



ECONOMIC STATISTICS

VOLUME 16 - NO. 12

DECEMBER 2006



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ISSN 1018-9084

SELECTED ECONOMIC INDICATORS

Figure 1

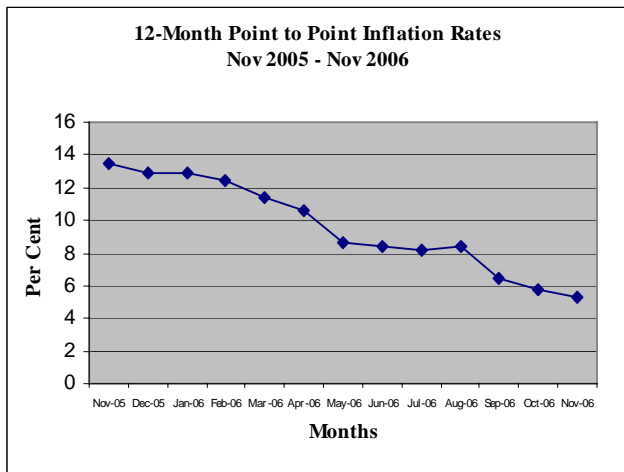


Figure 2

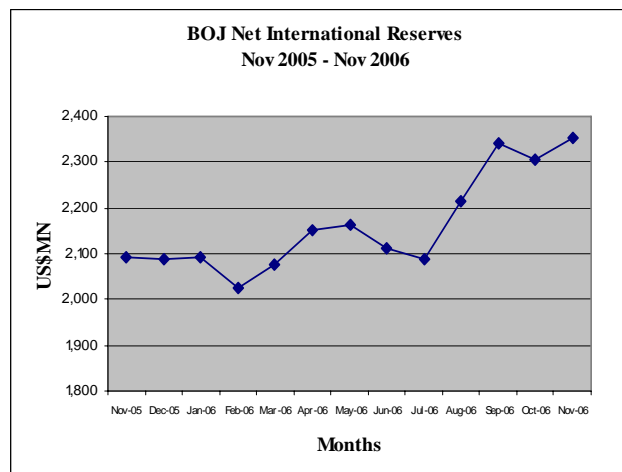


Figure 3

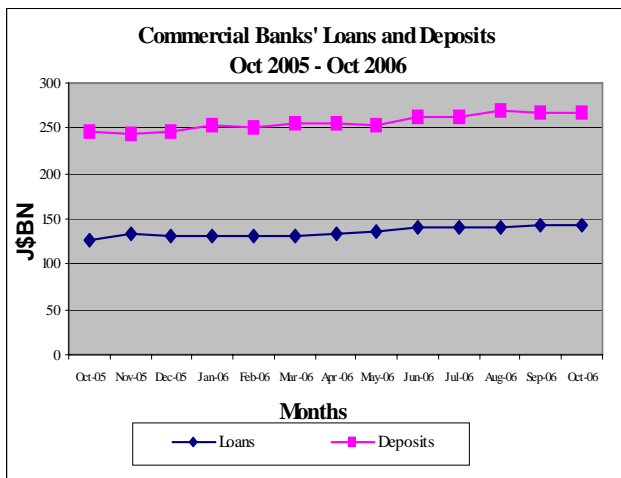


Figure 4

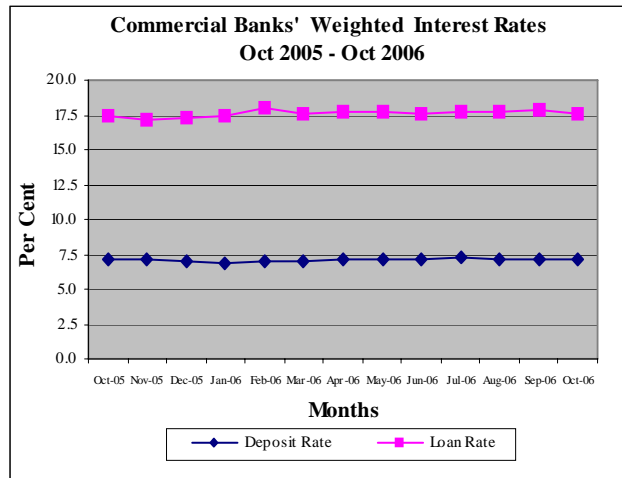


Figure 5

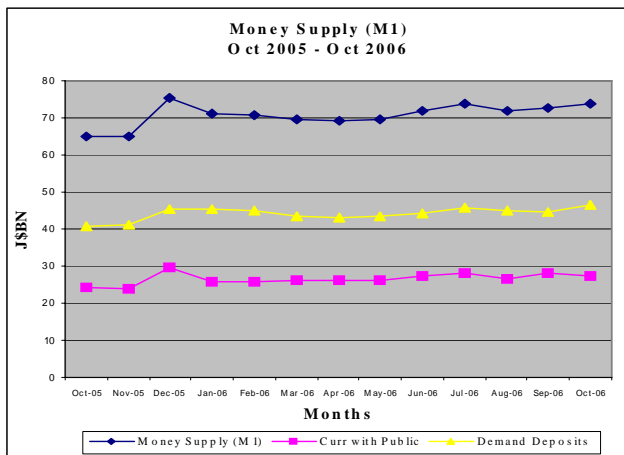
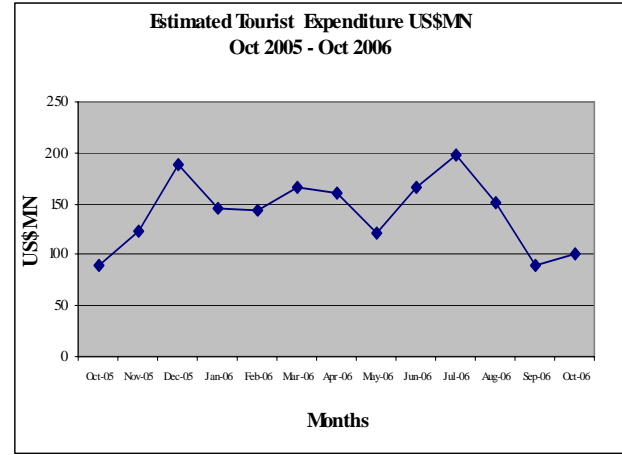


Figure 6



				%
1. MONETARY AGGREGATES (J\$mn.)				
Local and Foreign Currency	Oct 2005	Sept 2006	Oct 2006	Change p.a.
Money Supply (M1).....	<u>64,844.47</u>	<u>72,708.54</u>	<u>73,927.74</u>	<u>14.01</u>
(a) Currency with the Public.....	24,047.59	28,104.39	27,403.97	13.96
(b) Demand Deposits (adj.)***.....	40,796.88	44,604.15	46,523.77	14.04
Quasi-Money.....	<u>158,219.47</u>	<u>161,097.92</u>	<u>162,491.96</u>	<u>2.70</u>
(a) Time.....	43,390.94	39,432.37	37,979.49	-12.47
(b) Savings.....	114,828.53	121,665.55	124,512.47	8.43
Money Supply (M2).....	<u>223,063.94</u>	<u>233,806.46</u>	<u>236,419.70</u>	<u>5.99</u>
Domestic Credit (net).....	<u>240,403.53</u>	<u>225,641.71</u>	<u>226,394.67</u>	<u>-5.83</u>
Local Currency	Oct 2005	Sept 2006	Oct 2006	
Money Supply (M1).....	<u>54,457.33</u>	<u>64,144.13</u>	<u>64,532.44</u>	<u>18.50</u>
(a) Currency with the Public.....	24,047.59	28,104.39	27,403.96	13.96
(b) Demand Deposits (adj.)***.....	30,409.74	36,039.74	37,128.48	22.09
Quasi-Money.....	<u>95,299.23</u>	<u>97,797.63</u>	<u>99,102.17</u>	<u>3.99</u>
(a) Time.....	22,822.75	21,581.05	21,942.39	-3.86
(b) Savings.....	72,476.48	76,216.58	77,159.78	6.46
Money Supply (M2).....	<u>149,756.56</u>	<u>161,941.76</u>	<u>163,634.61</u>	<u>9.27</u>
Domestic Credit (net).....	<u>199,617.27</u>	<u>184,080.03</u>	<u>183,551.57</u>	<u>-8.05</u>
Base Money.....	Nov 2005	Oct 2006	Nov 2006	
	<u>41,552.19</u>	<u>47,070.44</u>	<u>48,325.96</u>	<u>16.30</u>
II. COMMERCIAL BANKS (J\$mn.)	Oct 2005	Sept 2006+	Oct 2006	
Assets & Liabilities (J\$mn.)**.....	<u>364,724.33</u>	<u>411,508.08</u>	<u>418,457.43</u>	<u>14.73</u>
Loans**.....	<u>126,566.40</u>	<u>143,400.22</u>	<u>142,900.31</u>	<u>12.91</u>
Agriculture.....	1,698.38	1,803.79	1,798.50	5.90
Manufacturing.....	4,897.02	7,221.50	7,275.13	48.56
Construction & Land Development.....	5,393.06	7,105.08	7,343.66	36.17
Mining.....	291.41	628.08	632.25	116.96
Tourism.....	21,175.00	22,099.00	22,542.90	6.46
Transport, Storage & Communication.....	5,303.79	3,542.94	3,586.78	-32.37
Consumer-Oriented.....	55,256.02	70,194.13	70,820.28	28.17
Government Services.....	30,792.17	29,030.83	27,165.85	-11.78
Other.....	1,759.55	1,774.87	1,734.96	-1.40
DEPOSITS.....	Oct 2005	Sept 2006+	Oct 2006	
Private Sector (including overseas residents).....	<u>245,713.42</u>	<u>268,345.90</u>	<u>266,676.50</u>	<u>8.53</u>
Time.....	<u>217,522.87</u>	<u>225,711.57</u>	<u>229,096.46</u>	<u>5.32</u>
Savings.....	53,803.21	51,515.88	50,070.14	-6.94
Demand.....	122,712.62	129,467.91	132,387.85	7.88
Government.....	41,007.04	44,727.78	46,638.47	13.73
Public Entities.....				
Time.....	<u>12,259.14</u>	<u>18,590.62</u>	<u>15,960.75</u>	<u>30.19</u>
Savings.....	864.44	1,041.16	911.95	5.50
Demand.....	1,521.91	1,751.57	1,954.77	28.44
Public Entities.....	9,872.79	15,797.89	13,094.03	32.63
Time.....				
Savings.....	<u>10,414.42</u>	<u>12,635.96</u>	<u>10,154.71</u>	<u>-2.49</u>
Demand.....	4,346.62	8,227.81	6,017.09	38.43
Savings.....	3,665.04	2,621.37	2,262.50	-38.27
Demand.....	2,402.76	1,786.78	1,875.12	-21.96

+ Revised

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

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

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Oct 2005	Sept 2006	Oct 2006	Change p.a.
Spec. & O. F. Insts.....	<u>5,516.99</u>	<u>11,407.75</u>	<u>11,464.58</u>	<u>107.80</u>
Time.....	759.47	1,392.20	1,350.87	77.87
Savings.....	606.84	1,380.78	1,006.40	65.84
Demand.....	4,150.68	8,634.77	9,107.31	119.42
	Nov 2005	Oct 2006	Nov 2006	
Current Account Balances with BOJ (J\$mn).....	<u>298.50</u>	<u>182.33</u>	<u>405.08</u>	
LIQUIDITY (Average) %	Oct 2005	Sept 2006	Oct 2006	
Actual Liquid Assets Ratio.....	<u>40.85</u>	<u>43.92</u>	<u>44.18</u>	
Cash.....	2.81	2.69	2.73	
Deposits with B.O.J.....	9.22	9.24	9.26	
Treasury Bills.....	0.67	1.01	0.93	
Local Registered Stocks.....	2.46	1.73	1.63	
Other.....	25.69	29.25	29.63	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Nov 2005	Oct 2006	Nov 2006	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	2.50-14.10	2.50-14.10	2.50-14.10	
9-12 months.....	3.00-14.30	3.00-14.30	3.00-14.30	
Call Deposits.....	1.00-22.00	4.00-15.00	4.00-15.00	
Average Savings Deposits	5.48	5.36	5.36	
Average Loan Rate.....	22.00	21.80	21.80	
Average Inter-bank Rate	12.50	10.17	8.29	
	Oct 2005	Sept 2006	Oct 2006	
Weighted Fixed Deposits Rate.....	7.03	6.88	6.97	
Weighted Loan Rate.....	17.46	17.83	17.64	
G.O.J. Treasury Bills (Weighted Average) Yield	Dec 2005	Nov 2006	Dec 2006	
2 Months:.....	-	-	-	
3 Months:.....	13.34	12.09	12.26	
6 Months:.....	13.55	12.28	12.31	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Dec 2005	Nov 2006	Dec 2006	
BOJ Open Market Rates (%) *				
30-Day	12.60	11.95	11.65	
60-Day	12.70	12.00	11.70	
90-Day	12.75	12.10	11.80	
120-Day	12.85	12.15	11.85	
180-Day	13.00	12.30	12.00	
270-Day	13.25	-	-	
365-Day	13.60	-	-	
COMMERCIAL BANKS (Foreign Currency)	Nov 2005	Oct 2006	Nov 2006	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	0.25-5.00	0.25-5.00	0.25-5.00	
3-6 months.....	0.25-5.50	0.25-5.50	0.25-5.50	
6-12 months.....	0.25-6.00	0.25-6.00	0.25-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	0.50-5.75	0.50-5.75	0.50-5.75	
3-6 months.....	0.50-6.25	0.50-6.25	0.50-6.25	
6-12 months.....	0.50-6.75	0.50-6.75	0.50-6.75	
Average Loan Rates	11.95	11.95	11.95	
Average Savings	2.60	2.45	2.45	

+ Revised

* As at Tuesday 18 April 2006, no placements will be accepted for the 270- and 365- day tenors until further advised.

				%
IV. SECURITIES (J\$mnn.) (outstanding balances)	Oct 2005	Sept 2006	Oct 2006	Change p.a.
GOJ Local Registered Stock.....	225,580.90	233,276.80	231,237.88	2.51
	Dec 2005	Nov 2006	Dec 2006	
BOJ Open Market Operations 1/.....	149,806.52	151,709.15	154,757.01	3.30
GOJ Treasury Bills.....	3,500.00	4,200.00	4,700.00	34.29
V. INSTALMENT CREDIT (J\$mnn.) (Banks & Near-Banks)	Oct 2005	Sept 2006	Oct 2006	
Total Credit Outstanding.....	13,526.15	19,034.16	19,476.51	43.99
New Business.....	695.84	1,466.31	1,251.59	79.87
VI. NEAR-BANKS (J\$mnn.) (Merchant Banks, Trust Com. & Finance Houses)	Oct 2005	Sept 2006	Oct 2006	
Assets/Liabilities.....	41,585.64	45,916.72	45,343.41	9.04
Loans Outstanding.....	7,451.90	10,092.55	10,454.07	40.29
Total Deposits.....	11,577.62	13,094.06	13,739.89	18.68
Loans.....	<u>7,451.90</u>	<u>10,092.55</u>	<u>10,454.07</u>	<u>40.29</u>
Agriculture.....	465.82	946.66	977.17	109.77
Manufacturing.....	466.74	391.00	382.05	-18.15
Construction & Land Development.....	1,266.61	1,419.86	1,470.14	16.07
Mining, Quarrying & Processing.....	30.30	14.24	20.66	-31.82
Tourism.....	488.74	823.24	1,020.96	108.90
Transport, Storage & Communication.....	316.64	580.10	538.77	70.15
Consumer Oriented.....	3,801.01	5,458.20	5,585.02	46.94
Government Services.....	360.84	349.44	346.03	-4.10
Other.....	255.20	109.81	113.27	-55.62
	Oct 2005	Sept 2006	Oct 2006	
Liquid Assets Ratio (average) %.....	43.10	37.16	46.20	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mnn.) (members & associate members)	Oct 2005	Sept 2006	Oct 2006	
Assets/Liabilities.....	87,987.92	101,128.26	102,553.03	16.55
Loan Balances.....	35,087.09	42,046.98	42,662.23	21.59
Savings Funds.....	62,904.92	70,275.56	70,971.85	12.82
VIII. INFLATION	Nov 2005	Oct 2006	Nov 2006	
Consumer Price Index (Jan. 1988 = 100).....	2,292.3	2,417.9	2,413.5	5.29
Monthly Rate (%).....	0.3	-0.1	-0.2	
Calendar Year to Date (%).....	12.8	5.4	5.2	
Fiscal Year to Date (%).....	11.2	5.3	5.1	
IX. ACTUAL PRODUCTION ('000)	Nov 2005	Oct 2006	Nov 2006	
Bauxite (tonnes).....	342.65	348.37	370.82	8.22
Alumina (tonnes).....	302.23	357.93	329.96	9.18
Sugar (tonnes).....	-	-	-	-
Banana Exports (tonnes).....	0.86	3.36	2.67	210.47
X. STOCK MARKET ACTIVITIES	Dec 2005	Nov 2006	Dec 2006	
Index.....	104,510.38	94,617.93	100,677.99	-3.67
Volume Traded (mn.).....	159.98	135.74	2,618.03	1,536.47
Ordinary Shares.....	159.03	135.19	174.04	9.44
Block Transactions.....	0.95	0.55	2,443.99	257,162.11

+ Revised

1/ As at May 2005 the Bank of Jamaica no longer issues Reverse Repurchases

- No Production

.. Not Available

	Dec 2005	Nov 2006	Dec 2006	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	2,638.18	1,559.25	16,059.60	508.74
Ordinary Shares.....	2,635.78	1,558.74	2,048.79	-22.27
Block Transactions.....	2.40	0.51	14,010.81	583,683.75
Advance/Decline Ratio.....	31/5	32/2	34/5	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Aug 2005	Jan-Aug 2006*		Change
1. EXPORTS				
(a) Major Traditional Exports.....	<u>757.42</u>	<u>858.58</u>		<u>101.16</u>
Bauxite.....	64.55	75.77		11.22
Alumina.....	612.84	684.50		71.66
Sugar.....	76.81	89.69		12.88
Bananas.....	3.22	8.62		5.40
(b) Other Traditional Exports.....	44.43	58.35		13.92
(c) Non-Traditional Exports.....	190.51	399.39		208.88
(d) Re-exports.....	18.53	22.32		3.79
General Merchandise Exports.....	<u>1,010.89</u>	<u>1,338.64</u>		<u>327.75</u>
(e) Freezone Exports.....	41.79	38.00		-3.79
(f) Goods Procured in Ports.....	50.65	53.12		2.47
Total Goods Exports.....	<u>1,103.33</u>	<u>1,429.76</u>		<u>326.43</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	384.06	404.26		20.20
(b) Beverage & Tobacco.....	36.91	44.49		7.58
(c) Crude Material.....	56.35	54.22		-2.13
(d) Mineral Fuel	930.19	1,241.54		311.35
(e) Animal & Vegetable Oil.....	17.31	16.75		-0.56
(f) Chemicals.....	355.49	458.83		103.34
(g) Manufactured Goods.....	438.53	437.69		-0.84
(h) Machinery & Transportation.....	566.47	729.10		162.63
(i) Miscellaneous Manufactured Goods.....	305.17	329.86		24.69
(j) Miscellaneous Commodities.....	43.15	48.10		4.95
General Merchandise Imports	<u>3,133.63</u>	<u>3,764.84</u>		<u>631.21</u>
Freezone Imports.....	10.83	13.26		2.43
Goods Procured in Ports.....	74.16	77.88		3.72
Total Goods Imports.....	<u>3,218.62</u>	<u>3,855.98</u>		<u>637.36</u>
Trade Balance.....	<u>-2,115.29</u>	<u>-2,426.22</u>		<u>-310.93</u>
XII. TOURISM	Jan-Oct 2005	Jan-Oct 2006		% Change
Tourist Arrivals ('000).....	<u>2,086.40</u>	<u>2,437.99</u>		<u>16.85</u>
Stop Overs.....	1,191.66	1,388.56		16.52
Foreign Nationals.....	1,123.60	1,310.22		16.61
Non-Resident Jamaicans.....	68.06	78.34		15.10
Cruise.....	894.74	1,049.43		17.29
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	<u>1,233.9</u>	<u>1,469.2</u>		<u>19.07</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Aug 2005	Jan-Aug 2006*		Change
1. Current Account.....	<u>-685.6</u>	<u>-620.3</u>		<u>65.3</u>
A. Goods balance.....	<u>-1,708.2</u>	<u>-1,951.3</u>		<u>-243.1</u>
Exports (f.o.b.).....	1,103.3	1,429.8		326.5
Imports (f.o.b.).....	2,811.5	3,381.1		569.6
B. Service Balance.....	<u>455.1</u>	<u>588.4</u>		<u>133.3</u>
Transportation.....	-170.9	-198.4		-27.5
Travel.....	913.7	1,115.1		201.4
Other Services.....	-287.7	-328.3		-40.6

* Provisional

<i>Balance of Payments (Calendar) (Cont'd)</i>		Jan-Aug 2005	Jan-Aug 2006*	Change
C. Income		<u>-471.4</u>	<u>-386.5</u>	<u>84.9</u>
Compensation of Employees.....		42.0	41.4	-0.6
Investment Income.....		-513.4	-427.9	85.5
D. Current Transfers		<u>1,038.9</u>	<u>1,129.1</u>	<u>90.2</u>
Official.....		96.5	88.9	-7.6
Private.....		942.4	1,040.2	97.8
2. Capital and Financial Account		<u>685.6</u>	<u>620.3</u>	<u>-65.3</u>
A. Capital Account		<u>-2.4</u>	<u>1.1</u>	<u>3.5</u>
Capital Transfers.....		<u>-2.4</u>	<u>1.1</u>	<u>3.5</u>
Official.....		0.3	3.6	3.3
Private.....		-2.7	-2.5	0.2
Acq./Disp. of non-produced non-fin. assets....		0.0	0.0	0.0
B. Financial Account		<u>688.0</u>	<u>619.2</u>	<u>-68.8</u>
Other Official Investment.....		173.0	218.1	45.1
Other Private Investment.....		774.0	529.5	-244.5
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-259.0</u>	<u>-128.4</u>	
		Apr-Aug	Apr-Aug*	
<i>Balance of Payments (Fiscal)</i>		2005/2006	2006/2007	
1. Current Account		<u>-516.9</u>	<u>-366.1</u>	<u>150.8</u>
A. Goods balance		<u>-1,107.0</u>	<u>-1,216.7</u>	<u>-109.7</u>
Exports (f.o.b.).....		722.1	904.3	182.2
Imports (f.o.b.).....		1,829.1	2,121.0	291.9
B. Service Balance		<u>254.3</u>	<u>345.1</u>	<u>90.8</u>
Transportation.....		-124.8	-136.2	-11.4
Travel.....		561.5	686.9	125.4
Other Services.....		-182.4	-205.6	-23.2
C. Income		<u>-307.3</u>	<u>-216.7</u>	<u>90.6</u>
Compensation of Employees.....		33.5	32.3	-1.2
Investment Income.....		-340.8	-249.0	91.8
D. Current Transfers		<u>643.1</u>	<u>722.2</u>	<u>79.1</u>
Official.....		54.1	53.1	-1.0
Private.....		589.0	669.1	80.1
2. Capital and Financial Account		<u>516.9</u>	<u>366.1</u>	<u>-150.8</u>
A. Capital Account		<u>-1.5</u>	<u>2.9</u>	<u>4.4</u>
Capital Transfers.....		<u>-1.5</u>	<u>2.9</u>	<u>4.4</u>
Official.....		0.2	3.6	3.4
Private.....		-1.7	-0.7	1.0
Acq./Disp. of non-produced non-fin. assets		0.0	0.0	0.0
B. Financial Account		<u>518.4</u>	<u>363.2</u>	<u>-155.2</u>
Other Official Investment.....		159.6	235.1	75.5
Other Private Investment.....		574.7	265.7	-309.0
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-215.9</u>	<u>-137.6</u>	

* Provisional

	Nov 2005	Oct 2006	Nov 2006	% Change p.a.
XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>2,093.76</u>	<u>2,306.40</u>	<u>2,352.99</u>	<u>12.38</u>
Gross Foreign Assets.....	2,188.78	2,420.62	2,461.79	12.47
Gross Foreign Liabilities.....	95.02	114.22	108.80	14.50
Estimated Gross Reserves in Weeks of Imports.....	<u>27.26</u>	<u>24.94</u>	<u>25.36</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>19.15</u>	<u>18.05</u>	<u>18.35</u>	
XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.) *	Nov 2005	Oct 2006	Nov 2006	
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	957.36	1,081.21	974.26	1.77
Foreign Exchange Sales (spot).....	952.78	1,048.43	978.25	2.67
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	Oct 2005	Sept 2006	Oct 2006	
Commercial Banks Balances.....	<u>1,558.12</u>	<u>1,563.08</u>	<u>1,534.13</u>	<u>-1.54</u>
"A" Accounts 1/.....	175.12	139.80	140.03	-20.04
"B" Accounts	0.00	0.00	0.00	-
Other.....	1,383.00	1,423.28	1,394.10	0.80
F.I.As Balance.....	<u>154.06</u>	<u>163.82</u>	<u>172.24</u>	<u>11.80</u>
"A" Accounts 1/.....	107.22	100.09	105.35	-1.74
"B" Accounts	0.05	0.08	0.19	280.00
Other.....	46.79	63.65	66.70	42.55
Building Societies Balances.....	<u>349.46</u>	<u>392.59</u>	<u>397.70</u>	<u>13.80</u>
"A" Accounts 1/.....	205.06	239.76	244.36	19.17
"B" Accounts	65.36	67.25	66.37	1.55
Other	79.04	85.58	86.97	10.03
Total Foreign Currency Deposits (US\$mn.).....	<u>2,061.64</u>	<u>2,119.49</u>	<u>2,104.07</u>	<u>2.06</u>
Total Foreign Currency Loans (US\$mn.).....	<u>885.51</u>	<u>992.92</u>	<u>983.41</u>	<u>11.06</u>
Commercial Banks.....	799.49	885.86	871.88	9.05
F.I.As	76.29	93.05	97.30	27.54
Building Societies.....	9.73	14.01	14.23	46.25

* Foreign Currency balances represent the US dollar equivalent of the value of total transactions in major international currencies.
1/ 'A' Accounts are tax free Foreign Currency Accounts Held by non-residents

	Dec 2005	Nov 2006	Dec 2006
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	2.49	3.64	3.73
6 months.....	2.64	3.74	3.86
U.S. Prime Rate (end of period) (%).....	7.25	8.25	8.25
Selling Exchange Rates (end period)	Dec 2005	Nov 2006	Dec 2006
US\$1.00 = J\$.....	64.58	66.92	67.15
Can. \$1.00 = J\$.....	54.95	59.03	57.53
U.K. Pound = J\$.....	110.40	130.10	131.53
Euro = J\$**.....	76.48	87.91	88.33
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	10.27	10.66	10.94
Bdos. \$1 = J\$.....	32.29	33.44	33.56
Guy. \$1 = J\$.....	0.33	0.34	0.34
E.C. \$1 = J\$.....	23.92	24.77	24.86

*** Indicative Rates*

INFLATION OCTOBER 2006

The All Jamaica Consumer Price Index (CPI) decreased by 0.1 per cent in October 2006, relative to a 0.8 per cent increase in the previous month. The decline in October was the second time since 1963 that there was deflation in that month and was also a significant departure from the seasonal average of 1.8 per cent for October.

The out-turn for October brought the rate of inflation for the fiscal year to date to 5.3 per cent, compared to inflation of 10.9 per cent for the similar period of F/Y 2005/06. The point-to-point inflation rate at October 2006 was 5.8 per cent, relative to 15.9 per cent recorded for the comparable period in the previous year. Similarly, the mean annual inflation rate of 9.9 per cent was 5.6 percentage points lower than the rate that obtained in October 2005 (See Table 1).

The major influences on the deflation in October were supply induced declines in the prices of tubers and other starchy foods and the lower cost of utilities and petrol. The impact of these declines was reflected in *Food & Drink*, *Housing & Other Housing Expenses* and *Transportation*, respectively. All other groups experienced increases. However, save only for *Fuels & Other Household Supplies*, none of these increases exceeded 0.2 per cent. (Table 2).

With no movement in the Rental sub-group, the decrease in the sub-index for *Housing & Other Housing Expenses* was influenced by a decline in *Other Housing Expenses*. This reduction emanated from a 3.9 per cent fall in electricity rates. This was the sharpest monthly decline in electricity rates since a 6.4 per cent reduction was recorded in December 2005. The decline in October resulted from a 6.9 per cent reduction in fuel charges by the Jamaica Public Service Company and was related to the sharp fall in prices in the international crude oil market. The West Texas Intermediate (WTI) benchmark, decreased by 8.2 per cent in October, following a decline of 12.2 per cent in September. The decline of 0.8 per cent in *Transportation* was also a consequence of the developments in international oil prices as local fuel prices fell an average by 7.8 per cent across the regions.

With regard to *Food & Drink*, the stability of this category masked sharp opposing adjustments in the agricultural sub-groups. *Starchy Foods* declined by 3.5 per cent but its impact was offset mainly by a 2.1 per cent increase in *Vegetables & Fruits* as well as increases in *Meat, Poultry & Fish* and *Dairy Products, Oils & Fats*. The price reductions in *Starchy Foods* were related to increased supplies of yams which were associated with October being the peak reaping season as well as the favourable weather that has prevailed for most of the year. In particular, the 2006 hurricane season was especially mild with only one bout of adverse weather affecting the country.

The increase in the *Fuels & Other Household Supplies* sub-index was due mainly to an increase of 0.9 per cent in *Fuels*. This expansion was a result of lagged adjustments, given the recent declines in the price of international crude oil.

The CPI in the KMA and Other Towns increased by 0.3 per cent and 0.2 per cent, respectively while that in the Rural Areas fell by 0.8 per cent. This outturn was mainly influenced by movements in the largest group, *Food & Drink* and, to a smaller extent, in *Fuels & Other Household Supplies*. The increases in the *Food & Drink* index in the KMA and Other Towns were 0.8 per cent and 0.6 per cent, respectively, relative to a decline of 1.1 per cent in the Rural Areas. This disparity primarily reflected stronger downward impulses from *Starchy Foods*, which fell by 5.5 per cent in the Rural Areas while the reductions in the other areas were less than 1.0 per cent each. Also, the *Vegetables & Fruits* sub-index in Rural Areas reflected the only decline across the regions. *Fuels & Other Household Supplies* in the KMA and Other Towns increased by 1.1 per cent and 0.6 per cent, respectively, compared to 0.1 per cent in the Rural Areas (see **Table 3**). The sharper movements in the KMA and Other Towns primarily reflected movements in kerosene and cooking gas prices which were not observed in the Rural Areas.

The trimmed mean index was estimated to have increased by 0.12 per cent in October, 0.40 percentage point below the change in the previous month (Table 4). The outturn for October 2006 brought annual core inflation to 3.5 per cent, the lowest level in nearly four years. This compared well with the 5.8 per cent recorded for the comparable period in the previous year. The annual average core inflation rate of 4.5 per cent for the month was 1.0 percentage point below what obtained in the similar period of 2005, and 0.2 percentage point lower than the previous month's rate.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.12 per cent in October, compared to 0.68 per cent in the previous month. For the fiscal year to date, CPI-A was 4.1 per cent, relative to 8.3 per cent for the corresponding period last FY. This primarily reflected lower fuel price charges resulting from weaker international crude oil prices, as well as lower impulses from exchange rate changes as the foreign exchange market exhibited greater stability during the reporting fiscal period.

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
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
2005							
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
Mar	2,061.6	2,045.4	0.97	1.45	1.86	13.22	12.81
Apr	2,100.4	2,067.9	1.88	3.32	1.95	14.89	12.79
May	2,147.1	2,103.0	2.23	5.17	3.32	16.70	13.04
Jun	2,178.9	2,142.2	1.48	5.69	4.73	17.48	13.49
Jul	2,213.3	2,179.8	1.58	5.38	5.41	18.18	14.04
Aug	2,214.7	2,202.4	0.06	3.15	4.72	16.73	14.48
Sept	2,272.4	2,233.5	2.61	4.29	4.26	19.03	15.19
Oct	2,285.7	2,257.7	0.59	3.27	3.57	15.90	15.48
Nov	2,292.3	2,283.5	0.29	3.50	3.69	13.48	15.43
Dec	2,293.8	2,290.7	0.07	0.94	2.56	12.88	15.33
2006							
Jan	2,295.7	2,294.0	0.08	0.44	1.61	12.94	15.32
Feb	2,295.3	2,295.0	-0.02	0.13	0.50	12.42	15.27
Mar	2,297.1	2,296.1	0.08	0.14	0.24	11.43	15.09
Apr	2,323.3	2,305.2	1.14	1.20	0.49	10.62	14.70
May	2,332.6	2,317.6	0.40	1.63	0.99	8.64	14.00
Jun	2,362.3	2,339.4	1.27	2.84	1.89	8.42	13.24
Jul	2,394.5	2,363.1	1.36	3.06	2.51	8.19	12.41
Aug	2,401.9	2,386.2	0.31	2.97	2.96	8.45	11.73
Sept	2,419.8	2,405.4	0.75	2.43	2.82	6.49	10.71
Oct	2,417.9	2,413.2	-0.08	0.98	2.12	5.78	9.87

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
October 2006

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.0	0.1472	217.6
Meals away from home	0.0741	0.4	0.0311	46.0
Meat, Poultry & Fish	0.1613	0.6	0.0890	131.6
Dairy Products Oils & Fats	0.0668	0.7	0.0460	68.0
Baked Products, Cereals & Breakfast Drink	0.0864	0.2	0.0146	21.7
Starchy Foods	0.0525	-3.5	-0.1831	-270.7
Vegetables & Fruits	0.0650	2.1	0.1333	197.1
Other Food & Beverages	0.0502	0.3	0.0162	23.9
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.6	0.0314	46.5
Household Supplies	0.0482	0.2	0.0091	13.4
Fuels	0.0253	0.9	0.0223	33.0
HOUSING & OTHER HOUSING EXPENSES	0.0786	-1.2	-0.0869	-128.4
Rental	0.0209	0.0	0.0000	0.0
Other Housing Expenses	0.0577	-1.5	-0.0869	-128.4
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.0	0.0003	-0.5
Furniture	0.0068	-0.1	-0.0008	-1.2
Furnishings	0.0215	0.0	0.0005	0.7
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.1	0.0067	9.9
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.2	0.0128	18.9
Clothing Materials	0.0055	0.1	0.0008	1.1
Readymade Clothing & Accessories	0.0242	0.3	0.0068	10.0
Footwear	0.0159	0.3	0.0044	6.5
Making & Repairs	0.0051	0.2	0.0009	1.3
TRANSPORTATION	0.0644	-0.8	-0.0536	-79.2
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0103	15.2
ALL GROUPS	1.0000	-0.08	0.07	100.0

Table 3
REGIONAL INFLATION
October 2006

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.8	0.6	-1.1
Meals away from home	0.7	0.2	0.2
Meat Poultry & Fish	0.6	0.9	0.2
Dairy Products Oils & Fats	0.5	1.2	0.6
Baked Products Cereals & Breakfast Drink	0.1	0.3	0.1
Starchy Foods	-0.6	-0.8	-5.5
Vegetables & Fruits	4.3	2.9	-0.5
Other Food & Beverages	0.7	-0.1	0.1
FUELS & OTHER HOUSEHOLD SUPPLIES	1.1	0.6	0.1
Household Supplies	0.2	0.4	0.1
Fuels	1.6	0.8	0.0
HOUSING & OTHER HOUSING EXPENSES	-1.1	-1.3	-1.4
Rental	0.0	0.0	0.0
Other Housing Expenses	-1.5	-1.4	-1.5
HOUSEHOLD FURNISHINGS & FURNITURE	1.0	-0.6	-0.6
Furniture	2.7	-1.9	-1.8
Furnishings	0.1	0.1	-0.1
HEALTHCARE & PERSONAL EXPENSES	0.0	0.2	0.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.1	0.6	0.2
Clothing Materials	0.2	0.2	0.0
Readymade Clothing & Accessories	0.0	0.4	0.4
Footwear	0.1	0.9	0.0
Making & Repairs	0.0	0.9	0.0
TRANSPORTATION	-0.6	-0.9	-1.3
MISCELLANEOUS EXPENSES	0.1	0.2	0.1
ALL GROUPS	0.3	0.2	-0.8

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
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
Mar	0.97	0.45	13.22	5.17	5.17	5.78
2005/06						
Apr	1.88	0.50	1.88	0.50	5.37	5.60
May	2.23	0.56	4.16	1.07	5.55	5.47
June	1.48	0.58	5.69	1.66	5.78	5.40
July	1.58	0.58	7.36	2.25	6.01	5.41
Aug	0.06	0.44	7.43	2.71	6.00	5.44
Sept	2.61	0.40	10.23	3.12	6.06	5.49
Oct	0.59	0.37	10.87	3.49	5.75	5.52
Nov	0.29	0.34	11.19	3.85	5.48	5.54
Dec	0.07	0.24	11.27	4.10	5.24	5.54
Jan	0.08	0.27	11.36	4.37	5.14	5.55
Feb	-0.02	0.29	11.34	4.68	5.15	5.56
Mar	0.08	0.26	11.43	4.95	4.95	5.54
2006/07						
Apr	1.14	0.31	1.14	0.31	4.75	5.48
May	0.40	0.29	1.55	0.60	4.46	5.39
June	1.27	0.28	2.84	0.87	4.14	5.25
July	1.36	0.33	4.24	1.21	3.88	5.07
Aug	0.31	0.22	4.56	1.43	3.65	4.88
Sept	0.75	0.52	5.34	1.96	3.78	4.69
Oct	-0.08	0.12	5.26	2.08	3.52	4.50

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
AUGUST 2006**

August 2006

Provisional data indicate that the current account deficit improved by US\$58.1 million in August 2006, relative to the deficit in August 2005 (see **Table**). **This improvement stemmed primarily from a reduction in the merchandise trade deficit, influenced by respective increases of US\$17.2 million and US\$12.3 million in non-traditional and alumina exports.** The increase in earnings from non-traditional exports reflected growth in the values of mineral fuel and scrap metal export. In the case of alumina exports, a 37.6 per cent increase in price was the main factor accounting for the growth in earnings.

Higher surpluses on the services and current transfers accounts also contributed to the narrowing of the current account deficit. The services account benefitted from increases of 30.9 per cent and 240.1 per cent in cruise passenger and stopover arrivals, respectively, while the improvement in the surplus on the current transfers account was attributed to an increase of US\$12.8 million in net inflows to the private sector.

Within the capital and financial accounts, net private investment and official inflows were more than sufficient to finance the deficit on the current account. As a result, the NIR of the Bank of Jamaica increased by US\$127.8 million for the month.

January – August 2006

The current account deficit was estimated at US\$620.3 million for the period January – August 2006, which represented an improvement of US\$65.3 million, relative to the deficit for the comparable period in 2005. With the exception of the merchandise trade deficit, all the sub-accounts reflected significant improvements in the review period.

The higher surplus on the services account was attributed to respective growth of 17.7 per cent and 15.2 per cent in stopover and cruise passenger arrivals over the period, relative to the January - August 2005, while the transfers account benefitted from an increase of 6.8 per cent in gross private remittance inflows. The contraction in net investment income outflows was associated with lower profit remittances of the direct investment companies, as well as increased earnings from the Bank of Jamaica's foreign assets. With respect to the trade account, there was an expansion in payments for fuel imports, reflecting the impact of a 27.1 per cent increase in the average price of oil over the period, relative to the same period of 2005. In addition, there was increased expenditure on machinery and transport equipment. Higher earnings from alumina and non-traditional exports had a partly countervailing impact on the widening trade deficit.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Aug	Aug^{2/}		Jan-Aug	Jan-Aug^{2/}	
	2005	2006	Change	2005	2006	Change
1. CURRENT ACCOUNT	-150.1	-92.0	58.1	-685.6	-620.3	65.3
A. GOODS and SERVICES	-243.8	-187.5	56.3	-1253.1	-1362.9	-109.8
a. GOODS BALANCE	-272.0	-237.0	35.0	-1708.2	-1951.3	-243.1
Exports (f.o.b.)	154.2	188.5	34.3	1103.3	1429.8	326.5
Imports (f.o.b.)	426.2	425.5	-0.7	2811.5	3381.1	569.6
b. SERVICES BALANCE	28.2	49.5	21.3	455.1	588.4	133.3
Transportation	-31.6	-32.3	-0.7	-170.9	-198.4	-27.5
Travel	95.0	121.2	26.2	913.7	1115.1	201.4
Other Services	-35.2	-39.4	-4.2	-287.7	-328.3	-40.6
B. INCOME	-42.7	-53.5	-10.8	-471.4	-386.5	84.9
Compensation of employees	12.7	7.3	-5.4	42.0	41.4	-0.6
Investment Income	-55.4	-60.8	-5.4	-513.4	-427.9	85.5
C. CURRENT TRANSFERS	136.4	149.0	12.6	1038.9	1129.1	90.2
Official	10.4	10.2	-0.2	96.5	88.9	-7.6
Private	126.0	138.8	12.8	942.4	1040.2	97.8
2. CAPITAL & FINANCIAL ACCOUNT	150.1	92.0	-58.1	685.6	620.3	-65.3
A. CAPITAL ACCOUNT	-0.2	0.1	0.3	-2.4	1.1	3.5
a. Capital Transfers	-0.2	0.1	0.3	-2.4	1.1	3.5
Official	0.0	0.1	0.1	0.3	3.6	0.2
Private	-0.2	0.1	0.2	-2.7	-2.5	0.0
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	150.3	91.9	-58.4	688.0	619.2	-68.8
Other official investment	74.0	43.8	-30.2	173.0	218.1	45.1
Other private investment ^{3/}	44.6	175.9	131.3	774.0	529.5	-244.5
Change in Reserves (minus = increase)	31.7	-127.8		-259.0	-128.4	

2/ Provisional

3/ Includes errors & omissions