



ECONOMIC STATISTICS

VOLUME 15 - NO. 6

JUNE 2005



SELECTED ECONOMIC INDICATORS

Figure 1

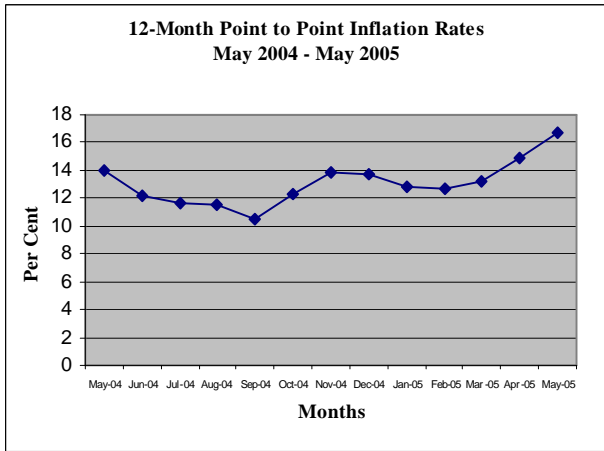


Figure 2

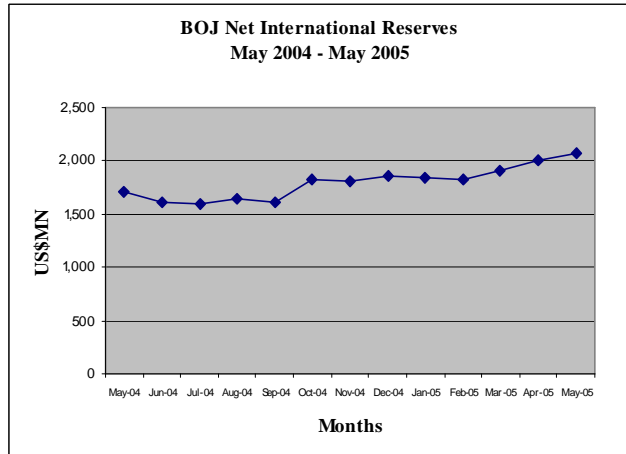


Figure 3

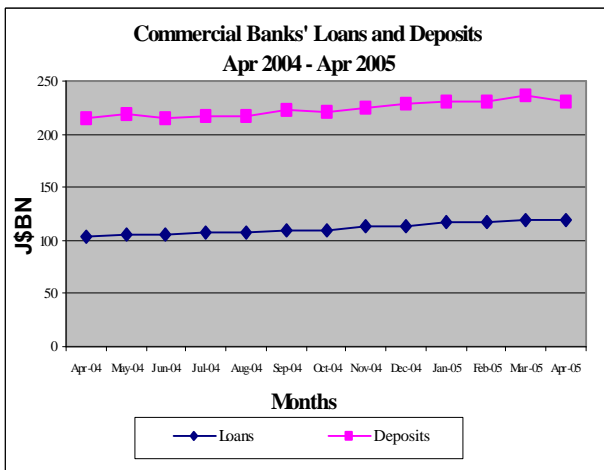


Figure 4

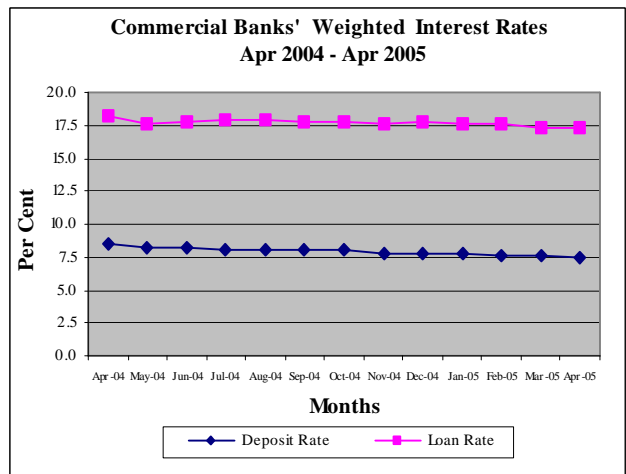


Figure 5

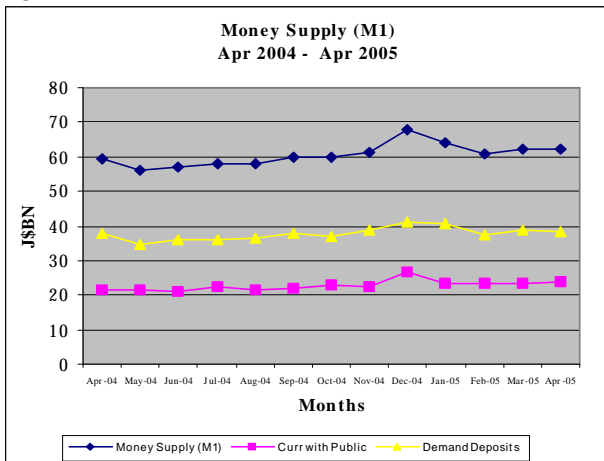
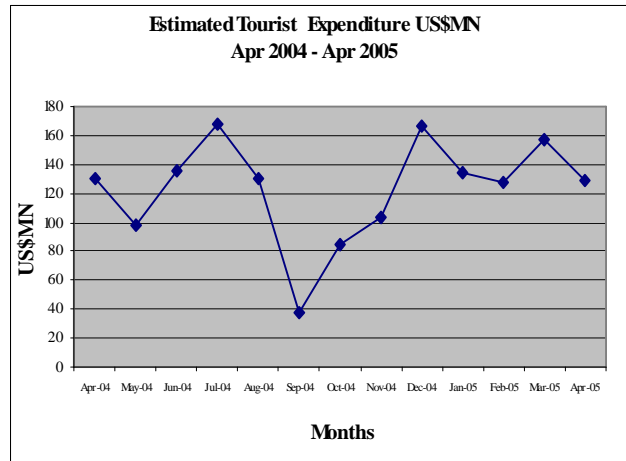


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
	Apr 2004	Mar 2005+	Apr 2005	Change p.a.
Local and Foreign Currency				
Money Supply (M1).....	<u>59,260.55</u>	<u>62,199.43</u>	<u>62,120.55</u>	<u>4.83</u>
(a) Currency with the Public.....	21,562.24	23,535.01	23,905.58	10.87
(b) Demand Deposits (adj.)***.....	37,698.31	38,664.42	38,214.97	1.37
Quasi-Money.....	<u>135,546.51</u>	<u>148,181.44</u>	<u>150,403.44</u>	<u>10.96</u>
(a) Time.....	35,324.22	39,119.38	39,936.61	13.06
(b) Savings.....	100,222.29	109,062.06	110,466.83	10.22
Money Supply (M2).....	<u>194,807.06</u>	<u>210,380.87</u>	<u>212,523.99</u>	<u>9.09</u>
Domestic Credit (net).....	<u>210,416.95</u>	<u>215,612.55</u>	<u>222,535.94</u>	<u>5.76</u>
Local Currency	Apr 2004	Mar 2005+	Apr 2005	
Money Supply (M1).....	<u>47,334.26</u>	<u>52,497.14</u>	<u>52,786.24</u>	<u>11.52</u>
(a) Currency with the Public.....	21,562.24	23,535.01	23,905.58	10.87
(b) Demand Deposits (adj.)***.....	25,772.02	28,962.13	28,880.66	12.06
Quasi-Money.....	<u>80,683.96</u>	<u>86,867.40</u>	<u>88,784.84</u>	<u>10.04</u>
(a) Time.....	19,185.03	20,380.29	20,881.55	8.84
(b) Savings.....	61,498.93	66,487.11	67,903.29	10.41
Money Supply (M2).....	<u>128,018.22</u>	<u>139,364.54</u>	<u>141,571.08</u>	<u>10.59</u>
Domestic Credit (net).....	<u>180,150.86</u>	<u>177,352.29</u>	<u>182,803.07</u>	<u>1.47</u>
	May 2004	Apr 2005	May 2005	
Base Money.....	<u>36,651.89</u>	<u>40,180.77</u>	<u>40,550.73</u>	<u>10.64</u>
II. COMMERCIAL BANKS (J\$mn.)	Apr 2004	Mar 2005	Apr 2005	
Assets & Liabilities (J\$mn.)**.....	<u>327,667.05</u>	<u>344,405.43</u>	<u>341,178.20</u>	<u>4.12</u>
Loans**.....	<u>102,865.91</u>	<u>118,440.32</u>	<u>118,405.95</u>	<u>15.11</u>
Agriculture.....	1,782.26	1,628.75	1,522.97	-14.55
Manufacturing.....	3,452.21	4,334.81	4,386.02	27.05
Construction & Land Development.....	7,266.79	6,080.41	6,223.88	-14.35
Mining.....	161.20	205.17	206.28	27.97
Tourism.....	13,591.85	15,282.20	15,568.47	14.54
Transport, Storage & Communication.....	8,497.29	11,180.22	11,263.47	32.55
Consumer-Oriented.....	39,965.08	48,217.87	48,733.78	21.94
Government Services.....	26,560.99	29,896.44	28,872.15	8.70
Other.....	1,588.24	1,614.45	1,628.93	2.56
	Apr 2004	Mar 2005+	Apr 2005	
DEPOSITS.....	<u>215,156.46</u>	<u>235,449.01</u>	<u>231,347.38</u>	<u>7.53</u>
Private Sector (including overseas residents).....	<u>187,195.46</u>	<u>203,107.04</u>	<u>204,907.54</u>	<u>9.46</u>
Time.....	43,177.18	46,784.22	48,043.07	11.27
Savings.....	107,587.53	116,538.34	117,940.83	9.62
Demand.....	36,430.75	39,784.48	38,923.64	6.84
Government.....	<u>13,147.05</u>	<u>16,936.91</u>	<u>12,877.04</u>	<u>-2.05</u>
Time.....	411.34	440.37	588.45	43.06
Savings.....	1,482.05	1,572.34	1,355.04	-8.57
Demand.....	11,253.66	14,924.20	10,933.55	-2.84
Public Entities.....	<u>8,945.91</u>	<u>6,942.00</u>	<u>6,587.18</u>	<u>-26.37</u>
Time.....	4,865.78	2,791.43	2,832.95	-41.78
Savings.....	2,331.02	2,467.84	1,797.39	-22.89
Demand.....	1,749.11	1,682.73	1,956.84	11.88

** 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 2004	Mar 2005	Apr 2005	Change p.a.
Spec. & O. F. Insts.....	<u>5,868.04</u>	<u>8,463.06</u>	<u>6,975.62</u>	<u>18.87</u>
Time.....	779.50	1,560.49	1,650.46	111.73
Savings.....	578.00	512.56	783.56	35.56
Demand.....	4,510.54	6,390.01	4,541.60	0.69
	May 2004	Apr 2005	May 2005	
Current Account Balances with BOJ (J\$mn).....	<u>88.53</u>	<u>402.37</u>	<u>219.19</u>	
LIQUIDITY (Average) %	Apr 2004	Mar 2005	Apr 2005	
Actual Liquid Assets Ratio.....	<u>41.82</u>	<u>34.71</u>	<u>41.19</u>	
Cash.....	2.46	2.85	2.96	
Deposits with B.O.J.....	9.19	9.30	9.31	
Treasury Bills.....	0.77	0.42	0.50	
Local Registered Stocks.....	6.69	3.86	3.16	
Other.....	22.71	18.28	25.26	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	May 2004	Apr 2005	May 2005	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.25	3.00-14.10	3.00-14.10	
9-12 months.....	8.50-13.50	3.50-14.30	3.50-14.30	
Call Deposits.....	1.00-20.00	1.00-20.00	1.00-15.00	
Average Savings Deposits	6.61	6.36	6.36	
Average Loan Rate.....	25.02	24.89	24.89	
Average Inter-bank Rate	10.38	10.13	10.63	
	Apr 2004	Mar 2005	Apr 2005	
Weighted Fixed Deposits Rate.....	8.44	7.54	7.48	
Weighted Loan Rate.....	18.26	17.35	17.34	
G.O.J. Treasury Bills (Weighted Average) Yield	May 2004	Apr 2005	May 2005	
2 Months:.....	-	-	-	
3 Months:.....	-	-	13.19	
6 Months:.....	14.96	13.43	13.43	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	May 2004	Apr 2005	May 2005	
BOJ Reverse Repurchase Rates (%)				
30-Day	14.20	12.95	12.60	
60-Day	14.30	13.10	12.70	
90-Day	14.40	13.20	12.75	
120-Day	14.55	13.30	12.85	
180-Day	15.05	13.45	13.00	
270-Day	15.65	14.00	13.25	
365-Day	16.40	14.50	13.60	
COMMERCIAL BANKS (Foreign Currency)	May 2004	Apr 2005	May 2005	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	0.25-5.00	0.25-5.00	
3-6 months.....	2.00-4.55	0.25-5.50	0.25-5.50	
6-12 months.....	2.00-6.00	0.25-6.00	0.25-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.50-4.75	0.50-5.75	0.50-5.75	
3-6 months.....	2.50-4.85	0.50-6.25	0.50-6.25	
6-12 months.....	2.50-6.25	0.50-6.75	0.50-6.75	
Average Loan Rates	12.50	12.41	12.41	
Average Savings	2.72	2.66	2.66	

				% Change p.a.
IV. SECURITIES (J\$m.) (outstanding balances)	Mar 2004	Feb 2005	Mar 2005	
GOJ Local Registered Stock.....	220,819.21	221,547.45	218,412.57	-1.09
	May 2004	Apr 2005	May 2005	
BOJ Open Market Operations 1/.....	126,700.17	154,880.64	158,955.71	25.46
GOJ Treasury Bills.....	3,850.00	4,050.00	4,050.00	5.19
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Apr 2004	Mar 2005	Apr 2005	
Total Credit Outstanding.....	10,593.95	12,230.46	12,372.30	16.79
New Business.....	614.59	616.67	684.70	11.41
VI. NEAR-BANKS (J\$m.) (Merchant Banks, Trust Com. & Finance Houses)	Apr 2004	Mar 2005	Apr 2005	
Assets/Liabilities.....	43,007.71	51,212.31	50,639.41	17.74
Loans Outstanding.....	5,814.25	6,841.10	7,185.01	23.58
Total Deposits.....	7,842.49	9,786.07	10,044.13	28.07
Loans.....	<u>5,814.25</u>	<u>6,841.10</u>	<u>7,185.01</u>	<u>23.58</u>
Agriculture.....	50.44	334.59	370.36	634.26
Manufacturing.....	261.82	278.62	444.21	69.66
Construction & Land Development.....	952.57	1,153.88	1,083.26	13.72
Mining, Quarrying & Processing.....	6.19	26.80	26.35	325.69
Tourism.....	398.60	357.53	620.44	55.65
Transport, Storage & Communication.....	37.28	537.98	537.05	1,340.58
Consumer Oriented.....	3,061.02	3,258.70	3,186.40	4.10
Government Services.....	876.12	663.11	683.70	-21.96
Other.....	170.21	229.89	233.24	37.03
	Apr 2004	Mar 2005+	Apr 2005	
Liquid Assets Ratio (average) %.....	69.97	48.51	43.86	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Apr 2004	Mar 2005+	Apr 2005	
Assets/Liabilities.....	72,007.87	83,694.18	84,351.88	17.14
Loan Balances.....	25,302.62	31,238.17	31,846.34	25.86
Savings Funds.....	52,457.07	60,045.96	60,583.56	15.49
VIII. INFLATION	May 2004	Apr 2005	May 2005	
Consumer Price Index (Jan. 1988 = 100).....	1,839.9	2,100.3	2,147.1	16.70
Monthly Rate (%).....	0.6	1.9	2.2	
Calendar Year to Date (%) (point to point).....	3.0	3.4	5.7	
Fiscal Year to Date (%) (point to point).....	1.1	1.9	4.2	
IX. ACTUAL PRODUCTION ('000)	Apr 2004	Mar 2005	Apr 2005	
Bauxite (metric tonnes).....	411.20	367.37	236.99	-42.37
Alumina (metric tonnes).....	341.78	373.34	347.71	1.74
Sugar (metric tonnes).....	37.05	34.59	n/a	-
Banana (tonnes).....	3.28	-	-	-
X. STOCK MARKET ACTIVITIES	May 2004	Apr 2005	May 2005	
Index.....	93,967.64	119,179.47	114,148.90	21.48
Volume Traded (mn.).....	272.55	579.44	152.17	-44.17
Ordinary Shares.....	262.72	223.09	151.75	-42.24
Block Transactions.....	9.83	356.35	0.42	-95.73

1/ BOJ Open Market Operations include Reverse Repurchases

- No Production

+ Revised

X. STOCK MARKET ACTIVITIES (cont'd)	May 2004	Apr 2005	May 2005	%
				Change p.a.
Value of Stocks Traded (J\$mn.).....	3,429.53	9,804.19	2,505.10	-26.96
Ordinary Shares.....	3,421.66	3,007.58	2,505.04	-26.79
Block Transactions.....	7.87	6,796.61	0.06	-99.24
Advance/Decline Ratio.....	5/1	27/5	5/29	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Feb 2004	Jan-Feb 2005		Change
1. EXPORTS				
(a) Major Traditional Exports.....	<u>176.22</u>	<u>166.85</u>		<u>-9.37</u>
Bauxite.....	14.54	16.79		2.25
Alumina.....	144.38	132.91		-11.47
Sugar.....	13.99	17.15		3.16
Bananas.....	3.31	-		-3.31
(b) Other Traditional Exports.....	10.29	9.91		-0.38
(c) Non-Traditional Exports.....	43.34	42.17		-1.17
(d) Re-exports.....	9.79	3.73		-6.06
General Merchandise Exports.....	<u>239.64</u>	<u>222.66</u>		<u>-16.98</u>
(e) Freezone Exports.....	18.02	7.10		-10.92
(f) Goods Procured in Ports.....	8.00	8.80		0.80
Total Goods Exports.....	<u>265.66</u>	<u>238.56</u>		<u>-27.10</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	83.43	93.02		9.59
(b) Beverage & Tobacco.....	6.52	9.00		2.48
(c) Crude Material.....	8.61	13.23		4.62
(d) Mineral Fuel	134.83	126.00		-8.83
(e) Animal & Vegetable Oil.....	4.36	4.77		0.41
(f) Chemical	75.89	67.26		-8.63
(g) Manufactured Goods.....	72.11	101.98		29.87
(h) Machinery & Transportation.....	127.64	137.62		9.98
(i) Miscellaneous Manufactured Goods.....	64.63	63.64		-0.99
(j) Miscellaneous Commodities.....	10.19	9.26		-0.93
General Merchandise Imports	<u>588.21</u>	<u>625.78</u>		<u>37.57</u>
Freezone Imports.....	8.06	3.54		-4.52
Goods Procured in Ports.....	12.80	14.00		1.20
Total Goods Imports.....	<u>609.07</u>	<u>643.32</u>		<u>34.25</u>
Trade Balance.....	<u>-343.41</u>	<u>-404.76</u>		<u>-61.35</u>
XII. TOURISM	Jan-Apr 2004	Jan-Apr 2005		% Change
Tourist Arrivals ('000).....	<u>976.20</u>	<u>992.18</u>		<u>1.64</u>
Stop Overs.....	497.19	518.55		4.30
Foreign Nationals.....	474.09	494.14		4.23
Non-Resident Jamaicans.....	23.10	24.41		5.67
Cruise.....	479.01	473.63		-1.12
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	<u>513.50</u>	<u>549.50</u>		<u>7.01</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Feb 2004	Feb 2005		Change
1. Current Account.....	<u>3.6</u>	<u>-7.9</u>		<u>-11.5</u>
A. Goods balance.....	<u>-113.8</u>	<u>-119.7</u>		<u>-5.9</u>
Exports (f.o.b.).....	133.4	125.1		-8.3
Imports (f.o.b.).....	247.2	244.8		-2.4
B. Service Balance.....	<u>67.2</u>	<u>75.3</u>		<u>8.1</u>
Transportation.....	-3.3	-6.2		-2.9
Travel.....	107.1	114.5		7.4
Other Services.....	-36.6	-33.0		3.6

<i>Balance of Payments (Calendar) (Cont'd)</i>			
	Feb 2004	Feb 2005	Change
C. Income	<u>-60.0</u>	<u>-74.3</u>	<u>-14.3</u>
Compensation of Employees.....	1.1	1.2	0.1
Investment Income.....	-61.1	-75.5	-14.4
D. Current Transfers	<u>110.2</u>	<u>110.8</u>	<u>0.6</u>
Official.....	8.9	8.4	-0.5
Private.....	101.3	102.4	1.1
2. Capital and Financial Account	<u>-3.6</u>	<u>7.9</u>	<u>11.5</u>
A. Capital Account	<u>-0.4</u>	<u>-0.4</u>	<u>0.0</u>
Capital Transfers.....	<u>-0.4</u>	<u>-0.4</u>	<u>0.0</u>
Official.....	0.0	0.0	0.0
Private.....	-0.4	-0.4	0.0
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
B. Financial Account	<u>-3.2</u>	<u>8.3</u>	<u>11.5</u>
Other Official Investment.....	239.1	-6.2	-245.3
Other Private Investment.....	12.0	16.5	-14.0
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>-254.3</u>	<u>-2.0</u>	
	Apr-Feb	Apr-Feb	
	2003/2004	2004/2005	
Balance of Payments (Fiscal)			
1. Current Account	<u>-561.8</u>	<u>-733.8</u>	<u>-172.0</u>
A. Goods balance	<u>-1,671.6</u>	<u>-1,844.6</u>	<u>-173.0</u>
Exports (f.o.b.).....	1,317.1	1,403.3	86.2
Imports (f.o.b.).....	2,988.6	3,247.9	259.3
B. Service Balance	<u>527.7</u>	<u>500.9</u>	<u>-26.8</u>
Transportation.....	-126.1	-163.8	-37.7
Travel.....	1,027.4	1,054.0	26.6
Other Services.....	-373.6	-389.3	-15.7
C. Income	<u>-536.5</u>	<u>-619.9</u>	<u>-83.4</u>
Compensation of Employees.....	72.5	93.7	21.2
Investment Income.....	-609.0	-713.6	-104.6
D. Current Transfers	<u>1,118.5</u>	<u>1,229.8</u>	<u>111.3</u>
Official.....	96.3	95.0	-1.3
Private.....	1,022.2	1,134.8	112.6
2. Capital and Financial Account	<u>561.8</u>	<u>733.8</u>	<u>172.0</u>
A. Capital Account	<u>0.6</u>	<u>2.6</u>	<u>2.0</u>
Capital Transfers.....	0.2	2.6	2.4
Official.....	0.1	0.0	-0.1
Private.....	0.1	2.6	2.5
Acq./Disp. of non-produced non-fin. assets	0.4	0.0	-0.4
B. Financial Account	<u>561.2</u>	<u>731.2</u>	<u>170.0</u>
Other Official Investment.....	108.3	203.4	95.1
Other Private Investment.....	587.1	790.3	203.2
<i>(incl. errors & omissions)</i>			
Reserves.....	-134.2	-262.5	
Government Reserves.....	0.0	0.0	

	May 2004	Apr 2005+	May 2005	% Change p.a.
XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	1,715.66	2,010.42	2,074.49	20.91
Gross Foreign Assets.....	1,743.84	2,032.92	2,096.99	20.25
Gross Foreign Liabilities.....	28.18	22.50	22.50	-20.16
Estimated Gross Reserves in Weeks of Imports.....	24.05	26.66	27.50	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	16.37	18.45	19.03	
XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	701.06	770.21	739.21	5.44
Foreign Exchange Sales (spot).....	697.40	798.08	780.42	11.90
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()				
Commercial Banks Balances.....	1,364.42	1,461.41	1,433.32	5.05
"A" Accounts 1/.....	140.28	151.42	142.19	1.36
Other.....	1,224.14	1,309.99	1,291.13	5.47
F.I.As Balance.....	110.96	132.23	134.94	21.61
"A" Accounts 1/.....	71.91	90.44	93.60	30.16
Other.....	39.05	41.79	41.34	5.86
Building Societies Balances.....	235.96	276.53	281.62	19.35
"A" Accounts 1/.....	162.74	198.73	203.54	25.07
Other	73.22	77.80	78.08	6.64
Total Foreign Currency Deposits (US\$mn.).....	1,711.34	1,870.17	1,849.88	8.10
Total Foreign Currency Loans (US\$mn.).....	689.69	850.51	845.31	22.56
Commercial Banks.....	612.85	769.80	760.99	24.17
F.I.As	67.00	71.14	74.86	11.73
Building Societies.....	9.84	9.57	9.46	-3.86
London Interbank Offer Rate (LIBOR) Eurodollars (%)				
3 months.....	1.25	3.15	3.27	
6 months.....	1.52	3.38	3.49	
U.S. Prime Rate (end of period) (%).....	4.00	5.75	6.00	
Selling Exchange Rates (end period)				
US\$1.00 = J\$.....	60.93	61.65	61.71	
Can. \$1.00 = J\$.....	43.79	49.52	49.02	
U.K. Pound = J\$.....	110.19	117.54	112.00	
Euro = J\$**.....	74.44	79.64	76.20	
Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.75	9.91	9.96	
Bdos. \$1 = J\$.....	30.47	30.82	30.85	
Guy. \$1 = J\$.....	0.31	0.31	0.31	
E.C. \$1 = J\$.....	22.57	22.83	22.86	

() Exclude deposits in "B" accounts

** Indicative Rates

1/ 'A' Accounts are tax free Foreign Currency Accounts Held by non-residents
+ Revised

INFLATION

MAY 2005

The All Jamaica Consumer Price Index (CPI) increased by 2.2 per cent in May 2005, relative to 1.9 per cent in the previous month. The outturn for the review month was considerably above the 5-year average of 0.8% for the month of May. The rate of inflation for the calendar year to date was 5.7 per cent, compared to inflation of 3.0 per cent for the similar period of 2004. The point-to-point inflation rate at May 2005 was 16.7 per cent, relative to 14.0 per cent recorded for the comparable period in the previous year. The mean annual inflation rate was 13.0 per cent, which was higher than the rate obtained in the previous month but 0.9 of a percentage point lower than the rate obtained in May 2004 (Table 1).

The major factors influencing the inflation outturn for May were adverse supply shocks, imported inflation and administrative price adjustments. Lower supplies of agricultural commodities, particularly vegetables, and the continued trend reduction in the quantity of beef produced and available locally, were significant influences on the inflation outturn in May. Administrative factors were related to the increase in General Consumption Tax (GCT) and the Special Consumption Tax (SCT) on tobacco products. Imported inflation in the month primarily resulted from cost pressures occasioned by the continued increases in crude oil prices on the world market due to both supply and demand concerns.

All sub-categories within the CPI reflected increases in May, with three indices reflecting greater movements than the overall outturn. These sub-categories were *Food & Drink*, *Miscellaneous Expenses* and *Housing & Other Housing Expenses*, which increased by 2.4 per cent, 3.7 per cent, and 2.8 per cent, respectively. In this context, these groups respectively contributed 64.3 per cent, 13.7 per cent and 10.2 per cent to the overall inflation (Table 2).

The increase in the sub-index for *Food & Drink* was largely influenced by increases in *Vegetables & Fruits*, *Starchy Foods*, and *Meat, Poultry & Fish*. These sub-groups had respective increases of 11.8 per cent, 3.3 per cent, and 1.2 per cent and contributed 35.9 per cent, 8.0 per cent and 8.7 per cent to the outturn. Within *Starchy Foods*, there were significant increases in the prices of ripe plantain, irish potatoes and breadfruit. Additionally, there were notable increases in the prices of tubers and green bananas. With respect to *Vegetables & Fruits*, there were significant increases in the prices of tomatoes, cabbage and ripe bananas. The movement in *Meat, Poultry & Fish* was primarily influenced by price increases for beef, mackerel and pork. Beef prices have been buoyed by increased demand from the domestic market including the tourism sector.

The increase in *Miscellaneous Expenses* was influenced largely by the recent adjustment in the Special Consumption Tax (SCT) on tobacco products. This adjustment in the tax resulted in a significant increase of an average of 9.4 per cent in the price of cigarettes. The increase in *Housing & Other Housing Expenses* was as a result of expansions in the sub-indexes of *Rental* and *Other Housing Expenses* of 2.7 per cent and 2.8 per cent, respectively. The increase in *Other Housing Expenses* was due primarily to an adjustment of 6.4 per cent in the cost of electricity and noticeable increases in some construction materials. The increase in the electricity bill was driven by upward movements in crude oil prices while the increases in construction materials was occasioned by an adjustment in the GCT on these items from 12.5 per cent to 16.5 per cent.

Other price impulses of note were registered in the *Transportation and Healthcare & Personal Expenses* sub-categories. The primary impetus to the movement of 1.0 per cent in *Transportation* emanated from increases in petroleum and motor oil prices as well as airfares. These price movements were related to continued increases in international oil prices. *Healthcare & Personal Expenses* increased by 1.1 per cent mainly on account of noticeable upward adjustments in the prices of medicaments and personal care products and services. The price increases in these items were associated with the adjustment in the GCT.

The CPI in the KMA, Other Towns and Rural Areas increased by 2.0 per cent, 2.8 per cent, and 2.2 per cent, respectively. This pattern of higher inflation in the Other Towns was mainly reflected in the *Food & Drink, Fuels & Other Household Supplies* and *Personal Clothing, Footwear & Accessories* (see Table 3). The sharper movement in *Food & Drink* in the Other Towns was due to significant increases of 13.4 per cent and 6.2 per cent in *Vegetables & Fruits* and *Starchy Foods*, respectively. Within *Fuels & Other Household Supplies*, there was an increase of 1.7 per cent in the Other Towns compared with the movements of less than 1.0 per cent in the other regions (see Table 3). The sharper movements in the Other Towns primarily reflected a larger increase in the prices of kerosene and other household supplies in this region.

The trimmed mean index was estimated to have increased by 0.56 per cent in May, 0.06 of a percentage point above the change in the previous month (Table 4). Similar to headline inflation for the month, this was just above the average of May estimates from 2000 to 2004 of 0.38 per cent. Nonetheless, the point-to-point core inflation rate at May was 5.6 per cent, relative to 7.2 per cent recorded for the comparable period in the previous year. The annual average core inflation rate of 5.5 per cent for the month was 1.9 percentage points below what obtained in the similar period of 2004.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 1.20 per cent in May, compared to 0.98 per cent in the previous month. The index primarily reflected the higher fuel price charges, as international crude oil prices strengthened, as well as the adjustments in consumption tax that were recently legislated.

Table 1

JAMAICA: INFLATION RATES

		1/ C.P.I.	3 Month AVG. C.P.I.	Monthly % change	3 Month* % change	3 Month # % change	12 Month* % change	12 Month # % change
2001	Jan	1,345.9	1,345.9	0.02	-0.61	0.04	5.90	8.11
	Feb	1,348.0	1,348.0	1.17	0.46	-0.21	6.72	7.98
	Mar	1,355.5	1,355.5	0.47	1.67	0.50	6.50	7.82
	Apr	1,381.1	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	1,561.3	1,561.9	-0.31	1.44	2.12	6.30	6.83
	Feb	1,552.2	1,559.9	-0.58	-0.39	1.17	5.74	6.64
	Mar	1,559.5	1,557.7	0.47	-0.42	0.20	6.20	6.52
	Apr	1,584.0	1,565.2	1.57	1.45	0.21	7.33	6.50
	May	1,613.4	1,585.6	1.86	3.94	1.65	9.01	6.66
	Jun	1,653.1	1,616.8	2.46	6.00	3.80	10.74	7.04
	Jul	1,678.4	1,648.3	1.53	5.96	5.31	10.74	7.38
	Aug	1,702.0	1,677.8	1.41	5.49	5.81	11.88	7.85
	Sept	1,728.4	1,702.9	1.55	4.56	5.33	13.11	8.47
	Oct	1,756.7	1,729.0	1.64	4.67	4.90	14.13	9.17
	Nov	1,773.0	1,752.7	0.93	4.17	4.46	13.78	9.74
	Dec	1,786.8	1,772.2	0.78	3.38	4.07	14.09	10.32
2004	Jan	1,801.8	1,787.2	0.84	2.57	3.36	15.40	11.08
	Feb	1,811.9	1,800.2	0.56	2.19	2.71	16.73	11.99
	Mar	1,820.8	1,811.5	0.49	1.90	2.22	16.76	12.86
	Apr	1,828.2	1,820.3	0.41	1.47	1.85	15.42	13.52
	May	1,839.9	1,829.6	0.64	1.55	1.64	14.04	13.93
	Jun	1,854.8	1,841.0	0.81	1.87	1.63	12.20	14.03
	Jul	1,854.8	1,855.8	0.97	2.44	1.95	11.58	14.08
	Aug	1,897.3	1,875.0	1.31	3.12	2.48	11.47	14.02
	Sept	1,909.2	1,893.1	0.63	2.93	2.83	10.46	13.77
	Oct	1,972.2	1,926.2	3.30	5.31	3.79	12.27	13.61
	Nov	2,020.0	1,967.1	2.42	6.47	4.92	13.93	13.62
	Dec	2,032.1	2,008.1	0.60	6.44	6.07	13.73	13.60
2005	Jan	2,032.8	2,028.3	0.03	3.07	5.30	12.82	13.39
	Feb	2,041.7	2,035.5	0.44	1.07	3.48	12.68	13.07
	Mar	2,061.6	2,045.4	0.97	1.45	1.86	13.22	12.81
	Apr	2,100.4	2,067.9	1.88	3.32	1.95	14.89	12.79
	May	2,147.3	2,103.1	2.23	5.17	3.32	16.71	13.04

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
May 2005

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	2.4	1.3776	64.3
Meals away from home	0.0741	0.9	0.0663	3.1
Meat, Poultry & Fish	0.1613	1.2	0.1870	8.7
Dairy Products Oils & Fats	0.0668	0.9	0.0582	2.7
Baked Products, Cereals & Breakfast Drink	0.0864	0.7	0.0636	3.0
Starchy Foods	0.0525	3.3	0.1717	8.0
Vegetables & Fruits	0.0650	11.8	0.7683	35.9
Other Food & Beverages	0.0502	1.2	0.0625	2.9
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.6	0.0482	2.3
Household Supplies	0.0482	0.7	0.0322	1.5
Fuels	0.0253	0.6	0.0160	0.7
HOUSING & OTHER HOUSING EXPENSES	0.0786	2.8	0.2186	10.2
Rental	0.0209	2.7	0.0575	2.7
Other Housing Expenses	0.0577	2.8	0.1612	7.5
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.4	0.0342	1.6
Furniture	0.0068	2.6	0.0176	0.8
Furnishings	0.0215	0.8	0.0166	0.8
HEALTHCARE & PERSONAL EXPENSES	0.0697	1.1	0.0758	3.5
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.6	0.0280	1.3
Clothing Materials	0.0055	-0.1	-0.0003	0.0
Readymade Clothing & Accessories	0.0242	0.5	0.0117	0.5
Footwear	0.0159	1.0	0.0160	0.7
Making & Repairs	0.0051	0.1	0.0007	0.0
TRANSPORTATION	0.0644	1.0	0.0668	3.1
MISCELLANEOUS EXPENSES	0.0785	3.7	0.2924	13.7
ALL GROUPS	1.0000	2.23	2.14	100.0

Table 3
REGIONAL INFLATION
May 2005

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	2.2	3.1	2.3
Meals away from home	0.3	1.8	1.2
Meat Poultry & Fish	1.2	0.8	1.4
Dairy Products Oils & Fats	0.5	1.3	1.1
Baked Products Cereals & Breakfast Drink	0.2	0.6	1.3
Starchy Foods	4.4	6.2	1.8
Vegetables & Fruits	11.4	13.4	11.5
Other Food & Beverages	1.9	1.2	0.6
FUELS & OTHER HOUSEHOLD SUPPLIES	0.3	1.7	0.5
Household Supplies	0.7	1.4	0.2
Fuels	0.1	1.8	0.7
HOUSING & OTHER HOUSING EXPENSES	3.2	2.1	2.3
Rental	3.3	0.0	0.7
Other Housing Expenses	3.2	2.3	2.4
HOUSEHOLD FURNISHINGS & FURNITURE	1.0	1.4	1.7
Furniture	2.0	2.9	2.9
Furnishings	0.5	0.6	1.1
HEALTHCARE & PERSONAL EXPENSES	0.9	1.7	1.1
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.1	1.6	0.6
Clothing Materials	0.0	0.1	0.0
Readymade Clothing & Accessories	0.1	1.0	0.5
Footwear	0.0	2.8	0.9
Making & Repairs	0.0	0.7	0.0
TRANSPORTATION	1.5	0.4	0.7
MISCELLANEOUS EXPENSES	2.7	4.7	4.7
ALL GROUPS	2.0	2.8	2.2

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2002/03						
Apr	0.50	0.28	0.50	0.28	3.46	4.01
May	0.28	0.19	0.78	0.47	3.14	3.91
June	0.86	0.39	1.65	0.86	3.18	3.82
July	1.53	0.30	3.21	1.16	3.04	3.70
Aug	0.37	0.24	3.59	1.41	2.89	3.58
Sept	0.45	0.21	4.05	1.62	2.82	3.47
Oct	0.73	0.28	4.82	1.90	2.76	3.35
Nov	1.24	0.55	6.12	2.47	3.18	3.29
Dec	0.50	0.34	6.65	2.82	3.39	3.24
Jan	-0.31	0.37	6.32	3.20	3.41	3.17
Feb	-0.58	0.38	5.70	3.59	3.65	3.19
Mar	0.47	0.54	6.20	4.15	4.15	3.26
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
June	2.46	0.91	6.00	2.30	5.64	3.72
July	1.53	0.94	7.62	3.27	6.31	3.99
Aug	1.41	0.79	9.14	4.08	6.90	4.33
Sept	1.55	0.52	10.83	4.62	7.22	4.70
Oct	1.64	0.79	12.65	5.45	7.77	5.12
Nov	0.93	0.66	13.69	6.14	7.89	5.51
Dec	0.78	0.53	14.58	6.70	8.09	5.90
Jan	0.84	0.50	15.54	7.23	8.22	6.30
Feb	0.56	0.32	16.18	7.57	8.15	6.68
Mar	0.49	0.32	16.76	7.91	7.91	6.99
2004/05						
Apr	0.41	0.32	0.41	0.32	7.55	7.24
May	0.64	0.39	1.05	0.71	7.20	7.41
June	0.81	0.36	1.87	1.08	6.62	7.48
July	0.97	0.36	2.86	1.44	6.00	7.45
Aug	1.31	0.46	4.20	1.91	5.66	7.34
Sept	0.63	0.34	4.86	2.25	5.46	7.19
Oct	3.30	0.66	8.32	2.93	5.33	6.98
Nov	2.42	0.60	10.94	3.54	5.26	6.76
Dec	0.60	0.47	11.60	4.03	5.20	6.52
Jan	0.03	0.36	11.64	4.41	5.07	6.26
Feb	0.44	0.28	12.13	4.70	5.03	6.00
Mar	0.97	0.45	13.22	5.17	5.17	5.78
2005/06						
Apr	1.88	0.50	1.88	0.50	5.37	5.60
May	2.23	0.56	4.16	1.07	5.55	5.47

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
February 2005

February 2005

The current account of the balance of payments recorded a deficit of US\$7.9MN for February 2005, relative to the surplus of US\$3.7MN for February 2004. This deterioration was largely due to an expansion of US\$14.3MN in the deficit on the income account, which was exacerbated by an increase of US\$5.9MN in the deficit on the merchandise trade account. Increases of US\$8.1MN and US\$0.6MN in the surpluses on the services and current transfers accounts had a partial countervailing effect on the deterioration in the current account. Within the financial account, net official and private capital investment outflows were recorded. In this context, there was a draw down of US\$16.5MN in the net international reserves of the Bank of Jamaica at the end of February 2005.

Merchandise Trade

The expansion in the merchandise trade deficit reflected a decline of US\$8.3MN in the receipts from exports (f.o.b.), which was partly offset by a reduction of US\$2.4MN in the value of imports, relative to February 2004. With the exception of non-traditional exports and goods procured in ports, all the export categories registered lower earnings. In particular, earnings from major traditional exports contracted by US\$11.2 MN, due to reductions of US\$13.4MN and US\$1.7MN in the values of alumina and banana exports. The fall in alumina exports stemmed from a decline of 19.6 per cent in volume exported, associated with maintenance and technical problems at one plant and ship rescheduling at another. Banana exports were affected by the impact of Hurricane Ivan in 2004. An expansion of US\$11.8MN in the value of non-traditional exports was related to an increase in the export of ethanol.

The decline in the import bill for the month was influenced mainly by a contraction of US\$23.0MN in the c.i.f. value of mineral fuels, possibly associated with a reduction in fuel imports by the mining companies. This was partly countered by increases of US\$11.2MN, US\$6.6MN and US\$2.8MN in manufactured goods, machinery and transport equipment and crude material imports, respectively.

Services

Higher receipts of US\$7.4MN on the travel sub-account supported by a reduction of US\$3.6MN in the deficit on the other services sub-account resulted in an expansion in the surplus on the services account. Inflows to the travel sector benefited from a US\$4.6MN increase in tourist expenditure, influenced by an 8.7 per cent increase in cruise passenger spending for the month.

Income

An increase of US\$14.4MN in net investment income outflows influenced by higher interest payments on Government of Jamaica's external debt was responsible for the growth in the deficit on the income account for the review month, relative to 2004. This was partly offset by a reduction in imputed profit remittances of the direct investment companies.

Current Transfers

The marginal increase in the surplus on the current transfers account was attributed primarily to a rise of US\$1.1MN in net inflows to the private sector. This improvement reflected an expansion in gross inflows of US\$8.8MN, which was partially offset by growth of US\$7.7MN in gross outflows.

Capital & Financial Accounts

A deficit of US\$0.4MN was recorded on the capital account, while within the financial account net official and private capital investment outflows of US\$6.2MN and US\$2.0MN were recorded. Given these outflows, as well as the deficit on the current account, there was a draw down of US\$16.5MN in the net international reserves of the Bank of Jamaica.

April 2004 to February 2005

For the fiscal period April to February 2004/05, the current account balance worsened by US\$172.0MN to a deficit of US\$733.8MN, relative to the deficit recorded for the corresponding period in FY 2003/04. This deterioration reflected respective increases of US\$173.0MN and US\$83.4MN in the deficits on the goods and income accounts, as well as a contraction of US\$26.8MN in the surplus on the services account. Partly offsetting these changes was an expansion of US\$111.3MN in the surplus on the current transfers account. Within the financial account net private and official investment inflows, combined with the surplus on the capital account, were more than sufficient to finance the deficit on the current account. Consequently, there was a build up of US\$262.5MN in the net international reserves during the review period.

Merchandise Trade

The widening in the merchandise trade deficit for the review period, relative to April to February 2003/04, reflected an expansion of US\$259.3MN in the value of imports as export earnings (f.o.b.) grew by US\$86.2MN. With the exception of chemicals and free zone imports, all categories of imports expanded in the review period. In particular, expenditure on miscellaneous manufactured goods and mineral fuels went up by US\$113.3MN and US\$63.4MN, respectively. The higher value of exports principally reflected expansions of US\$73.6MN and US\$18.3MN in receipts from alumina and sugar exports. There were increases of 9.8 per cent and 1.1 per cent in the price and volume, respectively, of alumina exports. Earnings from sugar exports benefited from growth of 29.0 per cent and 3.6 per cent in volume and price, respectively.

Services

While there was an increase of US\$26.6MN in net receipts from travel, outflows from transportation and other service payments resulted in a reduction in the surplus on the services account, relative to FY2003/04. The higher net payment for transportation services was influenced by increased freight payments due to the expansion in imports, while the growth in net payments for other services was associated with higher charges for other business services, financial services and insurance premiums. The expansion in net inflows from the travel sector stemmed from growth of 4.1 per cent in total stop over arrivals for the review period, which was influenced by an increase of 4.4 per cent in foreign national stopover visitor arrivals. An expansion of US\$24.6MN in gross travel outflows, reflecting higher expenditure of Jamaicans while travelling abroad, partly offset the improvement in net inflows.

Income

The widening of the deficit on the income account for the review period stemmed from an expansion of US\$104.6MN in net investment income outflows, which was influenced by increases in imputed profit remittances by the direct investment companies and Government interest payments on external debt. Net receipts of US\$21.2MN in compensation to employees served as a partial countervailing influence.

Current Transfers

The improved surplus on the current transfers account was primarily influenced by an increase of US\$112.6MN in net private inflows. This improvement stemmed from an expansion of US\$164.5MN in gross inflows, which was partially offset by an increase of US\$51.9MN in gross outflows. Approximately 48.0 percent of the inflows were channelled through remittance companies.

Capital & Financial Accounts

Net private and official investment inflows amounted to US\$790.3MN and US\$203.4MN, respectively. These flows were more than sufficient to finance the deficit on the current account and consequently, there was a build up of US\$262.5MN in the net international reserves of the Bank of Jamaica. At the end of February 2005, the level of gross reserves stood at US\$1 854.4MN representing 24.1 weeks of imports of goods and 16.8 weeks of imports of goods and services.

The following table shows the balance of payments for February 2004, February 2005 and for the periods April to February 2003/04 and April to February 2004/05.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Feb ^{1/}	Feb ^{2/}		Apr - Feb ^{1/}	Apr - Feb ^{2/}	
	2004	2005	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	3.7	-7.9	-11.6	-561.8	-733.8	-172.0
A. GOODS and SERVICES	-46.6	-44.4	2.2	-1143.8	-1343.7	-199.9
a. GOODS BALANCE	-113.8	-119.7	-5.9	-1671.6	-1844.6	-173.0
Exports (f.o.b.)	133.4	125.1	-8.3	1317.1	1403.3	86.2
Imports (f.o.b.)	247.2	244.8	-2.4	2988.6	3247.9	259.3
b. SERVICES BALANCE	67.2	75.3	8.1	527.7	500.9	-26.8
Transportation	-3.3	-6.2	-2.9	-126.1	-163.8	-37.7
Travel	107.1	114.5	7.4	1027.4	1054.0	26.6
Other Services	-36.6	-33.0	3.6	-373.6	-389.3	-15.7
B. INCOME	-60.0	-74.3	-14.3	-536.5	-619.9	-83.4
Compensation of employees	1.1	1.2	0.1	72.5	93.7	21.2
Investment Income	-61.1	-75.5	-14.4	-609.0	-713.6	-104.6
C. CURRENT TRANSFERS	110.2	110.8	0.6	1118.5	1229.8	111.3
Official	8.9	8.4	-0.5	96.3	95.0	-1.3
Private	101.3	102.4	1.1	1022.2	1134.8	112.6
2. CAPITAL & FINANCIAL ACCOUNT	-3.7	7.9	11.6	561.8	733.8	172.0
A. CAPITAL ACCOUNT	-0.4	-0.4	0.0	0.6	2.6	2.0
a. Capital Transfers	-0.4	-0.4	0.0	0.2	2.6	2.4
Official	0.0	0.0	0.0	0.1	0.0	-0.1
Private	-0.4	-0.4	0.0	0.1	2.6	2.5
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.4	0.0	-0.4
B. FINANCIAL ACCOUNT	-3.2	8.3	11.5	561.2	731.2	170.0
Other official investment	239.1	-6.2	-245.3	108.3	203.4	95.1
Other private investment ^{3/}	12.0	-2.0	-14.0	587.1	790.3	203.2
Change in Reserves (minus = increase)	-254.3	16.5		-134.2	-262.5	

1/ Revised

2/ Provisional

3/ Includes errors & omissions