



ECONOMIC STATISTICS

VOLUME 16 - NO. 7

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SELECTED ECONOMIC INDICATORS

Figure 1

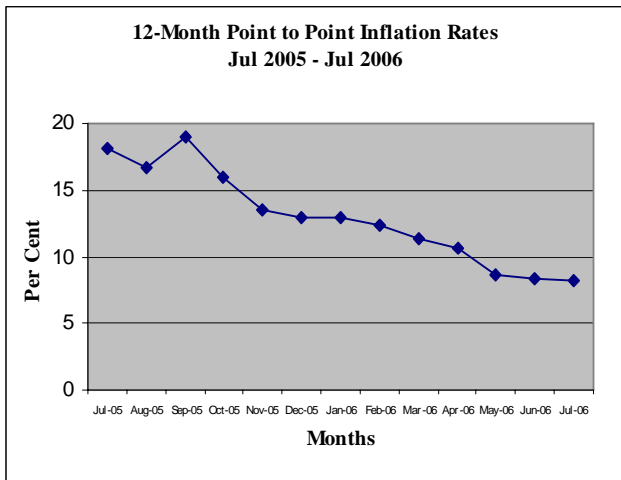


Figure 2

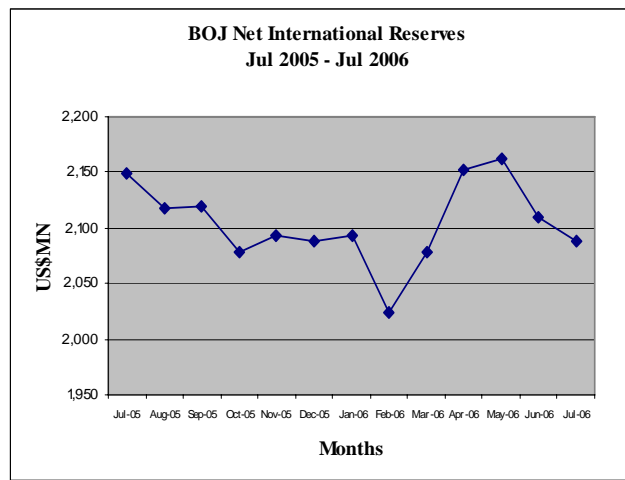


Figure 3

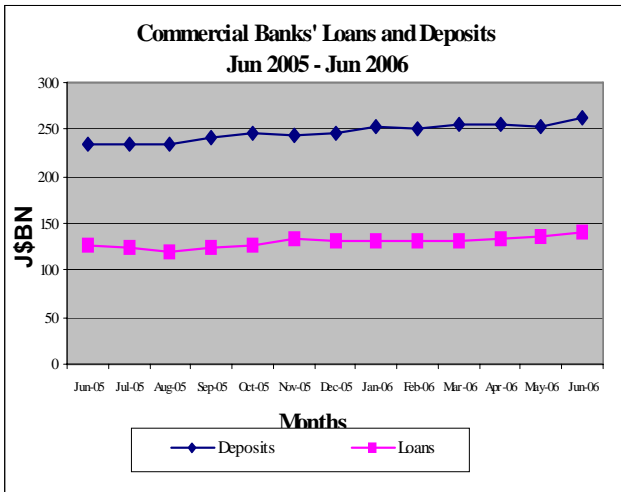


Figure 4

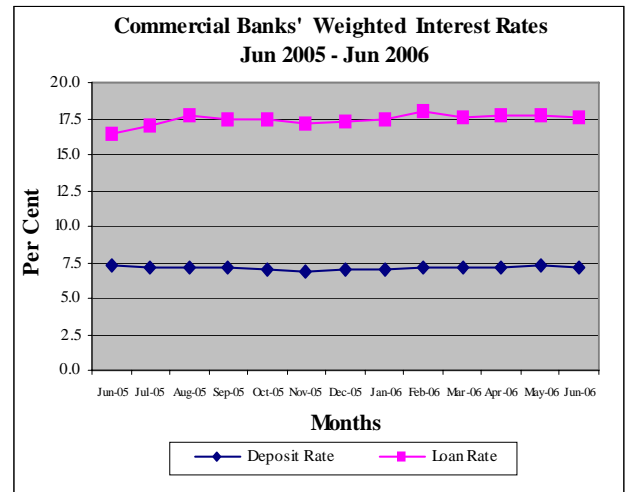


Figure 5

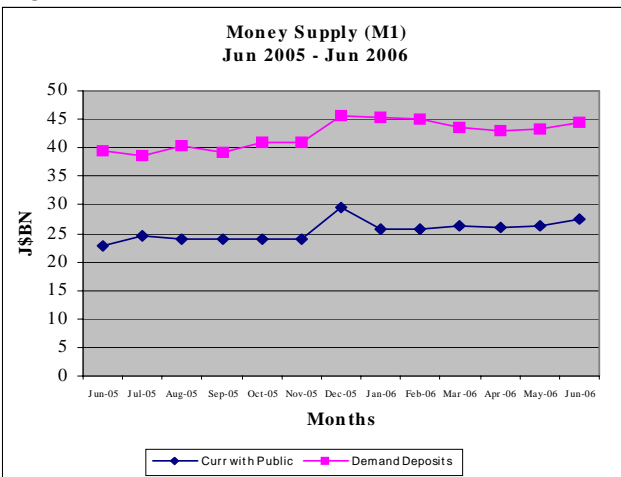
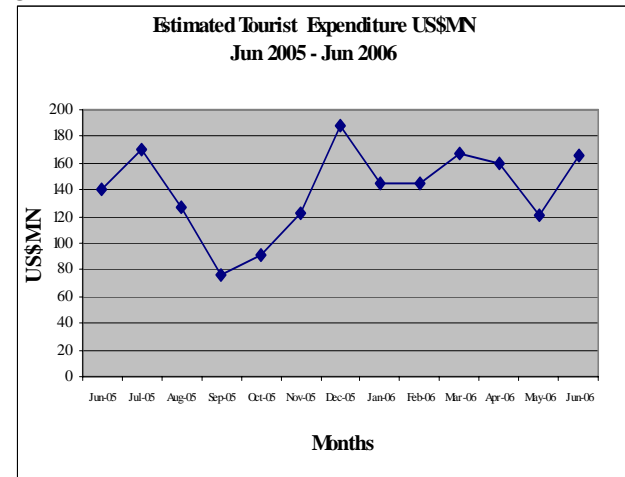


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
	Jun 2005	May 2006+	Jun 2006	Change p.a.
Local and Foreign Currency				
Money Supply (M1).....	<u>62,310.90</u>	<u>69,671.50</u>	<u>71,897.40</u>	<u>15.38</u>
(a) Currency with the Public.....	22,961.07	26,283.36	27,480.16	19.68
(b) Demand Deposits (adj.)***.....	39,349.83	43,388.14	44,417.24	12.88
Quasi-Money.....	<u>149,721.73</u>	<u>161,380.62</u>	<u>160,329.99</u>	<u>7.09</u>
(a) Time.....	39,744.65	40,673.16	39,297.71	-1.12
(b) Savings.....	109,977.08	120,707.46	121,032.28	10.05
Money Supply (M2).....	<u>212,032.63</u>	<u>231,052.12</u>	<u>232,227.39</u>	<u>9.52</u>
Domestic Credit (net).....	<u>233,487.91</u>	<u>237,173.77</u>	<u>232,173.07</u>	<u>-0.56</u>
Local Currency				
Money Supply (M1).....	<u>52,991.72</u>	<u>59,904.14</u>	<u>61,908.47</u>	<u>16.83</u>
(a) Currency with the Public.....	22,961.07	26,283.36	27,480.16	19.68
(b) Demand Deposits (adj.)***.....	30,030.65	33,620.78	34,428.31	14.64
Quasi-Money.....	<u>89,169.06</u>	<u>97,346.98</u>	<u>97,245.25</u>	<u>9.06</u>
(a) Time.....	21,104.35	23,401.97	22,316.84	5.75
(b) Savings.....	68,064.71	73,945.01	74,928.41	10.08
Money Supply (M2).....	<u>142,160.78</u>	<u>157,251.12</u>	<u>159,153.72</u>	<u>11.95</u>
Domestic Credit (net).....	<u>190,769.24</u>	<u>192,243.55</u>	<u>186,097.63</u>	<u>-2.45</u>
Base Money.....	Jul 2005 <u>41,081.29</u>	Jun 2006 <u>44,950.64</u>	Jul 2006 <u>46,407.10</u>	<u>12.96</u>
II. COMMERCIAL BANKS (J\$mn.)				
Assets & Liabilities (J\$mn.)**.....	Jun 2005 <u>346,352.99</u>	May 2006 <u>387,550.88</u>	Jun 2006 <u>399,879.39</u>	<u>15.45</u>
Loans**.....	<u>125,513.27</u>	<u>135,108.02</u>	<u>140,265.27</u>	<u>11.75</u>
Agriculture.....	1,546.99	2,274.62	2,336.85	51.06
Manufacturing.....	4,748.42	4,824.14	6,943.48	46.23
Construction & Land Development.....	6,432.46	6,388.77	6,726.83	4.58
Mining.....	237.99	327.10	361.16	51.75
Tourism.....	16,346.07	21,705.59	21,887.21	33.90
Transport, Storage & Communication.....	7,582.34	5,323.74	5,673.45	-25.18
Consumer-Oriented.....	50,173.28	61,792.09	62,976.51	25.52
Government Services.....	36,683.73	30,095.31	30,991.80	-15.52
Other.....	1,761.99	2,376.66	2,367.98	34.39
DEPOSITS.....	Jun 2005 <u>233,407.82</u>	May 2006 <u>254,217.06</u>	Jun 2006 <u>262,241.91</u>	<u>12.35</u>
Private Sector (including overseas residents).....	<u>205,397.81</u>	<u>225,675.50</u>	<u>225,554.22</u>	<u>9.81</u>
Time.....	48,655.92	53,489.39	52,255.25	7.40
Savings.....	117,498.75	128,673.55	128,968.54	9.76
Demand.....	39,243.14	43,512.56	44,330.43	12.96
Government.....	<u>14,827.32</u>	<u>11,755.14</u>	<u>15,604.71</u>	<u>5.24</u>
Time.....	593.71	281.26	297.50	-49.89
Savings.....	1,220.91	1,527.86	1,961.24	60.64
Demand.....	13,012.70	9,946.02	13,345.97	2.56
Public Entities.....	<u>7,953.68</u>	<u>9,316.20</u>	<u>11,895.88</u>	<u>49.56</u>
Time.....	3,177.65	5,049.67	6,477.57	103.85
Savings.....	2,946.19	2,156.64	3,429.72	16.41
Demand.....	1,829.84	2,109.89	1,988.59	8.68

** 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)	June 2005	May 2006	June 2006	Change p.a.
Spec. & O. F. Insts.....	5,229.01	7,470.22	9,187.10	75.69
Time.....	1,121.44	1,379.70	1,513.16	34.93
Savings.....	843.43	1,574.74	1,141.47	35.34
Demand.....	3,264.14	4,515.78	6,532.47	100.13
	Jul 2005	Jun 2006	Jul 2006	
Current Account Balances with BOJ (J\$mn).....	165.96	123.02	240.06	
LIQUIDITY (Average) %	May 2005	Apr 2006	May 2006	
Actual Liquid Assets Ratio.....	41.74	43.68	45.05	
Cash.....	2.64	2.81	2.67	
Deposits with B.O.J.....	9.42	9.37	9.29	
Treasury Bills.....	0.52	0.73	0.69	
Local Registered Stocks.....	3.23	2.49	2.05	
Other.....	25.93	28.28	30.35	
Statutory Requirement.....	23.00	23.00	23.00	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Jul 2005	Jun 2006	Jul 2006	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	2.50-14.10	2.50-14.10	2.50-14.10	
9-12 months.....	3.00-14.30	3.00-14.30	3.00-14.30	
Call Deposits.....	2.00-15.00	3.00-20.00	1.00-15.00	
Average Savings Deposits	5.52	5.39	5.39	
Average Loan Rate.....	22.00	22.50	22.50	
Average Inter-bank Rate	11.00	9.00	8.92	
	Jun 2005	May 2006	Jun 2006	
Weighted Fixed Deposits Rate.....	7.34	7.23	7.17	
Weighted Loan Rate.....	16.43	17.73	17.60	
G.O.J. Treasury Bills (Weighted Average) Yield	Jul 2005	Jun 2006	Jul 2006	
2 Months:.....	-	-	-	
3 Months:.....	-	12.64	12.62	
6 Months:.....	13.03	12.82	12.81	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Jul 2005	Jun 2006	Jul 2006	
BOJ Open Market Rates (%) *				
30-Day	12.60	12.45	12.45	
60-Day	12.70	12.50	12.50	
90-Day	12.75	12.60	12.60	
120-Day	12.85	12.65	12.65	
180-Day	13.00	12.80	12.80	
270-Day	13.25	-	-	
365-Day	13.60	-	-	
COMMERCIAL BANKS (Foreign Currency)	Jul 2005	Jun 2006	Jul 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	11.95	11.95	11.95	
Average Savings	2.60	2.45	2.45	

*As at Tuesday 18 April 2006, no placements will be accepted for the 270- and 365- day tenors until further advised.

				%
				Change p.a.
IV. SECURITIES (J\$m.) (outstanding balances)	Jun 2005	May 2006	Jun 2006	
GOJ Local Registered Stock.....	220,529.16	236,046.82	236,668.57	7.32
	Jul 2005	Jun 2006	Jul 2006	
BOJ Open Market Operations 1/.....	170,732.45	159,438.05	154,634.01	-9.43
GOJ Treasury Bills.....	4,050.00	4,200.00	4,200.00	3.70
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Jun 2005	May 2006	Jun 2006	
Total Credit Outstanding.....	12,617.75	16,185.85	16,323.32	29.37
New Business.....	864.17	1,293.93	1,407.93	62.92
VI. NEAR-BANKS (J\$m.) (Merchant Banks, Trust Com. & Finance Houses)	Jun 2005	May 2006	Jun 2006	
Assets/Liabilities.....	43,792.85	48,802.36	48,119.56	9.88
Loans Outstanding.....	7,515.63	9,375.52	9,749.05	29.72
Total Deposits.....	10,672.03	13,982.31	12,803.06	19.97
Loans.....	<u>7,515.63</u>	<u>9,375.52</u>	<u>9,749.05</u>	<u>29.72</u>
Agriculture.....	426.61	969.25	963.13	125.76
Manufacturing.....	430.65	527.46	392.11	-8.95
Construction & Land Development.....	1,198.54	1,297.28	1,069.36	-10.78
Mining, Quarrying & Processing.....	39.71	22.10	21.64	-45.50
Tourism.....	578.20	893.45	953.62	64.93
Transport, Storage & Communication.....	563.64	405.40	425.80	-24.46
Consumer Oriented.....	3,216.98	4,725.14	5,247.72	63.13
Government Services.....	836.12	432.14	397.05	-52.51
Other.....	225.18	103.30	278.62	23.73
	Jun 2005	May 2006	Jun 2006	
Liquid Assets Ratio (average) %.....	47.33	23.76	24.61	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Jun 2005	May 2006	Jun 2006	
Assets/Liabilities.....	85,022.71	96,241.42	96,715.73	13.75
Loan Balances.....	33,211.15	39,249.37	40,140.26	20.86
Savings Funds.....	61,129.82	67,870.26	68,347.36	11.81
VIII. INFLATION	Jul 2005	Jun 2006	Jul 2006	
Consumer Price Index (Jan. 1988 = 100).....	2,213.3	2,362.3	2,394.5	8.19
Monthly Rate (%).....	1.6	1.3	1.4	
Calendar Year to Date (%).....	8.9	3.0	4.4	
Fiscal Year to Date (%).....	7.4	2.8	4.2	
IX. ACTUAL PRODUCTION ('000)	Jul 2005	Jun 2006	Jul 2006	
Bauxite (metric tonnes).....	278.65	360.62	335.40	20.37
Alumina (metric tonnes).....	330.43	364.29	347.02	5.02
Sugar (metric tonnes).....	3.89	4.61	4.61	18.51
Banana Exports (tonnes).....	2.79	1.96	1.96	-29.75
X. STOCK MARKET ACTIVITIES	Jul 2005	Jun 2006	Jul 2006	
Index.....	107,231.93	85,108.22	85,753.12	-20.03
Volume Traded (mn.).....	82.40	1,495.38	304.92	270.05
Ordinary Shares.....	82.37	1,299.42	304.92	270.27
Block Transactions.....	0.03	195.96	-	-

1/ As at May 2005 the Bank of Jamaica no longer issues Reverse Repurchases
- No Production
.. Not Available

	Jul 2005	Jun 2006	Jul 2006	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	1,275.07	7,616.97	1,462.10	14.67
Ordinary Shares.....	1,275.03	4,463.57	1,462.10	14.67
Block Transactions.....	0.04	3,153.40	-	-
Advance/Decline Ratio.....	7/26	11/26	20/16	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Mar 2005	Jan-Mar 2006		Change
1. EXPORTS				
(a) Major Traditional Exports.....	<u>267.78</u>	<u>315.80</u>		<u>48.02</u>
Bauxite.....	25.75	27.47		1.72
Alumina.....	210.60	240.75		30.15
Sugar.....	31.43	44.59		13.16
Bananas.....	0.00	2.99		2.99
(b) Other Traditional Exports.....	15.11	20.92		5.81
(c) Non-Traditional Exports.....	61.32	137.80		76.48
(d) Re-exports.....	7.26	10.91		3.65
General Merchandise Exports.....	<u>351.47</u>	<u>485.43</u>		<u>133.96</u>
(e) Freezone Exports.....	10.75	12.72		1.97
(f) Goods Procured in Ports.....	19.00	19.92		0.92
Total Goods Exports.....	<u>381.22</u>	<u>518.07</u>		<u>136.85</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	139.77	158.65		18.88
(b) Beverage & Tobacco.....	12.73	15.50		2.77
(c) Crude Material.....	20.82	27.42		6.60
(d) Mineral Fuel	300.46	454.76		154.30
(e) Animal & Vegetable Oil.....	8.06	7.21		-0.85
(f) Chemicals.....	128.40	153.96		25.56
(g) Manufactured Goods.....	159.71	146.95		-12.76
(h) Machinery & Transportation.....	204.01	257.76		53.75
(i) Miscellaneous Manufactured Goods.....	106.73	113.31		6.58
(j) Miscellaneous Commodities.....	14.55	17.40		2.85
General Merchandise Imports	<u>1,095.24</u>	<u>1,352.92</u>		<u>257.68</u>
Freezone Imports.....	4.70	6.35		1.65
Goods Procured in Ports.....	27.81	29.21		1.40
Total Goods Imports.....	<u>1,127.75</u>	<u>1,388.48</u>		<u>260.73</u>
Trade Balance.....	<u>-746.53</u>	<u>-870.41</u>		<u>-123.88</u>
XII. TOURISM	Jan-Jun 2005	Jan-Jun 2006		% Change
Tourist Arrivals ('000).....	<u>1,383.46</u>	<u>1,578.93</u>		<u>14.13</u>
Stop Overs.....	762.08	892.16		17.07
Foreign Nationals.....	724.32	847.30		16.98
Non-Resident Jamaicans.....	37.76	44.86		18.80
Cruise.....	621.38	686.77		10.52
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	<u>771.1</u>	<u>903.4</u>		<u>17.16</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Mar 2005	Jan-Mar 2006*		Change
1. Current Account.....	<u>-168.7</u>	<u>-218.1</u>		<u>-49.4</u>
A. Goods balance.....	<u>-601.2</u>	<u>-700.3</u>		<u>-99.1</u>
Exports (f.o.b.).....	381.2	518.1		136.9
Imports (f.o.b.).....	982.4	1,218.4		236.0
B. Service Balance.....	<u>200.8</u>	<u>240.4</u>		<u>39.6</u>
Transportation.....	-46.1	-60.1		-14.0
Travel.....	352.2	407.5		55.3
Other Services.....	-105.3	-107.0		-1.7

* Provisional

<i>Balance of Payments (Calendar) (Cont'd)</i>		Jan-Mar 2005	Jan-Mar 2006*	Change
C. Income		<u>-164.1</u>	<u>-162.2</u>	<u>1.9</u>
Compensation of Employees.....		8.5	9.9	1.4
Investment Income.....		-172.6	-172.1	0.5
D. Current Transfers		<u>395.8</u>	<u>404.0</u>	<u>8.2</u>
Official.....		42.4	35.7	-6.7
Private.....		353.4	368.3	14.9
2. Capital and Financial Account		<u>168.7</u>	<u>218.1</u>	<u>49.4</u>
A. Capital Account		<u>-0.9</u>	<u>-1.8</u>	<u>-0.9</u>
Capital Transfers.....		<u>-0.9</u>	<u>-1.8</u>	<u>-0.9</u>
Official.....		0.1	0.0	-0.1
Private.....		-1.0	-1.8	-0.8
Acq./Disp. of non-produced non-fin. assets....		0.0	0.0	0.0
B. Financial Account		<u>169.6</u>	<u>219.9</u>	<u>50.3</u>
Other Official Investment.....		13.4	-38.8	-52.2
Other Private Investment.....		199.3	249.5	50.2
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-43.1</u>	<u>9.2</u>	
		Apr-Mar	Apr-Mar*	
		2004/2005	2005/2006	
Balance of Payments (Fiscal)				
1. Current Account		<u>-643.7</u>	<u>-1,128.3</u>	<u>-484.6</u>
A. Goods balance		<u>-2,123.8</u>	<u>-2,680.4</u>	<u>-556.6</u>
Exports (f.o.b.).....		1,566.8	1,801.2	234.4
Imports (f.o.b.).....		3,690.6	4,481.6	791.0
B. Service Balance		<u>570.3</u>	<u>639.7</u>	<u>69.4</u>
Transportation.....		-182.3	-287.8	-150.5
Travel.....		1,178.5	1,351.0	172.5
Other Services.....		-425.9	-423.5	2.4
C. Income		<u>-598.5</u>	<u>-674.2</u>	<u>-75.7</u>
Compensation of Employees.....		88.2	89.8	1.6
Investment Income.....		-686.7	-764.0	-77.3
D. Current Transfers		<u>1,508.3</u>	<u>1,586.6</u>	<u>78.3</u>
Official.....		174.8	130.3	-44.5
Private.....		1,331.5	1,456.3	122.8
2. Capital and Financial Account		<u>643.7</u>	<u>1,128.3</u>	<u>484.6</u>
A. Capital Account		<u>1.7</u>	<u>-3.6</u>	<u>-5.3</u>
Capital Transfers.....		1.7	-3.6	-5.3
Official.....		10.5	0.2	-10.3
Private.....		-8.8	-3.8	5.0
Acq./Disp. of non-produced non-fin. assets		0.0	0.0	-
B. Financial Account		<u>642.0</u>	<u>1,131.9</u>	<u>489.9</u>
Other Official Investment.....		235.1	348.0	112.9
Other Private Investment.....		739.9	960.5	220.6
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-333.0</u>	<u>-176.6</u>	

* Provisional

	Jul 2005	Jun 2006	Jul 2006	% Change p.a.
XIV. BOJ NET INTERNATIONAL RESERVES				
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>2,149.25</u>	<u>2,110.05</u>	<u>2,087.87</u>	-2.86
Gross Foreign Assets.....	<u>2,422.29</u>	<u>2,293.20</u>	<u>2,251.55</u>	-7.05
Gross Foreign Liabilities.....	<u>273.04</u>	<u>183.15</u>	<u>163.68</u>	-40.05
Estimated Gross Reserves in Weeks of Imports.....	<u>29.41</u>	<u>22.90</u>	<u>22.48</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>20.83</u>	<u>16.70</u>	<u>16.39</u>	
XV. FOREIGN EXCHANGE	Jul 2005	Jun 2006	Jul 2006	
DEVELOPMENTS (US\$mn.) *				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	797.58	1,086.68	1,042.85	30.75
Foreign Exchange Sales (spot).....	824.51	1,066.62	1,055.28	27.99
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	Jun 2005	May 2006	Jun 2006	
Commercial Banks Balances.....	<u>1,454.60</u>	<u>1,492.90</u>	<u>1,523.93</u>	<u>4.77</u>
"A" Accounts 1/.....	156.36	157.56	149.08	-4.66
"B" Accounts	0.00	0.00	0.00	-
Other.....	1,298.24	1,335.34	1,374.85	5.90
F.I.As Balance.....	<u>141.78</u>	<u>176.32</u>	<u>157.47</u>	<u>11.07</u>
"A" Accounts 1/.....	100.02	113.15	95.42	-4.60
"B" Accounts	0.17	0.06	0.06	-64.71
Other.....	41.59	63.11	61.99	49.05
Building Societies Balances.....	<u>344.18</u>	<u>375.76</u>	<u>375.32</u>	<u>9.05</u>
"A" Accounts 1/.....	198.60	225.13	225.22	13.40
"B" Accounts	67.46	65.21	66.29	-1.73
Other	78.12	85.42	83.81	7.28
Total Foreign Currency Deposits (US\$mn.).....	<u>1,940.56</u>	<u>2,044.98</u>	<u>2,056.72</u>	<u>5.99</u>
Total Foreign Currency Loans (US\$mn.).....	<u>925.43</u>	<u>923.31</u>	<u>980.68</u>	<u>5.97</u>
Commercial Banks.....	837.28	824.30	879.66	5.06
F.I.As	79.30	88.51	89.29	12.60
Building Societies.....	8.85	10.50	11.73	32.54

* 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

	Jul 2005	Jun 2006	Jul 2006
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	3.61	3.06	3.16
6 months.....	3.83	3.25	3.33
U.S. Prime Rate (end of period) (%).....	6.25	8.25	8.25
Selling Exchange Rates (end period)	Jul 2005	Jun 2006	Jul 2006
US\$1.00 = J\$.....	62.23	66.03	65.99
Can. \$1.00 = J\$.....	50.75	59.50	58.49
U.K. Pound = J\$.....	108.67	120.19	122.53
Euro = J\$**.....	75.48	84.38	84.32
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	9.98	10.45	10.50
Bdos. \$1 = J\$.....	31.11	33.02	33.00
Guy. \$1 = J\$.....	0.31	0.33	0.33
E.C. \$1 = J\$.....	23.05	24.46	24.44

*** Indicative Rates*

INFLATION

JULY 2006

The All Jamaica Consumer Price Index (CPI) increased by 1.4 per cent in July 2006, relative to 1.3 per cent in the previous month (Table 1). The outturn for the review month resulted in an inflation rate of 4.2 per cent for the fiscal year to July relative to 7.4 per cent recorded over the corresponding period in FY 2005/06. The annual point-to-point inflation rate was 8.2 per cent, 10.0 percentage points below the rate recorded in 2005. Similarly, the mean annual inflation rate of 12.4 per cent was 1.6 percentage points below the rate recorded one year ago.

The major factors influencing inflation in July continued to be movements in agriculture prices and higher energy oil prices. The former was related to the seasonal decline in supply during the summer months. Rising world prices for crude oil in recent months have been affecting the domestic cost of energy and fuels. This in turn has been affecting production cost of consumer items including some food items such as meats, baked products and dairy products. Also of note was the increase in rental rates. The stability in the exchange rate, however, has been a moderating influence on inflation.

All sub-categories of the CPI reflected increases relative to the previous month. The main inflationary impulses were registered in *Food & Drink, Housing & Other Housing Expenses and Miscellaneous Expenses*. Food & Drink increased by 1.4 per cent, while the other two sub-categories increased by 3.9 per cent and 1.3 per cent, respectively. These three sub-categories together accounted for 87.6 per cent of the month's inflation.

The movement in the *Food & Drink* sub-index was due primarily to a 7.7 per cent increase in *Starchy Foods*. The rise in this index was influenced by relatively lower domestic supply of tubers and continuing export demand, particularly for yams. These factors have persisted since April 2006, resulting in a 24.7 per cent increase in the Starchy Foods category for the fiscal year to date. *Meat Poultry & Fish* and *Dairy Products, Oils & Fats* reflected respective increases of 0.5 per cent and 0.4 per cent. The prices of the items in these groups were mainly affected by increased costs of imported oil and grains.

The 3.9 per cent increase in *Housing & Other Housing Expenses* was principally attributable to a 4.5 per cent increase in the *Other Housing Expenses* sub-group. This increase emanated from a 12.3 per cent hike in the electricity rate, driven by higher fuel cost, tariffs and the annual adjustment for inflation. Of note, also was a 1.6 per cent expansion in rental rates, following a 4.7 per cent increase in June. There has been an unusual sustained increase in this item since the beginning of the fiscal year. Within the CPI, the Rental sub-category has recorded the second largest increase of 11.6 per cent, for the FYTD. The increase has been concentrated in the urban areas, possibly due to tightening net supply in the housing market.

Another development of note within the CPI was a 1.3 per cent expansion in *Miscellaneous Expenses*. The expansion in the index of this subcategory mainly reflected a 25.0 per cent rise in the price of a daily newspaper, attributable to *inter alia*, higher utility costs. Other price changes of note were upward adjustments in cinema fares, stationery and writing implements. The increase in the price of the former is associated with a seasonal rise in demand during the summer as well as increased operational cost. The expansion in the prices of the latter relates to adjustments in prices due to higher demand related to preparations for the new school year.

While the CPI in the KMA increased by 0.8 per cent, the indexes of Other Towns and Rural Areas expanded by 1.6 per cent and 1.9 per cent, respectively. This pattern of inflation across the regions primarily reflected the disparity in *Starchy Foods* and *Vegetables & Fruits* (see Table 3). The inconsistency in the price change in Vegetables & Fruits can be explained by importation of some vegetables which augmented supplies in the urban areas. The higher prices of starchy foods in the rural areas are explained by greater export demand which has reduced the supply to these areas.

The trimmed mean index was estimated to have increased by 0.33 per cent in July, 0.05 percentage point above the previous month's measure (Table 4). This brought the 12-month point-to-point core inflation rate to 3.9 per cent, relative to 6.0 per cent recorded for the comparable period in the previous year. Similarly, the annual average core inflation rate of 5.1 per cent was 0.3 percentage point below what obtained in the similar period of 2005.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.69 per cent in July, compared to 0.50 per cent in the previous month. For the calendar year-to-date (CYTD), non-agricultural inflation was 4.89 per cent, relative to 5.58 per cent for CYTD 2005. The CPI-A measure of inflation for this period was influenced primarily by rising crude oil prices which is reflected in utilities, fuel and transportation cost. There were also noticeable adjustments in rental rates, furniture and other miscellaneous expenses.

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	2,147.1	2,103.0	2.23	5.17	3.32	16.70	13.04
	Jun	2,178.9	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	2,272.4	2,233.5	2.61	4.29	4.26	19.03	15.19
	Oct	2,285.7	2,257.7	0.59	3.27	3.57	15.90	15.48
	Nov	2,292.3	2,283.5	0.29	3.50	3.69	13.48	15.43
	Dec	2,293.8	2,290.7	0.07	0.94	2.56	12.88	15.33
2006	Jan	2,295.7	2,294.0	0.08	0.44	1.61	12.94	15.32
	Feb	2,295.3	2,295.0	-0.02	0.13	0.50	12.42	15.27
	Mar	2,297.1	2,296.1	0.08	0.14	0.24	11.43	15.09
	Apr	2,323.3	2,305.2	1.14	1.20	0.49	10.62	14.70
	May	2,332.6	2,317.6	0.40	1.63	0.99	8.64	14.00
	Jun	2,362.3	2,339.4	1.27	2.84	1.89	8.42	13.24
	Jul	2,394.5	2,363.1	1.36	3.06	2.51	8.19	12.41

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
July 2006

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	1.4	0.5544	51.2
Meals away from home	0.0741	0.4	0.0286	2.6
Meat, Poultry & Fish	0.1613	0.5	0.0753	7.0
Dairy Products Oils & Fats	0.0668	0.4	0.0293	2.7
Baked Products, Cereals & Breakfast Drink	0.0864	0.3	0.0226	2.1
Starchy Foods	0.0525	7.7	0.4062	37.5
Vegetables & Fruits	0.0650	-0.2	-0.0143	-1.3
Other Food & Beverages	0.0502	0.1	0.0067	0.6
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.4	0.0277	2.6
Household Supplies	0.0482	0.3	0.0160	1.5
Fuels	0.0253	0.5	0.0118	1.1
HOUSING & OTHER HOUSING EXPENSES	0.0786	3.9	0.2926	27.0
Rental	0.0209	1.6	0.0343	3.2
Other Housing Expenses	0.0577	4.5	0.2582	23.8
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.9	0.0248	2.3
Furniture	0.0068	1.3	0.0088	0.8
Furnishings	0.0215	0.7	0.0161	1.5
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.6	0.0409	3.8
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.1	0.0068	0.6
Clothing Materials	0.0055	0.2	0.0011	0.1
Readymade Clothing & Accessories	0.0242	0.1	0.0026	0.2
Footwear	0.0159	0.2	0.0027	0.3
Making & Repairs	0.0051	0.1	0.0004	0.0
TRANSPORTATION	0.0644	0.5	0.0345	3.2
MISCELLANEOUS EXPENSES	0.0785	1.3	0.1022	9.4
ALL GROUPS	1.0000	1.36	1.08	100.0

Table 3
REGIONAL INFLATION
July 2006

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.1	1.7	2.5
Meals away from home	0.0	0.6	1.0
Meat Poultry & Fish	0.7	0.3	0.3
Dairy Products Oils & Fats	0.1	0.9	0.6
Baked Products Cereals & Breakfast Drink	0.3	0.3	0.2
Starchy Foods	3.1	9.0	9.3
Vegetables & Fruits	-4.2	2.2	2.8
Other Food & Beverages	0.0	0.3	0.2
FUELS & OTHER HOUSEHOLD SUPPLIES	0.7	0.3	0.1
Household Supplies	0.4	0.3	0.3
Fuels	0.9	0.4	0.0
HOUSING & OTHER HOUSING EXPENSES	3.7	4.1	4.3
Rental	1.9	0.4	0.4
Other Housing Expenses	4.4	4.4	4.7
HOUSEHOLD FURNISHINGS & FURNITURE	0.4	1.3	1.2
Furniture	0.0	1.8	2.2
Furnishings	0.6	1.0	0.7
HEALTHCARE & PERSONAL EXPENSES	0.9	0.3	0.4
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0	0.4	0.1
Clothing Materials	0.4	0.0	0.0
Readymade Clothing & Accessories	0.0	0.2	0.1
Footwear	0.0	0.7	0.0
Making & Repairs	0.0	0.4	0.0
TRANSPORTATION	0.7	0.3	0.4
MISCELLANEOUS EXPENSES	1.4	1.9	0.7
ALL GROUPS	0.8	1.6	1.9

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
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
Jan	0.08	0.27	11.36	4.37	5.14	5.55
Feb	-0.02	0.29	11.34	4.68	5.15	5.56
Mar	0.08	0.26	11.43	4.95	4.95	5.54
2006/07						
Apr	1.14	0.31	1.14	0.31	4.75	5.48
May	0.40	0.29	1.55	0.60	4.46	5.39
June	1.27	0.28	2.84	0.87	4.14	5.25
July	1.36	0.33	4.24	1.21	3.88	5.07

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
MARCH 2006**

MARCH 2006

Provisional data suggest that the current account improved significantly in March 2006 to a surplus of US\$14.4 million, compared with a deficit of US\$43.9 million in March 2005 (see Table). **This improvement stemmed primarily from strong growth in export earnings, reflecting respective expansions of US\$41.6 million and US\$25.0 million in non-traditional and major traditional exports.** Growth in the non-traditional category was mainly attributed to mineral fuels and chemicals. For major traditional exports, there was an increase in earnings from alumina exports, reflecting growth of 12.4 per cent and 12.3 per cent in export volumes and price, respectively. There was also a supporting expansion in net inflows from the travel sector in the context of increases of 8.0 per cent and 2.6 per cent in stopover and cruise visitor arrivals, respectively.

There were partial offsetting increases in imports and the deficit on the income account. Expansions of US\$13.3 million and US\$8.4 million in payments for machinery & transportation equipment and fuel were mainly responsible for the growth in imports. The increase in the deficit on the income account was due to an expansion in imputed profit remittances of the direct investment companies.

Within the capital and financial accounts, **net private investment inflows were more than sufficient to finance the public sector's net amortization of external debt, as well as the deficit on the capital account.** As a result, the NIR of the Bank of Jamaica increased by US\$53.9 million for the month.

January – March 2006

For January – March 2006, the current account deficit was estimated at US\$218.1 million, which was US\$49.4 million higher than the deficit in 2005. **This deterioration was largely attributed to an increase in the deficit on the goods account,** reflecting growth in imports of fuel, and machinery & transportation equipment. The price of fuel grew by 27.3 per cent on the international market for the review period, while the purchase of a power barge in February largely accounted for the growth in imports of machinery and transportation equipment.

Partly offsetting the impact of the deterioration on the goods balance were strong improvements in the surpluses on the services and current transfers accounts. The higher surplus on the services account was attributed to the expansion in earnings from the tourism industry, driven by the growth in arrivals. The transfer account benefited from an increase in private remittances.

Within the capital and financial accounts, net private investment inflows were insufficient to finance the deficits on the current and capital accounts as well as to cover net amortization by the public sector. In this context, there was a small decline of US\$9.2 million in the NIR of the Bank of Jamaica over the period. At end March 2006, the gross reserves stood at US\$2 373.0 million, representing 17.2 weeks of projected imports of goods and services.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Mar	Mar^{2/}		Jan-Mar	Jan-Mar^{2/}	
	2005	2006	Change	2005	2006	Change
1. CURRENT ACCOUNT	-43.9	14.4	58.3	-168.7	-218.1	-49.4
A. GOODS and SERVICES	-159.5	-89.1	70.4	-400.4	-459.9	-59.5
a. GOODS BALANCE	-240.8	-186.2	54.6	-601.2	-700.3	-99.1
Exports (f.o.b.)	132.2	203.3	71.1	381.2	518.1	136.9
Imports (f.o.b.)	373.0	389.5	16.5	982.4	1218.4	236.0
b. SERVICES BALANCE	81.3	97.1	15.8	200.8	240.4	39.6
Transportation	-13.8	-16.1	-2.3	-46.1	-60.1	-14.0
Travel	133.8	150.9	17.1	352.2	407.5	55.3
Other Services	-38.7	-37.7	1.0	-105.3	-107.0	-1.7
B. INCOME	-27.5	-38.8	-11.3	-164.1	-162.2	1.9
Compensation of employees	4.3	5.0	0.7	8.5	9.9	1.4
Investment Income	-31.8	-43.8	-12.0	-172.6	-172.1	0.5
C. CURRENT TRANSFERS	143.1	142.3	-0.8	395.8	404.0	8.2
Official	16.9	12.0	-4.9	42.4	35.7	-6.7
Private	126.2	130.3	4.1	353.4	368.3	14.9
2. CAPITAL & FINANCIAL ACCOUNT	43.9	-14.4	-58.3	168.7	218.1	49.4
A. CAPITAL ACCOUNT	-0.5	-0.4	0.1	-0.9	-1.8	-0.9
a. Capital Transfers	-0.5	-0.4	0.1	-0.9	-1.8	-0.9
Official	0.0	0.0	0.0	0.1	0.0	-0.1
Private	-0.5	-0.4	0.1	-1.0	-1.8	-0.8
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	44.4	-14.0	-58.4	169.6	219.9	50.3
Other official investment	9.6	-17.9	-27.5	13.4	-38.8	-52.2
Other private investment ^{3/}	105.3	57.8	1.0	199.3	249.5	50.2
Change in Reserves (minus = increase)	-70.5	-53.9		-43.1	9.2	

1/ Revised

2/ Provisional

3/ Includes errors & omissions