



ECONOMIC STATISTICS

VOLUME 18 - NO. 12

DECEMBER 2008



CONTENTS

	Pages
Figures 1-6	1
Monetary Aggregates	2
Commercial Banks Assets and Liabilities	2
Commercial Banks Deposits and Loans	2
Interest Rates (Selected)	3
Securities	4
Instalment Credit	4
Near-Banks	4
Building Societies	4
Inflation Rates	4
Actual Production	4
Stock Market Activities	4
External Trade	5
Tourism	5
Balance of Payments	5
BOJ Net International Reserves	7
Foreign Exchange	7
Reviews on Balance of Payments	9

© 2008 Bank of Jamaica
Nethersole Place
Kingston
Jamaica

Telephone: (876) 922 0750-9
Fax: (876) 922 0854
E-mail: library@boj.org.jm
Internet: www.boj.org.jm

ISSN 1018-9084

SELECTED ECONOMIC INDICATORS

Figure 1

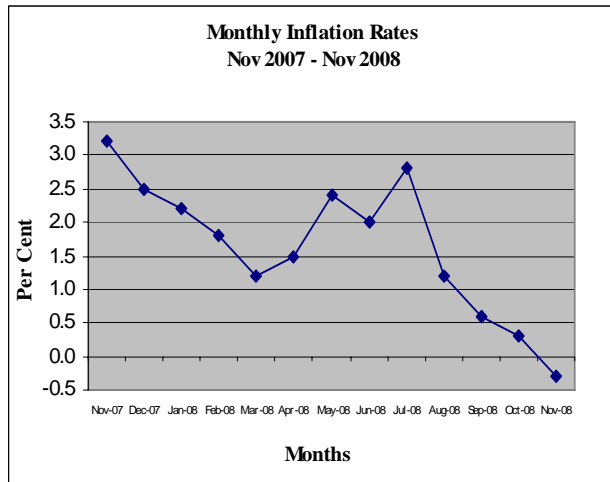


Figure 2

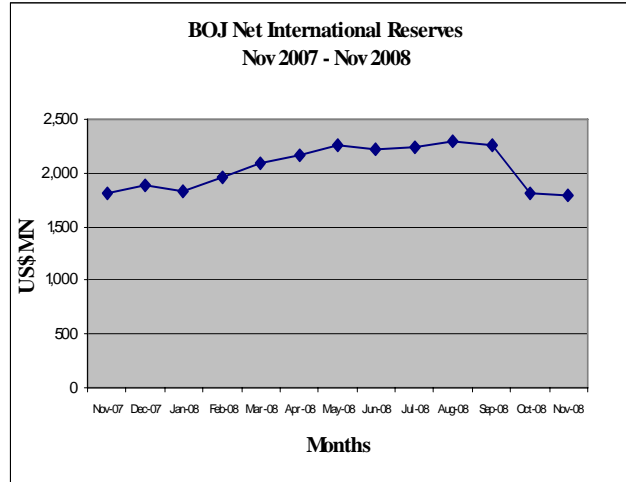


Figure 3

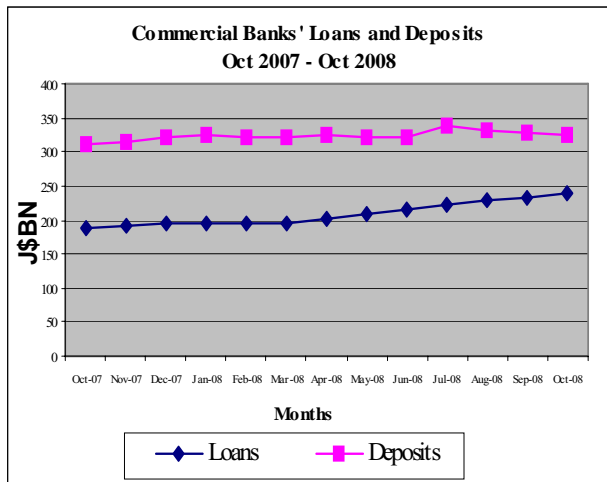


Figure 4

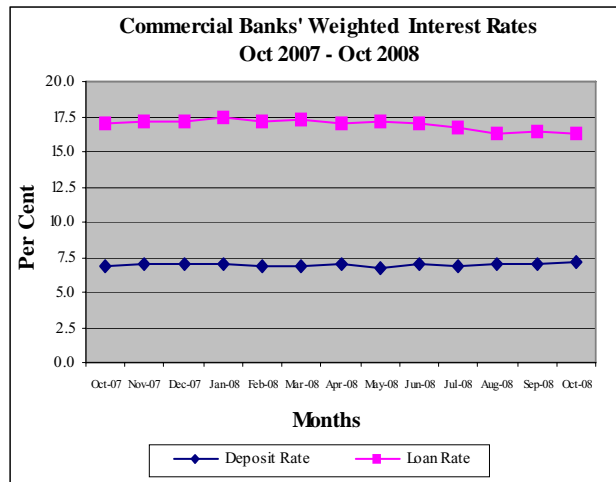


Figure 5

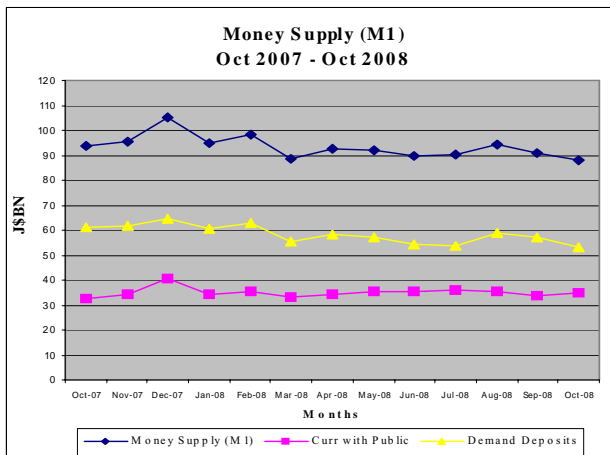
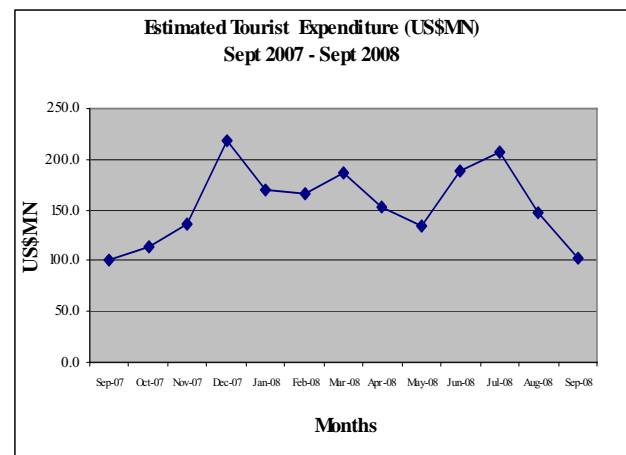


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
	Oct 2007	Sept 2008+	Oct 2008	Change p.a.
Local and Foreign Currency				
Money Supply (M1).....	<u>93,555.42</u>	<u>90,900.76</u>	<u>88,067.50</u>	<u>-5.87</u>
(a) Currency with the Public.....	32,549.04	33,602.70	34,936.01	7.33
(b) Demand Deposits (adj.)***.....	61,006.38	57,298.06	53,131.49	-12.91
Quasi-Money.....	<u>195,343.30</u>	<u>202,017.92</u>	<u>207,468.04</u>	<u>6.21</u>
(a) Time.....	48,594.16	50,733.93	53,347.24	9.78
(b) Savings.....	146,749.14	151,283.99	154,120.80	5.02
Money Supply (M2).....	<u>288,898.72</u>	<u>292,918.68</u>	<u>295,535.54</u>	<u>2.30</u>
Domestic Credit	<u>273,252.92</u>	<u>312,211.15</u>	<u>320,888.85</u>	<u>17.43</u>
Local Currency	Oct 2007	Sept 2008	Oct 2008	
Money Supply (M1).....	<u>76,314.40</u>	<u>83,539.58</u>	<u>79,403.66</u>	<u>4.05</u>
(a) Currency with the Public.....	32,549.04	33,602.70	34,936.02	7.33
(b) Demand Deposits (adj.)***.....	43,765.36	49,936.88	44,467.64	1.60
Quasi-Money.....	<u>111,201.65</u>	<u>115,998.16</u>	<u>118,452.23</u>	<u>6.52</u>
(a) Time.....	24,694.02	27,641.34	29,589.71	19.83
(b) Savings.....	86,507.63	88,356.82	88,862.52	2.72
Money Supply (M2).....	<u>187,516.05</u>	<u>199,537.74</u>	<u>197,855.89</u>	<u>5.51</u>
Domestic Credit	<u>206,668.99</u>	<u>228,227.53</u>	<u>234,043.72</u>	<u>13.25</u>
Base Money.....	Nov 2007	Oct 2008	Nov 2008	
	<u>56,060.02</u>	<u>57,957.70</u>	<u>59,577.40</u>	<u>6.27</u>
II. COMMERCIAL BANKS (J\$mn.)*	Oct 2007	Sept 2008	Oct 2008	
Assets & Liabilities (J\$mn.)**.....	<u>477,069.24</u>	<u>533,049.15</u>	<u>533,311.30</u>	<u>11.79</u>
Loans**.....	<u>187,800.52</u>	<u>233,120.91</u>	<u>239,410.81</u>	<u>27.44</u>
Agriculture.....	2,178.96	3,457.45	3,635.60	66.85
Manufacturing.....	6,400.02	9,212.30	9,920.45	55.01
Construction & Land Development.....	9,329.24	12,086.32	13,028.70	39.65
Mining.....	567.50	608.88	620.60	9.36
Tourism.....	28,680.28	36,127.13	37,741.02	31.59
Transport, Storage & Communication.....	7,744.90	11,252.26	11,055.13	42.74
Consumer-Oriented.....	99,956.22	124,994.79	127,188.98	27.24
Government Services.....	30,225.69	30,840.70	31,493.58	4.19
Other.....	2,717.71	4,541.08	4,726.75	73.92
DEPOSITS.....	Oct 2007	Sept 2008	Oct 2008	
Private Sector (including overseas residents).....	<u>274,209.11</u>	<u>280,084.35</u>	<u>281,101.46</u>	<u>2.51</u>
Time.....	57,821.96	63,685.24	66,983.41	15.84
Savings.....	155,654.86	159,683.61	162,402.45	4.33
Demand.....	60,732.29	56,715.50	51,715.60	-14.85
Government.....	<u>19,671.10</u>	<u>25,383.88</u>	<u>19,364.55</u>	<u>-1.56</u>
Time.....	559.81	1,285.61	1,409.04	151.70
Savings.....	2,134.45	2,582.92	2,629.10	23.17
Demand.....	16,976.84	21,515.35	15,326.41	-9.72
Public Entities.....	<u>9,666.18</u>	<u>10,475.44</u>	<u>9,696.58</u>	<u>0.31</u>
Time.....	4,339.50	3,443.16	3,437.99	-20.77
Savings.....	2,619.46	4,729.60	3,581.39	36.72
Demand.....	2,707.22	2,302.68	2,677.20	-1.11

* PanCaribbean Commercial Bank began operations in June 2008

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

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

+ Revised

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Oct 2007	Sept 2008	Oct 2008	Change p.a.
Spec. & O. F. Insts.....	8,640.96	11,832.37	15,948.59	84.57
Time.....	1,892.57	4,339.18	5,126.61	170.88
Savings.....	1,220.75	1,638.66	1,243.44	1.86
Demand.....	5,527.64	5,854.53	9,578.54	73.28
	Nov 2007	Oct 2008	Nov 2008	
Current Account Balances with BOJ (J\$mn).....	553.36	172.22	149.31	
LIQUIDITY (Average) %	Oct 2007	Sept 2008	Oct 2008	
Actual Liquid Assets Ratio.....	27.60	39.74	37.63	
Cash.....	2.55	2.46	2.53	
Deposits with B.O.J.....	9.26	9.29	9.19	
Treasury Bills.....	1.12	0.77	0.68	
Local Registered Stocks.....	0.36	0.94	0.92	
Other.....	14.31	26.28	24.31	
Statutory Requirement.....	23.00	23.00	23.00	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Nov 2007	Oct 2008	Nov 2008	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	6.80-11.85	7.30-12.85	7.30-12.85	
9-12 months.....	6.50-12.35	7.00-13.35	7.00-13.35	
Call Deposits.....	5.00-17.00	5.00-20.00	7.00-36.00	
Average Savings Deposits	4.88	5.54	5.54	
Average Loan Rate.....	21.24	22.58	23.17	
Average Inter-bank Rate	8.17	11.17	15.54	
	Oct 2007	Sept 2008	Oct 2008	
Weighted Fixed Deposits Rate.....	6.90	7.03	7.18	
Weighted Loan Rate.....	16.99	16.46	16.22	
G.O.J. Treasury Bills (Weighted Average) Yield	Nov 2007	Oct 2008	Nov 2008	
2 Months:.....	-	-	-	
3 Months:.....	13.24	15.21	16.92	
6 Months:.....	13.57	16.96	19.26	
9 Months:.....	-	-	-	
12 Months:.....	-	16.69	-	
BOJ Open Market Rates (%)	Nov 2007	Oct 2008	Nov 2008	
30-Day	11.65	14.65	14.65	
60-Day	11.70	14.85	14.85	
90-Day	11.80	15.05	15.05	
120-Days	11.85	15.15	15.15	
180-Days	12.00	15.35	15.35	
365-Days	13.46	16.70	16.70	
COMMERCIAL BANKS (Foreign Currency)	Nov 2007	Oct 2008	Nov 2008	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	3.00-4.85	2.25-4.85	2.25-4.85	
3-6 months.....	3.20-5.35	2.00-5.35	2.00-5.35	
6-12 months.....	3.28-5.85	2.00-5.85	2.00-5.85	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	3.00-5.60	2.70-5.60	2.70-5.60	
3-6 months.....	3.20-6.10	2.45-6.10	2.45-6.10	
6-12 months.....	3.40-6.60	2.45-6.60	2.45-6.60	
Average Loan Rates	10.98	10.42	11.46	
Average Savings	2.20	2.02	2.06	

				% Change p.a.
IV. SECURITIES (J\$m.) (outstanding balances)	Sept 2007	Aug 2008	Sept 2008	
GOJ Local Registered Stock.....	226,746.94	215,611.32	213,495.18	-5.84
	Nov 2007	Oct 2008	Nov 2008	
GOJ Treasury Bills.....	4,700.00	4,300.00	4,194.50	-10.76
BOJ Open Market Operations 1/.....	114,709.60	141,391.47	142,315.39	24.07
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Oct 2007	Sept 2008	Oct 2008	
Total Credit Outstanding.....	26,855.77	30,775.47	30,631.15	14.06
New Business.....	1,616.84	1,099.10	1,089.62	-32.61
VI. NEAR-BANKS (J\$m.)**** (Merchant Banks, Trust Com. & Finance Houses)	Oct 2007	Sept 2008	Oct 2008	
Assets/Liabilities.....	48,787.00	31,736.37	31,375.08	-35.69
Loans Outstanding.....	14,270.83	10,482.67	10,858.15	-23.91
Total Deposits.....	16,591.18	14,295.41	14,336.98	-13.59
Loans.....	<u>14,270.83</u>	<u>10,482.67</u>	<u>10,858.15</u>	<u>-23.91</u>
Agriculture.....	1,031.34	42.33	30.19	-97.07
Manufacturing.....	498.59	333.66	345.24	-30.76
Construction & Land Development.....	3,006.29	2,600.48	2,653.09	-11.75
Mining, Quarrying & Processing.....	13.90	45.44	46.98	237.99
Tourism.....	793.20	281.49	279.67	-64.74
Transport, Storage & Communication.....	906.54	451.74	432.93	-52.24
Consumer Oriented.....	6,872.99	5,667.60	5,959.51	-13.29
Government Services.....	390.93	332.72	349.14	-10.69
Other.....	757.05	727.21	761.40	0.57
	Oct 2007	Sept 2008	Oct 2008	
Liquid Assets Ratio (average) %.....	37.30	31.09	22.12	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Oct 2007	Sept 2008	Oct 2008	
Assets/Liabilities.....	120,094.61	134,563.80	136,505.24	13.66
Loan Balances.....	55,985.46	71,232.31	73,059.43	30.50
Savings Funds.....	82,824.16	90,425.35	91,064.39	9.95
VIII. INFLATION	Nov 2007	Oct 2008	Nov 2008	
Consumer Price Index (Dec. 2006 = 100).....	114.0	136.9	136.4	19.65
Monthly Rate (%).....	3.2	0.3	-0.3	
Calendar Year to Date (%).....	14.0	17.2	16.8	
Fiscal Year to Date (%).....	11.2	11.3	11.0	
IX. ACTUAL PRODUCTION ('000)	Oct 2007	Sept 2008	Oct 2008	
Crude Bauxite (tonnes).....	370.53	421.42	355.83	-3.97
Alumina (tonnes).....	301.29	319.71	343.51	14.01
Sugar (tonnes).....	0.00	0.00	0.00	-
Banana Exports (tonnes).....	0.00	0.00	0.00	-
X. STOCK MARKET ACTIVITIES	Nov 2007	Oct 2008	Nov 2008	
Index**.....	103,429.39	93,750.90	86,864.24	-16.02
Volume Traded (mn.)***.....	336.60	384.71	74.89	-77.75
Ordinary Shares.....	336.60	384.71	74.89	-77.75
Block Transactions.....	0.00	0.00	0.00	-

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

- No Production

** As at end of month

*** Monthly values

**** As at June 2008 PanCaribbean Merchant Bank ended operations

	Nov 2007	Oct 2008	Nov 2008	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.)***	9,166.23	2,787.63	854.96	-90.67
Ordinary Shares	9,166.23	2,787.63	854.96	-90.67
Block Transactions	0.00	0.00	0.00	
Advance/Decline Ratio***	21/15	3/38	10/32	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Jul 2007	Jan-Jul 2008		Change
1. EXPORTS				
(a) Major Traditional Exports	912.60	934.20		21.60
Bauxite	67.12	68.82		1.70
Alumina	736.68	778.92		42.24
Sugar	100.28	86.46		-13.82
Bananas	8.52	0.00		-8.52
(b) Other Traditional Exports	46.70	50.57		3.87
(c) Non-Traditional Exports	329.65	463.41		133.76
(d) Re-exports	27.78	37.57		9.79
General Merchandise Exports	<u>1,316.73</u>	<u>1,485.75</u>		<u>169.02</u>
(e) Freezone Exports	32.17	34.54		2.37
(f) Goods Procured in Ports	58.70	108.08		49.38
Total Goods Exports	<u>1,407.60</u>	<u>1,628.37</u>		<u>220.77</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food	402.56	505.96		103.40
(b) Beverage & Tobacco	52.02	55.75		3.73
(c) Crude Material	39.78	48.83		9.05
(d) Mineral Fuel	1,067.70	1,773.43		705.73
(e) Animal & Vegetable Oil	16.56	30.05		13.49
(f) Chemicals	461.63	569.89		108.26
(g) Manufactured Goods	424.81	517.30		92.49
(h) Machinery & Transportation	752.62	786.81		34.19
(i) Miscellaneous Manufactured Goods	346.76	446.83		100.07
(j) Miscellaneous Commodities	48.19	63.45		15.26
General Merchandise Imports	<u>3,612.63</u>	<u>4,798.30</u>		<u>1,185.67</u>
Freezone Imports	0.57	12.23		1.66
Goods Procured in Ports	79.94	130.70		50.76
Total Goods Imports	<u>3,703.14</u>	<u>4,941.23</u>		<u>1,238.09</u>
Trade Balance	<u>-2,295.54</u>	<u>-3,312.86</u>		<u>-1,017.32</u>
XII. TOURISM	Jan-Sep 2007	Jan-Sep 2008		% Change
Tourist Arrivals ('000)	<u>2,186.52</u>	<u>2,178.20</u>		-0.38
Stop Overs	1,288.08	1,359.30		5.53
Foreign Nationals	1,202.21	1,255.95		4.47
Non-Resident Jamaicans	85.87	103.35		20.36
Cruise	898.44	818.90		-8.85
Armed Forces	-	-		
Estimated Expenditure (US\$mn.)	<u>1,441.06</u>	<u>1,441.87</u>		0.06
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Jul 2007	Jan-Jul 2008		Change
1. Current Account	<u>-702.5</u>	<u>-1,652.3</u>		<u>-949.8</u>
A. Goods balance	<u>-1,829.3</u>	<u>-2,731.7</u>		<u>-902.4</u>
Exports (f.o.b.)	1,407.6	1,628.4		220.8
Imports (f.o.b.)	3,236.9	4,360.1		1,123.2
B. Service Balance	<u>374.8</u>	<u>272.5</u>		<u>-102.3</u>
Transportation	-280.3	-381.8		-101.5
Travel	1,043.9	1,053.1		9.2
Other Services	-388.8	-398.8		-10.0

*** Monthly values

<i>Balance of Payments (Calendar) (Cont'd)</i>		Jan-Jul 2007	Jan-Jul 2008	Change
C. Income		<u>-399.9</u>	<u>-429.6</u>	<u>-29.7</u>
Compensation of Employees.....		6.3	9.2	2.9
Investment Income.....		-406.2	-438.8	-32.6
D. Current Transfers		<u>1,151.8</u>	<u>1,236.4</u>	<u>84.6</u>
Official.....		80.4	76.3	-4.1
Private.....		1,071.5	1,160.2	88.7
2. Capital and Financial Account		<u>702.5</u>	<u>1,652.3</u>	<u>949.8</u>
A. Capital Account		<u>-21.3</u>	<u>24.0</u>	<u>45.3</u>
Capital Transfers.....		<u>-21.3</u>	<u>24.0</u>	<u>45.3</u>
Official.....		0.7	41.6	40.9
Private.....		-22.0	-17.6	4.4
Acq./Disp. of non-produced non-fin. assets....		0.0	0.0	0.0
B. Financial Account		<u>723.8</u>	<u>1,628.4</u>	<u>904.6</u>
Other Official Investment.....		377.9	294.1	-83.8
Other Private Investment.....		174.5	1,701.5	1,527.0
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>171.4</u>	<u>-367.2</u>	
		Apr-Jul	Apr-Jul	
		2007/2008	2008/2009	
Balance of Payments (Fiscal)				
1. Current Account		<u>-437.3</u>	<u>-1,123.9</u>	<u>-686.6</u>
A. Goods balance		<u>-1,075.9</u>	<u>-1,724.6</u>	<u>-648.7</u>
Exports (f.o.b.).....		822.1	978.2	156.1
Imports (f.o.b.).....		1,898.0	2,702.8	804.8
B. Service Balance		<u>207.6</u>	<u>107.2</u>	<u>-100.4</u>
Transportation.....		-166.7	-250.9	-84.2
Travel.....		597.2	589.5	-7.7
Other Services.....		-222.9	-231.4	-8.5
C. Income		<u>-249.8</u>	<u>-233.8</u>	<u>16.0</u>
Compensation of Employees.....		10.0	9.9	-0.1
Investment Income.....		-259.8	-243.7	16.1
D. Current Transfers		<u>680.8</u>	<u>727.3</u>	<u>46.5</u>
Official.....		47.8	43.2	-4.6
Private.....		633.0	684.1	51.1
2. Capital and Financial Account		<u>437.3</u>	<u>1,123.9</u>	<u>686.6</u>
A. Capital Account		<u>-11.9</u>	<u>3.4</u>	<u>15.3</u>
Capital Transfers.....		<u>-11.9</u>	<u>3.4</u>	<u>15.3</u>
Official.....		0.4	12.1	11.7
Private.....		-12.3	-8.7	3.6
Acq./Disp. of non-produced non-fin. assets		0.0	0.0	-
B. Financial Account		<u>449.2</u>	<u>1,120.5</u>	<u>671.3</u>
Other Official Investment.....		201.1	334.7	133.6
Other Private Investment.....		64.9	947.4	882.5
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>183.2</u>	<u>-161.6</u>	

XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)	Nov 2007	Oct 2008+	Nov 2008	% Change p.a.
BOJ Net International Reserves (US\$mn.).....	<u>1,808.45</u>	<u>1,802.59</u>	<u>1,794.03</u>	<u>-0.80</u>
Gross Foreign Assets.....	1,845.72	1,825.09	1,816.53	-1.58
Gross Foreign Liabilities.....	37.27	22.50	22.50	-39.63
Estimated Gross Reserves in Weeks of Goods				
Imports.....	<u>16.22</u>	<u>15.43</u>	<u>15.36</u>	
Estimated Gross Reserves in Weeks of Goods and				
Services Imports.....	<u>11.90</u>	<u>11.24</u>	<u>11.19</u>	
 XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.) *	 Nov 2007	 Oct 2008	 Nov 2008	
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	1,051.51	1,143.46	842.42	-19.88
Foreign Exchange Sales (spot).....	1,033.15	1,150.37	853.12	-17.43
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	Oct 2007	Sept 2008	Oct 2008	
Commercial Banks Balances.....	<u>1,744.43</u>	<u>1,687.97</u>	<u>1,700.88</u>	<u>-2.50</u>
"A" Accounts 1/.....	169.81	141.86	161.73	-4.76
"B" Accounts	0.00	0.00	0.00	-
Other.....	1,574.62	1,546.11	1,539.15	-2.25
F.I.As Balance.....	<u>194.28</u>	<u>154.10</u>	<u>147.19</u>	<u>-24.24</u>
"A" Accounts 1/.....	119.88	86.15	80.51	-32.84
"B" Accounts	0.27	0.30	0.28	3.70
Other.....	74.13	67.65	66.40	-10.43
Building Societies Balances.....	<u>469.41</u>	<u>485.77</u>	<u>461.87</u>	<u>-1.61</u>
"A" Accounts 1/.....	308.51	223.88	207.35	-32.79
"B" Accounts	66.16	68.33	64.58	-2.39
Other	94.74	193.56	189.94	100.49
Total Foreign Currency Deposits (US\$mn.).....	<u>2,408.12</u>	<u>2,327.84</u>	<u>2,309.94</u>	<u>-4.08</u>
Total Foreign Currency Loans (US\$mn.).....	<u>1,260.50</u>	<u>1,575.20</u>	<u>1,577.20</u>	<u>25.12</u>
Commercial Banks.....	1,084.64	1,442.52	1,443.83	33.12
F.I.As	123.90	72.25	71.64	-42.18
Building Societies.....	51.96	60.43	61.73	18.80

* 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
+ Revised

London Interbank Offer Rate (LIBOR) Eurodollars (%)	Nov 2007	Oct 2008	Nov 2008
3 months.....	4.81	4.77	3.85
6 months.....	4.75	4.81	3.90
U.S. Prime Rate (end of period) (%).....	7.50	4.56	4.00
 Selling Exchange Rates (end period)	Nov 2007	Oct 2008	Nov 2008
US\$1.00 = J\$.....	71.36	76.29	77.76
Can. \$1.00 = J\$.....	71.67	62.60	62.59
U.K. Pound = J\$.....	146.59	122.81	118.28
Euro = J\$**.....	105.38	97.97	99.26
 Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	11.45	12.24	12.40
Bdos. \$1 = J\$.....	35.68	38.12	38.69
Guy. \$1 = J\$.....	0.36	0.38	0.39
E.C. \$1 = J\$.....	26.43	28.24	28.66

*** Indicative Rates*

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
JULY 2008**

July 2008

Provisional data indicate that the current account deficit widened by US\$343.5 million in July 2008, relative to the deficit in July 2007 (see Table). This deterioration largely stemmed from increased spending of US\$317.5 million on imports, mainly related to expansions of US\$185.7 million (102.7 per cent), US\$63.0 million (58.8 per cent) and US\$36.1 million (46.2 per cent) in the values of fuel, machinery and transport equipment, and chemicals imports, respectively. The higher spending on fuel-related imports was associated with significant increases in the price of oil on the international market.

There was also a fall in the surplus on the services account, reflecting an increase in net transportation payments in the context of the higher value of imports, as well as a US\$12.0 million reduction in net earnings from travel. The fall in net travel inflows reflected respective declines of 5.3 per cent and 9.0 per cent in foreign national stopover and cruise arrivals for the review month relative to July 2007.

Within the financial account, net private and official capital 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\$16.1 million for the month.

January – July 2008

The current account deficit for the period January to July 2008 widened by US\$949.9 million, relative to the comparable period in 2007. A deterioration in the merchandise trade deficit was the main source of the widening, stemming from respective increases of US\$705.7 million (66.1 per cent), US\$108.3 million (23.5 per cent) US\$103.4 million (25.7 per cent), and US\$100.1 million (28.9 per cent) in the values of mineral fuel, chemicals, food and miscellaneous manufactured goods imports. The impact of the expansion in imports was partly offset by increased earnings from non-traditional exports and alumina.

There was also a deterioration in the services account for the review period, driven largely by increased transportation costs associated with the growth in imports. A small improvement in the travel sub-account reflected the impact of a 5.9 per cent expansion in stopover visitor arrivals as well as a fall in payments for travel by Jamaicans.

The impact of the deterioration in the other sub-accounts on the current account deficit was partly offset by higher net current transfers, which reflected growth of 8.8 per cent in gross private inflows.

Within the capital and financial account, net private and official capital inflows were more than sufficient to finance the current account deficit. In this context, there was an increase of US\$367.2 million in the NIR over the review period. At end-July 2008, the gross reserves of the Bank of Jamaica stood at US\$2,403.7 million, representing 14.2 weeks of projected imports of goods and services.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	July	July^{1/}		Jan-July	Jan-July^{1/}	
	2007	2008	Change	2007	2008	Change
1. CURRENT ACCOUNT	-104.6	-448.1	-343.5	-702.5	-1,652.3	-949.9
A. GOODS and SERVICES	-190.0	-551.6	-361.6	-1,454.5	-2,459.2	-1,004.7
a. GOODS BALANCE	-276.7	-596.4	-319.7	-1,829.3	-2,731.7	-902.4
Exports (f.o.b.)	223.6	221.5	-2.2	1,407.6	1,628.4	220.8
Imports (f.o.b.)	500.3	817.9	317.5	3,236.9	4,360.1	1,123.2
b. SERVICES BALANCE	86.7	44.8	-41.9	374.8	272.5	-102.3
Transportation	-42.3	-75.4	-33.1	-280.3	-381.8	-101.5
Travel	195.3	183.3	-12.0	1,043.9	1,053.1	9.2
Other Services	-66.3	-63.2	3.1	-388.8	-398.8	-10.0
B. INCOME	-88.4	-77.4	11.1	-399.9	-429.6	-29.7
Compensation of employees	5.9	2.9	-3.0	6.3	9.2	2.9
Investment Income	-94.4	-80.3	14.0	-406.2	-438.8	-32.6
C. CURRENT TRANSFERS	173.8	180.9	7.0	1,151.8	1,236.4	84.6
Official	13.3	11.3	-2.0	80.4	76.3	-4.1
Private	160.6	169.6	9.0	1,071.5	1,160.2	88.7
2. CAPITAL & FINANCIAL ACCOUNT	104.6	448.1	343.5	702.5	1,652.3	949.9
A. CAPITAL ACCOUNT	-2.8	9.3	12.1	-21.3	24.0	45.3
a. Capital Transfers	-2.8	9.3	12.1	-21.3	24.0	45.3
Official	0.3	12.1	11.8	0.7	41.6	40.9
Private	-3.1	-2.8	0.3	-22.0	-17.6	4.4
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	107.4	438.9	331.4	723.8	1,628.4	904.6
Other official investment	24.9	160.9	136.1	377.9	294.1	-83.8
Other private investment 2/	-10.1	294.0	304.1	174.5	1,701.5	1,526.9
Reserves	92.7	-16.1		171.4	-367.2	

2/ Provisional

3/ Includes errors & omissions