



ECONOMIC STATISTICS

VOLUME 13 - NO. 7

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Figure 1

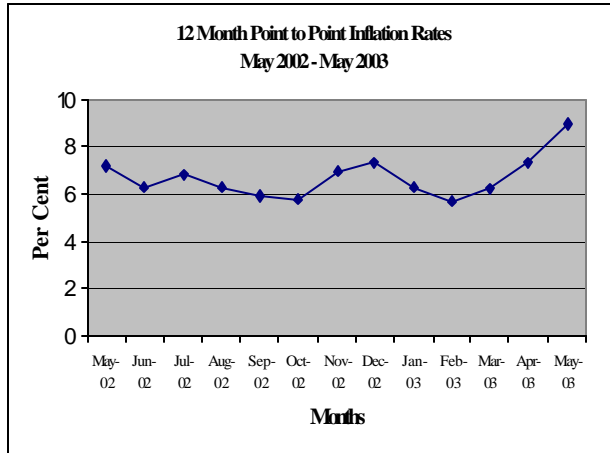


Figure 2

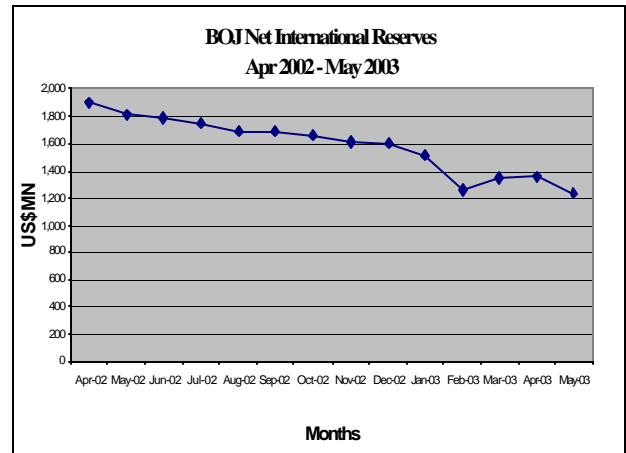


Figure 3

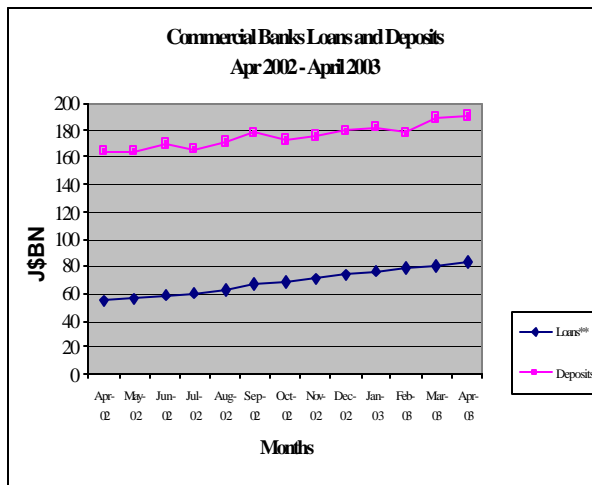


Figure 4

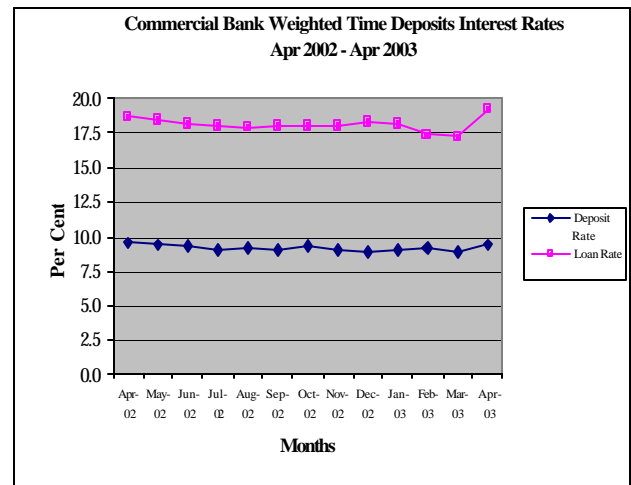


Figure 5

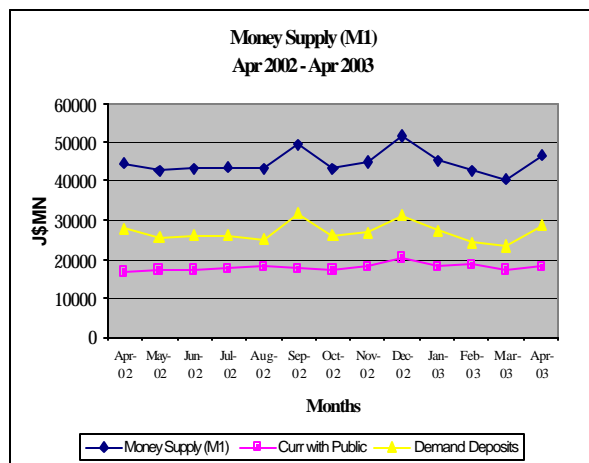
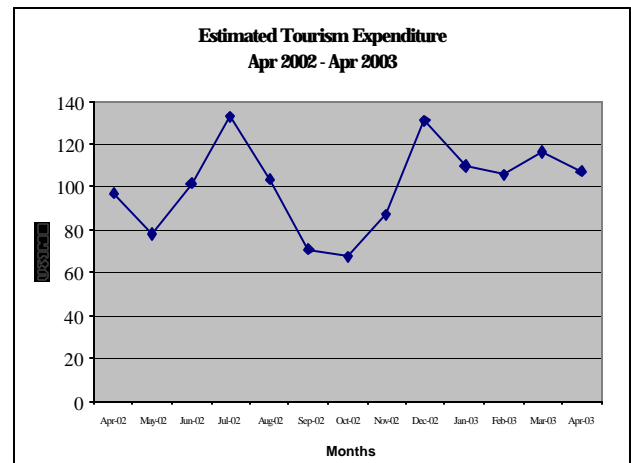


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
	Apr 2002	Mar 2003+	Apr 2003	Change p.a.
Local and Foreign Currency				
Money Supply (M1).....	<u>44,463.88</u>	<u>40,791.27</u>	<u>46,544.25</u>	<u>4.68</u>
(a) Currency with the Public.....	16,599.57	17,291.08	18,060.25	8.80
(b) Demand Deposits (adj.)***.....	27,864.31	23,500.19	28,484.00	2.22
Quasi-Money.....	<u>106,047.95</u>	<u>117,928.19</u>	<u>121,542.92</u>	<u>14.61</u>
(a) Time.....	31,501.68	30,296.72	34,947.51	10.94
(b) Savings.....	74,546.27	87,631.47	86,595.41	16.16
Money Supply (M2).....	<u>150,511.83</u>	<u>158,719.46</u>	<u>168,087.17</u>	<u>11.68</u>
Domestic Credit (net).....	<u>151,464.60</u>	<u>159,971.96</u>	<u>185,937.88</u>	<u>22.76</u>
Local Currency				
Money Supply (M1).....	<u>37,475.86</u>	<u>33,733.50</u>	<u>37,351.31</u>	<u>-0.33</u>
(a) Currency with the Public.....	16,599.57	17,291.08	18,060.25	8.80
(b) Demand Deposits (adj.)***.....	20,876.29	16,442.42	19,291.06	-7.59
Quasi-Money.....	<u>72,478.35</u>	<u>73,738.66</u>	<u>75,358.87</u>	<u>3.97</u>
(a) Time.....	20,619.99	19,173.65	19,627.34	-4.81
(b) Savings.....	51,858.36	54,565.01	55,731.53	7.47
Money Supply (M2).....	<u>109,954.21</u>	<u>107,472.16</u>	<u>112,710.18</u>	<u>2.51</u>
Domestic Credit (net).....	<u>138,596.19</u>	<u>141,314.24</u>	<u>163,202.13</u>	<u>17.75</u>
Base Money				
Base Money.....	<u>29,981.00</u>	<u>32,342.76</u>	<u>32,738.53</u>	<u>9.20</u>
II. COMMERCIAL BANKS (J\$mn.)				
Assets & Liabilities (J\$mn.)**.....	<u>246,257.64</u>	<u>285,881.75</u>	<u>287,290.06</u>	<u>16.66</u>
Loans**.....	<u>55,063.15</u>	<u>79,685.38</u>	<u>83,023.40</u>	<u>50.78</u>
Agriculture.....	1,479.02	1,589.29	1,598.65	8.09
Manufacturing.....	3,017.09	3,439.37	3,728.18	23.57
Construction & Land Development.....	2,232.15	4,188.37	4,429.33	98.43
Mining.....	113.30	151.12	116.63	2.94
Tourism.....	5,726.44	7,736.10	9,031.01	57.71
Transport, Storage & Communication.....	3,842.37	6,146.39	7,114.13	85.15
Consumer-Oriented.....	21,099.82	27,763.15	28,606.44	35.58
Government Services.....	14,328.33	26,787.79	26,793.13	86.99
Other.....	3,224.63	1,883.80	1,605.90	-50.20
DEPOSITS.....	<u>164,780.39</u>	<u>188,441.46</u>	<u>189,981.88</u>	<u>15.29</u>
Private Sector (including overseas residents).....	<u>142,463.36</u>	<u>154,632.94</u>	<u>162,415.94</u>	<u>14.01</u>
Time.....	34,090.00	35,339.76	39,745.07	16.58
Savings.....	80,175.64	94,134.87	93,268.24	16.33
Demand.....	28,197.72	25,158.31	29,402.63	4.27
Government.....	<u>11,451.96</u>	<u>18,038.15</u>	<u>15,288.15</u>	<u>33.50</u>
Time.....	477.47	490.25	578.02	21.06
Savings.....	417.17	1,404.67	1,399.90	235.57
Demand.....	10,557.32	16,143.23	13,310.23	26.08
Public Entities.....	<u>6,139.55</u>	<u>8,356.64</u>	<u>5,808.97</u>	<u>-5.38</u>
Time.....	3,712.29	3,698.77	3,046.01	-17.95
Savings.....	1,183.26	2,832.18	1,694.80	43.23
Demand.....	1,244.00	1,825.69	1,068.16	-14.14

** 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)				%
	Apr 2002	Mar 2003	Apr 2003	Change p.a.
Spec. & O. F. Insts.....	<u>4,725.52</u>	<u>7,413.73</u>	<u>6,468.82</u>	<u>36.89</u>
Time.....	877.36	1,913.16	1,706.75	94.53
Savings.....	741.45	1,119.26	1,130.93	52.53
Demand.....	3,106.71	4,381.31	3,631.14	16.88
	May 2002	Apr 2003	May 2003	
Current Account Balances (J\$mn.).....	<u>100.77</u>	<u>70.02</u>	<u>520.57</u>	
	Apr 2002	Mar 2003	Apr 2003	
LIQUIDITY (Average) %				
Actual Liquid Assets Ratio.....	<u>43.54</u>	<u>33.67</u>	<u>32.84</u>	
Cash.....	1.72	2.11	2.13	
Deposits with B.O.J.....	9.28	9.35	9.29	
Treasury Bills.....	0.56	0.39	0.26	
Equity Investment Bonds.....	0.00	0.00	0.00	
Local Registered Stocks.....	8.06	8.99	8.58	
Other.....	23.92	12.83	12.58	
Statutory Requirement.....	<u>28.00</u>	<u>23.00</u>	<u>23.00</u>	
	May 2002	Apr 2003	May 2003	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)				
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	7.75-13.25	8.50-13.15	8.50-13.15	
9-12 months.....	7.75-12.50	8.50-13.15	8.50-13.15	
Call Deposits.....	2.00-8.00	1.00-60.00	1.00-60.00	
Average Savings Deposits	9.34	8.22	8.22	
Average Loan Rate.....	26.25	24.73	25.18	
	Apr 2002	Mar 2003+	Apr 2003	
Weighted Fixed Deposits Rate.....	9.52	8.87	9.41	
Weighted Loan Rate.....	18.63	17.23	19.26	
G.O.J. Treasury Bills (Weighted Average) Yield	June 2002	May 2003	June 2003	
3 Months:.....	-	-	-	
6 Months:.....	13.81	-	29.92	
9 Months:.....	-	-	-	
12 Months:.....	14.77	-	-	
	Jul 2002	Jun 2003	Jul 2003	
BOJ Reverse Repurchase Rates (%)				
30-Day	12.95	15.00	15.00	
60-Day	13.05	15.30	15.30	
90-Day	13.15	20.00	20.00	
120-Day	13.25	24.00	24.00	
180-Day	13.45	26.50	26.50	
270-Day	14.00	29.50	27.50	
360-Day	14.90	30.00	28.00	
COMMERCIAL BANKS (Foreign Currency)				
Fixed Deposits (Under US\$100,000)	May 2002	Apr 2003	May 2003	
1-3 months.....	2.00-4.50	2.00-4.50	2.00-4.50	
3-6 months.....	2.00-4.50	2.00-4.50	2.00-4.50	
6-12 months.....	2.00-6.00	2.00-6.00	2.00-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.00-4.75	3.25-4.75	3.25-4.75	
3-6 months.....	2.00-4.75	3.25-4.75	3.25-4.75	
6-12 months.....	2.00-6.25	3.49-6.25	3.49-6.25	
Average Loan Rates	13.68	12.10	12.20	
Average Savings	2.89	2.72	2.72	

+ Revised

				% Change p.a.
IV. SECURITIES (J\$mn.) (outstanding balances)	May 2002	Apr 2003	May 2003	
GOJ Local Registered Stock.....	214,959.46	241,002.19	241,752.19	12.46
	June 2002	May 2003	June 2003	
BOJ Open Market Operations 1/.....	97,006.30	83,408.12	77,126.41	-20.49
GOJ Treasury Bills.....	4,550.00	2,950.00	2,950.00	-35.16
V. INSTALMENT CREDIT (J\$mn.) (Banks & Near-Banks)	Apr 2002	Mar 2003	Apr 2003	
Total Credit Outstanding.....	5,869.74	7,396.12	7,581.26	29.16
New Business.....	389.39	414.33	511.57	31.38
VI. NEAR-BANKS (J\$mn.) (Merchant Banks, Trust Com. & Finance Houses)	Apr 2002	Mar 2003	Apr 2003	
Assets/Liabilities.....	21,297.15	41,397.21	39,848.86	87.11
Loans Outstanding.....	3,284.62	4,818.61	5,049.45	53.73
Total Deposits.....	7,895.69	8,741.07	8,243.00	4.40
Loans.....	<u>3,284.62</u>	<u>4,818.61</u>	<u>5,049.45</u>	<u>53.73</u>
Agriculture.....	29.79	111.28	101.13	239.48
Manufacturing.....	635.53	301.29	307.75	-51.58
Construction & Land Development.....	138.01	594.82	727.07	426.82
Mining, Quarrying & Processing.....	61.18	43.99	42.94	-29.81
Tourism.....	293.28	427.22	436.58	48.86
Transport, Storage & Communication.....	19.14	17.56	20.12	5.12
Consumer Oriented.....	1,927.93	2,096.92	2,161.71	12.13
Government Services.....	121.55	972.85	976.49	703.36
Other.....	58.21	252.68	275.66	373.56
	May 2002	Apr 2003	May 2003	
Liquid Assets Ratio (average) %.....	105.50	95.60	72.50	
Statutory Requirement.....	28.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mn.) (members & associate members)	Apr 2002	Mar 2003	Apr 2003	
Assets/Liabilities.....	53,033.79	56,456.79	57,451.51	8.33
Loan Balances.....	17,985.98	21,042.18	21,264.93	18.23
Savings Funds.....	40,798.83	43,937.76	44,338.72	8.68
VIII. INFLATION	May 2002	Apr 2003	May 2003	
Consumer Price Index (Jan. 1988 = 100).....	1,480.0	1,584.0	1,613.4	9.01
Monthly Rate (%).....	0.3	1.6	1.9	
Calendar Year to Date (%) (point to point).....	1.4	1.1	3.0	
Fiscal Year to Date (%) (point to point).....	0.8	1.6	3.5	
IX. ACTUAL PRODUCTION ('000)	May 2002	April 2003	May 2003	
Bauxite (metric tonnes).....	261.53	338.34	354.32	35.48
Alumina (metric tonnes).....	297.82	308.62	331.27	11.23
Sugar (metric tonnes).....	26.08	27.47	19.73	-24.35
Banana (tonnes).....	3.85	2.50	4.27	10.91
X. STOCK MARKET ACTIVITIES	May 2002	Apr 2003	May 2003	
Index.....	38,878.03	47,961.43	51,131.05	31.52
Volume Traded (mn.).....	196.00	129.93	143.98	-26.54
Ordinary Shares.....	195.40	129.28	100.52	-48.56
Block Transactions.....	0.60	0.65	43.46	7143.33

X. STOCK MARKET ACTIVITIES (cont'd)	May 2002	Apr 2003	May 2003	% Change p.a.
Value of Stocks Traded (J\$mn.).....	963.06	819.12	696.95	-27.63
Ordinary Shares.....	961.70	818.26	480.57	-50.03
Block Transactions.....	1.36	0.86	216.38	15,810.29
Advance/Decline Ratio.....	17/14	7/24	20/9	
XI. EXTERNAL TRADE (US\$mn.)	Jan 2002	Jan 2003		Change
1. EXPORTS				
a) Major Traditional Exports.....	<u>66.48</u>	<u>59.40</u>		<u>-7.08</u>
Bauxite.....	8.97	6.76		-2.21
Alumina.....	55.83	51.19		-4.64
Sugar.....	0.0	0.0		0.0
Bananas.....	1.68	1.45		-0.23
b) Other Traditional Exports.....	6.80	4.03		-2.77
c) Non-Traditional Exports.....	14.45	16.41		1.96
d) Re-exports.....	1.10	1.51		0.41
General Merchandise Exports.....	<u>88.83</u>	<u>81.35</u>		<u>-7.48</u>
(e) Freezone Exports.....	11.42	8.20		-3.22
(f) Goods Procured in Port.....	2.40	2.50		0.10
Total Goods Exports.....	<u>102.65</u>	<u>92.05</u>		<u>-10.6</u>
2. IMPORTS				
(a) Consumer Goods.....	82.92	97.39		14.47
(b) Raw Materials.....	133.64	211.98		78.34
(c) Capital Goods.....	53.75	53.18		-0.57
General Merchandise Imports.....	<u>270.31</u>	<u>362.56</u>		<u>92.21</u>
(d) Freezone Imports.....	9.06	2.72		-6.34
(e) Goods Procured in Port.....	3.10	3.20		0.10
Total Goods Imports.....	<u>282.47</u>	<u>368.48</u>		<u>86.01</u>
Trade Balance.....	<u>-179.82</u>	<u>-276.43</u>		<u>-96.61</u>
Memo:				
Caricom Exports.....	3.40	3.03		-0.37
Caricom Imports.....	23.37	40.89		17.52
Caricom Trade Balance.....	<u>-19.97</u>	<u>-37.86</u>		<u>-17.89</u>
XII. TOURISM	Jan-Apr 2002	Jan-Apr 2003		% Change
Tourist Arrivals ('000).....	<u>744.18</u>	<u>926.27</u>		<u>24.47</u>
Stopovers.....	421.00	454.22		7.89
Cruise.....	323.18	472.05		46.06
Armed Forces.....	-	-		-
Cumulative Expenditure (US\$mn.).....	<u>393.30</u>	<u>448.30</u>		<u>13.98</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan 2002	Jan 2003		Change
1. Current Account.....	<u>-64.5</u>	<u>-137.1</u>		<u>-72.6</u>
A. Goods balance.....	<u>-138.3</u>	<u>-224.6</u>		<u>-86.3</u>
Exports (f.o.b.).....	102.6	92.0		-10.6
Imports (f.o.b.).....	240.9	316.6		75.7
B. Service Balance.....	<u>25.1</u>	<u>44.1</u>		<u>19.0</u>
Transportation.....	-18.6	-23.1		-4.5
Travel.....	77.7	103.0		25.3
Other Services.....	-34.0	-35.8		-1.8

Balance of Payments (Calendar) (Cont'd)

	Jan 2002	Jan 2003	Change
C. Income.....	<u>-37.7</u>	<u>-46.6</u>	<u>-8.9</u>
Compensation of Employees.....	2.9	2.9	0.0
Investment Income.....	-40.6	-49.5	-8.9
D. Current Transfers.....	<u>86.4</u>	<u>90.0</u>	<u>3.6</u>
Official.....	8.4	7.2	-1.2
Private.....	78.0	82.8	4.8
2. Capital and Financial Account.....	<u>64.5</u>	<u>137.1</u>	<u>72.6</u>
A. Capital Account.....	<u>-1.4</u>	<u>-1.4</u>	<u>0.0</u>
Capital Transfers.....	<u>-1.4</u>	<u>-1.4</u>	<u>0.0</u>
Official.....	0.1	0.1	0.0
Private.....	-1.5	-1.5	0.0
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
B. Financial Account.....	<u>65.9</u>	<u>138.5</u>	<u>72.6</u>
Other Official Investment.....	20.2	-12.8	-33.0
Other Private Investment.....	53.6	64.6	11.0
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>-7.9</u>	<u>86.7</u>	

	Apr-Jan 2001/2002	Apr-Jan 2002/2003	
Balance of Payments (Fiscal)			
1. Current Account.....	<u>-660.2</u>	<u>-1,087.5</u>	<u>-427.3</u>
A. Goods balance.....	<u>-1,338.3</u>	<u>-1,717.8</u>	<u>-379.5</u>
Exports (f.o.b.).....	1,196.6	1,071.4	-125.2
Imports (f.o.b.).....	2,534.9	2,789.2	254.3
B. Service Balance.....	<u>243.5</u>	<u>221.3</u>	<u>-22.2</u>
Transportation.....	-223.5	-219.9	3.6
Travel.....	785.3	806.0	20.7
Other Services.....	-318.3	-364.8	-46.5
C. Income.....	<u>-349.0</u>	<u>-505.8</u>	<u>-156.8</u>
Compensation of Employees.....	73.3	82.0	8.7
Investment Income.....	-422.3	-587.8	-165.5
D. Current Transfers.....	<u>783.6</u>	<u>914.8</u>	<u>131.2</u>
Official.....	99.7	89.6	-10.1
Private.....	683.9	825.2	141.3
2. Capital and Financial Account.....	<u>660.2</u>	<u>1,087.5</u>	<u>427.3</u>
A. Capital Account.....	<u>-20.0</u>	<u>-12.7</u>	<u>7.3</u>
Capital Transfers.....	-20.0	-12.7	7.3
Official.....	0.4	0.2	-0.2
Private.....	-20.4	-12.9	7.5
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	0.0
B. Financial Account.....	680.2	1,100.2	420.0
Other Official Investment.....	558.6	12.2	-546.4
Other Private Investment.....	684.0	656.7	-27.3
<i>(incl. errors & omissions)</i>			
Reserves.....	-562.4	431.3	
Government Reserves.....	0.0	0.0	

				%
XIV. BOJ NET INTERNATIONAL RESERVES	May 2002	Apr 2003	May 2003	Change p.a
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,810.64</u>	<u>1,362.10</u>	<u>1,233.33</u>	<u>-31.88</u>
Gross Foreign Assets.....	1,870.57	1,404.10	1,276.48	-31.76
Gross Foreign Liabilities.....	59.93	42.62	43.15	-28.00
Estimated Gross Reserves in Weeks of Imports.....	<u>31.77</u>	<u>22.30</u>	<u>20.26</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>21.64</u>	<u>14.81</u>	<u>13.46</u>	
 XV. FOREIGN EXCHANGE	 June 2002	 May 2003	 June 2003	
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	849.01	707.62	633.77	-25.35
Foreign Exchange Sales (spot).....	836.89	711.98	616.33	-26.35
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()	 May 2002	 Apr 2003	 May 2003*	
Commercial Banks Balances.....	<u>1,020.83</u>	<u>1,209.39</u>	<u>1,243.04</u>	<u>21.77</u>
"A" Accounts.....	53.58	81.93	101.39	89.23
Other.....	967.25	1,127.46	1,141.65	18.03
F.I.As Balance.....	<u>99.57</u>	<u>109.64</u>	<u>101.70</u>	<u>2.14</u>
"A" Accounts.....	15.53	37.19	32.60	109.92
Other.....	84.04	72.45	69.10	-17.78
Building Societies Balances.....	<u>152.86</u>	<u>182.74</u>	<u>185.82</u>	<u>21.56</u>
"A" Accounts.....	103.11	125.71	128.54	24.66
Other	49.75	57.03	57.28	15.14
Total Foreign Currency Deposits (US\$mn.).....	<u>1,273.26</u>	<u>1,501.77</u>	<u>1,530.56</u>	<u>20.21</u>
Total Foreign Currency Loans (US\$mn.).....	<u>446.38</u>	<u>597.61</u>	<u>586.56</u>	<u>31.40</u>
Commercial Banks.....	401.59	528.07	518.21	29.04
F.I. As	31.98	56.15	55.06	72.17
Building Societies.....	12.81	13.39	13.29	3.75
 London Interbank Offer Rate (LIBOR) Eurodollars (%)	 June 2002	 May 2003	 June 2003	
3 months.....	1.86	1.29	1.12	
6 months.....	1.95	1.24	1.08	
U.S. Prime Rate (end of period) (%).....	4.75	4.25	4.25	
 Selling Exchange Rates (end period)	 June 2002	 May 2003	 June 2003	
US\$1.00 = J\$.....	48.51	59.42	59.01	
Can. \$1.00 = J\$.....	31.95	43.05	43.69	
U.K. Pound = J\$.....	72.98	98.26	96.79	
Euro = J\$**	48.47	70.55	68.36	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	8.05	9.58	9.50	
Bdos. \$1 = J\$.....	24.59	29.98	29.72	
Guy. \$1 = J\$.....	0.26	0.31	0.31	
E.C. \$1 = J\$.....	18.22	22.21	22.01	

() Exclude deposits in "B" accounts

** Indicative Rates

* Provisional

INFLATION

MAY 2003

The All Jamaica Consumer Price Index (CPI) increased by 1.9 per cent in May 2003, in line with the Bank's projections. This brought the rate of inflation for the calendar year to date to 3.0 per cent, compared to 1.4 per cent obtained over the same interval in 2002.

The annual point-to-point inflation rate at May 2003 was 9.0 per cent, which was higher than the 7.3 per cent the previous month, and 1.8 percentage points above the rate recorded in the similar period in 2002. However, the annual average inflation rate at May 2003 was 6.7 per cent, or 1.0 percentage point below the rate recorded for May 2002 (Table 1).

The major influences on May's inflation were the imposition of the General Consumption Tax (GCT) on previously exempt and zero-rated items, the pass through of recent exchange rate depreciation and some tightening in agricultural supplies. All sub-indices increased relative to April, with the exception of the *Transportation* and the *Housing & Other Housing Expenses* groups. The inflation outturn primarily reflected price increases for items in the *Food & Drink*, *Miscellaneous Expenses* and *Fuels & Other Household Supplies* sub-indices. Inflation in these sub-indices were 2.1 per cent, 4.4 per cent and 1.6 per cent, contributing 68.5 per cent, 19.5 per cent and 6.9 per cent, respectively, to the overall outturn. Other inflationary impulses of note were registered in the *Healthcare & Personal Expenses* (1.3%) groups and *Personal Clothing, Footwear & Accessories* (0.9%). The decline of 0.4 per cent in both the *Transportation* and the *Housing & Other Housing Expenses* sub-indices generally reflected the impact of falling world oil prices as measured by the West Texas Intermediate price of crude, which decreased by 15.8 per cent in April.

The outturn in the *Food & Drink* sub-index was influenced primarily by a 1.8 per cent increase in the *Meat, Poultry & Fish* sub-group. This was complemented by expansions in the *Meals Away from Home*, *Vegetables & Fruits* and *Dairy Products, Oils & Fats* sub-groups of 3.3 per cent, 3.2 per cent and 2.8 per cent, respectively (see Table 2). The *Meat, Poultry & Fish* sub-group accounted for approximately 16.0 per cent of the overall inflation. Increases in the prices of beef, pork, chicken, mutton and fish in the Rural Areas were primarily responsible for the expansion in the sub-group. Expansions in the prices of these items were observed in April in the KMA but were not replicated in the other areas. The *Vegetables & Fruits* sub-group was affected by increased prices of tomato, carrot, cabbage and ackee.

The *Miscellaneous Expenses* sub-index was chiefly affected by increases in the cost of newspapers, schoolbooks and lagged increases in cigarette prices. While the increase in the newspaper prices largely reflected the imposition of the GCT, the increase in cigarette prices reflected the lagged impact of the excise tax introduced by the Government in February, and was concentrated in the KMA.

The increase of 1.6 per cent in the *Fuels & Other Household Supplies* sub-category resulted primarily from higher prices for kerosene, soap powder and bleach. The movements in kerosene prices were contrary to trends in recent months and the world oil prices. However, the cost of electricity and petroleum, which declined on average by 3.5 per cent and 6.5 per cent, respectively, was consistent with the trend in recent months.

All the regions, with the exception of the Rural Areas, recorded higher rates of inflation relative to April. **The index in the Other Towns increased by 2.8 per cent, while the indices for the KMA and Rural Areas rose by smaller magnitudes of 1.8 per cent and 1.3 per cent, respectively (Table 3). The inflation in the Rural Areas was marginally below the 1.4 per cent in April.** The regional disparity was influenced mainly by the *Food & Drink* and *Fuels & Other Household Supplies* sub-indices, which increased by 3.6 per cent and 4.5 per cent in the Other Towns, relative to respective changes of 2.1 per cent and 0.9 per cent in the KMA and 1.5 per cent and 0.8 per cent in the Rural Areas. The *Food & Drink* sub-index in the Other Towns was heavily influenced by larger increases in *Meals Away from Home*, *Dairy Products*, *Oils & Fats* and *Other Food & Beverages* (see Table 4). The disparity in the *Fuels & Other Household Supplies* sub-index primarily reflected the significant increase in the price of *kerosene*, as well as considerably higher prices for cleaning products and implements in the Other Towns.

The measure of inflation that excludes agricultural prices (CPI-A) was 1.61 per cent for May. This estimate was 0.33 percentage point above the measure in the previous month and 1.24 percentage points above that which obtained in May 2002. This index has trended sharply upward since the beginning of the calendar year in tandem with the acceleration of depreciation in the exchange rate.

The trend increase in core inflation observed since December 2002 continued in May. For the review month, the trimmed mean index was estimated to have increased by 0.73 per cent, 0.07 of a percentage point above the estimate for the previous month (table 4). This estimate brings core inflation for the calendar year to date to 2.7 per cent, 1.66 percentage points above that which obtained for the similar interval of 2002. The 12-month point-to-point core inflation rate of 5.09 per cent was 1.95 percentage points above the comparable measure at May 2002. However, the annual average core inflation rate of 3.51 per cent was 0.40 percentage points below the rate in the corresponding month of 2002.

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
1998	Mar	1,115.9	1,110.1	0.76	1.52	1.12	8.82	9.06
	Jun	1,149.2	1,132.7	1.79	2.98	2.04	10.14	9.21
	Sept	1,175.8	1,170.9	0.11	2.31	3.38	8.42	9.28
	Dec	1,185.5	1,176.9	1.05	0.82	0.52	7.85	8.63
1999	Jan	1,189.9	1,182.9	0.37	1.52	0.74	7.51	8.48
	Feb	1,176.8	1,184.1	-1.10	0.31	0.88	6.26	8.30
	Mar	1,182.5	1,183.1	0.48	-0.25	0.52	5.97	8.06
	Apr	1,179.9	1,179.7	-0.22	-0.84	-0.26	5.37	7.79
	May	1,190.6	1,184.3	0.91	1.17	0.02	5.46	7.53
	Jun	1,205.9	1,192.1	1.29	1.98	0.77	4.93	7.10
	Jul	1,220.4	1,205.6	1.20	3.43	2.20	4.99	6.67
	Aug	1,234.3	1,220.2	1.14	3.67	3.03	5.09	6.28
	Sept	1,237.6	1,230.7	0.27	2.63	3.24	5.26	6.02
	Oct	1,247.5	1,239.8	0.80	2.22	2.83	6.43	5.96
	Nov	1,259.9	1,248.3	0.99	2.07	2.31	7.39	6.03
	Dec	1,265.9	1,257.7	0.48	2.29	2.19	6.78	5.95
2000	Jan	1,268.1	1,264.6	0.17	1.65	2.00	6.57	5.88
	Feb	1,273.1	1,269.0	0.39	1.05	1.66	8.18	6.04
	Mar	1,281.7	1,274.3	0.68	1.25	1.31	8.39	6.25
	Apr	1,294.4	1,283.0	0.99	2.07	1.46	9.70	6.61
	May	1,300.0	1,292.0	0.43	2.11	1.81	9.19	6.92
	Jun	1,311.4	1,301.9	0.88	2.32	2.17	8.75	7.24
	Jul	1,324.0	1,311.8	0.96	2.29	2.24	8.49	7.53
	Aug	1,335.9	1,323.7	0.90	2.76	2.46	8.23	7.79
	Sept	1,349.3	1,336.4	1.00	2.89	2.65	9.03	8.10
	Oct	1,351.1	1,345.4	0.13	2.05	2.56	8.30	8.25
	Nov	1,352.4	1,350.9	0.10	1.24	2.05	7.34	8.25
	Dec	1,342.6	1,348.7	-0.72	-0.50	0.92	6.06	8.17
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	1561.3	1561.9	-0.31	1.44	2.12	6.30	6.83
	Feb	1552.2	1559.9	-0.58	-0.39	1.17	5.74	6.64
	Mar	1559.5	1557.7	0.47	-0.42	0.20	6.20	6.52
	Apr	1584.0	1565.2	1.57	1.45	0.21	7.33	6.50
	May	1613.4	1585.6	1.86	3.94	1.65	9.01	6.66

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
May 2003

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	2.1	1.2210	68.5
Meals away from home	0.0741	3.3	0.2461	13.8
Meat Poultry & Fish	0.1613	1.8	0.2846	16.0
Dairy Products Oils & Fats	0.0668	2.8	0.1859	10.4
Baked Products Cereals & Breakfast Drink	0.0864	1.6	0.1342	7.5
Starchy Foods	0.0525	-0.4	-0.0214	-1.2
Vegetables & Fruits	0.0650	3.2	0.2083	11.7
Other Food & Beverages	0.0502	3.7	0.1834	10.3
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	1.6	0.1235	6.9
Household Supplies	0.0482	1.8	0.0889	5.0
Fuels	0.0253	1.4	0.0346	1.9
HOUSING & OTHER HOUSING EXPENSES	0.0786	-0.4	-0.0299	-1.7
Rental	0.0209	0.1	0.0016	0.1
Other Housing Expenses	0.0577	-0.5	-0.0315	-1.8
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.5	0.0177	1.0
Furniture	0.0068	-0.2	-0.0014	-0.1
Furnishings	0.0215	0.9	0.0190	1.1
HEALTHCARE & PERSONAL EXPENSES	0.0697	1.3	0.0883	5.0
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.9	0.0429	2.4
Clothing Materials	0.0055	0.2	0.0010	0.1
Readymade Clothing & Accessories	0.0242	0.6	0.0141	0.8
Footwear	0.0159	1.6	0.0258	1.4
Making & Repairs	0.0051	0.4	0.0020	0.1
TRANSPORTATION	0.0644	-0.4	-0.0288	-1.6
MISCELLANEOUS EXPENSES	0.0785	4.4	0.3480	19.5
ALL GROUPS	1.0000	1.86	1.78	100.0

Table 3
REGIONAL INFLATION
May 2003

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	2.1	3.6	1.5
Meals away from home	2.5	5.5	3.2
Meat Poultry & Fish	0.9	1.7	2.8
Dairy Products Oils & Fats	1.4	5.3	3.0
Baked Products Cereals & Breakfast Drink	1.1	2.7	1.5
Starchy Foods	1.0	3.3	-2.3
Vegetables & Fruits	6.0	2.3	0.5
Other Food & Beverages	3.8	5.3	2.6
FUELS & OTHER HOUSEHOLD SUPPLIES	0.9	4.5	0.8
Household Supplies	1.1	4.2	1.6
Fuels	0.8	4.7	0.2
HOUSING & OTHER HOUSING EXPENSES	-0.3	-0.5	-0.6
Rental	0.0	0.4	0.4
Other Housing Expenses	-0.5	-0.5	-0.7
HOUSEHOLD FURNISHINGS & FURNITURE	0.9	0.6	0.2
Furniture	0.0	-0.1	-0.5
Furnishings	1.2	1.0	0.5
HEALTHCARE & PERSONAL EXPENSES	0.9	2.6	1.1
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	1.1	0.7	0.7
Clothing Materials	0.0	0.6	0.3
Readymade Clothing & Accessories	0.7	0.8	0.3
Footwear	2.5	0.3	1.5
Making & Repairs	0.0	2.2	0.0
TRANSPORTATION	-0.3	-0.7	-0.6
MISCELLANEOUS EXPENSES	5.4	3.8	3.2
ALL GROUPS	1.8	2.8	1.3

Table 4
INFLATION: ACTUAL & CORE

1999/2000	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
Apr	-0.22	0.01	-0.22	0.01	2.56	4.58
May	0.91	0.41	0.68	0.42	2.60	4.40
Jun	1.29	0.44	1.98	0.86	2.63	4.22
Jul	1.20	0.64	3.21	1.50	2.81	4.06
Aug	1.14	0.56	4.38	2.07	2.97	3.89
Sept	0.27	0.17	4.66	2.24	2.97	3.71
Oct	0.80	0.23	5.50	2.47	3.10	3.56
Nov	0.99	0.32	6.55	2.80	3.28	3.47
Dec	0.48	0.35	7.05	3.16	3.21	3.43
Jan	0.17	0.11	7.24	3.27	3.03	3.36
Feb	0.39	0.37	7.66	3.65	3.74	3.30
Mar	0.68	0.35	8.39	4.01	4.01	3.33
2000/01						
Apr	0.99	0.50	0.99	0.50	4.52	3.24
May	0.43	0.27	1.43	0.77	4.38	3.39
Jun	0.88	0.34	2.32	1.11	4.27	3.53
Jul	0.96	0.29	3.30	1.40	3.91	3.62
Aug	0.90	0.52	4.23	1.92	3.87	3.69
Sept	1.00	0.42	5.27	2.35	4.13	3.79
Oct	0.13	0.37	5.41	2.72	4.27	3.89
Nov	0.10	0.28	5.52	3.01	4.23	3.97
Dec	-0.72	0.16	4.75	3.18	4.03	4.03
Jan	0.02	0.13	4.77	3.31	4.05	4.12
Feb	1.17	0.85	6.00	4.19	4.55	4.18
Mar	0.47	0.22	6.50	4.41	4.41	4.22
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

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
January 2003 & April 2002 to January 2003

January 2003

The current account of the balance of payments recorded a deficit of US\$137.1MN in **January 2003**, relative to the deficit of US\$64.5MN in January 2002. The out-turn for the review month reflected respective increases of US\$86.3MN and US\$8.9MN in the deficits on the trade and income accounts, which were partly offset by growth of US\$19.0MN and US\$3.6MN in net earnings from services and current transfers, respectively. Within the financial account, net private investment inflows were insufficient to finance net official investment outflows, as well as the deficits on the current and capital accounts. Consequently, there was a drawdown of US\$86.7 million in the net international reserves of the Bank of Jamaica during the month.

Merchandise Trade

The widening of the deficit on the merchandise trade account reflected a decline of US\$10.6MN in export earnings and an expansion of US\$75.7MN in the value of imports (f.o.b.).

The fall-off in exports largely reflected respective contractions of US\$7.1MN, US\$3.2MN and US\$2.8MN in the values of major traditional, free zone and other traditional exports, which was partially offset by an increase of US\$2.0MN in receipts from non-traditional exports. The decline in major traditional exports was largely attributed to contractions of US\$4.6MN and US\$2.2MN in the values of alumina and bauxite exports, respectively, due to reductions in both volume and price. The growth in imports was influenced by respective increases of US\$78.3MN, and US\$14.5MN in the c.i.f. values of raw material and consumer goods imports, which was partly countered by contractions of US\$6.3MN and US\$0.6MN in the values of free zone and capital goods imports, respectively. The expansion in raw material imports was related to an increase of US\$44.1MN in the value of other raw materials, mainly reflecting the increase of US\$47.1MN in the value of packaging materials. Fuel imports also went up by US\$34.2MN due to a 68.3 percent increase in oil prices for the month, relative to January 2002. The growth in the value of consumer goods imports was primarily attributed to additional spending on food, motorcars and other durable items.

Services

The increase in the surplus on the services account stemmed primarily from an expansion of US\$25.3MN in net receipts from the travel sub-sector, which was partly countered by respective increases of US\$4.5MN and US\$1.8MN in net payments for transportation and other services. Accounting for the growth in net travel inflows for the month was an improvement of 12.4 percent in total visitor arrivals, which was driven by a 30.0 percent expansion in cruise passenger arrivals for the month, relative to January 2002. The higher transportation costs were related to the increase in imports.

Income

The increase in the deficit on the income account was directly attributable to higher interest payments on Government of Jamaica external debt.

Current Transfers

The growth in net current transfers for the review month was attributable to a rise of US\$4.8MN in net private sector inflows.

Capital and Financial Accounts

A deficit of US\$1.4MN was recorded on the capital account, in contrast to a surplus of US\$138.5MN on the financial account for January 2003. Within the financial account, net private investment inflows of US\$64.6MN were insufficient to finance net official investment outflows of US\$12.8MN as well as the deficits on the current and capital accounts. In this context, the net international reserves of the Bank of Jamaica fell by US\$86.7MN during the month.

April 2002 to January 2003

For the fiscal period April 2002 to January 2003, the current account deficit amounted to US\$1087.5MN, relative to the deficit of US\$660.2MN recorded for the corresponding period of FY 2001/02. With the exception of the current transfers sub-account, all the sub-accounts contributed to the deterioration in the review period. Within the financial account, net private and official capital inflows were insufficient to finance the deficits on the current and capital accounts. Consequently, there was a draw down of US\$431.3 million in the net international reserves over the period.

Merchandise Trade

The growth of US\$379.5MN in the merchandise trade deficit in the review period, relative to the comparable period in FY 2001/02, stemmed from a reduction of US\$125.2MN in export receipts, as well as an increase of US\$254.3MN in payments for imports (f.o.b.). All the export categories declined during the review period. Major traditional exports contracted by approximately US\$27.0MN, largely reflecting a reduction of US\$30.4MN in earnings from alumina exports. There were also significant declines of US\$60.1MN and US\$31.7MN in the values of non-traditional exports and free zone exports, respectively, for the review period. The fall in non-traditional and free zone exports mainly reflected reductions in garment exports.

With regard to the expansion in imports, increased spending of US\$120.8MN, US\$108.7MN and US\$105.2MN on raw materials, consumer goods and capital goods, respectively, were partly offset by a contraction of US\$45.1MN in the values of free zone imports in the review period, relative to the period April 2001 to January 2002. The growth in capital goods imports was primarily attributable to increased expenditure on communication equipment, while the expansion in consumer goods imports stemmed from higher spending on mobile telephones, food and motorcars.

Services

The contraction of US\$22.2MN in the surplus on the services account relative to the period April 2001 to January 2002 was influenced by an increase of US\$46.5MN in net payments for other services. Partly countering this change was a reduction of US\$3.6MN in net transportation payments, as well as a growth of US\$20.7MN in net travel receipts. The higher receipts from the travel sector were mainly attributed to an upturn of US\$59.0MN in gross travel inflows during the review period, reflecting expansions of 4.2 per cent and 15.5 percent in stopover and cruise arrivals, respectively, relative to the same period in FY 2001/02. The growth in net payments for other services was associated with higher settlement charges on outgoing calls. In addition, there were increased fees for other business services, in particular travel commissions, as well as insurance premiums.

Income

The expansion of US\$156.8MN in the deficit on the income account for the review period was mainly attributable to higher interest payments on Government of Jamaica external debt, as well as an increase in the imputed profit remittances of the direct investment companies.

Current Transfers

An increase of US\$131.2MN in net receipts from current transfers for the review period, relative to the comparable period of FY2001/02, resulted from growth of US\$141.3MN in net inflows to the private sector, which more than offset the decline of US\$10.1MN in net official transfers.

Capital & Financial Accounts

A deficit of US\$12.7MN was recorded on the capital account for the review period, while the financial account registered a surplus of US\$1100.2MN. Within the financial account, net official and private investment inflows of US\$12.2MN and US\$656.7MN, respectively, were insufficient to finance the deficits on the current and capital accounts. Consequently, there was a draw down of US\$431.3MN in the net international reserves of the Bank of Jamaica. At the end of January 2003, the level of gross reserves was US\$1,556.7MN, representing approximately 24.4 weeks of imports of goods and 16.2 weeks of imports of goods and services.

The following table shows the balance of payments for January 2002, January 2003 and for the periods April 2001 to January 2002 and April 2002 to January 2003.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Jan^{1/}	Jan^{2/}		Apr 2001- Jan^{1/}	Apr 2002-Jan^{2/}	
	2002	2003	Change	2002	2003	Change
1. CURRENT ACCOUNT	-64.5	-137.1	-72.6	-660.2	-1087.5	-427.3
A. GOODS and SERVICES	-113.2	-180.5	-67.3	-1094.8	-1496.5	-401.7
a. GOODS BALANCE	-138.3	-224.6	-86.3	-1338.3	-1717.8	-379.5
Exports (f.o.b.)	102.6	92.0	-10.6	1196.6	1071.4	-125.2
Imports (f.o.b.)	240.9	316.6	75.7	2534.9	2789.2	254.3
b. SERVICES BALANCE	25.1	44.1	19.0	243.5	221.3	-22.2
Transportation	-18.6	-23.1	-4.5	-223.5	-219.9	3.6
Travel	77.7	103.0	25.3	785.3	806.0	20.7
Other Services	-34.0	-35.8	-1.8	-318.3	-364.8	-46.5
B. INCOME	-37.7	-46.6	-8.9	-349.0	-505.8	-156.8
Compensation of employees	2.9	2.9	0.0	73.3	82.0	8.7
Investment Income	-40.6	-49.5	-8.9	-422.3	-587.8	-165.5
C. CURRENT TRANSFERS	86.4	90.0	3.6	783.6	914.8	131.2
Official	8.4	7.2	-1.2	99.7	89.6	-10.1
Private	78.0	82.8	4.8	683.9	825.2	141.3
2. CAPITAL & FINANCIAL ACCOUNT	64.5	137.1	72.6	660.2	1087.5	427.3
A. CAPITAL ACCOUNT	-1.4	-1.4	0.0	-20.0	-12.7	7.3
a. Capital Transfers	-1.4	-1.4	0.0	-20.0	-12.7	7.3
Official	0.1	0.1	0.0	0.4	0.2	-0.2
Private	-1.5	-1.5	0.0	-20.4	-12.9	7.5
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	65.9	138.5	72.6	680.2	1100.2	420.0
Other official investment	20.2	-12.8	-33.0	558.6	12.2	-546.4
Other private investment ^{3/}	53.6	64.6	11.0	684.0	656.7	-27.3
Change in Reserves (minus = increase)	-7.9	86.7		-562.4	431.3	

1/Revised

2/Provisional

3/Includes errors & omissions