



ECONOMIC STATISTICS

VOLUME 15 - NO. 3

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SELECTED ECONOMIC INDICATORS

Figure 1

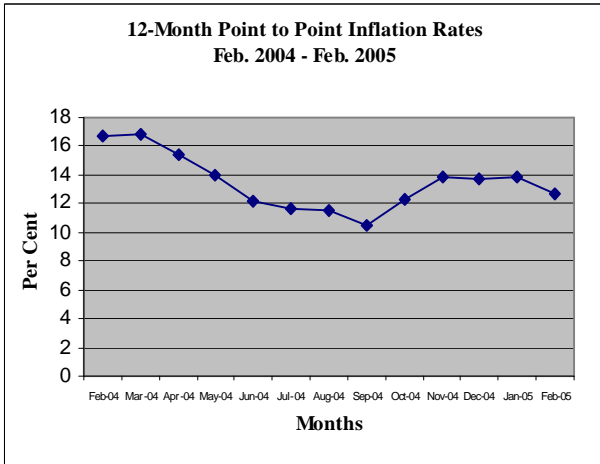


Figure 2

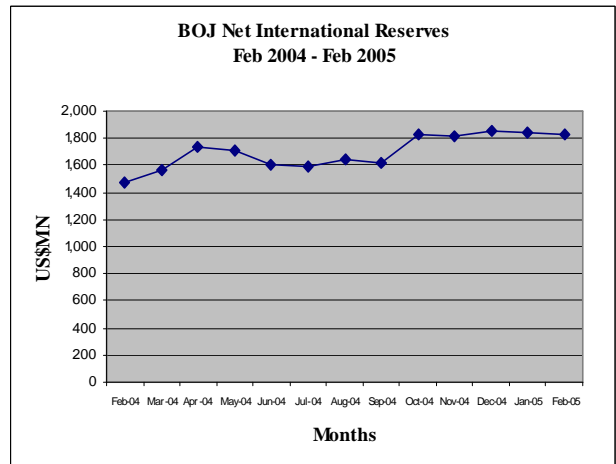


Figure 3

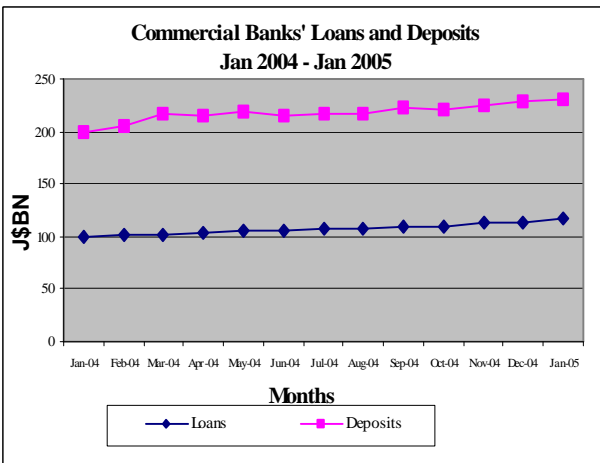


Figure 4

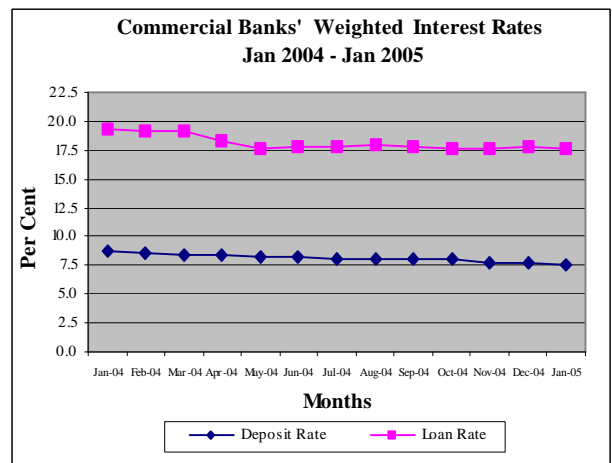


Figure 5

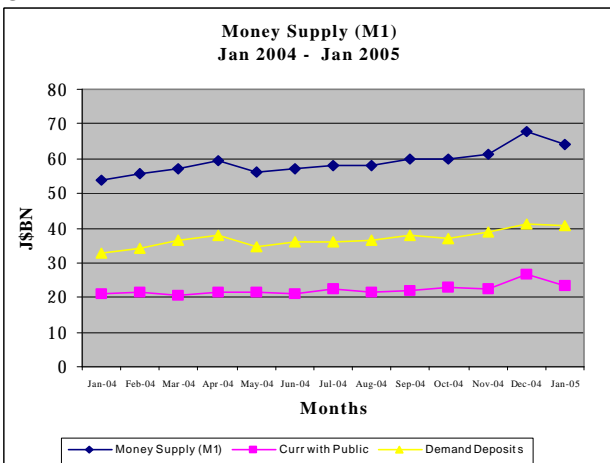


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Jan 2004	Dec 2004+	Jan 2005	Change p.a.
Money Supply (M1).....	<u>54,038.24</u>	<u>67,730.80</u>	<u>64,160.66</u>	<u>18.73</u>
(a) Currency with the Public.....	21,284.67	26,643.06	23,316.20	9.54
(b) Demand Deposits (adj.)***.....	32,753.57	41,087.74	40,844.46	24.70
Quasi-Money.....	<u>129,628.51</u>	<u>143,510.87</u>	<u>145,912.07</u>	<u>12.56</u>
(a) Time.....	32,912.20	36,040.79	37,370.21	13.55
(b) Savings.....	96,716.31	107,470.08	108,541.86	12.23
Money Supply (M2).....	<u>183,666.75</u>	<u>211,241.67</u>	<u>210,072.73</u>	<u>14.38</u>
Domestic Credit (net).....	<u>218,840.11</u>	<u>221,052.43</u>	<u>224,243.62</u>	<u>2.47</u>
Local Currency	Jan 2004	Dec 2004+	Jan 2005	
Money Supply (M1).....	<u>43,741.45</u>	<u>55,179.84</u>	<u>52,925.21</u>	<u>21.00</u>
(a) Currency with the Public.....	21,284.67	26,643.06	23,316.20	9.54
(b) Demand Deposits (adj.)***.....	22,456.78	28,536.78	29,609.01	31.85
Quasi-Money.....	<u>77,690.80</u>	<u>86,145.34</u>	<u>86,184.59</u>	<u>10.93</u>
(a) Time.....	17,832.86	19,684.53	19,752.63	10.77
(b) Savings.....	59,857.94	66,460.81	66,431.96	10.98
Money Supply (M2).....	<u>121,432.25</u>	<u>141,325.18</u>	<u>139,109.80</u>	<u>14.56</u>
Domestic Credit (net).....	<u>187,524.87</u>	<u>184,088.48</u>	<u>184,859.76</u>	<u>-1.42</u>
	Feb 2004	Jan 2005	Feb 2005	
Base Money.....	<u>35,792.39</u>	<u>39,739.36</u>	<u>39,104.18</u>	<u>9.25</u>
II. COMMERCIAL BANKS (J\$mn.)	Jan 2004	Dec 2004+	Jan 2005	
Assets & Liabilities (J\$mn.)**.....	<u>310,874.46</u>	<u>344,432.62</u>	<u>343,047.54</u>	<u>10.35</u>
Loans**.....	<u>99,926.29</u>	<u>113,369.49</u>	<u>116,366.79</u>	<u>16.45</u>
Agriculture.....	1,420.39	1,227.49	1,487.18	4.70
Manufacturing.....	3,416.55	3,746.44	3,714.87	8.73
Construction & Land Development.....	7,084.97	5,875.72	5,927.28	-16.34
Mining.....	189.24	223.42	229.19	21.11
Tourism.....	13,145.20	15,741.82	15,732.65	19.68
Transport, Storage & Communication.....	8,976.25	8,727.49	10,868.61	21.08
Consumer-Oriented.....	37,541.29	46,361.41	45,989.28	22.50
Government Services.....	26,832.08	29,810.53	30,803.55	14.80
Other.....	1,320.32	1,655.17	1,614.18	22.26
	Jan 2004	Dec 2004+	Jan 2005	
DEPOSITS.....	<u>200,193.46</u>	<u>228,425.43</u>	<u>230,786.10</u>	<u>15.28</u>
Private Sector (including overseas residents).....	<u>176,675.36</u>	<u>199,675.97</u>	<u>203,597.89</u>	<u>15.24</u>
Time.....	39,761.24	43,964.19	45,072.44	13.36
Savings.....	103,987.17	115,238.25	116,431.67	11.97
Demand.....	32,926.95	40,473.53	42,093.78	27.84
Government.....	<u>11,053.51</u>	<u>15,448.72</u>	<u>14,650.37</u>	<u>32.54</u>
Time.....	441.97	713.94	536.33	21.35
Savings.....	1,419.56	1,410.65	1,772.62	24.87
Demand.....	9,191.98	13,324.13	12,341.42	34.26
Public Entities.....	<u>6,951.54</u>	<u>7,386.21</u>	<u>5,913.58</u>	<u>-14.93</u>
Time.....	4,364.66	3,450.60	3,022.77	-30.74
Savings.....	1,524.12	2,533.90	1,459.37	-4.25
Demand.....	1,062.76	1,401.71	1,431.44	34.69

** 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)	Jan 2004	Dec 2004	Jan 2005	Change p.a.
Spec. & O. F. Insts.....	<u>5,513.05</u>	<u>5,914.53</u>	<u>6,624.26</u>	<u>20.16</u>
Time.....	889.28	1,216.47	1,271.03	42.93
Savings.....	910.24	915.43	906.23	-0.44
Demand.....	3,713.53	3,782.63	4,447.00	19.75
	Feb 2004	Jan 2005	Feb 2005	
Current Account Balances with BOJ (J\$mn).....	<u>226.45</u>	<u>292.85</u>	<u>139.40</u>	
LIQUIDITY (Average) %	Jan 2004	Dec 2004	Jan 2005	
Actual Liquid Assets Ratio.....	<u>34.05</u>	<u>38.45</u>	<u>37.32</u>	
Cash.....	3.11	4.12	2.92	
Deposits with B.O.J.....	9.19	9.52	9.40	
Treasury Bills.....	0.78	0.50	0.62	
Local Registered Stocks.....	7.90	5.67	4.22	
Other.....	13.07	18.64	20.16	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Feb 2004	Jan 2005	Feb 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.....	1.00-54.00	1.00-15.00	1.00-20.00	
Average Savings Deposits	6.78	6.48	6.48	
Average Loan Rate.....	25.56	24.89	24.89	
Average Inter-bank Rate	24.21	8.13	10.33	
	Jan 2004	Dec 2004	Jan 2005	
Weighted Fixed Deposits Rate.....	8.51	7.78	7.76	
Weighted Loan Rate.....	19.18	17.72	17.54	
G.O.J. Treasury Bills (Weighted Average) Yield	Mar 2004	Feb 2004	Mar 2005	
2 Months:.....	-	-	-	
3 Months:.....	15.23	13.83	-	
6 Months:.....	15.57	13.95	-	
9 Months:.....	-	-	14.00	
12 Months:.....	-	-	-	
	Mar 2004	Feb 2005	Mar 2005	
BOJ Reverse Repurchase Rates (%)				
30-Day	14.85	13.50	12.95	
60-Day	15.00	13.65	13.10	
90-Day	15.10	13.75	13.20	
120-Day	15.50	13.85	13.30	
180-Day	16.00	14.00	13.45	
270-Day	16.95	14.50	14.00	
365-Day	17.95	15.00	14.50	
COMMERCIAL BANKS (Foreign Currency)	Feb 2004	Jan 2005	Feb 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	2.66	2.69	2.69	

				%
IV. SECURITIES (J\$m.) (outstanding balances)	Dec 2003	Nov 2004	Dec 2004	Change p.a.
GOJ Local Registered Stock.....	228,509.28	222,865.96	220,290.45	-3.60
	Feb 2004	Jan 2005	Feb 2005	
BOJ Open Market Operations 1/.....	97,271.92	137,736.38	138,345.30	42.23
GOJ Treasury Bills.....	3,400.00	3,750.00	4,050.00	19.12
V. INSTALMENT CREDIT (J\$m.)	Jan 2004	Dec 2004+	Jan 2005	
(Banks & Near-Banks)				
Total Credit Outstanding.....	10,120.06	12,134.87	12,133.06	19.89
New Business.....	740.39	854.20	684.70	-7.52
VI. NEAR-BANKS (J\$m.)	Jan 2004	Dec 2004	Jan 2005	
(Merchant Banks, Trust Com. & Finance Houses)				
Assets/Liabilities.....	52,296.36	50,614.95	49,128.81	-6.06
Loans Outstanding.....	5,924.90	6,852.60	6,588.64	11.20
Total Deposits.....	8,742.55	11,436.35	9,519.75	8.89
Loans.....	<u>5,924.90</u>	<u>6,852.60</u>	<u>6,588.64</u>	<u>11.20</u>
Agriculture.....	78.38	315.49	313.35	299.78
Manufacturing.....	219.52	269.26	265.26	20.84
Construction & Land Development.....	796.69	1,266.03	1,141.50	43.28
Mining, Quarrying & Processing.....	20.85	20.37	19.84	-4.84
Tourism.....	402.24	335.57	364.86	-9.29
Transport, Storage & Communication.....	13.87	427.93	531.74	3,733.74
Consumer Oriented.....	3,309.42	3,288.75	2,840.20	-14.18
Government Services.....	911.38	684.01	685.53	-24.78
Other.....	172.55	245.19	426.36	147.09
	Jan 2004	Dec 2004	Jan 2005	
Liquid Assets Ratio (average) %.....	88.35	106.39	105.13	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.)	Jan 2004	Dec 2004	Jan 2005	
(members & associate members)				
Assets/Liabilities.....	67,828.21	80,571.67	82,572.47	21.74
Loan Balances.....	24,354.43	29,243.61	29,732.87	22.08
Savings Funds.....	50,227.64	58,792.31	58,979.35	17.42
VIII. INFLATION	Feb 2004	Jan 2005	Feb 2005	
Consumer Price Index (Jan. 1988 = 100).....	1,811.9	2,032.8	2,041.7	12.68
Monthly Rate (%).....	0.5	0.0	0.4	
Calendar Year to Date (%) (point to point).....	1.9	0.0	0.5	
Fiscal Year to Date (%) (point to point).....	16.8	11.6	12.1	
IX. ACTUAL PRODUCTION ('000)	Jan 2004	Dec 2004	Jan 2005	
Bauxite (metric tonnes).....	362.68	113.49	359.74	-0.81
Alumina (metric tonnes).....	357.18	365.47	364.05	1.92
Sugar (metric tonnes).....	29.44	3.56	12.67	-56.96
Banana (tonnes).....	3.48	-	-	-
X. STOCK MARKET ACTIVITIES	Feb 2004	Jan 2005	Feb 2005	
Index.....	80,008.99	118,379.43	114,221.65	42.76
Volume Traded (mn.).....	223.26	461.61	202.15	-9.46
Ordinary Shares.....	206.81	257.02	180.47	-12.74
Block Transactions.....	16.45	204.59	21.68	31.79

4 1/ BOJ Open Market Operations include Reverse Repurchases
- No Production/ Issue
+ Revised

				%
X. STOCK MARKET ACTIVITIES (cont'd)	Feb 2004	Jan 2005	Feb 2005	Change p.a.
Value of Stocks Traded (J\$mn.).....	1,963.20	10,921.57	3,314.83	68.85
Ordinary Shares.....	1,879.33	4,286.66	2,530.98	34.67
Block Transactions.....	83.87	6,634.91	783.85	834.60
Advance/Decline Ratio.....	26/10	30/3	12/25	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Mar 2003	Jan-Mar 2004		Change
1. EXPORTS				
a) Major Traditional Exports.....	<u>214.89</u>	<u>282.41</u>		<u>67.52</u>
Bauxite.....	21.72	23.69		1.97
Alumina.....	162.56	211.54		48.98
Sugar.....	25.89	42.54		16.65
Bananas.....	4.72	4.64		-0.08
b) Other Traditional Exports.....	18.84	17.04		-1.80
c) Non-Traditional Exports.....	56.86	72.08		15.22
d) Re-exports.....	5.58	15.40		9.82
General Merchandise Exports.....	<u>296.17</u>	<u>386.93</u>		<u>90.76</u>
(e) Freezone Exports.....	26.03	22.44		-3.59
(f) Goods Procured in Ports.....	12.00	12.00		-
Total Goods Exports.....	<u>334.20</u>	<u>421.37</u>		<u>87.17</u>
2. IMPORTS				
(a) Consumer Goods.....	260.40	246.57		-13.83
(b) Raw Materials.....	559.06	470.49		-88.57
(c) Capital Goods.....	150.32	137.65		-12.67
General Merchandise Imports.....	<u>969.78</u>	<u>854.71</u>		<u>-115.07</u>
(d) Freezone Imports.....	13.01	10.34		-2.67
(e) Goods Procured in Ports.....	19.20	19.20		-
Total Goods Imports.....	<u>1,001.99</u>	<u>884.25</u>		<u>-117.74</u>
Trade Balance.....	<u>-667.79</u>	<u>-462.88</u>		<u>204.91</u>
Memo:				
Caricom Exports.....	12.47	14.11		1.64
Caricom Imports.....	123.03	106.92		-16.11
Caricom Trade Balance.....	<u>-110.56</u>	<u>-92.81</u>		<u>17.75</u>
XII. TOURISM	Jan-Dec	Jan-Dec		%
	2003	2004		Change
Tourist Arrivals ('000).....	<u>2,483.70</u>	<u>2,514.56</u>		<u>1.24</u>
Stop Overs.....	1,350.28	1,414.79		4.78
Foreign Nationals.....	1,262.11	1,326.92		5.14
Non-Resident Jamaicans.....	88.17	87.87		-0.34
Cruise.....	1,132.60	1,099.77		-2.90
Armed Forces.....	0.82	-		-
Estimated Expenditure (US\$mn.).....	<u>1,355.10</u>	<u>1,395.80</u>		<u>3.00</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
<i>Balance of Payments (Calendar)</i>	Jan-Nov 2003	Jan-Nov 2004		Change
1. Current Account.....	<u>-735.8</u>	<u>-648.3</u>		<u>87.5</u>
A. Goods balance.....	<u>-1,779.4</u>	<u>-1,704.5</u>		<u>74.9</u>
Exports (f.o.b.).....	1,277.2	1,443.7		166.5
Imports (f.o.b.).....	3,056.6	3,148.2		91.6
B. Service Balance.....	<u>476.4</u>	<u>454.0</u>		<u>-22.4</u>
Transportation.....	-137.0	-145.3		-8.3
Travel.....	967.7	973.9		6.2
Other Services.....	-354.3	-374.6		-20.3

Balance of Payments (Calendar) (Cont'd)

	Jan-Nov 2003	Jan-Nov 2004	Change
C. Income.....	<u>-498.5</u>	<u>-575.9</u>	<u>-77.4</u>
Compensation of Employees.....	60.0	88.3	28.3
Investment Income.....	-558.5	-664.2	-105.7
D. Current Transfers.....	<u>1,065.7</u>	<u>1,178.1</u>	<u>112.4</u>
Official.....	95.9	95.7	-0.2
Private.....	969.8	1,082.4	112.6
2. Capital and Financial Account.....	<u>735.8</u>	<u>648.3</u>	<u>-87.5</u>
A. Capital Account.....	<u>-0.6</u>	<u>2.3</u>	<u>2.9</u>
Capital Transfers.....	<u>-1.0</u>	<u>2.3</u>	<u>3.3</u>
Official.....	0.1	0.1	-
Private.....	-1.1	2.2	3.3
Acq./Disp. of non-produced non-fin. assets....	0.4	0.0	-0.4
B. Financial Account.....	<u>736.4</u>	<u>646.0</u>	<u>-90.4</u>
Other Official Investment.....	-340.2	511.1	851.3
Other Private Investment.....	582.8	786.0	203.2
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>493.8</u>	<u>-651.1</u>	
	Apr-Nov	Apr-Nov	
<i>Balance of Payments (Fiscal)</i>	2003/2004	2004/2005	
1. Current Account.....	<u>-493.0</u>	<u>-598.5</u>	<u>-105.5</u>
A. Goods balance.....	<u>-1,246.7</u>	<u>-1,304.8</u>	<u>-58.1</u>
Exports (f.o.b.).....	943.0	1,022.0	79.0
Imports (f.o.b.).....	2,189.7	2,326.8	137.1
B. Service Balance.....	<u>316.1</u>	<u>267.5</u>	<u>-48.6</u>
Transportation.....	-107.2	-127.0	-19.8
Travel.....	684.3	667.3	-17.0
Other Services.....	-261.0	-272.8	-11.8
C. Income.....	<u>-344.7</u>	<u>-410.8</u>	<u>-66.1</u>
Compensation of Employees.....	56.3	80.4	24.1
Investment Income.....	-401.0	-491.2	-90.2
D. Current Transfers.....	<u>782.4</u>	<u>849.6</u>	<u>67.2</u>
Official.....	69.6	69.1	-0.5
Private.....	712.8	780.5	67.7
2. Capital and Financial Account.....	<u>493.0</u>	<u>598.5</u>	<u>105.5</u>
A. Capital Account.....	<u>0.2</u>	<u>2.4</u>	<u>2.2</u>
Capital Transfers.....	-0.2	2.4	2.6
Official.....	0.0	0.0	0.0
Private.....	-0.2	2.4	2.6
Acq./Disp. of non-produced non-fin. assets	0.4	0.0	-0.4
B. Financial Account.....	<u>492.8</u>	<u>596.1</u>	<u>103.3</u>
Other Official Investment.....	-88.7	256.2	344.9
Other Private Investment.....	345.0	587.3	242.3
<i>(incl. errors & omissions)</i>			
Reserves.....	236.5	-247.4	
Government Reserves.....	0.0	0.0	

XIV. BOJ NET INTERNATIONAL RESERVES	Feb 2004	Jan 2005	Feb 2005	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>1,473.96</u>	<u>1,847.58</u>	<u>1,831.07</u>	<u>24.23</u>
Gross Foreign Assets.....	1,505.31	1,870.97	1,854.46	23.19
Gross Foreign Liabilities.....	31.35	23.39	23.39	-25.39
Estimated Gross Reserves in Weeks of Imports.....	<u>23.55</u>	<u>27.30</u>	<u>27.06</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>15.65</u>	<u>18.56</u>	<u>18.40</u>	
 XV. FOREIGN EXCHANGE				
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	594.68	716.16	655.75	10.27
Foreign Exchange Sales (spot).....	597.66	743.42	650.12	8.78
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()				
Dec 2003 Nov 2004 Dec 2004				
Commercial Banks Balances.....	<u>1,256.17</u>	<u>1,390.95</u>	<u>1,431.45</u>	<u>13.95</u>
"A" Accounts 1/.....	111.79	139.27	142.33	27.32
Other.....	1,144.38	1,251.68	1,289.12	12.65
F.I.As Balance.....	<u>114.16</u>	<u>140.30</u>	<u>167.34</u>	<u>39.26</u>
"A" Accounts 1/.....	61.99	75.70	97.70	57.61
Other.....	52.17	64.60	69.64	33.49
Building Societies Balances.....	<u>220.92</u>	<u>264.28</u>	<u>262.31</u>	<u>18.74</u>
"A" Accounts 1/.....	152.14	183.57	195.52	28.51
Other	68.78	80.71	66.79	-2.89
Total Foreign Currency Deposits (US\$mn.).....	<u>1,597.25</u>	<u>1,795.53</u>	<u>1,861.10</u>	<u>16.52</u>
Total Foreign Currency Loans (US\$mn.).....	<u>694.40</u>	<u>799.98</u>	<u>819.93</u>	<u>18.08</u>
Commercial Banks.....	616.44	724.18	739.96	20.04
F.I.As	67.40	66.02	70.16	4.09
Building Societies.....	10.56	9.78	9.80	-7.20
 Feb 2004 Jan 2005 Feb 2005				
London Interbank Offer Rate (LIBOR) Eurodollars (%)				
3 months.....	1.12	2.66	2.82	
6 months.....	1.19	2.89	3.05	
U.S. Prime Rate (end of period) (%).....	4.00	5.25	5.50	
 Feb 2004 Jan 2005 Feb 2005				
Selling Exchange Rates (end period)				
US\$1.00 = J\$.....	60.96	61.87	61.91	
Can. \$1.00 = J\$.....	45.35	49.38	50.05	
U.K. Pound = J\$.....	112.39	115.52	118.11	
Euro = J\$**.....	75.83	80.74	82.18	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.79	9.92	9.91	
Bdos. \$1 = J\$.....	30.48	30.94	30.95	
Guy. \$1 = J\$.....	0.31	0.31	0.31	
E.C. \$1 = J\$.....	22.58	22.92	22.93	

() Exclude deposits in "B" accounts

** Indicative Rates

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

+ Revised

INFLATION

JANUARY 2005

The All Jamaica Consumer Price Index (CPI) remained unchanged in January 2005, relative to the previous month. This outturn indicated the continued normalization of price increases following the sharp upward adjustments after the passing of the Hurricane. Inflation for the first ten months of fiscal year (FY) 2004/05 remained at 11.6 per cent, and compares favourably with the 15.5 per cent obtained over the same interval in FY2003/04. The point-to-point inflation rate at January 2005 was 12.8 per cent, relative to 15.4 per cent recorded for the comparable period in the previous year. The mean annual inflation rate was 13.4 per cent, 0.2 percentage point lower than the rate obtained in the previous month, but higher than the 11.1 per cent recorded at January 2004 (Table 1).

The overall inflation outturn was primarily due to inflation in six sub-indices, being offset by deflation in the other two sub-indices. There were positive inflationary impulses primarily from the *Fuels & Other Household Supplies, Healthcare & Personal Expenses* and *Food & Drink* groups with offsetting movements in the *Housing & Other Housing Expenses* and *Transportation* groups. In this context, the major influences on the inflation outturn for the month emanated from reductions in utility rates and agricultural prices and increases in meat prices. The respective increases in the *Fuels & Other Household Supplies, Healthcare & Personal Expenses*, and *Food & Drink* sub-indices were 1.3 per cent, 0.5 per cent and 0.4 per cent. Providing countervailing impulses to these increases were respective declines of 3.2 per cent and 0.4 per cent in the *Housing & Other Housing Expenses* and *Transportation* sub-indices (Table 2).

The increase in *Food & Drink* emanated mainly from the *Starchy Foods, Meat, Poultry & Fish, and Meals Away From Home* sub-groups. These subgroups had respective increases of 6.4 per cent, 1.4 per cent and 1.2 per cent. The prices of starchy food items continued to be affected by the impact of the Hurricane, as longer term crops such as tubers were still in short supply. However, there were countervailing price impulses from the *Vegetables & Fruits* sub-group, resulting from a significant improvement in supplies. The primary factor, influencing the increase in *Meals Away From Home*, was related to movements in the prices of patty and beer. The increase in *Meat, Poultry & Fish* stemmed primarily from prices of beef and fish in the rural areas catching up to prices in the urban areas.

For *Fuels & Other Household Supplies*, upward adjustments in the prices of kerosene, charcoal and cooking gas were the main underlying factors. Additionally, there were increases in the prices of miscellaneous household supplies such as candles and floor polish. The increases in the prices of kerosene and cooking gas were primarily related to the increase in international crude oil prices, in the month, relative to December. The increase of 0.5 per cent in the *Healthcare & Personal Expenses* sub-index primarily reflected increases in doctors' and dentists' fees, as well as in the prices of deodorant and tonics.

The downward movement in the sub-index for *Housing & Other Housing Expenses* was largely influenced by an average reduction of 11.5 per cent in electricity rates. Other countervailing price impulses of note occurred in *Transportation*, which declined by 0.4 per cent. The main items influencing this downward movement was an average reduction of 6.9 per cent and 2.1 per cent in airfares and petroleum prices, respectively. These movements occurred in a context where international oil prices decreased in November and December after reaching a peak of US\$53.1 per barrel in October 2004.

There was significant disparity in inflation across the regions. The CPI in the Rural Areas increased by 1.1 per cent, while the index in the KMA decreased by 0.7 per cent and was relatively unchanged in the Rural Areas. This pattern was largely reflected in *Food & Drink* and *Fuels & Other Housing Expenses*. The disparity in *Food & Drink* largely reflected higher increases (2.1 per cent) in meat, poultry & fish prices in the rural areas. There were respective increases of 0.8 per cent and 1.4 per cent in this sub-group in the KMA and Other Towns. The other disparity of note occurred in *Fuels & Other Household Supplies*. There were increases of 2.9 per cent, 1.3 per cent and 0.3 per cent in the Rural Areas, Other Towns and KMA, respectively. The higher increase in Rural Areas primarily reflected a 5.4 per cent increase in kerosene prices relative to a 1.3 per cent increase in the Other Towns and no change in the KMA.

The trimmed mean index was estimated to have increased by 0.36 per cent in January, 0.11 percentage point below the previous month's measure (Table 4). This represents continued normalization in the core outturn to be consistent with a long-run expectation of approximately 4 per cent to 5 per cent per annum. The 12-month point-to-point core inflation core inflation at January 2005 was 5.1 per cent, relative to the 8.2 per cent recorded for the similar period of 2004. The annual average core inflation rate of 6.3 per cent for the month was similar to what obtained in the same period of 2004, but 0.2 percentage point lower than the previous month's rate.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.4 per cent in January, down from the 0.7 per cent in the previous month. Since May 2004, the changes in the CPI-A index were increasing, and peaked at 1.6 per cent in October 2004. However, this measure has been trending downwards since. This downward trend in non-agricultural inflation since October 2004 may have been reflecting a return to normalcy in other prices in the CPI basket since the passage of the Hurricane in September 2004. Chief among these are lower fuel price charges since the price of international crude oil peaked in October 2004.

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	Feb	1,358.6	1,348.0	1.17	0.46	-0.21	6.72	7.98
	Mar	1,365.0	1,355.5	0.47	1.67	0.50	6.50	7.82
	Apr	1,370.8	1,364.8	0.42	2.08	1.40	5.90	7.51
	May	1,381.1	1,372.3	0.75	1.65	1.80	6.24	7.27
	Jun	1,404.9	1,385.6	1.73	2.93	2.22	7.13	7.14
	Jul	1,418.7	1,401.6	0.98	3.50	2.70	7.15	7.03
	Aug	1,431.1	1,418.3	0.87	3.63	3.35	7.13	6.94
	Sept	1,442.9	1,430.9	0.82	2.70	3.27	6.94	6.78
	Oct	1,454.9	1,443.0	0.83	2.55	2.95	7.68	6.73
	Nov	1,456.2	1,451.3	0.09	1.75	2.33	7.68	6.76
	Dec	1,460.2	1,457.1	0.27	1.20	1.83	8.76	6.99
	2002	Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38
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

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
January 2005

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation
FOOD & DRINK	0.5563	0.4	0.0034
Meals away from home	0.0741	1.2	0.0876
Meat, Poultry & Fish	0.1613	1.4	0.2230
Dairy Products Oils & Fats	0.0668	0.8	0.0560
Baked Products, Cereals & Breakfast Drink	0.0864	0.4	0.0379
Starchy Foods	0.0525	6.4	0.3346
Vegetables & Fruits	0.0650	-12.2	-0.7921
Other Food & Beverages	0.0502	1.1	0.0564
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	1.3	0.0781
Household Supplies	0.0482	0.7	0.0359
Fuels	0.0253	1.7	0.0422
HOUSING & OTHER HOUSING EXPENSES	0.0786	-3.2	-0.2289
Rental	0.0209	0.3	0.0055
Other Housing Expenses	0.0577	-4.1	-0.2344
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.2	0.0060
Furniture	0.0068	-0.4	-0.0026
Furnishings	0.0215	0.4	0.0086
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0354
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.4	0.0198
Clothing Materials	0.0055	0.1	0.0008
Readymade Clothing & Accessories	0.0242	0.4	0.0086
Footwear	0.0159	0.5	0.0072
Making & Repairs	0.0051	0.6	0.0032
TRANSPORTATION	0.0644	-0.4	-0.0247
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0064
ALL GROUPS	1.0000	0.03	-0.10

Table 3
REGIONAL INFLATION
January 2005

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	-0.9	0.3	1.7
Meals away from home	1.7	0.6	0.6
Meat Poultry & Fish	0.8	1.4	2.1
Dairy Products Oils & Fats	0.7	0.7	1.1
Baked Products Cereals & Breakfast Drink	0.2	0.4	0.7
Starchy Foods	2.9	6.3	7.9
Vegetables & Fruits	-15.3	-11.6	-8.8
Other Food & Beverages	0.9	0.7	1.6
FUELS & OTHER HOUSEHOLD SUPPLIES	0.3	1.3	2.9
Household Supplies	0.6	0.9	0.9
Fuels	0.0	1.5	4.3
HOUSING & OTHER HOUSING EXPENSES	-2.8	-3.6	-3.9
Rental	0.3	0.0	0.0
Other Housing Expenses	-4.0	-4.0	-4.3
HOUSEHOLD FURNISHINGS & FURNITURE	0.0	0.3	0.2
Furniture	0.0	-0.6	-0.6
Furnishings	0.0	0.7	0.6
HEALTHCARE & PERSONAL EXPENSES	0.4	1.0	0.4
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.2	0.7	0.4
Clothing Materials	0.0	0.9	0.0
Readymade Clothing & Accessories	0.2	0.7	0.3
Footwear	0.3	0.7	0.5
Making & Repairs	0.2	1.0	1.0
TRANSPORTATION	-0.4	-0.4	-0.3
MISCELLANEOUS EXPENSES	0.0	0.2	0.1
ALL GROUPS	-0.7	0.0	1.1

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2001/02						
Apr	0.42	0.14	0.42	0.14	4.04	4.18
May	0.75	0.50	1.18	0.65	4.29	4.17
June	1.73	0.35	2.93	1.00	4.30	4.17
July	0.98	0.44	3.94	1.44	4.46	4.22
Aug	0.87	0.39	4.85	1.84	4.33	4.26
Sept	0.82	0.28	5.71	2.12	4.18	4.26
Oct	0.83	0.34	6.59	2.46	4.15	4.25
Nov	0.09	0.15	6.68	2.61	4.01	4.23
Dec	0.27	0.13	6.97	2.75	3.98	4.23
Jan	0.59	0.35	7.60	3.11	4.22	4.24
Feb	-0.05	0.15	7.55	3.26	3.49	4.15
Mar	0.03	0.06	7.58	3.32	3.32	4.06
2002/03						
Apr	0.50	0.28	0.50	0.28	3.46	4.01
May	0.28	0.19	0.78	0.47	3.14	3.91
June	0.86	0.39	1.65	0.86	3.18	3.82
July	1.53	0.30	3.21	1.16	3.04	3.70
Aug	0.37	0.24	3.59	1.41	2.89	3.58
Sept	0.45	0.21	4.05	1.62	2.82	3.47
Oct	0.73	0.28	4.82	1.90	2.76	3.35
Nov	1.24	0.55	6.12	2.47	3.18	3.29
Dec	0.50	0.34	6.65	2.82	3.39	3.24
Jan	-0.31	0.37	6.32	3.20	3.41	3.17
Feb	-0.58	0.38	5.70	3.59	3.65	3.19
Mar	0.47	0.54	6.20	4.15	4.15	3.26
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
June	2.46	0.91	6.00	2.30	5.64	3.72
July	1.53	0.94	7.62	3.27	6.31	3.99
Aug	1.41	0.79	9.14	4.08	6.90	4.33
Sept	1.55	0.52	10.83	4.62	7.22	4.70
Oct	1.64	0.79	12.65	5.45	7.77	5.12
Nov	0.93	0.66	13.69	6.14	7.89	5.51
Dec	0.78	0.53	14.58	6.70	8.09	5.90
Jan	0.84	0.50	15.54	7.23	8.22	6.30
Feb	0.56	0.32	16.18	7.57	8.15	6.68
Mar	0.49	0.32	16.76	7.91	7.91	6.99
2004/05						
Apr	0.41	0.32	0.41	0.32	7.55	7.24
May	0.64	0.39	1.05	0.71	7.20	7.41
June	0.81	0.36	1.87	1.08	6.62	7.48
July	0.97	0.36	2.86	1.44	6.00	7.45
Aug	1.31	0.46	4.20	1.91	5.66	7.34
Sept	0.63	0.34	4.86	2.25	5.46	7.19
Oct	3.30	0.66	8.32	2.93	5.33	6.98
Nov	2.42	0.60	10.94	3.54	5.26	6.76
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

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
November 2004

November 2004

The current account deficit deteriorated by US\$91.0MN in November 2004, relative to November 2003. The deterioration largely reflected an increase of US\$77.4MN in the merchandise trade deficit and a reduction of US\$19.3MN in the surplus on the services account. These changes were partly offset by an increase of US\$5.5MN in the surplus on the current transfers account, as well as a marginal decline of US\$0.2MN in the deficit on the income account. Within the capital and financial account, net private capital inflows were insufficient to finance net official outflows as well as the deficit on the current account. In this context, there was a draw down in the net international reserves of the Bank of Jamaica for the month.

Merchandise Trade

An increase of US\$85.0MN in payments for imports was responsible for the expansion in the merchandise trade deficit. This was partly offset by an increase of US\$7.6MN in export receipts. The higher spending on imports was attributed to expansions in all categories, with the exception of free zone imports. In particular, there were increases of US\$36.9MN and US\$20.3MN in the value of manufactured goods and machinery and transport equipment imports, respectively. For exports, the growth in earnings was primarily influenced by a US\$13.0MN expansion in receipts from alumina, largely associated with increases of 11.5 per cent and 8.5 per cent in export volume and price, respectively. In addition, other traditional exports expanded by US\$2.7MN due principally to growth in earnings from coffee and rum exports.

Services

The fall in the services balance for the review month was primarily attributed to an expansion of US\$14.5MN in the deficit on the transportation sub-account. In addition, the surplus on the travel sub-account fell by US\$3.0MN, while the deficit on the other services sub-account increased by US\$1.8MN. The higher net payment for transportation services was influenced by increased freight payments, due to the expansion in imports. An increase of US\$4.9MN in outflows, attributed to higher spending by Jamaicans travelling abroad, was the main source of the decline in net receipts on the travel sub-account. The impact of this was, however, partly offset by a US\$1.9MN increase in visitor expenditure, largely reflecting a rise in the estimated average daily expenditure of tourists, as both cruise and stopover visitor arrivals declined for the month.

Income

An expansion of US\$6.7MN in net compensation to employees, which was partially offset by an increase of US\$6.5MN in net investment income outflows, accounted for the narrowing of the deficit on the income account. The growth in net compensation to employees reflected an increase in gross receipts by Jamaicans for work done during their stay abroad. The higher net investment income outflows were associated with increased profit remittances by the direct investment companies.

Current Transfers

The increase in the surplus on the current transfers account largely reflected growth of US\$5.8MN in net inflows to the private sector. Higher net private sector inflows stemmed from an expansion of US\$15.5MN in gross private inflows, which was partially offset by growth of US\$9.7MN in gross private outflows. Respective increases of US\$10.6MN and US\$4.1MN in inflows through remittance companies and building societies were largely responsible for the higher gross inflows.

Capital & Financial Accounts

Surpluses of US\$0.8MN and US\$158.6MN were recorded on the capital and financial accounts, respectively. Within the financial account, net private investment inflows of US\$171.6MN, along with the capital account surplus, were insufficient to offset the net official outflows as well as finance the deficit on the current account. Consequently, there was a draw down of US\$10.6MN in the net international reserves of the Bank of Jamaica.

April to November 2004

The current account recorded a deficit of US\$598.5MN for April to November 2004, relative to the deficit of US\$493.0MN for April to November 2003. This deterioration reflected respective expansions of US\$64.4MN and US\$59.8MN in the deficits on the income and merchandise trade accounts, as well as a reduction of US\$48.6MN in the surplus on the services account. Partly offsetting these changes was an increase of US\$67.2MN in the surplus on the current transfers account. Within the financial account, net official and private investment inflows were more than sufficient to offset the deficit on the current account. Consequently, there was a build up in the net international reserves during the review period.

Merchandise Trade

A significant increase of US\$137.1MN in imports accounted for the expansion in the merchandise trade deficit for the review period. However, this was partly offset by growth of US\$77.3MN in exports. The growth in imports emanated partly from increases of US\$72.5MN, US\$27.5MN and US\$25.2MN in the importation of manufactured goods, miscellaneous manufactured goods and food imports, respectively. All the export categories increased during the review period, with the exception of free zone exports, which fell by US\$9.4MN. Receipts from major traditional, non-traditional and other traditional exports expanded by US\$53.9MN, US\$22.4MN and US\$8.3MN, respectively. The growth in earnings from major traditional exports was related to increases of US\$50.0MN and US\$16.3MN in receipts from alumina and sugar, respectively. Alumina exports benefited from an increase of 12.7 per cent in the average price of the ore in the review period, while the growth in sugar exports reflected a 41.2 per cent increase in export volumes. The improvement in earnings from non-traditional exports reflected growth from the export of coffee and rum.

Services

Respective expansions of US\$19.8MN and US\$11.8MN in the deficits on net transportation and other services outflows, as well as a contraction of US\$17.0MN in net travel receipts, influenced the reduction in the surplus on the services account. Growth in net transportation outflows stemmed from an estimated increase in freight payments, due to higher imports, while the increase in net payments for other services was largely associated with a greater level of fee payments for financial services and insurance premiums. The decline in net inflows from the travel sector mainly reflected an increase of US\$33.0MN in the expenditure of Jamaicans while travelling abroad. This was, however, partly offset by an increase of US\$16.0MN in gross travel inflows, reflecting growth of 5.3 per cent in total stopover visitor arrivals for the review period.

Income

The widening of the deficit on the income account over the review period was attributed to a US\$88.5MN increase in net investment outflows, influenced primarily by an increase in imputed profit remittances by the direct investment companies. This was partially countered by an improvement of US\$24.1MN in net receipts from compensation of employees while working abroad.

Current Transfers

An expansion of US\$67.7MN in net private inflows was responsible for the higher surplus on the current transfers account during the review period. This performance emanated from an increase of US\$112.2MN in gross private inflows, which was partially offset by an increase of US\$44.5MN in gross private outflows. Respective increases of US\$52.9MN and US\$40.2MN in inflows through remittance companies and building societies were largely responsible for the growth in gross inflows.

Capital & Financial Accounts

Respective surpluses of US\$596.1MN and US\$2.4MN were recorded on the financial and capital accounts for the review period. Within the financial account, net private and official investment inflows of US\$587.3MN and US\$256.2MN, respectively, were recorded. The net official inflows reflected Government's debt raising activities on the international capital market in April, July and October 2004. The surpluses on the official and private investment accounts were more than sufficient to finance the deficit on the current account. Consequently, there was a build-up of US\$247.4MN in the net international reserves of the Bank of Jamaica. At the end of November 2004, the level of gross reserves stood at US\$1840.3MN, representing 29.7 weeks of imported goods and 19.9 weeks of imported goods and services.

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

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Nov ^{1/}	Nov ^{2/}		Apr - Nov ^{1/}	Apr - Nov ^{2/}	
	2003	2004	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	-68.4	-159.4	-91.0	-493.0	-598.5	-105.5
A. GOODS and SERVICES	-108.2	-204.9	-96.7	-930.6	-1039.0	-108.4
a. GOODS BALANCE	-141.3	-218.7	-77.4	-1246.7	-1306.5	-59.8
Exports (f.o.b.)	120.8	128.4	7.6	943.0	1020.3	77.3
Imports (f.o.b.)	262.1	347.1	85.0	2189.7	2326.8	137.1
b. SERVICES BALANCE	33.1	13.8	-19.3	316.1	267.5	-48.6
Transportation	-11.4	-25.9	-14.5	-107.2	-127.0	-19.8
Travel	77.4	74.4	-3.0	684.3	667.3	-17.0
Other Services	-32.9	-34.7	-1.8	-261.0	-272.8	-11.8
B. INCOME	-63.3	-63.1	0.2	-344.7	-409.1	-64.4
Compensation of employees	8.3	15.0	6.7	56.3	80.4	24.1
Investment Income	-71.6	-78.1	-6.5	-401.0	-489.5	-88.5
C. CURRENT TRANSFERS	103.1	108.6	5.5	782.4	849.6	67.2
Official	8.5	8.2	-0.3	69.6	69.1	-0.5
Private	94.6	100.4	5.8	712.8	780.5	67.7
2. CAPITAL & FINANCIAL ACCOUNT	68.4	159.4	91.0	493.0	598.5	105.5
A. CAPITAL ACCOUNT	0.6	0.8	0.2	0.2	2.4	2.2
a. Capital Transfers	0.6	0.8	0.2	-0.2	2.4	2.6
Official	0.0	0.0	0.0	0.0	0.0	0.0
Private	0.6	0.8	0.2	-0.2	2.4	2.6
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	67.8	158.6	90.8	492.8	596.1	103.3
Other official investment	-29.6	-23.6	6.0	-88.7	256.2	344.9
Other private investment ^{3/}	69.5	171.6	102.1	345.0	587.3	242.3
Change in Reserves (minus = increase)	27.9	10.6		236.5	-247.4	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA