.5	0.0260	0.7
Clothing Materials	0.0055	0.1	0.0006	0.0
Readymade Clothing & Accessories	0.0242	0.5	0.0115	0.3
Footwear	0.0159	0.8	0.0129	0.4
Making & Repairs	0.0051	0.2	0.0010	0.0
TRANSPORTATION	0.0644	0.3	0.0168	0.5
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0093	0.3
ALL GROUPS	1.0000	3.30	3.51	100.0

Table 3
REGIONAL INFLATION
October 2004

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	4.5	5.3	4.9
Meals away from home	0.7	0.6	1.1
Meat Poultry & Fish	1.4	1.6	1.0
Dairy Products Oils & Fats	2.7	1.9	1.4
Baked Products Cereals & Breakfast Drink	0.7	2.7	3.0
Starchy Foods	11.4	15.4	11.5
Vegetables & Fruits	24.8	22.3	14.4
Other Food & Beverages	1.6	1.7	0.8
FUELS & OTHER HOUSEHOLD SUPPLIES	9.2	6.5	2.4
Household Supplies	19.3	2.4	0.7
Fuels	2.3	9.3	3.7
HOUSING & OTHER HOUSING EXPENSES	1.7	2.3	2.3
Rental	1.3	5.7	5.7
Other Housing Expenses	1.8	1.9	2.0
HOUSEHOLD FURNISHINGS & FURNITURE	2.1	0.8	1.6
Furniture	3.0	0.4	0.3
Furnishings	1.7	1.0	2.3
HEALTHCARE & PERSONAL EXPENSES	0.6	1.5	2.1
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.3	0.6	0.7
Clothing Materials	0.0	0.7	0.0
Readymade Clothing & Accessories	0.6	0.5	0.3
Footwear	0.2	0.5	1.7
Making & Repairs	0.0	1.1	0.0
TRANSPORTATION	0.3	0.3	0.0
MISCELLANEOUS EXPENSES	0.1	0.1	0.1
ALL GROUPS	3.2	3.5	3.4

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

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
August 2004**

August 2004

Preliminary estimates of the balance of payments for August 2004 indicate an expansion in the current account deficit to US\$100.2MN, from US\$40.4MN in August 2003. The deterioration in the current account reflected increases of US\$41.3MN and US\$8.0MN in the deficits on the merchandise trade and income accounts, respectively. In addition, there was a reduction of US\$11.8MN in the surplus on the services account. An increase of US\$1.3MN in the surplus on the current transfers account provided a marginal countervailing influence. Within the financial account, net official and private capital investment inflows were more than sufficient to finance the deficit on the current account. In this context, there was a build up of US\$48.8MN in the net international reserves of the Bank of Jamaica.

Merchandise Trade

The growth in the merchandise trade deficit reflected an expansion of US\$51.5MN in payments for imports (f.o.b.), which offset an increase of US\$10.2MN in receipts from exports, relative to August 2003. Higher spending on imports was mainly attributed to manufactured and miscellaneous manufactured commodities, chemicals and food. The expansion in the value of exports primarily reflected increased receipts of US\$7.7MN and US\$5.0MN from sugar and alumina, respectively. Alumina exports were associated with a 15.5 per cent growth in price, which was partly offset by a 6.5 per cent decline in export volume, while there was no export of sugar in August 2003.

Services

The lower surplus on the services account was attributed to respective increases of US\$8.0MN and US\$1.7MN in the deficits on the transportation and other services sub-accounts. In addition, there was a US\$2.1MN decline in net receipts on the travel sub-account, which emanated from an increase of US\$4.8MN in spending by Jamaicans while travelling overseas, which was partly offset a growth of US\$2.7MN in gross visitor expenditure.

Income

An increase of US\$10.1MN in net investment income outflows accounted for the widening of the deficit on the income account in August 2004, relative to August 2003. The higher net outflow was influenced by an increase in the imputed profit remittances of the direct investment companies.

Current Transfers

The marginal improvement in the current transfers account reflected an increase of US\$1.4MN in net private inflows for the review month. The expansion in net private sector inflows stemmed from a reduction of US\$3.4MN in gross private outflows, which was partially offset by a decline of US\$2.0MN in gross private inflows.

Capital & Financial Accounts

Surpluses of US\$0.1MN and US\$100.1MN were recorded in August 2004 on the capital and financial accounts, respectively. Within the financial account, net official and private investment inflows of US\$24.5MN and US\$124.4MN, respectively, were more than sufficient to finance the deficit on the current account. Consequently, there was a build up of US\$48.8MN in the net international reserves of the Bank of Jamaica.

April to August 2004

The current account of the balance of payments recorded a deficit of US\$223.2MN for the fiscal period April to August 2004, representing an improvement of US\$42.5MN, relative to the corresponding period of 2003. This improvement reflected a contraction of US\$44.0MN in the deficit on the goods account, as well as respective increases of US\$63.8MN and US\$7.2MN in net receipts from current transfers and services. An expansion of US\$72.4MN in the deficit on the income account partly countered these improvements. Within the financial account, net official and private investment inflows were more than sufficient to offset the deficit on the current account. Consequently, there was a build up of US\$74.8MN in the net international reserves of the Bank of Jamaica during the review period.

Merchandise Trade

An expansion of US\$99.2MN in the value of exports, partly countered by a US\$55.2MN increase in imports (f.o.b.), resulted in the improvement in the merchandise trade deficit for the review period. With the exception of free zone exports, which declined by US\$5.0MN, all the other export categories expanded. In particular, major traditional exports grew by US\$77.2MN, principally associated with higher exports of alumina and sugar, while non-traditional and re-exports recorded respective increases of US\$18.1MN and US\$4.8MN. Growth in exports of alumina was largely attributed to increases of 13.9 per cent and 6.9 percent increase in price and volume, respectively, while sugar exports largely benefited from an expansion of 41.2 per cent in volumes during the review period. The increase in expenditure on imports was attributed mainly to higher spending on food, manufactured and miscellaneous manufactured commodities.

Services

The increase in the surplus on the services account reflected an expansion of US\$19.7MN in net travel receipts, as well as a reduction of US\$1.1MN in net transportation payments. Partially offsetting the expansion in the surplus on the services account was an increase of US\$13.6MN in the deficit on the other services sub-account. Inflows from travel benefitted from growth of 6.2 per cent in total visitor arrivals, relative to the corresponding period in 2003, influenced by an increase of 10.0 per cent in foreign national stopover visitor arrivals.

Income

Higher imputed profit remittance by the direct investment companies was the main factor contributing to the increase of US\$89.4MN in net investment income outflows. This was partially countered by an improvement of US\$17.0MN in net receipts from compensation of Jamaicans working overseas.

Current Transfers

The improved surplus on the current transfers account was primarily influenced by an increase of US\$62.9MN in net private inflows. This increase stemmed from an expansion of US\$98.8MN in gross private inflows, which was partially offset by an increase of US\$35.9MN in private outflows. Respective increases of US\$36.6MN and US\$35.7MN in inflows through commercial banks and building societies were largely responsible for the growth in gross inflows.

Capital & Financial Accounts

Surpluses of US\$221.7MN and US\$1.5MN were recorded on the financial and capital accounts, respectively, for the review period. Within the financial account, net official and private investment inflows of US\$82.6MN and US\$213.8MN, respectively, were recorded. The balance for net official inflows reflected Government's successful debt raising activities on the international capital market, which, when taken with the surplus on the private investment account, was more than sufficient to finance the deficit on the current account. Consequently, there was a build-up of US\$74.8MN in the net international reserves of the Bank of Jamaica. At the end of August 2004, the level of gross reserves stood at US\$1 669.6MN, representing 26.9 weeks of imported goods and 18.1 weeks of imported goods and services.

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

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Aug ^{1/}	Aug ^{2/}		Apr - Aug ^{1/}	Apr - Aug ^{2/}	
	2003	2004	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	-40.4	-100.2	-59.8	-265.7	-223.2	42.5
A. GOODS and SERVICES	-75.9	-128.9	-53.0	-511.2	-460.0	51.2
a. GOODS BALANCE	-125.7	-167.0	-41.3	-766.0	-722.0	44.0
Exports (f.o.b.)	120.9	131.1	10.2	590.2	689.4	99.2
Imports (f.o.b.)	246.6	298.1	51.5	1356.2	1411.4	55.2
b. SERVICES BALANCE	49.8	38.0	-11.8	254.8	262.0	7.2
Transportation	-9.3	-17.3	-8.0	-61.6	-60.4	1.2
Travel	94.5	92.4	-2.1	489.4	509.1	19.7
Other Services	-35.4	-37.1	-1.7	-173.0	-186.6	-13.6
B. INCOME	-62.7	-70.7	-8.0	-224.6	-297.0	-72.4
Compensation of employees	9.3	11.4	2.1	23.8	40.8	17.0
Investment Income	-72.0	-82.1	-10.1	-248.4	-337.8	-89.4
C. CURRENT TRANSFERS	98.2	99.5	1.3	470.1	533.9	63.8
Official	9.0	8.9	-0.1	44.7	45.6	0.9
Private	89.2	90.6	1.4	425.4	488.3	62.9
2. CAPITAL & FINANCIAL ACCOUNT	40.4	100.2	59.8	265.7	223.2	-42.5
A. CAPITAL ACCOUNT	-0.2	0.1	0.3	-0.3	1.5	1.8
a. Capital Transfers	-0.2	0.1	0.3	-0.7	1.5	2.2
Official	0.0	0.0	0.0	0.0	0.0	0.0
Private	-0.2	0.1	0.3	-0.7	1.5	2.2
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	40.6	100.1	59.5	266.0	221.7	-44.3
Other official investment	-11.5	24.5	36.0	-82.0	82.6	-164.6
Other private investment ^{3/}	7.3	124.4	117.1	88.4	213.8	125.4
Change in Reserves (minus = increase)	44.8	-48.8		259.6	-74.8	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA