



ECONOMIC STATISTICS

VOLUME 15 - NO. 2

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SELECTED ECONOMIC INDICATORS

Figure 1

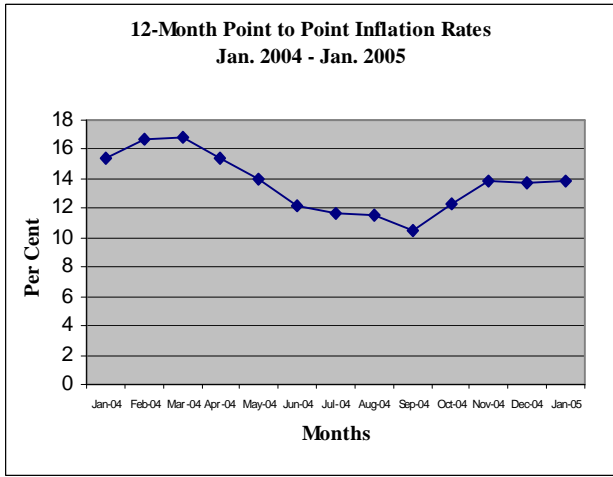


Figure 2

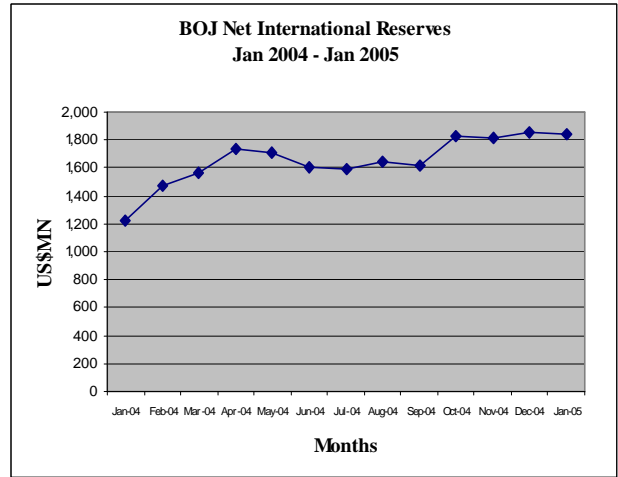


Figure 3

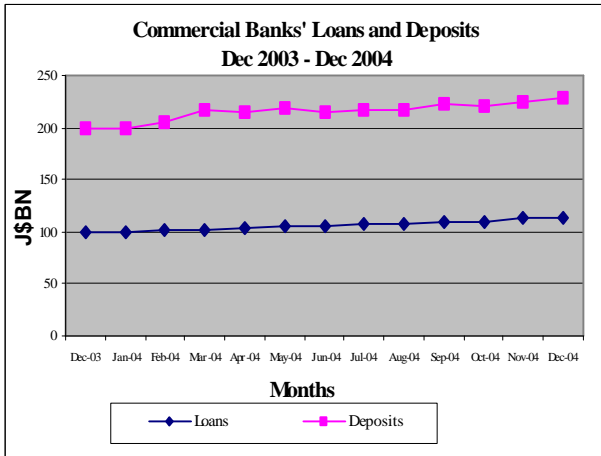


Figure 4

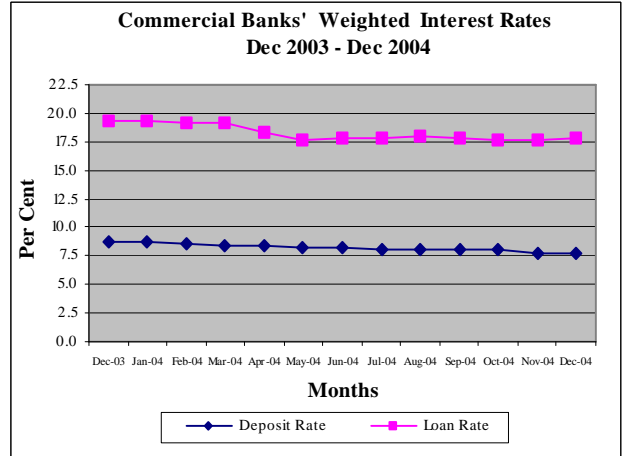


Figure 5

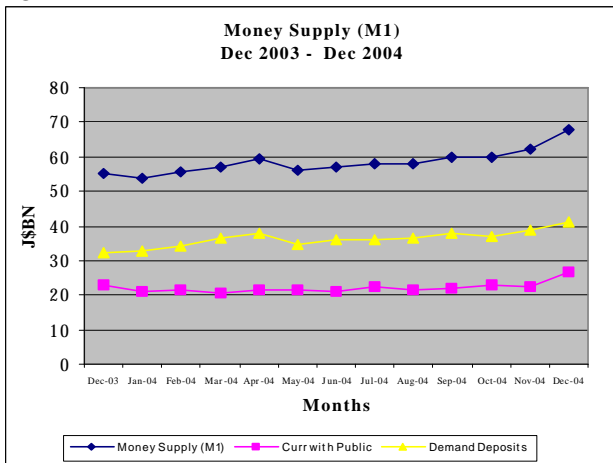
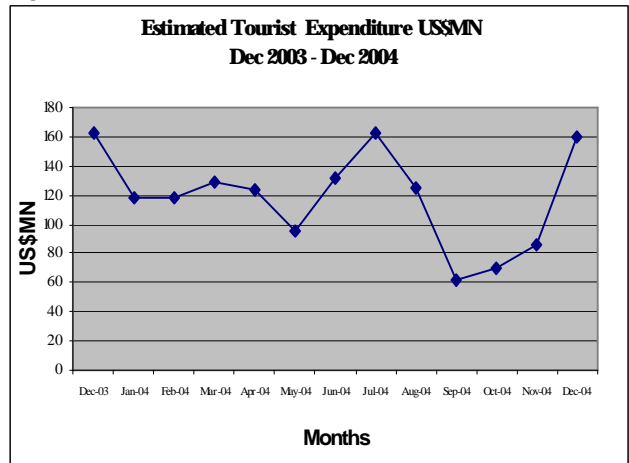


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
	Dec 2003	Nov 2004+	Dec 2004*	Change p.a.
Local and Foreign Currency				
Money Supply (M1).....	<u>55,237.45</u>	<u>61,235.01</u>	<u>67,816.48</u>	<u>22.77</u>
(a) Currency with the Public.....	23,145.48	22,577.04	26,643.06	15.11
(b) Demand Deposits (adj.)***.....	32,091.97	38,657.97	41,173.42	28.30
Quasi-Money.....	<u>127,879.99</u>	<u>142,018.43</u>	<u>143,575.82</u>	<u>12.27</u>
(a) Time.....	31,981.24	36,727.27	36,040.79	12.69
(b) Savings.....	95,898.75	105,291.16	107,535.03	12.13
Money Supply (M2).....	<u>183,117.44</u>	<u>203,253.44</u>	<u>211,392.30</u>	<u>15.44</u>
Domestic Credit (net).....	<u>219,295.02</u>	<u>219,101.20</u>	<u>221,141.14</u>	<u>0.84</u>
Local Currency				
Money Supply (M1).....	<u>45,220.87</u>	<u>49,236.22</u>	<u>55,265.52</u>	<u>22.21</u>
(a) Currency with the Public.....	23,145.48	22,577.04	26,643.06	15.11
(b) Demand Deposits (adj.)***.....	22,075.39	26,659.18	28,622.46	29.66
Quasi-Money.....	<u>77,880.22</u>	<u>84,818.36</u>	<u>86,145.34</u>	<u>10.61</u>
(a) Time.....	18,036.10	19,177.95	19,684.53	9.14
(b) Savings.....	59,844.12	65,640.41	66,460.81	11.06
Money Supply (M2).....	<u>123,101.09</u>	<u>134,054.58</u>	<u>141,410.86</u>	<u>14.87</u>
Domestic Credit (net).....	<u>189,526.76</u>	<u>182,245.32</u>	<u>184,177.19</u>	<u>-2.82</u>
Base Money.....	<u>35,954.32</u>	<u>45,055.64</u>	<u>39,739.36</u>	<u>10.53</u>
II. COMMERCIAL BANKS (J\$mn.)				
Assets & Liabilities (J\$mn.)**.....	<u>313,516.56</u>	<u>339,167.10</u>	<u>344,213.28</u>	<u>9.79</u>
Loans**.....	<u>99,149.99</u>	<u>113,632.41</u>	<u>113,369.50</u>	<u>14.34</u>
Agriculture.....	1,421.56	1,495.95	1,227.49	-13.65
Manufacturing.....	3,462.81	5,009.70	3,746.44	8.19
Construction & Land Development.....	6,739.69	5,677.73	5,875.73	-12.82
Mining.....	408.38	204.90	223.42	-45.29
Tourism.....	12,332.17	13,950.69	15,741.82	27.65
Transport, Storage & Communication.....	8,022.90	8,764.22	8,727.49	8.78
Consumer-Oriented.....	37,928.87	44,985.95	46,361.41	22.23
Government Services.....	27,513.43	31,719.91	29,810.53	8.35
Other.....	1,320.18	1,823.36	1,655.17	25.37
DEPOSITS.....	<u>198,774.80</u>	<u>225,086.54</u>	<u>228,579.10</u>	<u>14.99</u>
Private Sector (including overseas residents).....	<u>173,775.88</u>	<u>196,864.72</u>	<u>199,829.64</u>	<u>14.99</u>
Time.....	38,577.04	44,141.14	43,964.19	13.96
Savings.....	102,961.95	112,886.02	115,303.21	11.99
Demand.....	32,236.89	39,837.56	40,562.24	25.83
Government.....	<u>11,404.92</u>	<u>14,656.06</u>	<u>15,448.72</u>	<u>35.46</u>
Time.....	460.51	534.12	713.94	55.03
Savings.....	1,522.92	1,297.79	1,410.65	-7.37
Demand.....	9,421.49	12,824.15	13,324.13	41.42
Public Entities.....	<u>7,417.28</u>	<u>7,567.01</u>	<u>7,386.21</u>	<u>-0.42</u>
Time.....	4,289.76	4,022.69	3,450.60	-19.56
Savings.....	1,753.31	2,309.42	2,533.90	44.52
Demand.....	1,374.21	1,234.90	1,401.71	2.00

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

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

+ Revised

* Provisional

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Dec 2003	Nov 2004	Dec 2004	Change p.a.
Spec. & O. F. Insts.....	<u>6,176.72</u>	<u>5,998.75</u>	<u>5,914.53</u>	<u>-4.24</u>
Time.....	981.21	895.47	1,216.47	23.98
Savings.....	927.53	974.72	915.43	-1.30
Demand.....	4,267.98	4,128.56	3,782.63	-11.37
	Jan 2004	Dec 2004	Jan 2005	
Current Account Balances with BOJ (J\$mn).....	<u>193.44</u>	<u>341.29</u>	<u>292.85</u>	
LIQUIDITY (Average) %	Dec 2003	Nov 2004	Dec 2004	
Actual Liquid Assets Ratio.....	<u>33.22</u>	<u>39.94</u>	<u>38.45</u>	
Cash.....	3.51	2.51	4.12	
Deposits with B.O.J.....	9.17	9.48	9.52	
Treasury Bills.....	0.58	0.40	0.50	
Local Registered Stocks.....	8.27	6.14	5.67	
Other.....	11.69	21.41	18.64	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Jan 2004	Dec 2004	Jan 2005	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.25	3.00-14.10	3.00-14.10	
9-12 months.....	8.50-13.50	3.50-14.30	3.50-14.30	
Call Deposits.....	1.00-30.00	1.00-25.00	1.00-15.00	
Average Savings Deposits	7.24	6.48	6.48	
Average Loan Rate.....	25.60	24.89	24.89	
Average Inter-bank Rate	16.21	12.95	8.13	
	Dec 2003	Nov 2004	Dec 2004	
Weighted Fixed Deposits Rate.....	8.68	7.75	7.78	
Weighted Loan Rate.....	19.32	17.67	17.72	
G.O.J. Treasury Bills (Weighted Average) Yield	Jan 2004	Dec 2004	Jan 2005	
2 Months:.....	-	-	-	
3 Months:.....	-	14.41	-	
6 Months:.....	17.15	14.94	14.40	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Jan 2004	Dec 2004	Jan 2005	
BOJ Reverse Repurchase Rates (%)				
30-Day	14.85	13.80	13.80	
60-Day	15.00	13.95	13.95	
90-Day	15.10	14.05	14.05	
120-Day	16.00	14.15	14.15	
180-Day	17.25	14.30	14.30	
270-Day	18.75	15.00	15.00	
365-Day	20.00	15.50	15.50	
COMMERCIAL BANKS (Foreign Currency)	Jan 2004	Dec 2004	Jan 2005	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	0.25-5.00	0.25-5.00	
3-6 months.....	2.00-4.55	0.25-5.50	0.25-5.50	
6-12 months.....	2.00-6.00	0.25-6.00	0.25-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.50-4.75	0.50-5.75	0.50-5.75	
3-6 months.....	2.50-4.85	0.50-6.25	0.50-6.25	
6-12 months.....	2.50-6.25	0.50-6.75	0.50-6.75	
Average Loan Rates	12.15	12.41	12.41	
Average Savings	2.66	2.69	2.69	

				%
				Change p.a.
IV. SECURITIES (J\$mn.) (outstanding balances)	Nov 2003	Oct 2004	Nov 2004	
GOJ Local Registered Stock.....	235,547.75	222,865.96	222,865.96	-5.38
	Jan 2004	Dec 2004	Jan 2005	
BOJ Open Market Operations 1/.....	85,673.44	130,692.14	137,736.38	60.77
GOJ Treasury Bills.....	3,900.00	3,750.00	3,750.00	-3.85
V. INSTALMENT CREDIT (J\$mn.)	Dec 2003	Nov 2004	Dec 2004	
(Banks & Near-Banks)				
Total Credit Outstanding.....	9,898.19	11,931.92	12,134.87	22.60
New Business.....	745.21	843.55	854.20	14.63
VI. NEAR-BANKS (J\$mn.)	Dec 2003	Nov 2004+	Dec 2004	
(Merchant Banks, Trust Com. & Finance Houses)				
Assets/Liabilities.....	44,101.72	43,498.58	50,614.95	14.77
Loans Outstanding.....	5,931.12	6,272.60	6,852.60	15.54
Total Deposits.....	8,278.99	10,916.63	11,436.35	38.14
Loans.....	<u>5,931.12</u>	<u>6,272.60</u>	<u>6,852.60</u>	<u>15.54</u>
Agriculture.....	93.94	307.14	315.49	235.84
Manufacturing.....	254.66	272.53	269.26	5.73
Construction & Land Development.....	766.88	1,148.38	1,266.03	65.09
Mining, Quarrying & Processing.....	26.94	20.95	20.37	-24.39
Tourism.....	434.40	410.52	335.57	-22.75
Transport, Storage & Communication.....	17.15	458.51	427.93	2,395.22
Consumer Oriented.....	3,251.09	2,730.24	3,288.75	1.16
Government Services.....	914.29	686.19	684.01	-25.19
Other.....	171.77	238.14	245.19	42.74
	Dec 2003	Nov 2004	Dec 2004	
Liquid Assets Ratio (average) %.....	66.10	118.93	106.39	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mn.)	Dec 2003	Nov 2004	Dec 2004	
(members & associate members)				
Assets/Liabilities.....	66,679.24	79,458.39	80,571.67	20.83
Loan Balances.....	24,086.62	28,789.45	29,243.61	21.41
Savings Funds.....	49,437.28	57,311.56	58,792.31	18.92
VIII. INFLATION	Jan 2004	Dec 2004	Jan 2005	
Consumer Price Index (Jan. 1988 = 100).....	1,561.3	2,032.1	2,032.8	13.73
Monthly Rate (%).....	-0.3	0.6	0.0	
Calendar Year to Date (%) (point to point).....	-0.3	13.7	0.0	
Fiscal Year to Date (%) (point to point).....	6.3	11.6	11.6	
IX. ACTUAL PRODUCTION ('000)	Dec 2003	Nov 2004	Dec 2004	
Bauxite (metric tonnes).....	298.02	220.48	113.49	-61.92
Alumina (metric tonnes).....	339.30	374.11	365.47	7.71
Sugar (metric tonnes).....	5.88	-	3.56	-39.46
Banana (tonnes).....	2.73	-	-	-
X. STOCK MARKET ACTIVITIES	Jan 2004	Dec 2004	Jan 2005	
Index.....	72,829.41	112,655.52	118,379.43	62.54
Volume Traded (mn.).....	836.12	182.66	461.61	-44.79
Ordinary Shares.....	835.60	182.66	257.02	-69.24
Block Transactions.....	0.52	-	204.59	39,244.23

				%
X. STOCK MARKET ACTIVITIES (cont'd)	Jan 2004	Dec 2004	Jan 2005	Change p.a.
Value of Stocks Traded (J\$mn.).....	2,412.64	2,682.49	10,921.57	352.68
Ordinary Shares.....	2,412.03	2,682.49	4,286.66	77.72
Block Transactions.....	0.61	-	6,634.91	1,087,590.16
Advance/Decline Ratio.....	31/4	24/9	30/3	
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-Dec 2003	Jan-Dec 2004	% Change	
Tourist Arrivals ('000).....	<u>2,483.70</u>	<u>2,514.56</u>	<u>1.24</u>	
Stop Overs.....	1,350.28	1,414.79	4.78	
Foreign Nationals.....	1,262.11	1,326.92	5.14	
Non-Resident Jamaicans.....	88.17	87.87	-0.34	
Cruise.....	1,132.60	1,099.77	-2.90	
Armed Forces.....	0.82	-	-	
Estimated Expenditure (US\$mn.).....	<u>1,355.10</u>	<u>1,395.80</u>	<u>3.00</u>	
XIII. BALANCE OF PAYMENTS (US\$mn.)	Jan-Oct 2003	Jan-Oct 2004	Change	
<i>Balance of Payments (Calendar)</i>				
1. Current Account.....	<u>-667.3</u>	<u>-463.2</u>	<u>204.1</u>	
A. Goods balance.....	<u>-1,638.1</u>	<u>-1,455.9</u>	<u>182.2</u>	
Exports (f.o.b.).....	1,156.4	1,315.3	158.9	
Imports (f.o.b.).....	2,794.5	2,771.2	-23.3	
B. Service Balance.....	<u>443.3</u>	<u>437.9</u>	<u>-5.4</u>	
Transportation.....	-125.6	-118.8	6.8	
Travel.....	890.3	899.7	9.4	
Other Services.....	-321.4	-343.0	-21.6	

Balance of Payments (Calendar) (Cont'd)

	Jan-Oct 2003	Jan-Oct 2004	Change
C. Income.....	<u>-435.2</u>	<u>-514.5</u>	<u>-79.3</u>
Compensation of Employees.....	51.7	73.3	21.6
Investment Income.....	-486.9	-587.8	-100.9
D. Current Transfers.....	<u>962.6</u>	<u>1,069.3</u>	<u>106.7</u>
Official.....	87.4	87.7	0.3
Private.....	875.2	981.6	106.4
2. Capital and Financial Account.....	<u>667.3</u>	<u>463.2</u>	<u>-204.1</u>
A. Capital Account.....	<u>-1.2</u>	<u>1.5</u>	<u>2.7</u>
Capital Transfers.....	<u>-1.6</u>	<u>1.5</u>	<u>3.1</u>
Official.....	0.1	0.1	-
Private.....	-1.7	1.4	3.1
Acq./Disp. of non-produced non-fin. assets....	0.4	0.0	-0.4
B. Financial Account.....	<u>668.5</u>	<u>461.7</u>	<u>-206.8</u>
Other Official Investment.....	-310.6	358.8	669.4
Other Private Investment.....	513.2	764.6	251.4
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>465.9</u>	<u>-661.7</u>	
	Apr-Oct	Apr-Oct	
Balance of Payments (Fiscal)	2003/2004	2004/2005	
1. Current Account.....	<u>-424.5</u>	<u>-416.0</u>	<u>8.5</u>
A. Goods balance.....	<u>-1,105.5</u>	<u>-1,060.6</u>	<u>44.9</u>
Exports (f.o.b.).....	822.2	893.7	71.5
Imports (f.o.b.).....	1,927.7	1,954.3	26.6
B. Service Balance.....	<u>283.0</u>	<u>253.2</u>	<u>-29.8</u>
Transportation.....	-95.8	-100.7	-4.9
Travel.....	606.9	593.0	-13.9
Other Services.....	-228.1	-239.1	-11.0
C. Income.....	<u>-281.4</u>	<u>-349.4</u>	<u>-68.0</u>
Compensation of Employees.....	48.0	65.4	17.4
Investment Income.....	-329.4	-414.8	-85.4
D. Current Transfers.....	<u>679.3</u>	<u>740.8</u>	<u>61.5</u>
Official.....	61.1	61.1	-
Private.....	618.2	679.7	61.5
2. Capital and Financial Account.....	<u>424.5</u>	<u>416.0</u>	<u>-8.5</u>
A. Capital Account.....	<u>-0.4</u>	<u>1.6</u>	<u>2.0</u>
Capital Transfers.....	-0.8	1.6	2.4
Official.....	0.0	0.0	-
Private.....	-0.8	1.8	2.6
Acq./Disp. of non-produced non-fin. assets	0.4	0.0	-0.4
B. Financial Account.....	<u>424.9</u>	<u>414.4</u>	<u>-10.5</u>
Other Official Investment.....	-59.1	101.2	160.3
Other Private Investment.....	275.4	571.2	295.8
<i>(incl. errors & omissions)</i>			
Reserves.....	208.6	-258.0	
Government Reserves.....	0.0	0.0	

XIV. BOJ NET INTERNATIONAL RESERVES	Jan 2004	Dec 2004+	Jan 2005	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,219.65</u>	<u>1,858.52</u>	<u>1,847.58</u>	<u>51.48</u>
Gross Foreign Assets.....	1,251.01	1,881.93	1,870.97	49.56
Gross Foreign Liabilities.....	31.36	23.41	23.39	-25.41
Estimated Gross Reserves in Weeks of Imports.....	<u>19.75</u>	<u>27.78</u>	<u>27.62</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>13.12</u>	<u>18.85</u>	<u>18.74</u>	
 XV. FOREIGN EXCHANGE				
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	665.04	810.86	739.95	11.26
Foreign Exchange Sales (spot).....	693.11	786.35	743.42	7.26
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()				
Commercial Banks Balances.....				
"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.....				
"A" Accounts 1/.....	33.47	67.54	64.70	93.31
Other.....	109.48	67.55	83.99	-23.28
Building Societies Balances.....				
"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.).....				
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
 Jan 2004 Dec 2004 Jan 2005				
London Interbank Offer Rate (LIBOR) Eurodollars (%)				
3 months.....	1.13	2.50	2.66	
6 months.....	1.19	2.71	2.89	
U.S. Prime Rate (end of period) (%).....	4.00	5.25	5.25	
 Jan 2004 Dec 2004 Jan 2005				
Selling Exchange Rates (end period)				
US\$1.00 = J\$.....	60.73	61.63	61.87	
Can. \$1.00 = J\$.....	45.08	50.66	49.38	
U.K. Pound = J\$.....	110.07	117.92	115.52	
Euro = J\$**.....	75.62	83.43	80.74	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.74	9.82	9.92	
Bdos. \$1 = J\$.....	30.37	30.81	30.94	
Guy. \$1 = J\$.....	0.31	0.31	0.31	
E.C. \$1 = J\$.....	22.49	22.82	22.92	

() 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 DECEMBER 2004

The All Jamaica Consumer Price Index (CPI) increased by 0.6 per cent in December 2004. This outturn represents a normalization of price increases since the passing of the hurricane. Inflation for the first nine months of fiscal year (FY) 2004/05 was 11.6 per cent, which compares favourably with the 14.6 per cent obtained over the same interval in FY2003/04. For the calendar year 2004, the inflation rate was 13.7 per cent, relative to 14.1 per cent recorded in 2003. The mean annual inflation rate was 13.6 per cent, which was the same rate in the previous month, but higher than the 10.3 per cent recorded at December 2003 (Table 1).

The major influences on inflation in the month emanated from price increases in domestic agricultural products, other related food items and higher prices of some international commodities. These impulses were largely reflected in the *Food & Drink*, *Fuels & Other Household Supplies* and *Housing & Other Housing Expenses*, which increased by 0.7 per cent, 1.5 per cent and 0.5 per cent, respectively (Table 2). The respective contributions from these sub-groups to inflation were 57.2 per cent, 16.3 per cent and 7.9 per cent. Additionally, the *Healthcare & Personal Expenses* sub-index increased by 0.6 per cent in the month and contributed 8.2 per cent to the overall inflation.

The increase in *Food & Drink* emanated mainly from the *Meat, Poultry & Fish, Starchy Foods, and Meals Away From Home* sub-groups. These subgroups had respective increases of 1.1 per cent, 2.6 per cent and 1.5 per cent. The primary factor, which explains the increase in *Meals Away From Home*, is price movements relating to the second round effect of lower agricultural supply conditions brought about by damage to crops from Hurricane Ivan. The increase in *Meat, Poultry & Fish* stemmed from price shocks related to the hurricane, as well as increased seasonal demand. The prices of starchy food items continue to be affected by the impact of the hurricane, as longer term crops such as tubers are still in short supply. However, there were countervailing price impulses from the *Vegetables & Fruits* sub-group, resulting from a significant improvement in supplies.

For *Fuels & Other Household Supplies*, upward adjustments in the prices of kerosene and cooking gas were the main underlying factors. Additionally, there were increases in the prices of miscellaneous household supplies such as candles, ice and powdered soap. The increases in the prices of kerosene and cooking gas were primarily related to increases in international crude oil prices, a core component of these products.

The upward movement in the sub-index for *Housing & Other Housing Expenses* was primarily influenced by an average increase of 0.9 per cent in rental rates across regions. The increase in *Other Housing Expenses* stemmed primarily from a 0.6 per cent rise in water rates, as well as an average increase of 1.9 per cent in lumber prices across the Other Towns and the Rural Areas. Other price impulses of note occurred in *Healthcare & Personal Expenses*, which increased by 0.6 per cent and contributed 8.2 per cent to the overall inflation. The main items influencing this increase were tonics, pills and pain relievers, deodorants and opticians' fees.

There was near uniformity in inflation across the regions. The CPI in the Other Towns increased by 0.7 per cent, while the indices in the KMA and Rural Areas increased by 0.6 per cent each. This pattern was largely reflected in *Food & Drink* and *Housing & Other Housing Expenses*. Nonetheless, there were significant disparities in *Fuels & Other Household Supplies* and *Transportation*. The disparity in *Fuels & Other Household Supplies* largely reflected an increase of 5.7 per cent in the price of kerosene in the Rural Areas. This increase was the primary influence on the Fuels sub-group increasing by 4.7 per cent in this region. There were respective increases of 0.9 per cent and 0.6 per cent in this sub-group in the KMA and Other Towns. The other disparity of note occurred in *Transportation*. There was an increase of 1.7 per cent in the Other Towns, while there were declines of 0.3 per cent and 0.1 per cent in the Rural Areas and KMA, respectively. The increase in the Other Towns primarily reflected a 5.2 per cent increase in taxi fares.

The trimmed mean index was estimated to have increased by 0.47 per cent in December, 0.13 percentage point below the previous month's measure (Table 4). This represented a normalization in the core outturn to be consistent with a long-run expectation of approximately 4 per cent to 5 per cent per annum. The reduction in core inflation relative to the previous two months occurred in a context of a moderation in consumer demand, relative to the immediate months subsequent to the passing of the hurricane. For the calendar year, the core inflation rate was 5.2 per cent, which compared favourably with the 8.1 per cent for 2003. Similarly, core inflation for the fiscal year to December was 4.0 per cent, relative to the 6.7 per cent recorded for the similar period in the previous fiscal year. The annual average core inflation rate of 6.5 per cent was less than what obtained in the previous month, but higher by 0.62 percentage point when compared with the rate recorded in December 2003.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.7 per cent in December, down from the 1.3 per cent in the previous month. Since May 2004, the changes in the CPI-A index have been increasing, and peaked at 1.6 per cent in October 2004. This trend in non-agricultural inflation may have been reflecting movements in international oil prices, coupled with the shock to consumer expenditure brought on by the passing of the hurricane.

Table 1

JAMAICA: INFLATION RATES

		1/ C.P.I.	3 Month AVG. C.P.I.	Monthly % change	3 Month* % change	3 Month # % change	12 Month* % change	12 Month # % change
2001	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
	Nov	1,456.2	1,451.3	0.09	1.75	2.33	7.68	6.76
	Dec	1,460.2	1,457.1	0.27	1.20	1.83	8.76	6.99
2002	Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38	7.28
	Feb	1,468.0	1,465.6	-0.05	0.81	0.99	8.05	7.39
	Mar	1,468.5	1,468.4	0.03	0.57	0.78	7.58	7.48
	Apr	1,475.9	1,470.8	0.50	0.48	0.62	7.67	7.62
	May	1,480.0	1,474.8	0.28	0.82	0.62	7.16	7.69
	Jun	1,492.8	1,482.9	0.86	1.65	0.99	6.25	7.61
	Jul	1,515.6	1,496.1	1.53	2.69	1.72	6.83	7.58
	Aug	1,521.2	1,509.9	0.37	2.79	2.38	6.29	7.51
	Sept	1,528.0	1,521.6	0.45	2.36	2.61	5.90	7.41
	Oct	1,539.2	1,529.5	0.73	1.56	2.23	5.80	7.25
	Nov	1,558.3	1,541.8	1.24	2.44	2.12	7.01	7.20
	Dec	1,566.1	1,554.5	0.50	2.49	2.16	7.25	7.08
2003	Jan	1,561.3	1,561.9	-0.31	1.44	2.12	6.30	6.83
	Feb	1,552.2	1,559.9	-0.58	-0.39	1.17	5.74	6.64
	Mar	1,559.5	1,557.7	0.47	-0.42	0.20	6.20	6.52
	Apr	1,584.0	1,565.2	1.57	1.45	0.21	7.33	6.50
	May	1,613.4	1,585.6	1.86	3.94	1.65	9.01	6.66
	Jun	1,653.1	1,616.8	2.46	6.00	3.80	10.74	7.04
	Jul	1,678.4	1,648.3	1.53	5.96	5.31	10.74	7.38
	Aug	1,702.0	1,677.8	1.41	5.49	5.81	11.88	7.85
	Sept	1,728.4	1,702.9	1.55	4.56	5.33	13.11	8.47
	Oct	1,756.7	1,729.0	1.64	4.67	4.90	14.13	9.17
	Nov	1,773.0	1,752.7	0.93	4.17	4.46	13.78	9.74
	Dec	1,786.8	1,772.2	0.78	3.38	4.07	14.09	10.32
2004	Jan	1,801.8	1,787.2	0.84	2.57	3.36	15.40	11.08
	Feb	1,811.9	1,800.2	0.56	2.19	2.71	16.73	11.99
	Mar	1,820.8	1,811.5	0.49	1.90	2.22	16.76	12.86
	Apr	1,828.2	1,820.3	0.41	1.47	1.85	15.42	13.52
	May	1,839.9	1,829.6	0.64	1.55	1.64	14.04	13.93
	Jun	1,854.8	1,841.0	0.81	1.87	1.63	12.20	14.03
	Jul	1,854.8	1,855.8	0.97	2.44	1.95	11.58	14.08
	Aug	1,897.3	1,875.0	1.31	3.12	2.48	11.47	14.02
	Sept	1,909.2	1,893.1	0.63	2.93	2.83	10.46	13.77
	Oct	1,972.2	1,926.2	3.30	5.31	3.79	12.27	13.61
	Nov	2,020.0	1,967.1	2.42	6.47	4.92	13.93	13.62
	Dec	2,032.1	2,008.1	0.60	6.44	6.07	13.73	13.60

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
December 2004

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.7	0.3126	57.2
Meals away from home	0.0741	1.5	0.1107	20.3
Meat, Poultry & Fish	0.1613	1.1	0.1698	31.1
Dairy Products Oils & Fats	0.0668	0.7	0.0469	8.6
Baked Products, Cereals & Breakfast Drink	0.0864	0.7	0.0563	10.3
Starchy Foods	0.0525	2.6	0.1357	24.8
Vegetables & Fruits	0.0650	-3.5	-0.2269	-41.6
Other Food & Beverages	0.0502	0.4	0.0200	3.7
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	1.5	0.0892	16.3
Household Supplies	0.0482	0.8	0.0369	6.7
Fuels	0.0253	2.1	0.0523	9.6
HOUSING & OTHER HOUSING EXPENSES	0.0786	0.5	0.0429	7.9
Rental	0.0209	1.4	0.0283	5.2
Other Housing Expenses	0.0577	0.3	0.0147	2.7
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.3	0.0108	2.0
Furniture	0.0068	-0.3	-0.0023	-0.4
Furnishings	0.0215	0.6	0.0131	2.4
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.6	0.0450	8.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.5	0.0249	4.6
Clothing Materials	0.0055	0.1	0.0007	0.1
Readymade Clothing & Accessories	0.0242	0.5	0.0110	2.0
Footwear	0.0159	0.7	0.0118	2.2
Making & Repairs	0.0051	0.3	0.0014	0.3
TRANSPORTATION	0.0644	0.2	0.0157	2.9
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0051	0.9
ALL GROUPS	1.0000	0.60	0.55	100.0

Table 3
REGIONAL INFLATION
December 2004

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.8	0.7	0.5
Meals away from home	1.5	1.6	1.3
Meat Poultry & Fish	0.9	1.6	1.0
Dairy Products Oils & Fats	0.3	1.1	1.0
Baked Products Cereals & Breakfast Drink	0.7	0.6	0.6
Starchy Foods	2.2	3.7	2.4
Vegetables & Fruits	-0.4	-6.4	-5.4
Other Food & Beverages	0.1	0.4	0.7
FUELS & OTHER HOUSEHOLD SUPPLIES	0.7	1.0	3.1
Household Supplies	0.4	1.5	0.9
Fuels	0.9	0.6	4.7
HOUSING & OTHER HOUSING EXPENSES	0.6	0.3	0.3
Rental	1.6	0.5	0.7
Other Housing Expenses	0.2	0.2	0.3
HOUSEHOLD FURNISHINGS & FURNITURE	0.5	0.1	0.3
Furniture	0.0	-0.5	-0.6
Furnishings	0.7	0.3	0.7
HEALTHCARE & PERSONAL EXPENSES	0.5	1.5	0.4
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.1	1.2	0.5
Clothing Materials	0.0	0.4	0.2
Readymade Clothing & Accessories	0.1	0.7	0.7
Footwear	0.3	1.9	0.5
Making & Repairs	0.0	1.4	0.0
TRANSPORTATION	-0.1	1.7	-0.3
MISCELLANEOUS EXPENSES	0.0	0.1	0.2
ALL GROUPS	0.6	0.7	0.6

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2001/02						
Apr	0.42	0.14	0.42	0.14	4.04	4.18
May	0.75	0.50	1.18	0.65	4.29	4.17
June	1.73	0.35	2.93	1.00	4.30	4.17
July	0.98	0.44	3.94	1.44	4.46	4.22
Aug	0.87	0.39	4.85	1.84	4.33	4.26
Sept	0.82	0.28	5.71	2.12	4.18	4.26
Oct	0.83	0.34	6.59	2.46	4.15	4.25
Nov	0.09	0.15	6.68	2.61	4.01	4.23
Dec	0.27	0.13	6.97	2.75	3.98	4.23
Jan	0.59	0.35	7.60	3.11	4.22	4.24
Feb	-0.05	0.15	7.55	3.26	3.49	4.15
Mar	0.03	0.06	7.58	3.32	3.32	4.06
2002/03						
Apr	0.50	0.28	0.50	0.28	3.46	4.01
May	0.28	0.19	0.78	0.47	3.14	3.91
June	0.86	0.39	1.65	0.86	3.18	3.82
July	1.53	0.30	3.21	1.16	3.04	3.70
Aug	0.37	0.24	3.59	1.41	2.89	3.58
Sept	0.45	0.21	4.05	1.62	2.82	3.47
Oct	0.73	0.28	4.82	1.90	2.76	3.35
Nov	1.24	0.55	6.12	2.47	3.18	3.29
Dec	0.50	0.34	6.65	2.82	3.39	3.24
Jan	-0.31	0.37	6.32	3.20	3.41	3.17
Feb	-0.58	0.38	5.70	3.59	3.65	3.19
Mar	0.47	0.54	6.20	4.15	4.15	3.26
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
June	2.46	0.91	6.00	2.30	5.64	3.72
July	1.53	0.94	7.62	3.27	6.31	3.99
Aug	1.41	0.79	9.14	4.08	6.90	4.33
Sept	1.55	0.52	10.83	4.62	7.22	4.70
Oct	1.64	0.79	12.65	5.45	7.77	5.12
Nov	0.93	0.66	13.69	6.14	7.89	5.51
Dec	0.78	0.53	14.58	6.70	8.09	5.90
Jan	0.84	0.50	15.54	7.23	8.22	6.30
Feb	0.56	0.32	16.18	7.57	8.15	6.68
Mar	0.49	0.32	16.76	7.91	7.91	6.99
2004/05						
Apr	0.41	0.32	0.41	0.32	7.55	7.24
May	0.64	0.39	1.05	0.71	7.20	7.41
June	0.81	0.36	1.87	1.08	6.62	7.48
July	0.97	0.36	2.86	1.44	6.00	7.45
Aug	1.31	0.46	4.20	1.91	5.66	7.34
Sept	0.63	0.34	4.86	2.25	5.46	7.19
Oct	3.30	0.66	8.32	2.93	5.33	6.98
Nov	2.42	0.60	10.94	3.54	5.26	6.76
Dec	0.60	0.47	11.60	4.03	5.20	6.52

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
September 2004

September 2004

Preliminary estimates of the balance of payments for September 2004 indicate a marginal expansion in the current account deficit to US\$57.1MN, from US\$55.0MN in September 2003. The deterioration in the current account largely reflected a reduction of US\$12.0MN on the services account to a deficit of US\$1.9MN, relative to the surplus for September 2003. In addition, there was a fall of US\$1.2MN in the surplus on the current transfers account. These changes were partly offset by contractions of US\$7.8MN and US\$3.3MN in the deficits on the merchandise trade and income accounts, respectively. Within the financial account, net private capital investment inflows were insufficient to finance net official investment outflows, as well as the deficits on the current and capital accounts. In this context, there was a draw down of US\$26.9MN in the net international reserves of the Bank of Jamaica.

Merchandise Trade

The decline in the merchandise trade deficit reflected a contraction of US\$42.1MN in payments for imports (f.o.b.), which was partially countered by a reduction of US\$34.3MN in receipts from exports, relative to September 2003. Lower spending on imports was mainly attributed to mineral fuels, machinery and transport equipment and miscellaneous manufactured goods. The contraction in the value of exports primarily reflected lower receipts of US\$34.9MN from alumina, largely associated with a 58.8 per cent decline in export volume, which was partly offset by a 15.5 per cent increase in price.

Services

The deficit on the services account was attributed to a decline of US\$15.4MN in the surplus on the travel sub-account, which was partly offset by marginal reductions in the deficits on the transportation and other services sub-accounts. The decline in net receipts on the travel sub-account resulted from a US\$15.6MN fall in visitor expenditure, associated with respective declines of 16.3 per cent and 29.0 per cent in foreign national and cruise visitor arrivals, due to the passage of Hurricane Ivan. In addition, average estimated expenditure per person per day fell by 13.2 per cent relative to September 2003.

Income

A decline of US\$1.9MN in net investment income outflows accounted for the narrowing of the deficit on the income account in September 2004, relative to September 2003. The lower net outflow was influenced by a reduction in the imputed profit remittances of the direct investment companies, which was partially offset by growth in interest payments on Government of Jamaica external debt.

Current Transfers

The lower surplus on the current transfers account mainly reflected the reduction of US\$1.0MN in net private inflows for the review month. The contraction in net private sector inflows was attributed to an increase of US\$2.3MN in gross private outflows.

Capital & Financial Accounts

A surplus of US\$57.2MN was recorded on the financial account, while the capital account registered a deficit of US\$0.1MN in September 2004. Within the financial account, net private investment inflows of US\$54.0MN was insufficient to finance net official investment outflows of US\$23.7MN, as well as the deficits on the current and capital accounts. Consequently, there was a draw down of US\$26.9MN in the net international reserves of the Bank of Jamaica.

April to September 2004

The current account of the balance of payments recorded a deficit of US\$286.7MN for the fiscal period April to September 2004, representing an improvement of US\$34.0MN, relative to the corresponding period of 2003. This improvement reflected a contraction of US\$45.5MN in the deficit on the goods account, as well as an increase of US\$63.4MN in net receipts from current transfers. An expansion of US\$69.0MN in the deficit on the income account, as well as a reduction of US\$5.9MN in the surplus on the services 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\$47.9MN in the net international reserves during the review period.

Merchandise Trade

The lower merchandise trade deficit recorded during the review period largely reflected a US\$64.9MN increase in the value of exports, partly countered by a US\$19.4MN expansion in imports (f.o.b.). With the exception of free zone exports, which declined by US\$2.5MN, all the other export categories expanded. In particular, major traditional exports grew by US\$41.2MN, while non-traditional and re-exports recorded respective increases of US\$19.0MN and US\$3.8MN. The performance of major traditional exports reflected higher earnings from alumina and sugar, relative to the comparable period in 2003. The growth in the value of alumina exports was attributed to an increase of 14.0 per cent in price, while earnings from sugar benefited from an expansion of 41.2 per cent in volume exported 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 decline in the surplus on the services account reflected an expansion of US\$10.7MN in the deficit on the other services sub-account. Partially offsetting the decline in the surplus on the other services sub-account was an increase of US\$3.0MN in net travel receipts, as well as a reduction of US\$1.8MN in net transportation payments. Growth in net payments for other services was associated with higher travel commissions, as well as increases in payments for financial services and insurance premiums. Inflows from travel benefited from growth of 6.7 per cent in total stop over arrivals, influenced by an increase of 7.1 per cent in foreign national stopover visitor arrivals, relative to the corresponding period in 2003.

Income

Higher imputed profit remittance by the direct investment companies was the main factor contributing to the increase of US\$87.4MN in net investment income outflows. This was partially offset by an improvement of US\$18.4MN 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\$62.0MN in net private inflows. This increase stemmed from an expansion of US\$100.1MN in gross private inflows, which was partially offset by an increase of US\$38.1MN in private outflows. Respective increases of US\$33.9MN and US\$33.2MN in inflows through commercial banks and building societies were largely responsible for the growth in gross inflows.

Capital & Financial Accounts

Surpluses of US\$285.4MN and US\$1.3MN 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\$221.3MN and US\$112.0MN, respectively, were recorded. The significant increase in net official inflows reflected Government's successful debt raising activities on the international capital market. The surpluses on the official and private investment accounts were more than sufficient to finance the deficit on the current account. Consequently, there was a build up of US\$47.9MN in the net international reserves of the Bank of Jamaica. At the end of September 2004, the level of gross reserves stood at US\$1 640.7MN, representing 26.5 weeks of imported goods and 17.8 weeks of imported goods and services.

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

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Sept ^{1/}	Sept ^{2/}		Apr - Sept ^{1/}	Apr - Sept ^{2/}	
	2003	2004	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	-55.0	-57.1	-2.1	-320.7	-286.7	34.0
A. GOODS and SERVICES	-131.4	-135.6	-4.2	-642.6	-603.0	39.6
a. GOODS BALANCE	-141.5	-133.7	7.8	-907.5	-862.0	45.5
Exports (f.o.b.)	121.6	87.3	-34.3	711.8	776.7	64.9
Imports (f.o.b.)	263.1	221.0	-42.1	1619.3	1638.7	19.4
b. SERVICES BALANCE	10.1	-1.9	-12.0	264.9	259.0	-5.9
Transportation	-18.8	-18.0	0.8	-80.3	-78.5	1.8
Travel	55.3	39.9	-15.4	544.7	547.7	3.0
Other Services	-26.4	-23.8	2.6	-199.5	-210.2	-10.7
B. INCOME	-25.8	-22.5	3.3	-250.4	-319.4	-69.0
Compensation of employees	9.7	11.1	1.4	33.5	51.9	18.4
Investment Income	-35.5	-33.6	1.9	-283.9	-371.3	-87.4
C. CURRENT TRANSFERS	102.2	101.0	-1.2	572.3	635.7	63.4
Official	9.7	8.2	-0.2	53.1	54.5	1.4
Private	-35.5	92.8	-1.0	519.2	581.2	62.0
2. CAPITAL & FINANCIAL ACCOUNT	55.1	57.1	2.0	320.7	286.7	-34.0
A. CAPITAL ACCOUNT	0.0	-0.1	-0.1	-0.3	1.3	1.6
a. Capital Transfers	0.0	-0.1	-0.1	-0.7	1.3	2.0
Official	0.0	0.0	0.0	0.0	0.0	0.0
Private	0.0	-0.1	-0.1	-0.7	1.3	2.0
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	55.1	57.2	2.1	321.0	285.4	-35.6
Other official investment	-5.6	-23.7	-18.1	-87.6	112.0	-199.6
Other private investment ^{3/}	163.2	54.0	-109.2	251.5	221.3	-30.2
Change in Reserves (minus = increase)	-102.5	26.9		157.1	-47.9	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA