



ECONOMIC STATISTICS

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SELECTED ECONOMIC INDICATORS

Figure 1

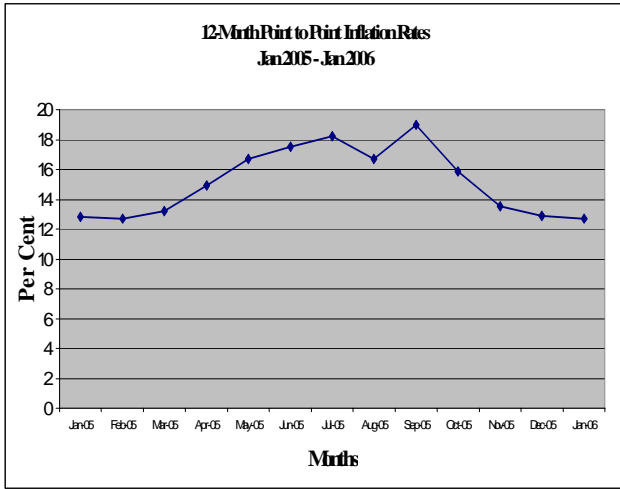


Figure 2

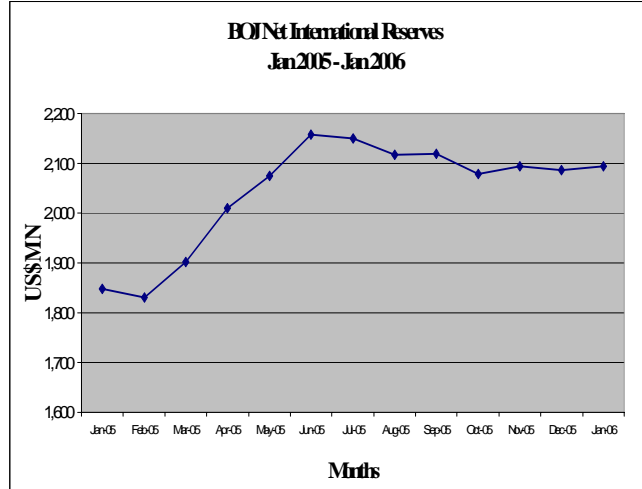


Figure 3

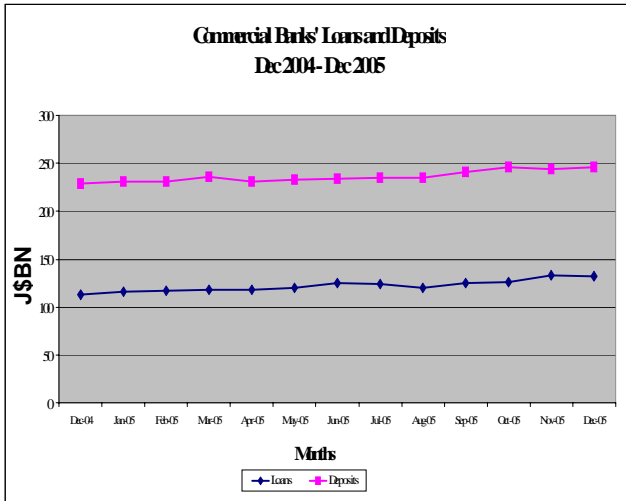


Figure 4

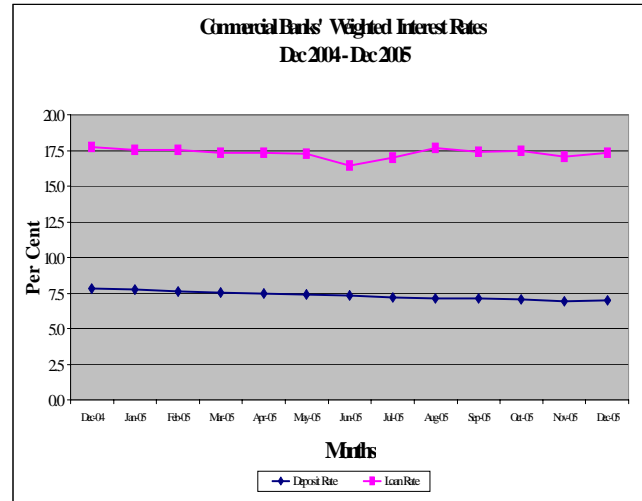


Figure 5

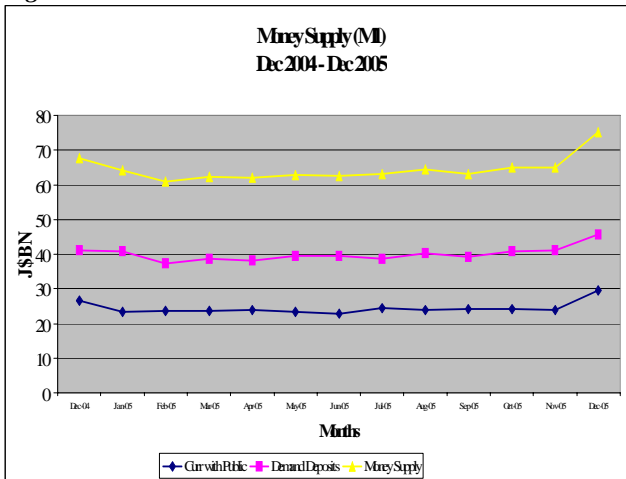
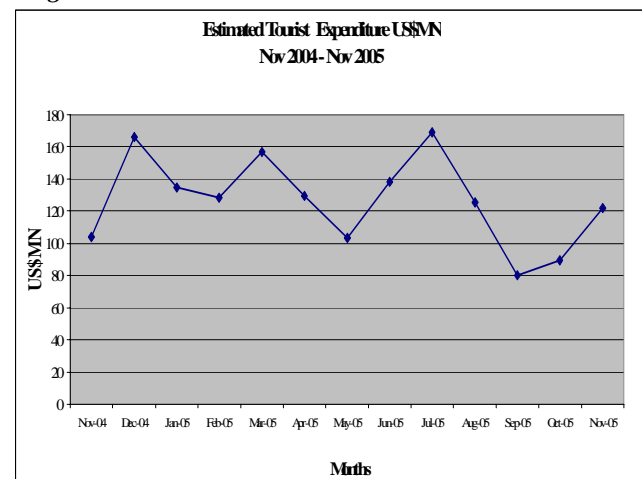


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Dec 2004	Nov 2005	Dec 2005	Change p.a.
Money Supply (M1).....	<u>67,823.45</u>	<u>64,913.40</u>	<u>75,200.33</u>	<u>10.88</u>
(a) Currency with the Public.....	26,643.70	23,942.05	29,630.16	11.21
(b) Demand Deposits (adj.)***.....	41,179.75	40,971.35	45,570.17	10.66
Quasi-Money.....	<u>143,608.89</u>	<u>156,557.71</u>	<u>155,434.05</u>	<u>8.23</u>
(a) Time.....	36,047.89	41,258.41	39,642.00	9.97
(b) Savings.....	107,561.00	115,299.30	115,792.05	7.65
Money Supply (M2).....	<u>211,432.34</u>	<u>221,471.11</u>	<u>230,634.38</u>	<u>9.08</u>
Domestic Credit (net).....	<u>224,248.12</u>	<u>239,214.98</u>	<u>241,288.92</u>	<u>7.60</u>
Local Currency	Dec 2004	Nov 2005+	Dec 2005	
Money Supply (M1).....	<u>55,307.78</u>	<u>54,944.35</u>	<u>65,036.90</u>	<u>17.59</u>
(a) Currency with the Public.....	26,643.70	23,942.05	29,630.16	11.21
(b) Demand Deposits (adj.)***.....	28,664.08	31,002.30	35,406.74	23.52
Quasi-Money.....	<u>86,281.95</u>	<u>91,983.92</u>	<u>92,675.08</u>	<u>7.41</u>
(a) Time.....	19,691.21	21,514.08	20,993.80	6.62
(b) Savings.....	66,590.74	70,469.84	71,681.28	<u>7.64</u>
Money Supply (M2).....	<u>141,589.73</u>	<u>146,928.27</u>	<u>157,711.98</u>	<u>11.39</u>
Domestic Credit (net).....	<u>187,317.73</u>	<u>193,353.68</u>	<u>196,650.71</u>	<u>4.98</u>
Base Money.....	Jan 2005	Dec 2005	Jan 2006	
	<u>39,739.36</u>	<u>49,417.70</u>	<u>44,338.83</u>	<u>11.57</u>
II. COMMERCIAL BANKS (J\$mn.)	Dec 2004	Nov 2005	Dec 2005	
Assets & Liabilities (J\$mn.)**.....	<u>344,378.62</u>	<u>367,126.97</u>	<u>367,100.66</u>	<u>6.60</u>
Loans**.....	<u>113,368.82</u>	<u>133,230.11</u>	<u>132,290.87</u>	<u>16.69</u>
Agriculture.....	1,227.49	1,776.95	1,831.63	49.22
Manufacturing.....	3,746.44	5,413.01	4,678.01	24.87
Construction & Land Development.....	5,875.73	5,387.93	5,512.31	-6.19
Mining.....	223.42	281.21	252.99	13.24
Tourism.....	15,741.82	23,039.89	22,917.68	45.58
Transport, Storage & Communication.....	8,733.62	5,242.41	5,209.24	-40.35
Consumer-Oriented.....	46,409.91	56,710.58	57,432.04	23.75
Government Services.....	29,810.53	33,716.52	32,564.97	9.24
Other.....	1,599.86	1,661.61	1,892.00	18.26
DEPOSITS.....	Dec 2004	Nov 2005	Dec 2005	
Private Sector (including overseas residents).....	<u>199,790.55</u>	<u>217,015.75</u>	<u>220,746.54</u>	<u>10.49</u>
Time.....	43,971.29	52,972.86	51,438.79	16.98
Savings.....	115,329.17	123,043.75	123,507.94	7.09
Demand.....	40,490.09	40,999.14	45,799.81	13.11
Government.....	<u>15,448.73</u>	<u>12,153.03</u>	<u>10,075.16</u>	<u>-34.78</u>
Time.....	713.94	844.63	844.05	18.22
Savings.....	1,410.65	1,337.87	1,402.55	-0.57
Demand.....	13,324.14	9,970.53	7,828.56	-41.25
Public Entities.....	<u>7,386.21</u>	<u>9,438.73</u>	<u>8,961.68</u>	<u>21.33</u>
Time.....	3,450.61	4,138.56	3,475.62	0.72
Savings.....	2,533.90	2,909.15	2,657.05	4.86
Demand.....	1,401.70	2,391.02	2,829.01	101.83

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

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

+ Revised

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Dec 2004	Nov 2005	Dec 2005	Change p.a.
Spec. & O. F. Insts.....	5,564.98	5,749.30	6,592.98	18.47
Time.....	1,207.07	1,179.75	1,161.34	-3.79
Savings.....	788.26	629.92	868.42	10.17
Demand.....	3,569.65	3,939.63	4,563.22	27.83
	Jan 2005	Dec 2005	Jan 2006	
Current Account Balances with BOJ (J\$mn).....	292.85	647.36	1,147.32	
LIQUIDITY (Average) %	Dec 2004	Nov 2005	Dec 2005	
Actual Liquid Assets Ratio.....	38.44	38.60	38.36	
Cash.....	4.12	2.58	3.64	
Deposits with B.O.J.....	9.52	9.33	9.39	
Treasury Bills.....	0.49	0.70	0.62	
Local Registered Stocks.....	5.67	2.45	2.25	
Other.....	18.64	23.54	22.46	
Statutory Requirement.....	23.00	23.00	23.00	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Jan 2005	Dec 2005	Jan 2006	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	3.00-14.10	2.50-14.10	2.50-14.10	
9-12 months.....	3.50-14.30	3.00-14.30	3.00-14.30	
Call Deposits.....	1.00-15.00	1.00-25.00	4.00-20.00	
Average Savings Deposits	6.48	5.48	5.30	
Average Loan Rate.....	24.89	22.00	21.84	
Average Inter-bank Rate	8.13	12.42	11.75	
	Dec 2004	Nov 2005	Dec 2005	
Weighted Fixed Deposits Rate.....	7.78	6.92	7.00	
Weighted Loan Rate.....	17.72	17.08	17.32	
G.O.J. Treasury Bills (Weighted Average) Yield	Jan 2005	Dec 2005	Jan 2006	
2 Months:.....	-	-	-	
3 Months:.....	-	13.34	12.82	
6 Months:.....	14.40	13.55	13.30	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Jan 2005	Dec 2005	Jan 2006	
BOJ Reverse Repurchase Rates (%)				
30-Day	13.80	12.60	12.60	
60-Day	13.95	12.70	12.70	
90-Day	14.05	12.75	12.75	
120-Day	14.15	12.85	12.85	
180-Day	14.30	13.00	13.00	
270-Day	15.00	13.25	13.25	
365-Day	15.50	13.60	13.60	
COMMERCIAL BANKS (Foreign Currency)	Jan 2005	Dec 2005	Jan 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	12.41	11.95	11.95	
Average Savings	2.69	2.60	2.60	

				%
				Change p.a.
IV. SECURITIES (J\$mnn.) (outstanding balances)	Dec 2004	Nov 2005	Dec 2005	
GOJ Local Registered Stock.....	220,290.45	223,625.73	225,762.76	2.48
	Jan 2005	Dec 2005	Jan 2006	
BOJ Open Market Operations 1/.....	137,736.38	149,806.52	152,090.10	10.42
GOJ Treasury Bills.....	3,750.00	3,500.00	3,500.00	-6.67
V. INSTALMENT CREDIT (J\$mnn.) (Banks & Near-Banks)	Dec 2004	Nov 2005	Dec 2005	
Total Credit Outstanding.....	12,135.09	13,769.17	13,928.79	14.78
New Business.....	854.20	1,074.90	881.24	3.17
VI. NEAR-BANKS (J\$mnn.) (Merchant Banks, Trust Com. & Finance Houses)	Dec 2004	Nov 2005	Dec 2005	
Assets/Liabilities.....	50,614.95	43,560.07	44,537.15	-12.01
Loans Outstanding.....	6,852.60	8,015.43	8,670.26	26.53
Total Deposits.....	11,436.35	11,800.50	12,139.91	6.15
Loans.....	<u>6,852.60</u>	<u>8,015.43</u>	<u>8,670.26</u>	<u>26.53</u>
Agriculture.....	315.49	493.65	531.03	68.32
Manufacturing.....	269.26	488.46	474.76	76.32
Construction & Land Development.....	1,266.03	1,377.52	1,489.22	17.63
Mining, Quarrying & Processing.....	20.37	28.88	27.50	35.00
Tourism.....	335.57	495.24	847.17	152.46
Transport, Storage & Communication.....	427.93	366.89	361.29	-15.57
Consumer Oriented.....	3,288.75	4,080.10	4,205.17	27.87
Government Services.....	684.01	429.40	475.72	-30.45
Other.....	245.19	255.29	258.40	5.39
	Dec 2004	Nov 2005	Dec 2005	
Liquid Assets Ratio (average) %.....	127.22	70.17	78.04	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mnn.) (members & associate members)	Dec 2004	Nov 2005	Dec 2005	
Assets/Liabilities.....	80,589.80	88,749.93	89,909.44	11.56
Loan Balances.....	29,243.61	35,772.02	36,551.19	24.99
Savings Funds.....	58,792.31	63,003.32	64,076.17	8.99
VIII. INFLATION	Jan 2005	Dec 2005	Jan 2006	
Consumer Price Index (Jan. 1988 = 100).....	2,032.8	2,293.8	2,295.7	12.93
Monthly Rate (%).....	0.0	0.1	0.1	
Calendar Year to Date (%) (point to point).....	12.8	12.9	12.9	
Fiscal Year to Date (%) (point to point).....	11.6	11.3	11.4	
IX. ACTUAL PRODUCTION ('000)	Dec 2004	Nov 2005	Dec 2005	
Bauxite (metric tonnes).....	113.49	342.65	404.02	256.00
Alumina (metric tonnes).....	365.47	302.23	360.00	-1.50
Sugar (metric tonnes).....	3.56	-	5.42	52.25
Banana Exports (tonnes).....	-	0.86	2.07	-
X. STOCK MARKET ACTIVITIES	Jan 2005	Dec 2005	Jan 2006	
Index.....	118,379.43	104,510.38	100,868.27	-14.79
Volume Traded (mn.).....	461.61	159.98	72.09	-84.38
Ordinary Shares.....	257.02	159.03	72.09	-71.95
Block Transactions.....	204.59	0.95	0.00	-100.00

1/ As at May 2005 the Bank of Jamaica no longer issue Reverse Repurchases
- No Production

	Jan 2005	Dec 2005	Jan 2006	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	10,921.57	2,638.18	736.66	-93.25
Ordinary Shares.....	4,286.66	2,635.78	736.66	-82.82
Block Transactions.....	6,634.91	2.40	-	-
Advance/Decline Ratio.....	30/3	31/5	5/29	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Oct 2004	Jan-Oct 2005		Change
1. EXPORTS				
(a) Major Traditional Exports.....	<u>824.53</u>	<u>894.76</u>		<u>70.23</u>
Bauxite.....	72.65	80.73		8.08
Alumina.....	640.93	733.76		92.83
Sugar.....	98.14	76.81		-21.33
Bananas.....	12.81	3.46		-9.35
(b) Other Traditional Exports.....	62.99	54.33		-8.66
(c) Non-Traditional Exports.....	240.33	267.84		27.51
(d) Re-exports.....	35.13	24.44		-10.69
General Merchandise Exports.....	<u>1,162.98</u>	<u>1,241.37</u>		<u>78.39</u>
(e) Freezone Exports.....	102.74	48.59		-54.15
(f) Goods Procured in Ports.....	58.59	58.59		-
Total Goods Exports.....	<u>1,324.31</u>	<u>1,348.55</u>		<u>24.24</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	427.13	483.38		56.25
(b) Beverage & Tobacco.....	36.51	45.53		9.02
(c) Crude Material.....	53.61	65.09		11.48
(d) Mineral Fuel.....	767.53	1,056.76		289.23
(e) Animal & Vegetable Oil.....	24.98	22.64		-2.34
(f) Chemicals.....	329.07	424.96		95.89
(g) Manufactured Goods.....	438.48	536.77		98.29
(h) Machinery & Transportation.....	692.36	700.25		7.89
(i) Miscellaneous Manufactured Goods.....	329.20	378.48		49.28
(j) Miscellaneous Commodities.....	53.76	54.74		0.98
General Merchandise Imports	<u>3,152.63</u>	<u>3,768.60</u>		<u>615.97</u>
Freezone Imports.....	61.89	13.35		-48.54
Goods Procured in Ports.....	93.58	93.58		-
Total Goods Imports.....	<u>3,308.10</u>	<u>3,875.53</u>		<u>567.43</u>
Trade Balance.....	<u>-1,983.79</u>	<u>-2,526.98</u>		<u>-543.19</u>
XII. TOURISM	Jan-Nov 2004	Jan-Nov 2005		% Change
Tourist Arrivals ('000).....	<u>2,244.94</u>	<u>2,318.16</u>		<u>3.26</u>
Stop Overs.....	1,278.92	1,313.40		2.70
Foreign Nationals.....	1,205.84	1,238.60		2.72
Non-Resident Jamaicans.....	73.08	74.80		2.35
Cruise.....	966.02	1,004.76		4.01
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	<u>1,272.00</u>	<u>1,400.80</u>		<u>10.13</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Oct 2004	Jan-Oct 2005*		Change
1. Current Account.....	<u>-389.6</u>	<u>-686.8</u>		<u>-297.2</u>
A. Goods balance.....	<u>-1,536.5</u>	<u>-2,029.7</u>		<u>-493.2</u>
Exports (f.o.b.).....	1,324.2	1,348.4		24.2
Imports (f.o.b.).....	2,860.7	3,378.1		517.4
B. Service Balance.....	<u>468.2</u>	<u>564.0</u>		<u>95.8</u>
Transportation.....	-113.7	-174.4		-60.7
Travel.....	934.0	1,078.1		144.1
Other Services.....	-352.1	-339.7		12.4

* Provisional

<i>Balance of Payments (Calendar) (Cont'd)</i>			
	Jan-Oct 2004	Jan-Oct 2005*	Change
C. Income	<u>-452.4</u>	<u>-489.8</u>	<u>-37.4</u>
Compensation of Employees.....	63.3	64.9	1.6
Investment Income.....	-515.7	-554.7	-39.0
D. Current Transfers	<u>1,131.1</u>	<u>1,268.7</u>	<u>137.6</u>
Official.....	116.3	103.0	-13.3
Private.....	1,014.8	1,165.7	150.9
2. Capital and Financial Account	<u>389.6</u>	<u>686.8</u>	<u>297.2</u>
A. Capital Account	<u>0.8</u>	<u>-9.9</u>	<u>-10.7</u>
Capital Transfers.....	<u>0.8</u>	<u>-9.9</u>	<u>-10.7</u>
Official.....	11.4	0.3	-11.1
Private.....	-10.6	-10.2	0.4
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	-
B. Financial Account	<u>388.8</u>	<u>696.7</u>	<u>307.9</u>
Other Official Investment.....	533.8	201.4	-332.4
Other Private Investment.....	516.7	715.8	199.1
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>-661.7</u>	<u>-220.5</u>	
	Apr-Oct	Apr-Oct*	
<i>Balance of Payments (Fiscal)</i>	2004/2005	2005/2006	
1. Current Account	<u>-355.2</u>	<u>-596.3</u>	<u>-241.1</u>
A. Goods balance	<u>-1,114.6</u>	<u>-1,438.9</u>	<u>-324.3</u>
Exports (f.o.b.).....	908.2	971.5	63.3
Imports (f.o.b.).....	2,022.8	2,410.4	387.6
B. Service Balance	<u>266.0</u>	<u>309.4</u>	<u>43.4</u>
Transportation.....	-99.6	-145.6	-46.0
Travel.....	608.8	690.7	81.9
Other Services.....	-243.2	-235.7	7.5
C. Income	<u>-304.1</u>	<u>-340.6</u>	<u>-36.5</u>
Compensation of Employees.....	58.5	58.2	0.3
Investment Income.....	-362.6	-398.8	-36.2
D. Current Transfers	<u>797.5</u>	<u>873.8</u>	<u>76.3</u>
Official.....	88.8	63.8	-25.0
Private.....	708.7	810.0	101.3
2. Capital and Financial Account	<u>355.2</u>	<u>596.3</u>	<u>241.1</u>
A. Capital Account	<u>1.2</u>	<u>-6.9</u>	<u>-8.1</u>
Capital Transfers.....	1.2	-6.9	-8.1
Official.....	8.0	0.2	-7.8
Private.....	-6.8	-7.1	-0.3
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	-
B. Financial Account	<u>354.0</u>	<u>603.2</u>	<u>249.2</u>
Other Official Investment.....	280.3	249.9	30.4
Other Private Investment.....	331.7	530.7	199.0
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>-258.0</u>	<u>-177.4</u>	

* Provisional

	Jan 2005	Dec 2005	Jan 2006	% Change p.a.
XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,847.58</u>	<u>2,087.43</u>	<u>2,093.48</u>	<u>13.31</u>
Gross Foreign Assets.....	1,870.97	2,169.04	2,161.08	15.51
Gross Foreign Liabilities.....	23.39	81.62	67.60	189.01
Estimated Gross Reserves in Weeks of Imports.....	<u>27.30</u>	<u>27.03</u>	<u>26.93</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>18.56</u>	<u>18.99</u>	<u>18.92</u>	
XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.) *	Jan 2005	Dec 2005	Jan 2006	
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	739.95	1,015.02	982.33	32.76
Foreign Exchange Sales (spot).....	743.42	979.07	943.65	26.93
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	Dec 2004	Nov 2005⁺	Dec 2005	
Commercial Banks Balances.....	<u>1,441.99</u>	<u>1,531.19</u>	<u>1,512.45</u>	<u>4.89</u>
"A" Accounts 1/.....	142.33	169.86	171.01	20.15
"B" Accounts	-	-	0.17	-
Other.....	1,299.66	1,361.33	1,341.27	3.20
F.I.As Balance.....	<u>167.33</u>	<u>156.27</u>	<u>161.55</u>	<u>-3.45</u>
"A" Accounts 1/.....	97.70	108.65	107.46	9.99
"B" Accounts	0.35	0.05	0.05	-85.71
Other.....	69.28	47.57	54.04	-22.00
Building Societies Balances.....	<u>337.18</u>	<u>343.68</u>	<u>351.45</u>	<u>4.23</u>
"A" Accounts 1/.....	195.52	202.34	204.61	4.65
"B" Accounts	64.88	62.28	65.94	1.63
Other	76.78	79.06	80.90	5.37
Total Foreign Currency Deposits (US\$mn.).....	<u>1,946.50</u>	<u>2,031.14</u>	<u>2,025.45</u>	<u>4.06</u>
Total Foreign Currency Loans (US\$mn.).....	<u>820.11</u>	<u>961.15</u>	<u>956.66</u>	<u>16.65</u>
Commercial Banks.....	739.99	870.58	857.74	15.91
F.I.As	70.17	81.03	89.05	26.91
Building Societies.....	9.95	9.55	9.87	-0.80

* 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

	Jan 2005	Dec 2005	Jan 2006
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	2.66	4.54	4.61
6 months.....	2.89	4.70	4.73
U.S. Prime Rate (end of period) (%).....	5.25	7.25	7.50
Selling Exchange Rates (end period)	Jan 2005	Dec 2005	Jan 2006
US\$1.00 = J\$.....	61.87	64.58	64.99
Can. \$1.00 = J\$.....	49.38	54.95	56.55
U.K. Pound = J\$.....	115.52	110.40	115.35
Euro = J\$**.....	80.74	76.48	79.01
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	9.92	10.27	10.39
Bdos. \$1 = J\$.....	30.94	32.29	32.49
Guy. \$1 = J\$.....	0.31	0.33	0.33
E.C. \$1 = J\$.....	22.92	23.92	24.07

** Indicative Rates

INFLATION DECEMBER 2005

Inflation in December 2005 slowed to 0.1 per cent, relative to 0.3 per cent in the previous month (Table 1). This outturn resulted in an inflation rate of 11.3 per cent for the first nine months of FY 2005/06, 0.3 percentage point below the outturn for the similar interval in FY 2004/05. The inflation rate for calendar year 2005 was 12.9 per cent, which is below the 13.7 per cent recorded in 2004. The mean annual inflation rate was 15.3 per cent, which represented a slight reduction over the previous month but remains above the 13.6 per cent realized one year ago.

The relatively low inflation outturn in December was due to significant countervailing impulses associated with a noticeable reversal in international crude oil prices and increased supplies of certain agricultural commodities. In particular, the growth in the supply of longer-term agricultural commodities such as tubers, dampened the inflationary impact of the lower supply of short-term crops such as vegetables. The supply of vegetables was adversely affected by widespread and intense rainfall associated with Hurricane Wilma in October. The prices of meat continued to be of concern as the steady decline in the local beef industry has affected its price and that of substitutes. The inflation outturn for the month was also affected by increased demand associated with the holiday season.

With the exception of Housing & Other Housing Expenses, all sub-categories within the CPI reflected increases in December. The main inflationary impulses were registered in *Food & Drink*, *Personal Clothing*, *Footwear & Accessories* and *Fuels & Other Household Supplies*. These sub-categories increased by 0.2 per cent, 0.8 per cent and 0.4 per cent, accounting for 85.6 per cent, 9.9 per cent and 9.6 per cent of the month's inflation, respectively.

The increase in the *Food & Drink* sub-index was due mainly to an increase of 1.9 per cent in *Meat, Poultry & Fish*. This expansion is against the background of a 19.0 per cent increase in this subcategory over the previous 12 months. Meat prices, particularly those of beef and beef products, have continued to reflect noticeable increases due to lower production levels of the commodity. The increase in the *Meat, Poultry & Fish* subcategory was also affected by a seasonal increase in demand due to the Christmas holidays. An increase of 3.1 per cent in *Vegetables & Fruits* was due to the disruption in supply of vegetables caused by recent adverse weather conditions. This was reflected mainly in the prices of tomato, carrot, escallion and cabbage. Other increases of note in *Food & Drink* emanated from *Dairy Products*, *Oils & Fats* and *Baked Products, Cereal & Breakfast Drinks* which increased by 1.1 per cent and 1.0 per cent, respectively. Increases in the former relate to lagged increases in flour and baked products while the expansion in the latter represents upward movements in the prices of milk and edible oils.

The inflationary impulses in the *Food & Drink* subcategory were partially countered by a 6.6 per cent decline in *Starchy Foods*. The reduction in the sub-index represented a continuance of the 23.0 percentage points cumulative reduction experienced in the previous four months. This trend represents a combination of seasonal improvement in the supply of these products and a rebound from the setbacks that had started with the advent of Hurricane Ivan.

The expansion of 0.8 per cent in *Personal Clothing, Footwear & Accessories* was primarily due to a 1.6 per cent increase in *Readymade Clothing & Accessories*. The upward movements in these subgroups were largely influenced by a seasonal increase in demand for these items. The increase in the *Fuels & Other Household Supplies* was affected largely by the 0.8 per cent increase in the *Household Supplies* subgroup. The expansion was due to increases in the prices of detergents, polish and other items. The increase in the prices of these items may be related the drift in the exchange rate since September 2005.

There was a decline of 1.5 per cent in the *Housing & Other Housing Expenses* subcategory, which provided a significant countervailing influence on inflation in the month. The decrease was due to a 2.3 per cent decline in *Other Housing Expenses*, which emanated from reduced electricity cost arising from the downturn in the price of crude oil on the international market. The cost of electricity declined by 6.4 per cent due to a fall of 12.2 per cent in the fuel cost component. An increase of 1.5 per cent in *Rental* partially offset this decline.

While the *Other Towns* region reflected no change, the index of *KMA* increased by 0.2 per cent and that of the *Rural Areas* declined by 0.1 per cent. This pattern of inflation across the region is mainly reflective of the changes in the indices for the *Food & Drink* group (see **Table 3**). In the group, there were expansions of 0.5 per cent and 0.1 per cent in the **KMA** and **Other Towns**, respectively, while there was a reduction of 0.1 per cent in **Rural Areas**. The decrease in the **Rural Areas** stemmed largely from the decline in *Starchy Foods*, despite a greater decline registered in the **Other Towns**. This is due to the relatively greater importance of this subgroup in this region's index.

The trimmed mean index was estimated to have increased by 0.24 per cent in December, 0.10 percentage point below the previous month's measure (Table 4). The steady reduction in core inflation since June is reflective of a containment in base money, which has led to a reduction in the 12-month point-to-point core inflation rate to 5.24 per cent from 6.01 per cent in July. The point-to-point core inflation rate at December compared favourably with the 5.20 per cent recorded for the comparable period in the previous year. However, the annual average core inflation rate of 5.54 per cent for the month was 0.98 percentage point below what obtained in the similar period of 2004.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.58 per cent in December, compared to 0.79 per cent in the previous month. The lowering in inflationary pressures was due primarily to the reversal of international crude oil prices. The outturn also represented a third consecutive lowering of non-agricultural impulses since peaking at 2.92 per cent in September 2005. This moderation emanated from the one-off nature of the transportation shock in September and the tempering of energy impulses over the period. However, the 12-month change of 11.8 per cent is still above the 8.7 per cent for the corresponding period of last year.

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	2,147.3	2,103.1	2.23	5.17	3.32	16.71	13.04
	Jun	2,179.0	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	2,272.5	2,233.5	2.61	4.29	4.26	19.03	15.19
	Oct.	2,285.8	2,257.7	0.59	3.27	3.57	15.90	15.48
	Nov	2,292.4	2,283.5	0.29	3.50	3.69	13.48	15.43
	Dec	2,293.9	2,290.7	0.07	0.94	2.56	12.88	15.33

1/ January 1998 = 100
Moving average
* Point to point
Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
December 2005

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.2	0.3756	85.6
Meals away from home	0.0741	0.3	0.0238	5.4
Meat, Poultry & Fish	0.1613	1.9	0.3067	69.9
Dairy Products Oils & Fats	0.0668	1.1	0.0705	16.1
Baked Products, Cereals & Breakfast Drink	0.0864	1.0	0.0895	20.4
Starchy Foods	0.0525	-6.6	-0.3467	-79.1
Vegetables & Fruits	0.0650	3.1	0.2045	46.6
Other Food & Beverages	0.0502	0.5	0.0273	6.2
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.4	0.0421	9.6
Household Supplies	0.0482	0.8	0.0362	8.2
Fuels	0.0253	0.2	0.0060	1.4
HOUSING & OTHER HOUSING EXPENSES	0.0786	-1.5	-0.0996	-22.7
Rental	0.0209	1.5	0.0303	6.9
Other Housing Expenses	0.0577	-2.3	-0.1299	-29.6
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.2	0.0340	7.8
Furniture	0.0068	0.9	0.0059	1.3
Furnishings	0.0215	1.3	0.0281	6.4
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0354	8.1
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.8	0.0435	9.9
Clothing Materials	0.0055	0.4	0.0019	0.4
Readymade Clothing & Accessories	0.0242	1.6	0.0397	9.1
Footwear	0.0159	0.1	0.0013	0.3
Making & Repairs	0.0051	0.1	0.0005	0.1
TRANSPORTATION	0.0644	0.0	0.0027	0.6
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0049	1.1
ALL GROUPS	1.0000	0.07	0.44	100.0

Table 3
REGIONAL INFLATION
December 2005

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.5	0.1	-0.1
Meals away from home	0.3	0.5	0.1
Meat Poultry & Fish	2.0	2.1	1.6
Dairy Products Oils & Fats	0.9	1.2	1.2
Baked Products Cereals & Breakfast Drink	0.8	1.2	1.2
Starchy Foods	-5.6	-10.1	-6.0
Vegetables & Fruits	2.3	3.0	4.1
Other Food & Beverages	0.0	1.5	0.7
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0	0.7	0.8
Household Supplies	0.1	1.2	1.3
Fuels	0.0	0.4	0.5
HOUSING & OTHER HOUSING EXPENSES	-1.2	-1.9	-2.2
Rental	1.8	0.0	0.0
Other Housing Expenses	-2.2	-2.1	-2.4
HOUSEHOLD FURNISHINGS & FURNITURE	1.4	0.9	1.1
Furniture	1.5	0.6	0.5
Furnishings	1.4	1.0	1.4
HEALTHCARE & PERSONAL EXPENSES	0.6	0.8	0.1
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	1.2	0.6	0.5
Clothing Materials	0.4	0.3	0.2
Readymade Clothing & Accessories	2.8	1.0	1.0
Footwear	0.0	0.3	0.0
Making & Repairs	0.0	0.5	0.0
TRANSPORTATION	0.4	-0.4	-0.5
MISCELLANEOUS EXPENSES	0.0	0.2	0.0
ALL GROUPS	0.2	0.0	-0.1

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
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
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

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
October 2005

October 2005

The current account deficit of the Balance of Payments expanded by US\$19.8MN to US\$91.2MN in October 2005, relative to October 2004. This deterioration reflected respective expansions of US\$10.7MN and US\$8.5MN in the deficits on the income and merchandise trade accounts as well as a US\$10.3MN reduction in the surplus on the current transfers account. These changes were partly offset by an increase of US\$9.7MN in the surplus on the services account. Within the financial account, net official investment inflows were insufficient to finance net private investment outflows, as well as the deficits on the current and capital accounts. In this context, there was a drawdown of US\$40.0MN in the net international reserves of the Bank of Jamaica during the month.

Merchandise Trade

An increase of US\$6.3MN in the value of imports, supported by a US\$2.2MN reduction in earnings from exports, accounted for the expansion in the merchandise trade deficit for the review month. The growth in imports mainly reflected respective expansions of US\$8.9MN, US\$6.1MN, and US\$3.1MN in payments for imports of chemicals, mineral fuel and animal & vegetable oils & fats. The higher value of fuel imports was influenced by a 17.4 per cent increase in the price of crude oil in October 2005, relative to October 2004. With respect to the decline in exports, there was a contraction of US\$6.4MN in earnings from free zone exports, which was partly offset by a US\$4.2MN growth in earnings from general merchandise exports. Within the latter export group, earnings from non-traditional exports expanded by US\$6.7MN or 21.6 per cent for the review month, relative to 2004, primarily reflecting an increase in the export of petroleum products.

Services

An increase of US\$7.6MN in net receipts on the travel sub-account was largely responsible for the improvement in the surplus on the services account. The improvement in the travel sub-account reflected an increase of US\$4.6MN in gross inflows, largely influenced by respective growth of 10.9 per cent and 3.1 per cent in cruise passenger and stopover visitor arrivals to the Island. This expansion in inflows was complemented by a reduction of US\$3.0MN in the estimated expenditure of Jamaicans travelling abroad.

Income

The widening of the deficit on the income account stemmed primarily from an expansion of US\$10.1MN in net investment income outflows, associated with higher interest payments on the Government of Jamaica's external debt.

Current Transfers

A fall of US\$13.0MN in net inflows to the official sector, partly offset by an increase of US\$2.7MN in net inflows to the private sector, was responsible for the reduction in the balance on the current transfers account in October 2005, relative to October 2004. The decline in net official inflows was due to the non-repetition of grants received in the aftermath of Hurricane Ivan in 2004. Gross inflows through the commercial banks and remittance companies recorded respective increases of US\$18.1MN and US\$1.8MN. Inflows through other channels, however, declined by US\$33.6MN for the month.

Capital & Financial Accounts

A deficit of US\$1.0MN was recorded on the capital account for the review month, while the financial account registered a surplus of US\$92.2MN. Within the financial account, net official investment inflows of US\$104.6MN were insufficient to finance net private investment outflows of US\$52.4MN, as well as the deficits on the capital and current accounts. Consequently, there was a draw down of US\$40.0MN in the net international reserves of the Bank of Jamaica during the month.

April to October 2005

The current account deficit for the period April to October 2005 widened by US\$241.1MN to US\$596.3MN, relative to the corresponding period of 2004. This expansion reflected respective increases of US\$324.3MN and US\$36.5MN in the deficits on the goods and income accounts, which were partly offset by expansions of US\$76.3MN and US\$43.4MN in net receipts from current transfers and services, respectively. Within the financial account, net private and official investment inflows were more than enough to offset the deficits on the capital and current accounts. In this context, there was a buildup of US\$177.4MN in the net international reserves during the review period.

Merchandise Trade

An expansion of US\$387.6MN in spending on imports (f.o.b.), partly countered by an increase of US\$63.3MN in earnings from exports, accounted for the widening in the merchandise trade deficit for the review period. The growth in the value of imports principally reflected increased expenditure for mineral fuels, chemicals, manufactured goods and food. The rise in earnings from exports was primarily attributed to expansions of US\$76.7MN and US\$38.3MN in receipts from major traditional and non-traditional exports, respectively. These expansions were partly countered by a contraction of US\$42.5MN in free zone earnings. The growth in earnings from major traditional exports was influenced by an expansion in the value of alumina exports, reflecting respective increases of 11.9 per cent and 6.6 per cent in the volume and price during the review period.

Services

The increase in the surplus on the services account reflected growth of US\$81.9MN in net receipts on the travel sub-account, as well as a US\$7.5MN decline in the deficit on the other services sub-account. These improvements were partly offset by an increase of US\$46.0MN in net transportation payments, associated with the growth in imports. The improved performance on the travel sub-account reflected growth of US\$56.7MN in gross inflows, complemented by a decline of US\$25.2MN in gross outflows. With respect to gross travel inflows, an increase of 12.1 per cent in the average expenditure per person per day for stopover visitors was recorded, which offset the impact of reductions in stopover arrivals. The fall in outflows was influenced by a reduction in expenditure by Jamaicans travelling abroad.

Income

A growth of US\$36.2MN in net investment income outflows for the review period reflected higher Government interest payments on external debt, as well as an increase in the imputed profit remittances of the direct investment companies.

Current Transfers

Growth of US\$101.3MN in net private inflows, partly offset by a decline of US\$25.0MN in net official inflows, was responsible for the higher surplus on the current transfers account. For net private inflows, the improvement was attributed to an expansion of US\$109.4MN in gross inflows, which was partially countered by an increase of US\$8.1MN in outflows. Respective increases of US\$74.8MN and US\$72.8MN in inflows through commercial banks and remittance companies accounted for the growth in gross inflows. Inflows through building societies fell by US\$14.9MN during the review period.

Capital & Financial Accounts

A surplus of US\$603.2MN was recorded on the financial account for the review period, while the capital account registered a deficit of US\$6.9MN. Within the financial account, net private and official investment flows of US\$530.7MN and US\$249.9MN, respectively, were recorded. These flows were more than sufficient to finance the deficits on the current and capital accounts. Consequently, there was a buildup of US\$177.4MN in the net international reserves of the Bank of Jamaica. At the end of October, the gross reserves stood at US\$2 337.9MN, representing 28.9 weeks of imports and 20.3 weeks of imported goods and services.

The following table shows the balance of payments for October 2004, October 2005 and for the periods April to October 2004 and April to October 2005.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Oct	Oct		Apr - Oct	Apr - Oct^{2/}	
	2004	2005	Change	2004/05	2005/06	Change
1. CURRENT ACCOUNT	-71.4	-91.2	-19.8	-355.2	-596.3	-241.1
A. GOODS and SERVICES	-184.3	-183.1	1.2	-848.6	-1129.5	-280.9
a. GOODS BALANCE	-189.5	-198.0	-8.5	-1114.6	-1438.9	-324.3
Exports (f.o.b.)	120.9	118.7	-2.2	908.2	971.5	63.3
Imports (f.o.b.)	310.4	316.7	6.3	2022.8	2410.4	387.6
b. SERVICES BALANCE	5.2	14.9	9.7	266.0	309.4	43.4
Transportation	-21.9	-21.7	0.2	-99.6	-145.6	-46.0
Travel	58.9	66.5	7.6	608.8	690.7	81.9
Other Services	-31.8	-29.9	1.9	-243.2	-235.7	7.5
B. INCOME	-19.6	-30.3	-10.7	-304.1	-340.6	-36.5
Compensation of employees	15.4	14.8	-0.6	58.5	58.2	-0.3
Investment Income	-35.0	-45.1	-10.1	-362.6	-398.8	-36.2
C. CURRENT TRANSFERS	132.5	122.2	-10.3	797.5	873.8	76.3
Official	21.0	8.0	-13.0	88.8	63.8	-25.0
Private	111.5	114.2	2.7	708.7	810.0	101.3
2. CAPITAL & FINANCIAL ACCOUNT	71.4	91.2	19.8	355.2	596.3	241.1
A. CAPITAL ACCOUNT	0.2	-1.0	-1.2	1.2	-6.9	-8.1
a. Capital Transfers	0.2	-1.0	-1.2	1.2	-6.9	-8.1
Official	1.1	0.0	-1.1	8.0	0.2	-7.8
Private	-0.9	-1.0	-0.1	-6.8	-7.1	-0.3
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	71.2	92.2	21.0	354.0	603.2	249.2
Other official investment	173.5	104.6	-68.9	280.3	249.9	-30.4
Other private investment ^{3/}	107.8	-52.4	-160.2	331.7	530.7	199.0
Change in Reserves (minus = increase)	-210.1	40.0		-258.0	-177.4	

1/ Revised

2/ Provisional

3/ Includes errors & omissions