



ECONOMIC STATISTICS

VOLUME 17 - NO. 7

JULY 2007



CONTENTS

	Pages
Figures 1-6	1
Monetary Aggregates	2
Commercial Banks Assets and Liabilities	2
Commercial Banks Deposits and Loans	2
Interest Rates (Selected)	3
Securities	4
Instalment Credit	4
Near-Banks	4
Building Societies	4
Inflation Rates	4
Actual Production	4
Stock Market Activities	4
External Trade	5
Tourism	5
Balance of Payments	5
BOJ Net International Reserves	7
Foreign Exchange	7
Reviews on Inflation/Balance of Payments	9 & 15

© 2007 Bank of Jamaica
Nethersole Place
Kingston
Jamaica

Telephone: (876) 922 0750-9
Fax: (876) 922 0854
E-mail: library@boj.org.jm
Internet: www.boj.org.jm

ISSN 1018-9084

SELECTED ECONOMIC INDICATORS

Figure 1

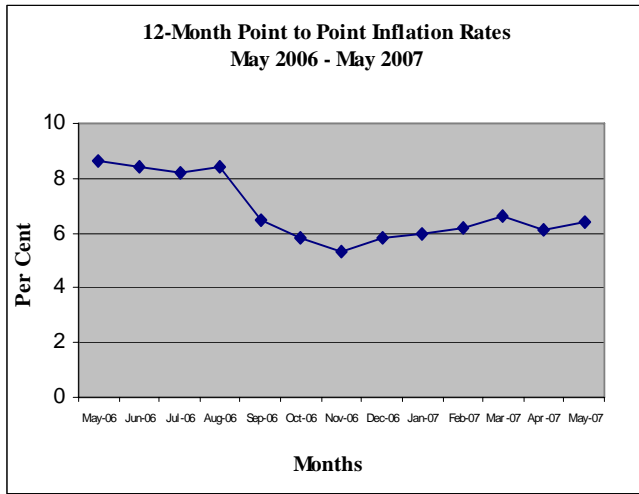


Figure 2

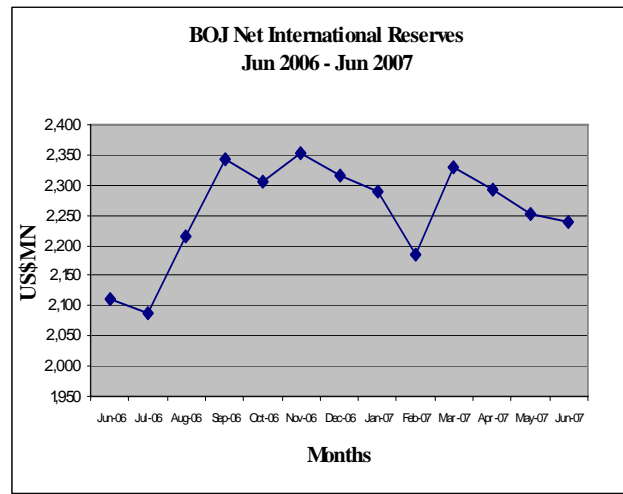


Figure 3

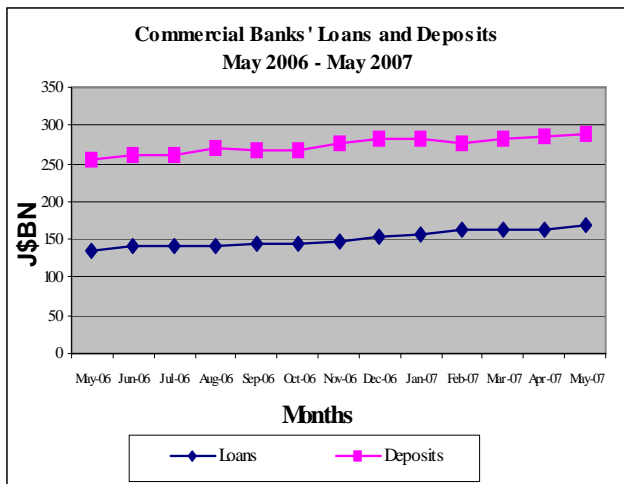


Figure 4

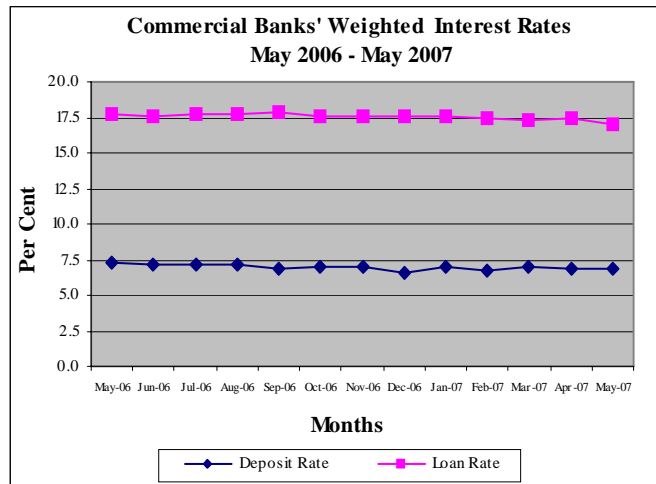


Figure 5

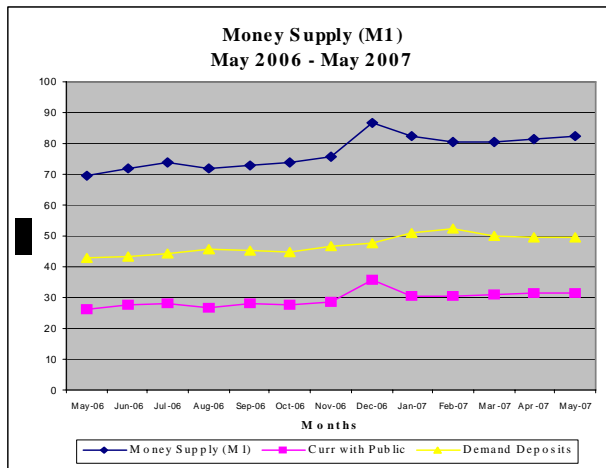
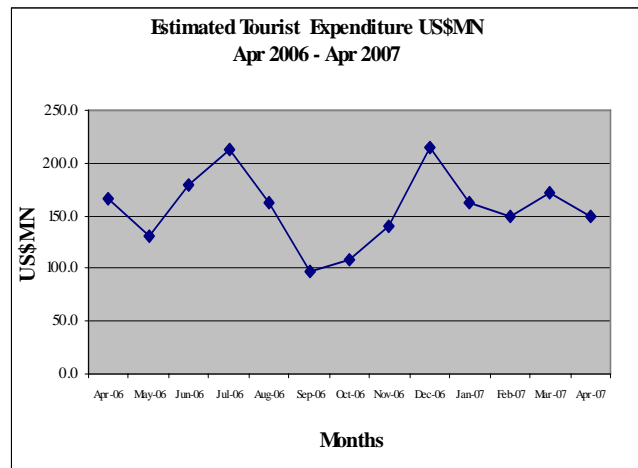


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	May 2006	Apr 2007	May 2007	Change p.a.
Money Supply (M1).....	<u>69,671.50</u>	<u>81,339.18</u>	<u>82,223.03</u>	<u>18.02</u>
(a) Currency with the Public.....	26,283.36	31,610.21	31,219.49	18.78
(b) Demand Deposits (adj.)***.....	43,388.14	49,728.97	51,003.54	17.55
Quasi-Money.....	<u>161,380.62</u>	<u>176,018.99</u>	<u>180,374.09</u>	<u>11.77</u>
(a) Time.....	40,673.16	42,234.02	44,048.50	8.30
(b) Savings.....	120,707.46	133,784.97	136,325.59	12.94
Money Supply (M2).....	<u>231,052.12</u>	<u>257,358.17</u>	<u>262,597.12</u>	<u>13.65</u>
Domestic Credit (net).....	<u>234,417.81</u>	<u>240,933.75</u>	<u>249,393.52</u>	<u>6.39</u>
Local Currency	May 2006	Apr 2007	May 2007	
Money Supply (M1).....	<u>59,904.19</u>	<u>71,319.80</u>	<u>72,107.88</u>	<u>20.37</u>
(a) Currency with the Public.....	26,283.36	31,610.21	31,219.49	18.78
(b) Demand Deposits (adj.)***.....	33,620.83	39,709.59	40,888.39	21.62
Quasi-Money.....	<u>97,670.07</u>	<u>105,938.16</u>	<u>107,544.12</u>	<u>10.11</u>
(a) Time.....	23,725.06	23,809.36	24,152.01	1.80
(b) Savings.....	73,945.01	82,128.80	83,392.11	12.78
Money Supply (M2).....	<u>157,574.26</u>	<u>177,257.96</u>	<u>179,652.00</u>	<u>14.01</u>
Domestic Credit (net).....	<u>192,566.69</u>	<u>190,920.33</u>	<u>195,318.96</u>	<u>1.43</u>
	Jun 2006	May 2007	Jun 2007	
Base Money.....	<u>44,950.64</u>	<u>52,317.74</u>	<u>52,987.44</u>	<u>17.88</u>
II. COMMERCIAL BANKS (J\$mn.)	May 2006	Apr 2007	May 2007	
Assets & Liabilities (J\$mn.)**.....	<u>387,550.88</u>	<u>441,477.29</u>	<u>445,470.66</u>	<u>14.95</u>
Loans**.....	<u>135,108.02</u>	<u>163,216.95</u>	<u>167,649.10</u>	<u>24.09</u>
Agriculture.....	2,274.62	2,495.87	2,394.95	5.29
Manufacturing.....	4,824.14	5,763.73	5,285.67	9.57
Construction & Land Development.....	6,388.77	9,789.14	9,497.07	48.65
Mining.....	327.10	596.58	564.99	72.73
Tourism.....	21,705.59	23,323.27	24,194.26	11.47
Transport, Storage & Communication.....	5,323.74	5,195.10	6,011.77	12.92
Consumer-Oriented.....	61,792.09	86,615.81	88,649.49	43.46
Government Services.....	30,095.31	28,169.79	29,916.97	-0.59
Other.....	2,376.66	1,267.66	1,133.93	-52.29
	May 2006	Apr 2007	May 2007	
DEPOSITS.....	<u>254,217.06</u>	<u>285,739.91</u>	<u>287,733.40</u>	<u>13.18</u>
Private Sector (including overseas residents).....	<u>225,675.49</u>	<u>245,753.72</u>	<u>250,648.39</u>	<u>11.07</u>
Time.....	53,489.39	53,554.72	55,409.69	3.59
Savings.....	128,673.55	142,206.49	145,177.09	12.83
Demand.....	43,512.55	49,992.51	50,061.61	15.05
Government.....	<u>11,755.14</u>	<u>17,823.64</u>	<u>16,029.54</u>	<u>36.36</u>
Time.....	281.26	729.76	783.52	178.57
Savings.....	1,527.86	1,941.30	2,007.68	31.40
Demand.....	9,946.02	15,152.58	13,238.34	33.10
Public Entities.....	<u>9,316.21</u>	<u>10,850.93</u>	<u>10,914.84</u>	<u>17.16</u>
Time.....	5,049.68	5,648.22	5,336.97	5.69
Savings.....	2,156.64	3,168.22	2,487.04	15.32
Demand.....	2,109.89	2,034.49	3,090.83	46.49

+ Revised

* Provisional

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

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

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	May 2006	Apr 2007	May 2007	Change p.a.
Spec. & O. F. Insts.....	<u>7,470.22</u>	<u>11,311.62</u>	<u>10,140.63</u>	<u>35.75</u>
Time.....	1,379.70	2,135.39	2,250.84	63.14
Savings.....	1,574.74	777.75	1,012.27	-35.72
Demand.....	4,515.78	8,398.48	6,877.52	52.30
	Jun 2006	May 2007	Jun 2007	
Current Account Balances with BOJ (J\$mn).....	<u>123.02</u>	<u>133.04</u>	<u>461.54</u>	
LIQUIDITY (Average) %	May 2006	Apr 2007	May 2007	
Actual Liquid Assets Ratio.....	<u>45.04</u>	<u>37.73</u>	<u>32.95</u>	
Cash.....	2.67	2.91	2.69	
Deposits with B.O.J.....	9.29	9.49	9.39	
Treasury Bills.....	0.69	0.57	0.60	
Local Registered Stocks.....	2.05	0.62	0.55	
Other.....	30.34	24.14	19.72	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Jun 2006	May 2007	Jun 2007	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	2.50-14.10	6.80-11.15	6.80-11.15	
9-12 months.....	3.00-14.30	6.50-11.60	6.50-11.60	
Call Deposits.....	3.00-20.00	2.00-12.50	5.00-15.00	
Average Savings Deposits	5.39	5.13	5.17	
Average Loan Rate.....	22.50	23.04	22.49	
Average Inter-bank Rate	9.00	8.38	9.67	
	May 2006	Apr 2007	May 2007	
Weighted Fixed Deposits Rate.....	7.23	6.88	6.85	
Weighted Loan Rate.....	17.73	17.43	17.06	
G.O.J. Treasury Bills (Weighted Average) Yield	Jun 2006	May 2007	Jun 2007	
2 Months:.....	-	-	-	
3 Months:.....	12.64	11.80	11.98	
6 Months:.....	12.82	11.96	12.13	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Jun 2006	May 2007	Jun 2007	
BOJ Open Market Rates (%) *				
30-Day	12.45	11.65	11.65	
60-Day	12.50	11.70	11.70	
90-Day	12.60	11.80	11.80	
120-Day	12.65	11.85	11.85	
180-Day	12.80	12.00	12.00	
270-Day	-	-	-	
365-Day	-	-	-	
COMMERCIAL BANKS (Foreign Currency)	Jun 2006	May 2007	Jun 2007	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	0.25-5.00	3.18-4.85	3.00-4.85	
3-6 months.....	0.25-5.50	3.25-5.35	3.20-5.35	
6-12 months.....	0.25-6.00	3.28-5.85	3.28-5.85	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	0.50-5.75	3.35-5.60	3.00-5.60	
3-6 months.....	0.50-6.25	3.47-6.10	3.20-6.10	
6-12 months.....	0.50-6.75	3.50-6.60	3.40-6.60	
Average Loan Rates	11.95	11.05	10.77	
Average Savings	2.45	2.48	2.48	

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

				%
IV. SECURITIES (J\$mnn.) (outstanding balances)	May 2006	Apr 2007+	May 2007	Change p.a.
GOJ Local Registered Stock.....	236,046.82	232,223.36	230,682.33	-2.27
	Jun 2006	May 2007	Jun 2007	
BOJ Open Market Operations 1/.....	159,438.05	152,564.47	150,758.26	-5.44
GOJ Treasury Bills.....	4,200.00	4,200.00	4,200.00	-
V. INSTALMENT CREDIT (J\$mnn.) (Banks & Near-Banks)	May 2006	Apr 2007+	May 2007	
Total Credit Outstanding.....	16,185.85	22,297.27	22,918.58	41.60
New Business.....	1,293.93	1,199.63	1,249.37	-3.44
VI. NEAR-BANKS (J\$mnn.) (Merchant Banks, Trust Com. & Finance Houses)	May 2006	Apr 2007	May 2007	
Assets/Liabilities.....	48,802.36	47,770.22	46,401.64	-4.92
Loans Outstanding.....	9,375.52	13,861.96	14,648.08	56.24
Total Deposits.....	13,982.31	14,763.79	15,095.93	7.96
Loans.....	<u>9,375.52</u>	<u>13,861.96</u>	<u>14,648.08</u>	<u>56.24</u>
Agriculture.....	969.25	1,022.43	1,032.11	6.49
Manufacturing.....	527.46	434.79	578.55	9.69
Construction & Land Development.....	1,297.28	2,408.25	2,785.83	114.74
Mining, Quarrying & Processing.....	22.10	15.30	15.16	-31.40
Tourism.....	893.45	811.46	882.22	-1.26
Transport, Storage & Communication.....	405.40	742.36	790.88	95.09
Consumer Oriented.....	4,725.14	6,802.06	6,976.64	47.65
Government Services.....	432.14	821.22	787.42	82.21
Other.....	103.30	804.09	799.27	673.74
	May 2006	Apr 2007	May 2007	
Liquid Assets Ratio (average) %.....	25.30	37.50	43.80	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mnn.) (members & associate members)	May 2006	Apr 2007+	May 2007	
Assets/Liabilities.....	96,241.42	110,488.66	111,431.07	15.78
Loan Balances.....	39,249.37	46,514.35	47,177.97	20.20
Savings Funds.....	67,870.26	76,799.66	77,250.65	13.82
VIII. INFLATION	Jun 2006	May 2007	Jun 2007	
Consumer Price Index (Jan. 1988 = 100).....	2,362.3	2,482.6	2,495.3	5.63
Monthly Rate (%).....	1.3	0.7	0.5	
Calendar Year to Date (%).....	3.0	2.3	2.9	
Fiscal Year to Date (%).....	2.8	1.4	1.9	
IX. ACTUAL PRODUCTION ('000)	May 2006	Apr 2007	May 2007	
Bauxite (tonnes).....	372.39	401.33	424.15	13.90
Alumina (tonnes).....	355.40	357.57	341.74	-3.84
Sugar (tonnes).....	17.92	29.31	20.51	14.45
Banana Exports (tonnes).....	2.06	2.55	2.60	26.21
X. STOCK MARKET ACTIVITIES	Jun 2006	May 2007	Jun 2007	
Index**.....	85,108.22	90,057.73	90,069.92	5.83
Volume Traded (mn.)***.....	1,495.38	90.93	184.46	-87.66
Ordinary Shares.....	1,299.42	77.15	184.15	-85.83
Block Transactions.....	195.96	13.78	0.31	-99.84

1/ As at May 2005 the Bank of Jamaica no longer issues Reverse Repurchases

- No Production

** As at end of month

*** Monthly values

+ Revised

	Jun 2006	May 2007	Jun 2007	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.)***	7,616.97	885.94	1,109.83	-85.43
Ordinary Shares	4,463.57	830.82	1,109.53	-75.14
Block Transactions	3,153.40	55.12	0.30	-99.99
Advance/Decline Ratio**	11/26	13/19	16/15	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Apr 2006	Jan-Apr 2007		Change
1. EXPORTS				
(a) Major Traditional Exports	418.67	437.50		18.83
Bauxite	37.39	39.21		1.82
Alumina	318.22	335.90		17.68
Sugar	58.75	58.20		0.55
Bananas	4.30	4.20		-0.11
(b) Other Traditional Exports	28.83	23.45		-5.38
(c) Non-Traditional Exports	181.45	223.15		41.70
(d) Re-exports	13.65	16.61		2.96
General Merchandise Exports	<u>642.59</u>	<u>700.71</u>		<u>58.12</u>
(e) Freezone Exports	17.64	18.06		0.42
(f) Goods Procured in Ports	26.56	26.56		-
Total Goods Exports	<u>686.79</u>	<u>745.32</u>		<u>58.53</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food	205.04	232.32		27.28
(b) Beverage & Tobacco	21.06	27.80		6.74
(c) Crude Material	34.18	21.23		-12.95
(d) Mineral Fuel	629.95	546.94		-83.01
(e) Animal & Vegetable Oil	9.17	12.00		2.83
(f) Chemicals	219.61	250.03		30.42
(g) Manufactured Goods	191.26	240.83		49.57
(h) Machinery & Transportation	337.04	414.48		77.44
(i) Miscellaneous Manufactured Goods	144.85	193.16		48.31
(j) Miscellaneous Commodities	22.55	26.83		4.28
General Merchandise Imports	<u>1,814.70</u>	<u>1,965.62</u>		<u>150.92</u>
Freezone Imports	7.86	6.25		-1.61
Goods Procured in Ports	38.94	38.94		-
Total Goods Imports	<u>1,861.50</u>	<u>2,010.81</u>		<u>149.31</u>
Trade Balance	<u>-908.48</u>	<u>-961.52</u>		<u>-53.04</u>
XII. TOURISM	Apr 2006	Apr 2007		% Change
Tourist Arrivals ('000)	272.35	263.35		-3.30
Stop Overs	163.27	150.54		-7.80
Foreign Nationals	154.14	140.50		-8.85
Non-Resident Jamaicans	9.13	10.04		9.97
Cruise	109.07	112.81		3.43
Armed Forces	-	-		-
Estimated Expenditure (US\$mn.)	166.9	149.8		-10.25
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-Apr 2006	Jan-Apr 2007 *		Change
1. Current Account	<u>-283.3</u>	<u>-391.3</u>		<u>-108.0</u>
A. Goods balance	<u>-948.9</u>	<u>-1,006.7</u>		<u>-57.8</u>
Exports (f.o.b.)	686.8	745.3		58.5
Imports (f.o.b.)	1,635.7	1,752.0		116.3
B. Service Balance	<u>332.5</u>	<u>269.6</u>		<u>-62.8</u>
Transportation	-80.0	-113.0		-33.0
Travel	575.6	543.8		-31.8
Other Services	-163.1	-161.2		1.9

* Provisional

** As at last trading day of month

*** Monthly values

<i>Balance of Payments (Calendar) (Cont'd)</i>		Jan-Apr 2006	Jan-Apr 2007 *	Change
C. Income		<u>-208.6</u>	<u>-249.5</u>	<u>-40.9</u>
Compensation of Employees.....		10.4	4.1	-6.3
Investment Income.....		-219.0	-253.6	-34.6
D. Current Transfers		<u>541.8</u>	<u>595.3</u>	<u>53.5</u>
Official.....		46.8	45.1	-1.7
Private.....		495.0	550.2	55.2
2. Capital and Financial Account		<u>283.3</u>	<u>391.3</u>	<u>108.0</u>
A. Capital Account		<u>-2.1</u>	<u>-1.7</u>	<u>0.3</u>
Capital Transfers.....		<u>-2.1</u>	<u>-1.7</u>	<u>0.3</u>
Official.....		0.5	0.2	-0.3
Private.....		-2.6	-1.9	0.7
Acq./Disp. of non-produced non-fin. assets....		0.0	0.0	0.0
B. Financial Account		<u>285.3</u>	<u>393.0</u>	<u>107.7</u>
Other Official Investment.....		14.5	205.1	190.6
Other Private Investment.....		335.2	162.7	-172.5
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-64.4</u>	<u>25.2</u>	
		Apr	Apr *	
		2006	2007	
Balance of Payments (Fiscal)				
1. Current Account		<u>-27.9</u>	<u>-83.3</u>	<u>-55.4</u>
A. Goods balance		<u>-213.0</u>	<u>-241.1</u>	<u>-28.1</u>
Exports (f.o.b.).....		161.3	181.5	20.2
Imports (f.o.b.).....		374.3	422.6	48.2
B. Service Balance		<u>89.0</u>	<u>60.8</u>	<u>-28.2</u>
Transportation.....		-17.9	-26.0	-8.2
Travel.....		147.3	124.9	-22.5
Other Services.....		-40.5	-38.1	2.4
C. Income		<u>-38.8</u>	<u>-57.2</u>	<u>-18.4</u>
Compensation of Employees.....		1.2	0.8	-0.4
Investment Income.....		-40.0	-58.0	-18.0
D. Current Transfers		<u>134.9</u>	<u>154.3</u>	<u>19.3</u>
Official.....		11.1	10.8	-0.3
Private.....		123.9	143.5	19.6
2. Capital and Financial Account		<u>27.9</u>	<u>83.3</u>	<u>55.4</u>
A. Capital Account		<u>-0.3</u>	<u>-0.4</u>	<u>-0.1</u>
Capital Transfers.....		<u>-0.3</u>	<u>-0.4</u>	<u>-0.1</u>
Official.....		0.5	0.0	-0.5
Private.....		-0.8	-0.4	0.4
Acq./Disp. of non-produced non-fin. assets		0.0	0.0	0.0
B. Financial Account		<u>28.2</u>	<u>83.7</u>	<u>55.5</u>
Other Official Investment.....		31.5	17.9	-13.6
Other Private Investment.....		70.4	28.7	-41.7
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-73.7</u>	<u>37.0</u>	

* Provisional

XIV. BOJ NET INTERNATIONAL RESERVES	Jun 2006	May 2007+	Jun 2007	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>2,110.05</u>	<u>2,252.22</u>	<u>2,238.87</u>	<u>6.11</u>
Gross Foreign Assets.....	<u>2,293.20</u>	<u>2,508.33</u>	<u>2,472.27</u>	<u>7.81</u>
Gross Foreign Liabilities.....	<u>183.15</u>	<u>256.11</u>	<u>233.40</u>	<u>27.44</u>
Estimated Gross Reserves in Weeks of Imports.....	<u>22.90</u>	<u>24.83</u>	<u>24.47</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>16.70</u>	<u>18.00</u>	<u>17.74</u>	
 XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.) *				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	<u>1,086.68</u>	<u>1,036.16</u>	<u>1,019.86</u>	<u>-6.15</u>
Foreign Exchange Sales (spot).....	<u>1,066.62</u>	<u>1,063.23</u>	<u>993.56</u>	<u>-6.85</u>
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)				
Commercial Banks Balances.....				
"A" Accounts 1/.....	<u>1492.90</u>	<u>1,590.97</u>	<u>1,603.38</u>	<u>7.40</u>
"B" Accounts	<u>157.56</u>	<u>130.37</u>	<u>144.37</u>	<u>-8.37</u>
Other.....	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-</u>
Other.....	<u>1,335.34</u>	<u>1,460.60</u>	<u>1,459.01</u>	<u>9.26</u>
 F.I.As Balance.....				
"A" Accounts 1/.....	<u>176.32</u>	<u>181.85</u>	<u>179.78</u>	<u>1.96</u>
"B" Accounts	<u>113.15</u>	<u>111.94</u>	<u>111.37</u>	<u>-1.57</u>
Other.....	<u>0.06</u>	<u>0.26</u>	<u>0.26</u>	<u>333.33</u>
Other.....	<u>63.11</u>	<u>69.65</u>	<u>68.15</u>	<u>7.99</u>
 Building Societies Balances.....				
"A" Accounts 1/.....	<u>375.76</u>	<u>432.46</u>	<u>432.24</u>	<u>15.03</u>
"B" Accounts	<u>225.13</u>	<u>274.24</u>	<u>274.29</u>	<u>21.84</u>
Other	<u>65.21</u>	<u>66.10</u>	<u>66.28</u>	<u>1.64</u>
Other	<u>85.42</u>	<u>92.12</u>	<u>91.67</u>	<u>7.32</u>
 Total Foreign Currency Deposits (US\$mn.).....	 <u>2,044.98</u>	 <u>2,205.28</u>	 <u>2,215.40</u>	 <u>8.33</u>
 Total Foreign Currency Loans (US\$mn.).....	 <u>923.31</u>	 <u>1,108.72</u>	 <u>1,132.81</u>	 <u>22.69</u>
Commercial Banks.....	<u>824.30</u>	<u>954.23</u>	<u>977.26</u>	<u>18.56</u>
F.I.As	<u>88.51</u>	<u>136.46</u>	<u>137.35</u>	<u>55.18</u>
Building Societies.....	<u>10.50</u>	<u>18.03</u>	<u>18.20</u>	<u>73.33</u>

+ Revised

* 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

	Jun 2006	May 2007	Jun 2007
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	3.06	4.12	4.17
6 months.....	3.25	4.25	4.32
U.S. Prime Rate (end of period) (%).....	8.25	8.25	8.25
Selling Exchange Rates (end period)	Jun 2006	May 2007	Jun 2007
US\$1.00 = J\$.....	66.03	68.22	68.58
Can. \$1.00 = J\$.....	59.50	63.46	64.81
U.K. Pound = J\$.....	120.19	134.72	136.60
Euro = J\$**.....	84.05	91.53	92.37
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	10.45	10.87	10.89
Bdos. \$1 = J\$.....	32.89	34.10	34.30
Guy. \$1 = J\$.....	0.33	0.34	0.34
E.C. \$1 = J\$.....	24.46	25.26	25.41

*** Indicative Rates*

INFLATION

MAY 2007

The All Jamaica Consumer Price Index (CPI) rose by 0.7 per cent in May 2007, similar to the increase in the previous month but higher than the 0.4 per cent recorded in May 2006. The outturn for the review month resulted in an annual point-to-point inflation of 6.4 per cent, 2.2 percentage points below the outturn for the corresponding period to May 2006. The mean annual inflation was 6.6 per cent, representing a sharp reduction, relative to 14.0 per cent one year ago. However, for the calendar year to May, the inflation rate was 2.3 per cent, 0.6 percentage point higher than the rate for the corresponding period of 2006.

The primary influence on May's outturn was the pass-through of higher international commodity prices such as those of crude oil and grains. Pass-through from movements in international grains prices strongly affected food prices while the impact of crude oil prices was mainly reflected in household utility costs. Favourable supplies of agricultural produce led to overall declines in the prices of vegetables and starchy foods for a fifth consecutive month.

All but one group in the CPI increased during the month, though two of these were negligible. The most influential increases were recorded in *Food & Drink*, *Housing & Other Housing Expenses* and *Healthcare & Personal Expenses*. *Food & Drink* and *Housing & Other Housing Expenses* increased by 0.7 per cent and 2.6 per cent, respectively, while *Healthcare & Personal Expenses* rose by 0.6 per cent. These subcategories together accounted for approximately 90.2 per cent of the overall inflation outturn.

The expansion in *Food & Drink* was chiefly influenced by the increases in *Meat, Poultry & Fish, Dairy Products, Oils & Fats and Baked Products, Cereals & Breakfast Drinks*. The movements in these sub-groups reflected the continued impact on prices of the diversion of international corn and soybean production for energy usage. The main items affected in these groups were beef and chicken prices as well as the cost of condensed milk and hard dough bread. Offering mild offset to the impact of these increases were declines of 0.1 per cent and 0.2 per cent in *Starchy Foods* and *Vegetables & Fruits*, respectively. These movements emanated chiefly from the exceptionally favourable weather that had prevailed since late 2006.

The increase of 2.6 per cent in *Housing & Other Housing Expenses* resulted primarily from an increase of 3.0 per cent in *Other Housing Expenses*. This arose chiefly from a 15.6 per cent increase in the fuel charge at the electricity company, which led to electricity bills increasing by 7.8 per cent. The increase in the fuel charge resulted from the movements in crude oil prices on the international market.

The increase of 0.6 per cent in the *Healthcare & Personal Expenses* sub-index emanated mainly from the *Healthcare* component. There were increases of 1.3 per cent and 2.2 per cent in doctors' and opticians' fees in the Other Towns and Rural Areas. Since the start of the calendar year, *Healthcare & Personal Expenses* has risen more than any other group, except for *Miscellaneous Expenses*, and has been largely buoyed by increases in medical practitioners' fees and medicaments.

Also of importance in the month was the movement in *Fuels & Other Household Supplies* which increased by 0.4 per cent. This mainly reflected the impact of changes in *Other Household Supplies* which increased by 0.7 per cent. Increases in the cost of cleaning agents and toiletries were the main price impulses in the sub-group.

The CPI in the KMA and Other Towns increased by 0.9 per cent and 0.7 per cent respectively, while the change in the Rural Areas was 0.4 per cent. This disparity was mainly reflected in the most heavily weighted *Food & Drink*. The index of *Food & Drink* rose by 1.2 per cent and 0.5 per cent in KMA and Other Towns, respectively, but increased by a mere 0.2 per cent in the Rural Areas. This outturn largely reflected movements in the *Dairy Products, Oils & Fats* and *Baked Products, Cereals & Breakfast Drinks* sub-groups. In the former, the index increased by 2.0 per cent, 1.8 per cent and 0.9 per cent in the KMA, the Other Towns and Rural Areas, respectively. In the latter, the respective movements were 2.1 per cent, 1.0 per cent and 0.4 per cent. The movements in the KMA and Other Towns largely reflected sharper increases in bread and milk prices compared with those in Rural Areas.

The trimmed mean index increased by 0.38 per cent in May 2007, 0.13 percentage point above the change in the previous month (Table 4). The outturn brought the fiscal year-to-date core inflation to 1.4 per cent, 0.2 percentage point below the comparable period of 2007. The point-to-point and annual average core inflation rates of 3.3 per cent and 3.5 per cent for the month were 1.2 percentage points and 1.9 percentage points below what obtained in May 2006.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.69 per cent in May, 0.10 percentage point below the estimate in the previous month. The calendar year-to-date movement in the index was 3.09 per cent compared to 3.66 per cent at the similar position last year. On an annual point-to-point basis, the CPI-A was 6.5 per cent, relative to 11.4 per cent for the corresponding period last year. The lower outturn, relative to last year, was primarily due to lower impulses arising from the cost of energy and fuel as increases in international crude oil prices moderated.

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
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	2,061.5	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	15.42
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	15.31
Feb	2,295.3	2,295.0	-0.02	0.13	0.50	12.42	15.26
Mar	2,297.1	2,296.1	0.08	0.14	0.24	11.43	15.08
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
Aug	2,401.9	2,386.2	0.31	2.97	2.96	8.45	11.73
Sept	2,419.8	2,405.4	0.75	2.43	2.82	6.49	10.71
Oct	2,417.9	2,413.2	-0.08	0.98	2.12	5.78	9.87
Nov	2,413.5	2,417.0	-0.18	0.48	1.29	5.29	9.18
Dec	2,425.9	2,419.1	0.51	0.25	0.57	5.76	8.59
2007							
Jan	2,432.9	2,424.1	0.29	0.62	0.45	5.98	8.03
Feb	2,437.2	2,432.0	0.18	0.98	0.62	6.18	7.53
Mar	2,449.4	2,439.8	0.50	0.97	0.86	6.63	7.16
Apr	2,466.0	2,450.8	0.68	1.36	1.10	6.14	6.80
May	2,482.6	2,466.0	0.67	1.86	1.40	6.43	6.63

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

Table 2
COMPONENT CONTRIBUTION TO INFLATION
May 2007

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.7	0.3716	55.4
Meals Away From Home	0.0741	0.3	0.0254	3.8
Meat, Poultry & Fish	0.1613	0.8	0.1366	20.4
Dairy Products Oils & Fats	0.0668	1.5	0.1026	15.3
Baked Products, Cereals & Breakfast Drink	0.0864	1.2	0.1019	15.2
Starchy Foods	0.0525	-0.1	-0.0057	-0.9
Vegetables & Fruits	0.0650	-0.2	-0.0151	-2.3
Other Food & Beverages	0.0502	0.5	0.0259	3.9
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.4	0.0376	5.6
Household Supplies	0.0482	0.7	0.0339	5.1
Fuels	0.0253	0.1	0.0037	0.6
HOUSING & OTHER HOUSING EXPENSES	0.0786	2.6	0.1914	28.5
Rental	0.0209	0.8	0.0157	2.3
Other Housing Expenses	0.0577	3.0	0.1756	26.2
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.0	0.0049	0.7
Furniture	0.0068	-1.5	-0.0100	-1.5
Furnishings	0.0215	0.7	0.0149	2.2
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.6	0.0420	6.3
PERSONAL CLOTHING, FOOTWEAR & ACCESSORIES	0.0507	0.3	0.0128	1.9
Clothing Materials	0.0055	0.0	0.0002	0.0
Readymade Clothing & Accessories	0.0242	0.2	0.0041	0.6
Footwear	0.0159	0.5	0.0076	1.1
Making & Repairs	0.0051	0.2	0.0008	0.1
TRANSPORTATION	0.0644	0.1	0.0096	1.4
MISCELLANEOUS EXPENSES	0.0785	0.0	0.0010	0.1
ALL GROUPS	1.0000	0.67	0.67	100.0

Table 3
REGIONAL INFLATION
May 2007

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	1.2	0.5	0.2
Meals away from home	0.0	0.8	0.6
Meat Poultry & Fish	1.0	1.4	0.3
Dairy Products Oils & Fats	2.0	1.8	0.9
Baked Products Cereals & Breakfast Drink	2.1	1.0	0.4
Starchy Foods	2.6	-2.7	-0.6
Vegetables & Fruits	1.0	-2.0	-0.6
Other Food & Beverages	0.7	0.5	0.3
FUELS & OTHER HOUSEHOLD SUPPLIES	0.3	1.0	0.0
Household Supplies	0.5	1.2	0.6
Fuels	0.1	1.0	-0.3
HOUSING & OTHER HOUSING EXPENSES	2.5	2.6	2.7
Rental	0.9	0.0	0.0
Other Housing Expenses	3.2	2.9	2.9
HOUSEHOLD FURNISHINGS & FURNITURE	0.2	0.3	-0.5
Furniture	0.0	-2.5	-2.4
Furnishings	0.4	1.7	0.4
HEALTHCARE & PERSONAL EXPENSES	0.3	0.9	0.9
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.2	0.7	0.1
Clothing Materials	0.0	0.2	0.0
Readymade Clothing & Accessories	0.2	0.2	0.1
Footwear	0.4	1.4	0.0
Making & Repairs	0.0	0.8	0.0
TRANSPORTATION	-0.3	0.6	0.8
MISCELLANEOUS EXPENSES	0.0	0.0	0.0
ALL GROUPS	0.9	0.7	0.4

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
Aug	0.31	0.22	4.56	1.43	3.65	4.88
Sept	0.75	0.52	5.34	1.96	3.78	4.69
Oct	-0.08	0.12	5.26	2.08	3.52	4.50
Nov	-0.18	0.15	5.07	2.23	3.32	4.32
Dec	0.51	0.28	5.61	2.52	3.36	4.16
Jan	0.29	0.15	5.91	2.67	3.24	4.01
Feb	0.18	0.23	6.10	2.90	3.17	3.84
Mar	0.50	0.38	6.63	3.29	3.29	3.71
2007/08						
Apr	0.68	0.25	0.68	0.25	3.23	3.58
May	0.67	0.38	1.36	0.64	3.33	3.49

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
APRIL 2007**

April 2007

Provisional data indicate that the current account deficit in April 2007 widened by US\$55.4 million, compared with the deficit in April 2006. This increase reflected deterioration in the balances on the merchandise trade, services and income accounts (see Table).

The widening in the **trade deficit** primarily reflected respective increases of US\$24.8 million and US\$11.5 million in expenditure on manufactured goods and fuel imports. The impact of this was, however, partly offset by growth of US\$15.7 million and US\$7.8 million in the export of alumina and waste & scrap metals, respectively. An estimated decline of 7.8 per cent in overall visitor arrivals, which contributed to a contraction of US\$22.5 million in gross travel inflows, was the main factor behind the lower surplus on the **services account**. The expansion in the deficit on the **income account** was largely attributed to an estimated increase in the imputed profit remittances of direct investment companies.

A US\$19.3 million increase in net current transfers, which reflected growth of 13.2 per cent in gross private inflows, served to partly offset the deterioration in the current account balance. The growth in private inflows was principally related to increased inflows through the remittance companies and building societies.

Within the capital and financial accounts, net private and official investment inflows were insufficient to finance the deficits on the current and capital accounts. As a result, the NIR of the Bank of Jamaica declined by US\$37.0 million for April 2007.

January – April 2007

The current account deficit was estimated at US\$391.3 million for the period January – April 2007, US\$108.0 million higher than the deficit for the comparable period in 2006. With the exception of current transfers, all the sub-accounts deteriorated over the review period.

With respect to the merchandise trade account, there was an increase in the value of imports, associated mainly with higher spending on machinery & transport equipment and manufactured goods. There was, however, a US\$83.0 million (13.2 per cent) reduction in expenditure on fuel imports, reflecting a decline of 8.2 per cent in the average price of oil (WTI) on the international market. The impact of the expansion in imports was partly offset by increased earnings from the export of crude materials (including alumina), and mineral fuels.

An expansion of US\$33.0 million in the deficit on the transportation sub-account, in conjunction with a decline of US\$31.8 million in the surplus on the travel sub-account, accounted for the lower surplus on the services account. The higher deficit on the transportation sub-account was influenced by increases in freight charges, related to the growth in imports, while the travel sub-account reflected declines in foreign national stopover arrivals as well as the estimated average daily expenditure of visitors. There was also an increase in expenditure by Jamaicans travelling abroad.

The deterioration in the income account was principally related to higher imputed profit remittances of direct investment companies while the increase in net current transfers reflected growth of 7.4 per cent in gross private inflows.

Within the capital and financial account, net private and official investment inflows were insufficient to finance the deficits on the current and capital accounts. As a result, there was a decline of US\$25.2 million in the NIR during the review period. At end-April 2007, the gross reserves stood at US\$2570.2 million, representing 18.3 weeks of projected imports of goods and services.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Apr	Apr^{2/}		Jan-Apr	Jan-Apr^{2/}	
	2006	2007	Change	2006	2007	Change
1. CURRENT ACCOUNT	-27.9	-83.3	-55.4	-283.3	-391.3	-108.0
A. GOODS and SERVICES	-124.0	-180.3	-56.3	-616.5	-737.1	-120.6
a. GOODS BALANCE	-213.0	-241.1	-28.1	-948.9	-1,006.7	-57.8
Exports (f.o.b.)	161.3	181.5	20.2	686.8	745.3	58.5
Imports (f.o.b.)	374.3	422.6	48.2	1,635.7	1,752.0	116.3
b. SERVICES BALANCE	89.0	60.8	-28.2	332.5	269.6	-62.8
Transportation	-17.9	-26.0	-8.2	-80.0	-113.0	-33.0
Travel	147.3	124.9	-22.5	575.6	543.8	-31.8
Other Services	-40.5	-38.1	2.4	-163.1	-161.2	1.9
B. INCOME	-38.8	-57.2	-18.4	-208.6	-249.5	-40.9
Compensation of employees	1.2	0.8	-0.4	10.4	4.1	-6.3
Investment Income	-40.0	-58.0	-18.0	-219.0	-253.6	-34.6
C. CURRENT TRANSFER	134.9	154.3	19.3	541.8	595.3	53.5
Official	11.1	10.8	-0.3	46.8	45.1	-1.7
Private	123.9	143.5	19.6	495.0	550.2	55.2
2. CAPITAL & FINANCIAL ACCOUNT	27.9	83.3	55.4	283.3	391.3	108.0
A. CAPITAL ACCOUNT	-0.3	-0.4	-0.1	-2.1	-1.7	0.3
a. Capital Transfer	-0.3	-0.4	-0.1	-2.1	-1.7	0.3
Official	0.5	0.0	-0.5	0.5	0.2	-0.3
Private	-0.8	-0.4	0.4	-2.6	-1.9	0.7
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	28.2	83.7	55.5	285.3	393.0	107.7
Other official investment	31.5	17.9	-13.6	14.5	205.1	190.6
Other private investment ^{3/}	70.4	28.7	-41.7	335.2	162.7	-172.5
Change in Reserves (minus = increase)	-73.7	37.0		-64.4	25.2	

2/ Provisional

3/ Includes errors & omissions

