



ECONOMIC STATISTICS

VOLUME 15 - NO. 1

JANUARY 2005



SELECTED ECONOMIC INDICATORS

Figure 1

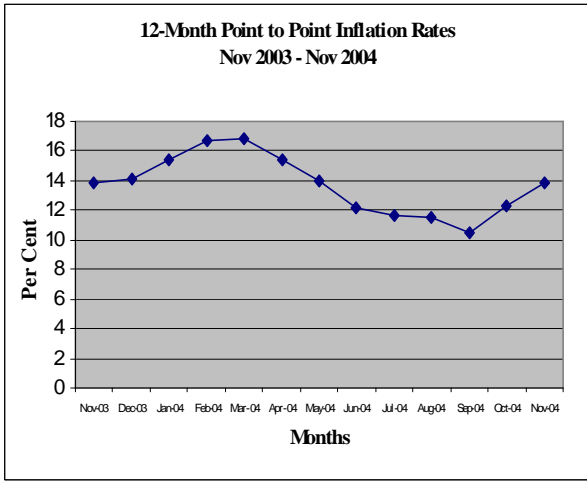


Figure 2

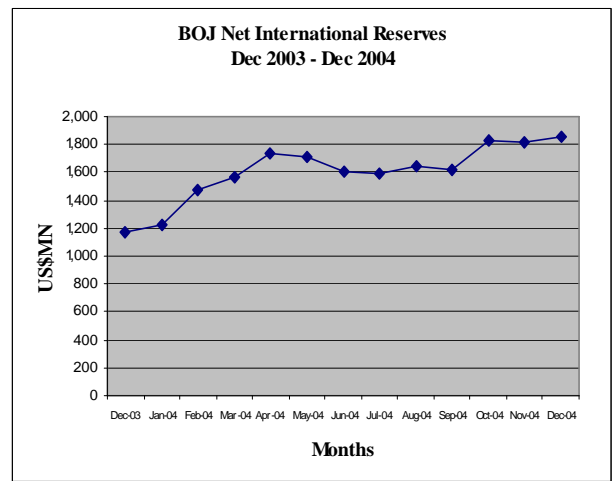


Figure 3

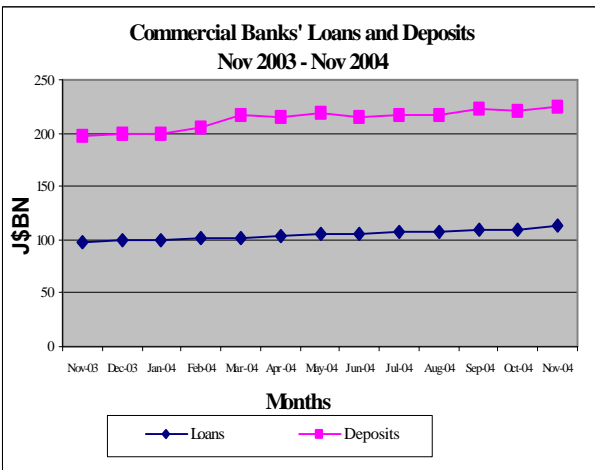


Figure 4

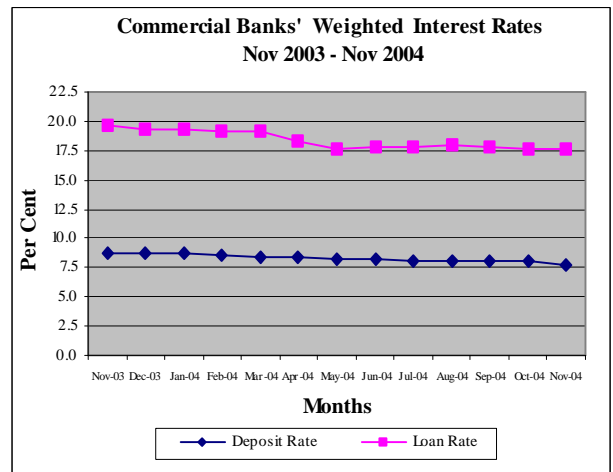


Figure 5

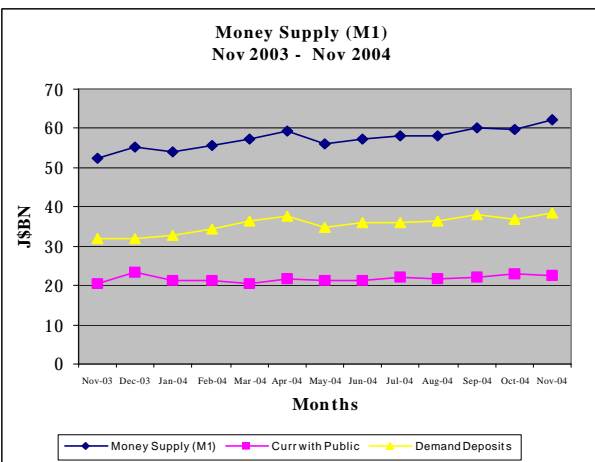
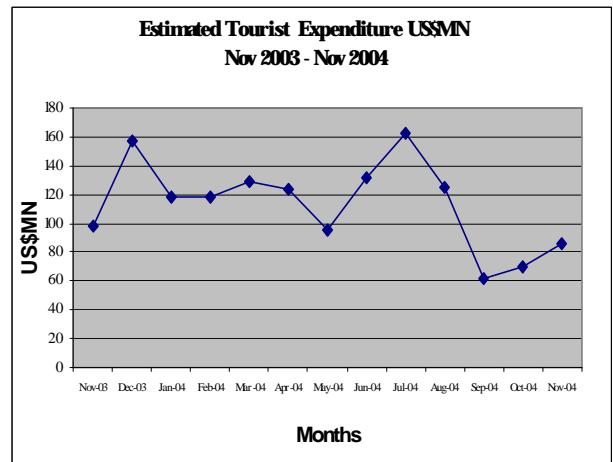


Figure 6



				%
1. MONETARY AGGREGATES (J\$mn.)				
Local and Foreign Currency	Nov 2003	Oct 2004+	Nov 2004	Change p.a.
Money Supply (M1).....	<u>52,388.88</u>	<u>59,782.29</u>	<u>61,235.01</u>	<u>16.89</u>
(a) Currency with the Public.....	20,500.33	22,922.26	22,577.04	10.13
(b) Demand Deposits (adj.)***.....	31,888.55	36,860.03	38,657.97	21.23
Quasi-Money.....	<u>127,040.59</u>	<u>139,949.08</u>	<u>142,018.43</u>	<u>11.79</u>
(a) Time.....	32,428.33	34,449.61	36,727.27	13.26
(b) Savings.....	94,612.26	105,499.47	105,291.16	11.29
Money Supply (M2).....	<u>179,429.47</u>	<u>199,731.37</u>	<u>203,253.44</u>	<u>13.28</u>
Domestic Credit (net).....	<u>215,399.33</u>	<u>219,879.05</u>	<u>218,878.91</u>	<u>1.62</u>
Local Currency	Nov 2003	Oct 2004+	Nov 2004	
Money Supply (M1).....	<u>43,035.54</u>	<u>47,862.55</u>	<u>49,236.22</u>	<u>14.41</u>
(a) Currency with the Public.....	20,500.33	22,922.26	22,577.04	10.13
(b) Demand Deposits (adj.)***.....	22,535.21	24,940.29	26,659.18	18.30
Quasi-Money.....	<u>76,523.53</u>	<u>84,460.55</u>	<u>84,818.36</u>	<u>10.84</u>
(a) Time.....	17,786.34	18,567.71	19,177.95	7.82
(b) Savings.....	58,737.19	65,892.84	65,640.41	11.75
Money Supply (M2).....	<u>119,559.07</u>	<u>132,323.10</u>	<u>134,054.58</u>	<u>12.12</u>
Domestic Credit (net).....	<u>186,336.22</u>	<u>185,347.38</u>	<u>182,023.03</u>	<u>-2.31</u>
	Dec 2003	Nov 2004	Dec 2004	
Base Money.....	<u>40,526.34</u>	<u>39,409.26</u>	<u>45,055.64</u>	<u>11.18</u>
II. COMMERCIAL BANKS (J\$mn.)	Nov 2003	Oct 2004+	Nov 2004	
Assets & Liabilities (J\$mn.)**.....	<u>313,546.42</u>	<u>331,740.17</u>	<u>338,944.80</u>	<u>8.10</u>
Loans**.....	<u>97,517.15</u>	<u>109,086.07</u>	<u>113,632.41</u>	<u>16.53</u>
Agriculture.....	1,633.13	1,319.20	1,495.95	-8.40
Manufacturing.....	3,584.93	3,338.79	5,009.70	39.74
Construction & Land Development.....	6,542.67	5,649.12	5,677.73	-13.22
Mining.....	225.87	217.05	204.90	-9.28
Tourism.....	11,606.70	13,857.51	13,950.69	20.20
Transport, Storage & Communication.....	8,062.91	8,104.59	8,764.22	8.70
Consumer-Oriented.....	37,259.35	43,678.60	44,985.95	20.74
Government Services.....	27,134.55	31,245.46	31,719.91	16.90
Other.....	1,467.04	1,675.75	1,823.36	24.29
DEPOSITS.....	<u>195,595.70</u>	<u>219,745.66</u>	<u>225,086.54</u>	<u>15.08</u>
Private Sector (including overseas residents).....	<u>172,305.50</u>	<u>193,486.10</u>	<u>196,864.72</u>	<u>14.25</u>
Time.....	38,487.38	42,679.78	44,141.14	14.69
Savings.....	101,711.51	112,907.55	112,886.02	10.99
Demand.....	32,106.61	37,898.77	39,837.56	24.08
Government.....	<u>12,226.61</u>	<u>14,468.86</u>	<u>14,656.06</u>	<u>19.87</u>
Time.....	453.44	304.13	534.12	17.79
Savings.....	1,591.09	1,485.29	1,297.79	-18.43
Demand.....	10,182.08	12,679.44	12,824.15	25.95
Public Entities.....	<u>7,495.87</u>	<u>6,052.39</u>	<u>7,567.01</u>	<u>0.95</u>
Time.....	4,432.16	3,385.67	4,022.69	-9.24
Savings.....	2,025.07	1,226.57	2,309.42	14.04
Demand.....	1,038.64	1,440.15	1,234.90	18.90

** 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)	Nov 2003	Oct 2004+	Nov 2004	Change p.a.
Spec. & O. F. Insts.....	<u>5,567.72</u>	<u>5,738.31</u>	<u>5,998.75</u>	<u>7.74</u>
Time.....	1,271.37	805.93	895.47	-29.57
Savings.....	987.61	1,035.57	974.72	-1.31
Demand.....	3,308.74	3,896.81	4,128.56	24.78
	Dec 2003	Nov 2004	Dec 2004	
Current Account Balances with BOJ (J\$mn).....	<u>171.71</u>	<u>686.68</u>	<u>341.29</u>	
LIQUIDITY (Average) %	Nov 2003	Oct 2004	Nov 2004	
Actual Liquid Assets Ratio.....	<u>33.46</u>	<u>37.71</u>	<u>39.94</u>	
Cash.....	2.44	2.68	2.51	
Deposits with B.O.J.....	9.23	9.46	9.48	
Treasury Bills.....	0.55	3.60	0.40	
Local Registered Stocks.....	9.15	3.29	6.14	
Other.....	12.09	18.68	21.41	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Dec 2003+	Nov 2004+	Dec 2004	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.25	8.50-13.15	3.00-14.10	
9-12 months.....	8.50-13.50	8.50-13.15	3.50-14.30	
Call Deposits.....	3.00-35.00	1.00-17.00	1.00-25.00	
Average Savings Deposits	7.24	6.48	6.48	
Average Loan Rate.....	25.60	24.89	24.89	
Average Inter-bank Rate	24.08	10.00	12.95	
	Nov 2003	Oct 2004+	Nov 2004	
Weighted Fixed Deposits Rate.....	8.74	8.00	7.75	
Weighted Loan Rate.....	19.66	17.69	17.67	
G.O.J. Treasury Bills (Weighted Average) Yield	Dec 2003	Nov 2004	Dec 2004	
2 Months:.....	20.99	-	-	
3 Months:.....	-	-	14.41	
6 Months:.....	22.05	14.90	14.94	
9 Months:.....	-	-	-	
12 Months:.....	-	16.05	-	
	Dec 2003	Nov 2004	Dec 2004	
BOJ Reverse Repurchase Rates (%)				
30-Day	15.00	14.00	13.80	
60-Day	15.30	14.10	13.95	
90-Day	17.00	14.20	14.05	
120-Day	20.00	14.35	14.15	
180-Day	21.00	14.80	14.30	
270-Day	22.00	15.35	15.00	
365-Day	23.00	16.00	15.50	
COMMERCIAL BANKS (Foreign Currency)	Dec 2003	Nov 2004	Dec 2004	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	1.00-5.00	0.25-5.00	
3-6 months.....	2.00-4.55	1.25-5.50	0.25-5.50	
6-12 months.....	2.00-6.00	1.50-6.00	0.25-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.50-4.75	2.00-5.75	0.50-5.75	
3-6 months.....	2.50-4.85	2.25-6.25	0.50-6.25	
6-12 months.....	2.50-6.25	2.50-6.75	0.50-6.75	
Average Loan Rates	12.15	12.41	12.41	
Average Savings	2.66	2.69	2.69	

+ Revised

				%
IV. SECURITIES (J\$mn.) (outstanding balances)	Oct 2003	Sept 2004	Oct 2004	Change p.a.
GOJ Local Registered Stock.....	233,124.53	222,522.44	223,103.48	-4.30
	Dec 2003	Nov 2004	Dec 2004	
BOJ Open Market Operations 1/.....	81,969.35	131,384.45	130,692.14	59.44
GOJ Treasury Bills.....	4,400.00	3,750.00	3,750.00	-14.77
V. INSTALMENT CREDIT (J\$mn.) (Banks & Near-Banks)	Nov 2003	Oct 2004	Nov 2004	
Total Credit Outstanding.....	9,589.29	11,483.72	11,931.92	24.43
New Business.....	574.25	764.76	843.55	46.90
VI. NEAR-BANKS (J\$mn.) (Merchant Banks, Trust Com. & Finance Houses)	Nov 2003+	Oct 2004	Nov 2004	
Assets/Liabilities.....	46,607.92	44,493.47	43,498.58	-6.67
Loans Outstanding.....	5,684.65	6,199.35	6,272.60	10.34
Total Deposits.....	8,177.90	10,540.67	10,916.63	33.49
Loans.....	<u>5,684.66</u>	<u>6,199.35</u>	<u>6,272.60</u>	<u>10.34</u>
Agriculture.....	101.43	301.88	307.14	202.81
Manufacturing.....	269.87	280.77	272.53	0.99
Construction & Land Development.....	731.82	1,100.94	1,148.38	56.92
Mining, Quarrying & Processing.....	40.11	21.68	20.95	-47.77
Tourism.....	468.51	426.16	410.52	-12.38
Transport, Storage & Communication.....	17.66	448.25	458.51	2,496.32
Consumer Oriented.....	2,960.99	2,709.31	2,730.24	-7.79
Government Services.....	921.97	684.36	686.19	-25.57
Other.....	172.30	226.00	238.14	38.21
	Nov 2003	Oct 2004+	Nov 2004	
Liquid Assets Ratio (average) %.....	80.99	86.52	118.93	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mn.) (members & associate members)	Nov 2003	Oct 2004	Nov 2004	
Assets/Liabilities.....	63,780.93	79,357.70	79,458.39	24.58
Loan Balances.....	23,726.62	28,096.66	28,789.45	21.34
Savings Funds.....	47,929.53	56,650.72	57,311.56	19.57
VIII. INFLATION	Nov 2003	Oct 2004	Nov 2004	
Consumer Price Index (Jan. 1988 = 100).....	1,773.0	1,972.2	2,020.0	13.93
Monthly Rate (%).....	0.9	3.3	2.4	
Calendar Year to Date (%) (point to point).....	13.2	10.4	13.1	
Fiscal Year to Date (%) (point to point).....	13.7	8.3	10.9	
IX. ACTUAL PRODUCTION ('000)	Nov 2003	Oct 2004	Nov 2004	
Bauxite (metric tonnes).....	276.70	64.57	220.48	-20.32
Alumina (metric tonnes).....	334.48	350.03	374.11	11.85
Sugar (metric tonnes).....	-	-	-	-
Banana (tonnes).....	4.21	-	-	-
X. STOCK MARKET ACTIVITIES	Dec 2003	Nov 2004	Dec 2004	
Index.....	67,586.72	107,329.40	112,655.52	66.68
Volume Traded (mn.).....	259.78	143.35	182.66	-29.69
Ordinary Shares.....	243.07	143.20	182.66	24.85
Block Transactions.....	16.71	0.15	-	-

	Dec 2003	Nov 2004	Dec 2004	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	1,523.30	2,468.03	2,682.49	76.10
Ordinary Shares.....	1,386.09	2,467.75	2,682.49	93.53
Block Transactions.....	137.21	0.28	-	-
Advance/Decline Ratio.....	24/10	15/14	24/9	
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-Nov 2003	Jan-Nov 2004		% Change
Tourist Arrivals ('000).....	<u>2,225.21</u>	<u>2,244.94</u>		<u>0.89</u>
Stop Overs.....	1,211.79	1,278.92		5.54
Foreign Nationals.....	1,139.13	1,205.84		5.86
Non-Resident Jamaicans.....	72.66	73.08		0.58
Cruise.....	1,012.98	966.02		-4.64
Armed Forces.....	0.44	-		-
Estimated Expenditure (US\$mn.).....	<u>1,192.10</u>	<u>1,221.10</u>		<u>2.43</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Sept 2003	Jan-Sept 2004		Change
1. Current Account.....	<u>-563.5</u>	<u>-274.2</u>		<u>289.3</u>
A. Goods balance.....	<u>-1,440.1</u>	<u>-1,204.5</u>		<u>235.6</u>
Exports (f.o.b.).....	1,046.0	1,198.2		152.2
Imports (f.o.b.).....	2,486.1	2,402.7		-83.4
B. Service Balance.....	<u>425.2</u>	<u>450.0</u>		<u>24.8</u>
Transportation.....	-110.2	-91.0		19.2
Travel.....	828.1	854.5		26.4
Other Services.....	-292.8	-313.5		-20.7

* Preliminary

Balance of Payments (Calendar) (Cont'd)

	Jan-Sept 2003	Jan-Sept 2004	Change
C. Income.....	<u>-404.2</u>	<u>-484.5</u>	<u>-80.3</u>
Compensation of Employees.....	37.2	59.8	22.6
Investment Income.....	-441.4	-544.3	-102.9
D. Current Transfers.....	<u>855.6</u>	<u>964.8</u>	<u>109.2</u>
Official.....	79.4	81.7	2.3
Private.....	776.2	883.1	106.9
2. Capital and Financial Account.....	<u>563.5</u>	<u>274.2</u>	<u>-289.3</u>
A. Capital Account.....	<u>-1.1</u>	<u>1.2</u>	<u>2.3</u>
Capital Transfers.....	<u>-1.5</u>	<u>1.2</u>	<u>2.7</u>
Official.....	0.1	0.1	0.0
Private.....	-1.6	1.1	2.7
Acq./Disp. of non-produced non-fin. assets....	0.4	0.0	-0.4
B. Financial Account.....	<u>564.6</u>	<u>273.0</u>	<u>-291.6</u>
Other Official Investment.....	-339.1	369.7	708.8
Other Private Investment.....	489.3	354.9	-134.4
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>414.4</u>	<u>-451.6</u>	

	Apr-Sept 2003/2004	Apr-Sept 2004/2005	
Balance of Payments (Fiscal)			
1. Current Account.....	<u>-320.7</u>	<u>-286.7</u>	<u>34.0</u>
A. Goods balance.....	<u>-907.5</u>	<u>-862.0</u>	<u>45.5</u>
Exports (f.o.b.).....	711.8	776.7	64.9
Imports (f.o.b.).....	1,619.3	1,638.7	19.4
B. Service Balance.....	<u>264.9</u>	<u>259.0</u>	<u>-5.9</u>
Transportation.....	-80.3	-78.5	1.8
Travel.....	544.7	547.7	3.0
Other Services.....	-199.5	-210.2	-10.7
C. Income.....	<u>-250.4</u>	<u>-319.4</u>	<u>-69.0</u>
Compensation of Employees.....	33.5	51.9	18.4
Investment Income.....	-283.9	-371.3	-87.4
D. Current Transfers.....	<u>572.3</u>	<u>635.7</u>	<u>63.4</u>
Official.....	53.1	54.5	1.4
Private.....	519.2	581.2	62.0
2. Capital and Financial Account.....	<u>320.7</u>	<u>286.7</u>	<u>-34.0</u>
A. Capital Account.....	<u>-0.3</u>	<u>1.3</u>	<u>1.6</u>
Capital Transfers.....	-0.7	1.3	2.0
Official.....	0.0	0.0	0.0
Private.....	-0.7	1.3	2.0
Acq./Disp. of non-produced non-fin. assets	0.4	0.0	-0.4
B. Financial Account.....	<u>321.0</u>	<u>285.4</u>	<u>-35.6</u>
Other Official Investment.....	-87.6	112.0	199.6
Other Private Investment.....	251.5	221.3	-30.2
<i>(incl. errors & omissions)</i>			
Reserves.....	157.1	-47.9	
Government Reserves.....	0.0	0.0	

* Preliminary

XIV. BOJ NET INTERNATIONAL RESERVES	Dec 2003	Nov 2004+	Dec 2004	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,164.98</u>	<u>1,816.06</u>	<u>1,858.52</u>	<u>59.53</u>
Gross Foreign Assets.....	1,196.33	1,840.35	1,881.93	57.31
Gross Foreign Liabilities.....	31.35	24.29	23.41	-25.33
Estimated Gross Reserves in Weeks of Imports.....	<u>18.31</u>	<u>26.88</u>	<u>27.49</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>12.50</u>	<u>18.30</u>	<u>18.72</u>	
 XV. FOREIGN EXCHANGE	 Dec 2003	 Nov 2004	 Dec 2004	
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	738.97	670.91	810.86	9.73
Foreign Exchange Sales (spot).....	729.27	680.38	786.35	7.83
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()	 Oct 2003	 Sept 2004	 Oct 2004	
Commercial Banks Balances.....	<u>1,250.69</u>	<u>1,419.55</u>	<u>1,366.79</u>	<u>9.28</u>
"A" Accounts 1/.....	105.67	140.55	141.54	33.95
Other.....	1,145.02	1,279.00	1,225.25	7.01
F.I.As Balance.....	<u>142.95</u>	<u>135.09</u>	<u>148.69</u>	<u>4.02</u>
"A" Accounts 1/.....	33.47	67.54	64.70	93.31
Other.....	109.48	67.55	83.99	-23.28
Building Societies Balances.....	<u>207.02</u>	<u>253.29</u>	<u>257.95</u>	<u>24.60</u>
"A" Accounts 1/.....	143.17	174.52	178.92	24.97
Other	63.85	78.77	79.03	23.77
Total Foreign Currency Deposits (US\$mn.).....	<u>1,600.66</u>	<u>1,807.93</u>	<u>1,773.43</u>	<u>10.79</u>
Total Foreign Currency Loans (US\$mn.).....	<u>677.70</u>	<u>742.45</u>	<u>740.76</u>	<u>9.31</u>
Commercial Banks.....	601.72	669.91	665.93	10.67
F.I.As	64.27	63.66	65.99	2.68
Building Societies.....	11.71	8.88	8.84	-24.51
 London Interbank Offer Rate (LIBOR) Eurodollars (%)	 Dec 2003	 Nov 2004	 Dec 2004	
3 months.....	1.17	2.31	2.50	
6 months.....	1.24	2.50	2.71	
U.S. Prime Rate (end of period) (%).....	4.00	5.00	5.25	
 Selling Exchange Rates (end period)	 Dec 2003	 Nov 2004	 Dec 2004	
US\$1.00 = J\$.....	60.62	61.98	61.63	
Can. \$1.00 = J\$.....	46.59	51.75	50.66	
U.K. Pound = J\$.....	107.45	117.62	117.92	
Euro = J\$**.....	76.36	82.18	83.43	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.74	9.90	9.82	
Bdos. \$1 = J\$.....	30.31	30.99	30.81	
Guy. \$1 = J\$.....	0.31	0.31	0.31	
E.C. \$1 = J\$.....	22.45	22.95	22.82	

() 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

NOVEMBER 2004

The All Jamaica Consumer Price Index (CPI) increased by 2.4 per cent in November 2004. This outturn brought inflation for the first eight months of fiscal year (FY) 2004/05 to 10.9 per cent, which compares favourably with the 13.7 per cent obtained over the same interval in FY2003/04. The calendar year to date inflation rate of 13.1 per cent is just below the 13.2 per cent recorded over the similar interval of 2003. The annual point-to-point inflation rate increased relative to the previous month by 1.7 percentage points to 13.9 per cent, which is just above the 13.8 per cent recorded at November 2003. Similarly, the annual average inflation rate at November 2004 was 13.6 per cent, which was the same rate in the previous month, but higher than the 9.7 per cent recorded at November 2003 (Table 1).

The major influences on inflation continue to emanate from price increases in domestic agricultural products, other related food items and higher prices of some international commodities. The upward movement in the prices of domestic products was caused by supply shocks that stemmed principally from the impact of the recent hurricane. External impulses originated mainly from the movements in international crude oil prices. These impulses were largely reflected in the *Food & Drink*, *Housing & Other Housing Expenses* and the *Fuels & Other Household Supplies* sub-indices that increased by 3.5 per cent, 2.7 per cent and 2.5 per cent, respectively (Table 2). The respective contributions from these sub-groups to inflation were 75.5 per cent, 9.3 per cent and 6.9 per cent.

Similar to the previous month, the increase in *Food & Drink* emanated mainly from the *Vegetables & Fruits* and the *Starchy Foods* sub-groups. These subgroups had respective increases of 9.4 per cent and 8.5 per cent. The primary factor, which explains this increase, relates to the lower agricultural supply conditions brought about by damage to crops from Hurricane Ivan. The main items affected were yams, potatoes, dasheen, green bananas, tomato, cabbage, escallion, and carrots.

For *Fuels & Other Household Supplies*, upward adjustments in the prices of kerosene and cooking gas were the main underlying factors. These expected increases were related to the significant rise in the price of crude oil, from which these products are derived. Additionally, there were significant increases in the prices of miscellaneous household supplies such as powdered soap, candles and batteries. Larger price increases in these commodities occurred in the rural areas and may be associated with greater demand due to the hurricane, as well as increased distributional cost due to higher fuel prices.

The increase in the sub-index for *Housing & Other Housing Expenses* was primarily influenced by a 5.4 per cent increase in electricity rates. This stemmed from an 11.8 per cent increase in the fuel rate, which reflected the lagged effects of upward movement in international oil prices. Since the beginning of the year, the benchmark West Texas Intermediate (WTI) crude oil price has risen by over 60 per cent. Another impulse of note within the subgroup was a 2.9 per cent increase in rental rates.

There were noticeable disparities in inflation in the KMA and the rest of the country.

While the CPI in the KMA increased by 1.9 per cent, the indices in the Other Towns and Rural Areas rose by 2.8 per cent and 2.9 per cent, respectively. This may have occurred in the context of a disruption of consumer supplies from the main distribution centres in the urban areas due to the hurricane. This disparity was most evident in the Food & Drink sub-groups, which reflected an increase of 2.6 per cent for the KMA and 4.1 per cent for both Other Towns and Rural Areas. For the fiscal year to date, the index of the Other Town region reflected the highest inflation of 16.0 per cent, relative to the 10.7 and 13.2 per cent inflation in KMA and Rural Areas, respectively.

The trimmed mean index was estimated to have increased by 0.60 per cent in November, 0.06 of a percentage point below the previous month's measure (Table 4). The relatively high core outturn was in the context of significant increase in consumer demand juxtaposed with a lowering in supply arising from the passage of the hurricane. The resulting increased expenditure resulted in strong underlying inflation during the month. Despite this however, the 12-month point-to-point core inflation rate of 5.26 per cent at November 2004 was 0.07 of a percentage point below the comparable measure in the previous month and 2.63 percentage points below the measure one year ago. Similarly, core inflation for the fiscal year to date was 3.54 per cent, which compared favourably with the 6.14 per cent recorded for the similar period in the previous fiscal year. The annual average core inflation rate of 6.76 per cent was less than what obtained in the previous month, but higher by 1.25 percentage points when compared with the rate recorded in November 2003.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 1.3 per cent in November, down from the 1.6 per cent in the previous month.

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

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
November 2004

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	3.5	1.7420	75.5
Meals away from home	0.0741	1.8	0.1305	5.7
Meat, Poultry & Fish	0.1613	1.8	0.2836	12.3
Dairy Products Oils & Fats	0.0668	1.8	0.1203	5.2
Baked Products, Cereals & Breakfast Drink	0.0864	1.1	0.0931	4.0
Starchy Foods	0.0525	8.5	0.4454	19.3
Vegetables & Fruits	0.0650	9.4	0.6085	26.4
Other Food & Beverages	0.0502	1.2	0.0605	2.6
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	2.5	0.1603	6.9
Household Supplies	0.0482	1.7	0.0834	3.6
Fuels	0.0253	3.0	0.0769	3.3
HOUSING & OTHER HOUSING EXPENSES	0.0786	2.7	0.2148	9.3
Rental	0.0209	2.9	0.0603	2.6
Other Housing Expenses	0.0577	2.7	0.1545	6.7
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.5	0.0471	2.0
Furniture	0.0068	0.5	0.0035	0.2
Furnishings	0.0215	2.0	0.0436	1.9
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.8	0.0571	2.5
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.4	0.0200	0.9
Clothing Materials	0.0055	0.0	0.0002	0.0
Readymade Clothing & Accessories	0.0242	0.5	0.0123	0.5
Footwear	0.0159	0.4	0.0070	0.3
Making & Repairs	0.0051	0.1	0.0005	0.0
TRANSPORTATION	0.0644	0.9	0.0595	2.6
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0056	0.2
ALL GROUPS	1.0000	2.42	2.31	100.0

Table 3
REGIONAL INFLATION
November 2004

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	2.6	4.1	4.1
Meals away from home	1.1	2.3	2.7
Meat Poultry & Fish	1.1	2.9	1.9
Dairy Products Oils & Fats	2.2	2.0	1.3
Baked Products Cereals & Breakfast Drink	0.3	1.8	1.5
Starchy Foods	10.7	8.6	7.5
Vegetables & Fruits	7.3	10.7	11.1
Other Food & Beverages	-0.5	2.0	2.7
FUELS & OTHER HOUSEHOLD SUPPLIES	2.1	4.3	2.0
Household Supplies	0.5	4.5	2.2
Fuels	3.4	4.1	1.9
HOUSING & OTHER HOUSING EXPENSES	3.0	2.4	2.3
Rental	3.7	0.1	0.0
Other Housing Expenses	2.7	2.7	2.5
HOUSEHOLD FURNISHINGS & FURNITURE	1.2	0.7	2.5
Furniture	1.6	-0.1	0.0
Furnishings	1.0	1.1	3.8
HEALTHCARE & PERSONAL EXPENSES	0.3	1.7	1.0
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.3	0.6	0.3
Clothing Materials	0.0	0.1	0.1
Readymade Clothing & Accessories	0.6	0.9	0.2
Footwear	0.2	0.3	0.7
Making & Repairs	0.0	0.6	0.0
TRANSPORTATION	1.1	0.7	0.6
MISCELLANEOUS EXPENSES	0.0	0.3	0.0
ALL GROUPS	1.9	2.8	2.9

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

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

August 2004

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

Merchandise Trade

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

Services

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

Income

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

Current Transfers

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

Capital & Financial Accounts

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

April to August 2004

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

Merchandise Trade

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

Services

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

Income

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

Current Transfers

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

Capital & Financial Accounts

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

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

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Aug^{1/}	Aug^{2/}		Apr - Aug^{1/}	Apr - Aug^{2/}	
	2003	2004	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	-40.4	-100.2	-59.8	-265.7	-223.2	42.5
A. GOODS and SERVICES	-75.9	-128.9	-53.0	-511.2	-460.0	51.2
a. GOODS BALANCE	-125.7	-167.0	-41.3	-766.0	-722.0	44.0
Exports (f.o.b.)	120.9	131.1	10.2	590.2	689.4	99.2
Imports (f.o.b.)	246.6	298.1	51.5	1356.2	1411.4	55.2
b. SERVICES BALANCE	49.8	38.0	-11.8	254.8	262.0	7.2
Transportation	-9.3	-17.3	-8.0	-61.6	-60.4	1.2
Travel	94.5	92.4	-2.1	489.4	509.1	19.7
Other Services	-35.4	-37.1	-1.7	-173.0	-186.6	-13.6
B. INCOME	-62.7	-70.7	-8.0	-224.6	-297.0	-72.4
Compensation of employees	9.3	11.4	2.1	23.8	40.8	17.0
Investment Income	-72.0	-82.1	-10.1	-248.4	-337.8	-89.4
C. CURRENT TRANSFERS	98.2	99.5	1.3	470.1	533.9	63.8
Official	9.0	8.9	-0.1	44.7	45.6	0.9
Private	89.2	90.6	1.4	425.4	488.3	62.9
2. CAPITAL & FINANCIAL ACCOUNT	40.4	100.2	59.8	265.7	223.2	-42.5
A. CAPITAL ACCOUNT	-0.2	0.1	0.3	-0.3	1.5	1.8
a. Capital Transfers	-0.2	0.1	0.3	-0.7	1.5	2.2
Official	0.0	0.0	0.0	0.0	0.0	0.0
Private	-0.2	0.1	0.3	-0.7	1.5	2.2
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.4	0.0	-0.4
B. FINANCIAL ACCOUNT	40.6	100.1	59.5	266.0	221.7	-44.3
Other official investment	-11.5	24.5	36.0	-82.0	82.6	-164.6
Other private investment ^{3/}	7.3	124.4	117.1	88.4	213.8	125.4
Change in Reserves (minus = increase)	44.8	-48.8		259.6	-74.8	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA