



ECONOMIC STATISTICS

VOLUME 14 - NO. 5

MAY 2004



SELECTED ECONOMIC INDICATORS

Figure 1

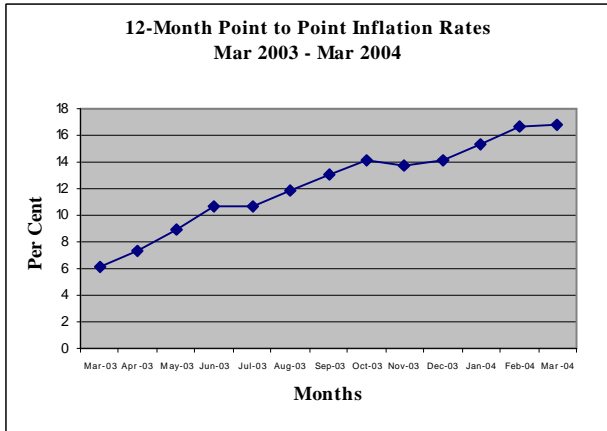


Figure 2

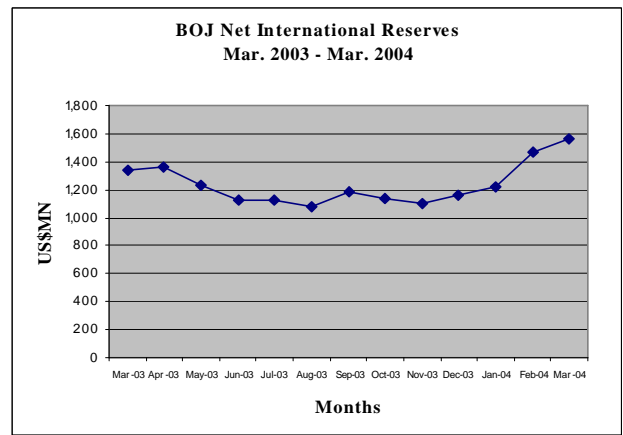


Figure 3

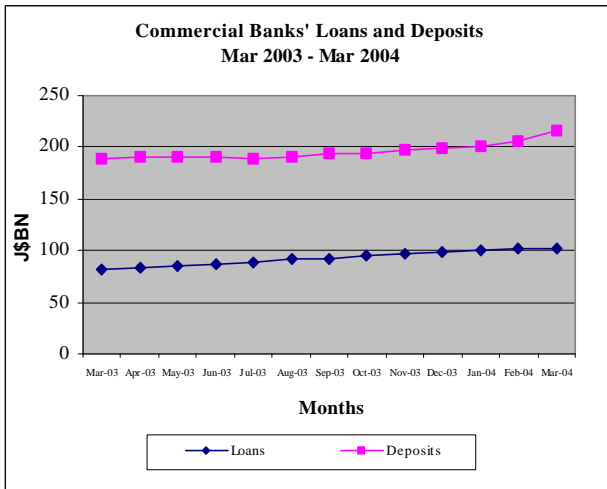


Figure 4

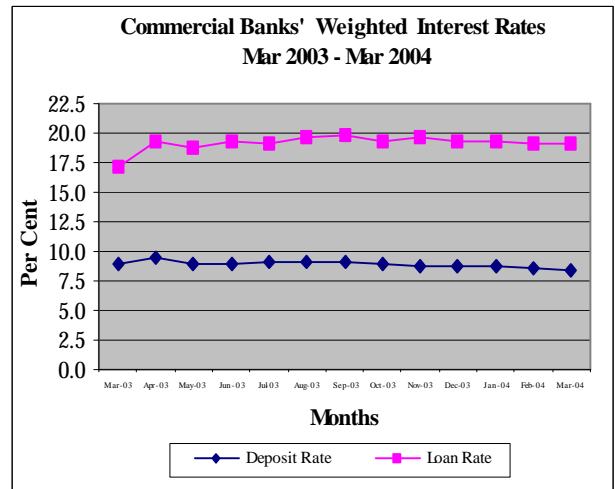


Figure 5

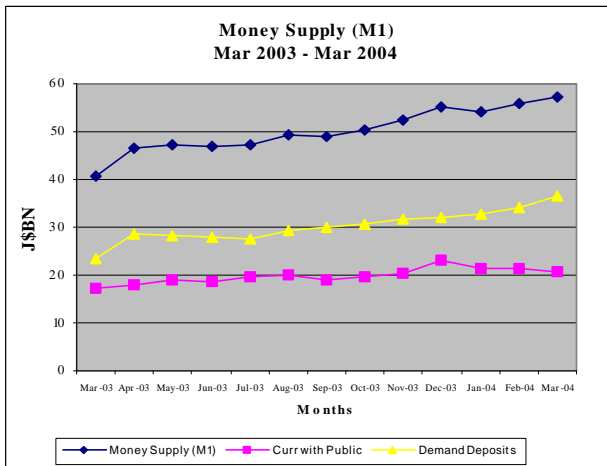
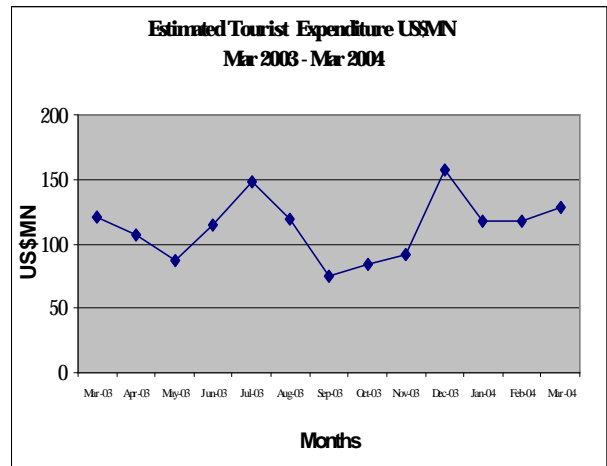


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency				Change p.a.
	Mar 2003	Feb 2004	Mar 2004	
Money Supply (M1).....	<u>40,791.27</u>	<u>55,715.00</u>	<u>57,124.23</u>	<u>40.04</u>
(a) Currency with the Public.....	17,291.08	21,479.31	20,594.78	19.11
(b) Demand Deposits (adj.)***.....	23,500.19	34,235.69	36,529.45	55.44
Quasi-Money.....	<u>117,928.19</u>	<u>130,472.66</u>	<u>133,659.82</u>	<u>13.34</u>
(a) Time.....	30,296.72	33,322.25	34,966.98	15.42
(b) Savings.....	87,631.47	97,150.41	98,692.84	12.62
Money Supply (M2).....	<u>158,719.46</u>	<u>186,187.66</u>	<u>190,784.05</u>	<u>20.20</u>
Domestic Credit (net).....	<u>159,971.96</u>	<u>212,246.44</u>	<u>206,416.32</u>	<u>29.03</u>
Local Currency				
	Mar 2003	Feb 2004+	Mar 2004	
Money Supply (M1).....	<u>33,733.50</u>	<u>42,850.29</u>	<u>44,942.92</u>	<u>33.23</u>
(a) Currency with the Public.....	17,291.08	21,479.31	20,594.78	19.11
(b) Demand Deposits (adj.)***.....	16,442.42	21,370.98	24,348.14	48.08
Quasi-Money.....	<u>73,738.66</u>	<u>78,636.73</u>	<u>79,949.68</u>	<u>8.42</u>
(a) Time.....	19,173.65	18,436.36	19,311.54	0.72
(b) Savings.....	54,565.01	60,200.37	60,638.14	11.13
Money Supply (M2).....	<u>107,472.16</u>	<u>121,487.02</u>	<u>124,892.60</u>	<u>16.21</u>
Domestic Credit (net).....	<u>141,314.24</u>	<u>180,042.45</u>	<u>175,703.44</u>	<u>24.34</u>
	Apr 2003	Mar 2004	Apr 2004	
Base Money.....	<u>32,342.76</u>	<u>36,186.42</u>	<u>36,055.57</u>	<u>11.48</u>
II. COMMERCIAL BANKS (J\$mn.)				
	Mar 2003	Feb 2004	Mar 2004	
Assets & Liabilities (J\$mn.)**.....	<u>285,881.75</u>	<u>320,178.56</u>	<u>331,201.11</u>	<u>15.85</u>
Loans**.....	<u>79,685.38</u>	<u>101,980.45</u>	<u>102,504.19</u>	<u>28.64</u>
Agriculture.....	1,589.29	1,818.57	1,790.31	12.65
Manufacturing.....	3,439.37	3,541.70	3,388.45	-1.48
Construction & Land Development.....	4,188.37	6,397.22	6,920.75	65.24
Mining.....	151.12	160.73	150.97	-0.10
Tourism.....	7,736.10	13,227.71	13,470.24	74.12
Transport, Storage & Communication.....	6,146.39	8,930.41	8,629.32	40.40
Consumer-Oriented.....	27,763.15	39,019.37	39,870.79	43.61
Government Services.....	26,787.79	27,483.91	26,805.03	0.06
Other.....	1,883.80	1,400.83	1,478.33	-21.52
	Mar 2003	Feb 2004	Mar 2004	
DEPOSITS.....	<u>188,441.46</u>	<u>205,738.48</u>	<u>216,777.27</u>	<u>15.04</u>
Private Sector (including overseas residents).....	<u>154,632.95</u>	<u>179,272.81</u>	<u>184,723.95</u>	<u>19.46</u>
Time.....	35,339.76	40,333.90	42,262.64	19.59
Savings.....	94,134.88	104,412.76	105,925.49	12.53
Demand.....	25,158.31	34,526.15	36,535.82	45.22
Government.....	<u>18,038.15</u>	<u>14,044.21</u>	<u>17,891.37</u>	<u>-0.81</u>
Time.....	490.25	398.08	409.24	-16.52
Savings.....	1,404.67	1,657.60	1,295.31	-7.79
Demand.....	16,143.23	11,988.53	16,186.82	0.27
Public Entities.....	<u>8,356.64</u>	<u>6,793.10</u>	<u>8,489.76</u>	<u>1.59</u>
Time.....	3,698.77	4,361.77	4,729.60	27.87
Savings.....	2,832.18	1,176.04	2,471.47	-12.74
Demand.....	1,825.69	1,255.29	1,288.69	-29.41

** 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)	Mar 2003	Feb 2004	Mar 2004	Change p.a.
Spec. & O. F. Insts.....	<u>7,413.72</u>	<u>5,628.36</u>	<u>5,672.19</u>	<u>-23.49</u>
Time.....	1,913.16	747.92	892.03	-53.37
Savings.....	1,119.26	1,218.10	807.16	-27.88
Demand.....	4,381.30	3,662.34	3,973.00	-9.32
	Apr 2003	Mar 2004	Apr 2004	
Current Account Balances with BOJ (J\$mn).....	<u>70.02</u>	<u>159.19</u>	<u>228.27</u>	
LIQUIDITY (Average) %	Mar 2003	Feb 2004	Mar 2004	
Actual Liquid Assets Ratio.....	<u>33.67</u>	<u>33.28</u>	<u>38.21</u>	
Cash.....	2.11	2.60	2.64	
Deposits with B.O.J.....	9.35	9.39	9.17	
Treasury Bills.....	0.39	0.63	0.79	
Local Registered Stocks.....	8.99	7.51	7.26	
Other.....	12.83	13.15	18.35	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Apr 2003	Mar 2004	Apr 2004	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.15	8.50-13.25	8.50-13.25	
9-12 months.....	8.50-13.15	8.50-13.50	8.50-13.50	
Call Deposits.....	1.00-60.00	2.00-50.00	1.00-23.00	
Average Savings Deposits	8.22	8.30	8.12	
Average Loan Rate.....	24.73	25.40	25.23	
Average Inter-bank Rate	39.25	17.16	9.14	
	Mar 2003	Feb 2004	Mar 2004	
Weighted Fixed Deposits Rate.....	8.87	8.57	8.47	
Weighted Loan Rate.....	17.23	19.17	19.10	
G.O.J. Treasury Bills (Weighted Average) Yield	Apr 2003	Mar 2004	Apr 2004	
2 Months:.....	-	-	-	
3 Months:.....	-	15.23	-	
6 Months:.....	30.34	15.57	15.09	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Apr 2003	Mar 2004	Apr 2004	
BOJ Reverse Repurchase Rates (%)				
30-Day	15.00	14.85	14.40	
60-Day	15.30	15.00	14.50	
90-Day	20.00	15.10	14.60	
120-Day	24.00	15.50	14.85	
180-Day	28.00	16.00	15.30	
270-Day	32.50	16.95	16.00	
365-Day	33.00	17.95	16.90	
COMMERCIAL BANKS (Foreign Currency)	Apr 2003	Mar 2004	Apr 2004	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	2.00-4.50	2.00-4.50	
3-6 months.....	2.00-4.50	2.00-4.55	2.00-4.55	
6-12 months.....	2.00-6.00	2.00-6.00	2.00-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	3.25-4.75	2.50-4.75	2.50-4.75	
3-6 months.....	3.25-4.75	2.50-4.85	2.50-4.85	
6-12 months.....	3.49-6.25	2.50-6.25	2.50-6.25	
Average Loan Rates	12.10	12.50	12.50	
Average Savings	2.72	2.66	2.81	

				% Change p.a.
IV. SECURITIES (J\$mn.) (outstanding balances)	Mar 2003	Feb 2004	Mar 2004	
GOJ Local Registered Stock.....	240,923.00	228,014.28	220,819.21	-8.34
	Apr 2003	Mar 2004	Apr 2004	
BOJ Open Market Operations 1/.....	86,331.25	108,281.70	120,516.52	39.60
GOJ Treasury Bills.....	2,950.00	3,750.00	3,850.00	30.51
V. INSTALMENT CREDIT (J\$mn.) (Banks & Near-Banks)	Mar 2003	Feb 2004	Mar 2004	
Total Credit Outstanding.....	7,396.12	10,414.77	10,472.29	41.59
New Business.....	414.33	718.99	670.10	61.73
VI. NEAR-BANKS (J\$mn.) (Merchant Banks, Trust Com. & Finance Houses)	Mar 2003	Feb 2004	Mar 2004	
Assets/Liabilities.....	41,388.81	46,977.81	48,977.87	18.34
Loans Outstanding.....	4,818.61	6,128.80	6,064.94	25.86
Total Deposits.....	8,732.47	9,079.24	9,185.02	5.18
Loans.....	<u>4,818.61</u>	<u>6,128.80</u>	<u>6,064.94</u>	<u>25.86</u>
Agriculture.....	111.28	66.58	60.89	-45.28
Manufacturing.....	301.29	237.13	236.19	-21.61
Construction & Land Development.....	594.82	934.71	951.78	60.01
Mining, Quarrying & Processing.....	43.99	20.90	20.69	-52.97
Tourism.....	427.22	406.62	394.41	-7.68
Transport, Storage & Communication.....	17.56	16.54	40.01	127.85
Consumer Oriented.....	2,096.92	3,360.00	3,284.92	56.65
Government Services.....	972.85	913.49	904.45	-7.03
Other.....	252.68	172.83	171.60	-32.09
	Mar 2003	Feb 2004	Mar 2004	
Liquid Assets Ratio (average) %.....	85.46	97.96	80.91	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mn.) (members & associate members)	Mar 2003	Feb 2004	Mar 2004	
Assets/Liabilities.....	56,456.79	69,226.66	70,478.61	24.84
Loan Balances.....	21,042.18	24,539.36	25,064.04	19.11
Savings Funds.....	43,937.76	50,822.13	51,568.02	17.37
VIII. INFLATION	Mar 2003	Feb 2004	Mar 2004	
Consumer Price Index (Jan. 1988 = 100).....	1,559.5	1,811.9	1,820.8	16.76
Monthly Rate (%).....	0.5	0.6	0.5	
Calendar Year to Date (%) (point to point).....	-0.4	1.4	1.9	
Fiscal Year to Date (%) (point to point).....	6.2	16.2	16.8	
IX. ACTUAL PRODUCTION ('000)	Mar 2003	Feb 2004	Mar 2004	
Bauxite (metric tonnes).....	318.13	362.68	348.95	9.69
Alumina (metric tonnes).....	320.71	357.18	368.30	14.84
Sugar (metric tonnes).....	40.19	42.41	41.92	4.30
Banana (tonnes).....	2.78	3.26	2.78	-
X. STOCK MARKET ACTIVITIES	Apr 2003	Mar 2004	Apr 2004	
Index.....	47,961.44	99,630.22	108,274.96	125.75
Volume Traded (mn.).....	129.93	2,321.41	366.78	182.29
Ordinary Shares.....	129.28	403.91	365.34	182.60
Block Transactions.....	0.65	1,917.50	1.44	121.54

	Apr 2003	Mar 2004	Apr 2004	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.).....	819.12	10,157.88	4,298.90	424.82
Ordinary Shares.....	818.26	3,257.48	4,281.16	423.20
Block Transactions.....	0.86	6,900.40	17.74	1,962.79
Advance/Decline Ratio.....	7/24	31/2	29/7	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Sept 2002	Jan-Sept 2003		Change
1. EXPORTS				
a) Major Traditional Exports.....	<u>592.76</u>	<u>653.40</u>		<u>60.64</u>
Bauxite.....	76.40	66.11		-10.29
Alumina.....	436.79	507.89		71.10
Sugar.....	66.15	65.20		-0.95
Bananas.....	13.42	14.20		0.78
b) Other Traditional Exports.....	60.41	54.89		-5.52
c) Non-Traditional Exports.....	169.81	175.31		5.50
d) Re-exports.....	15.52	18.63		3.11
General Merchandise Exports.....	<u>838.50</u>	<u>902.23</u>		<u>63.73</u>
(e) Freezone Exports.....	128.56	100.94		-27.62
(f) Goods Procured in Ports.....	21.60	22.50		0.90
Total Goods Exports.....	<u>988.66</u>	<u>1,025.67</u>		<u>37.01</u>
2. IMPORTS				
(a) Consumer Goods.....	777.89	757.90		-19.99
(b) Raw Materials.....	1,362.43	1,532.78		170.35
(c) Capital Goods.....	490.47	433.15		-57.32
General Merchandise Imports.....	<u>2,630.79</u>	<u>2,723.83</u>		<u>93.04</u>
(d) Freezone Imports.....	77.61	77.55		-0.06
(e) Goods Procured in Ports.....	28.60	29.50		0.90
Total Goods Imports.....	<u>2,737.00</u>	<u>2,830.88</u>		<u>93.88</u>
Trade Balance.....	<u>-1,748.34</u>	<u>-1,805.21</u>		<u>-56.87</u>
Memo:				
Caricom Exports.....	35.96	35.51		-0.45
Caricom Imports.....	292.51	384.46		91.95
Caricom Trade Balance.....	<u>-256.55</u>	<u>-348.95</u>		<u>-92.40</u>
XII. TOURISM	Jan-Mar 2003	Jan-Mar 2004		% Change
Tourist Arrivals ('000).....	<u>706.29</u>	<u>735.35</u>		<u>4.11</u>
Stopovers.....	326.46	350.24		7.28
Non-Resident Jamaicans.....	15.79	15.84		0.32
Cruise.....	364.04	369.27		1.44
Armed Forces.....	-	-		-
Monthly Estimated Expenditure (US\$mn.).....	<u>340.70</u>	<u>362.90</u>		<u>6.52</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)	Jan-Sept 2002	Jan-Sept 2003		Change
<i>Balance of Payments (Calendar)</i>				
1. Current Account.....	<u>-774.7</u>	<u>-717.1</u>		<u>57.6</u>
A. Goods balance.....	<u>-1,363.0</u>	<u>-1,417.8</u>		<u>-54.8</u>
Exports (f.o.b.).....	988.6	1,025.7		37.1
Imports (f.o.b.).....	2,351.6	2,443.5		91.9
B. Service Balance.....	<u>208.8</u>	<u>339.8</u>		<u>131.0</u>
Transportation.....	-181.8	-152.2		29.6
Travel.....	712.4	812.4		100.0
Other Services.....	-321.8	-320.4		1.4

Balance of Payments (Calendar) (Cont'd)

	Jan-Sept 2002	Jan-Sept 2003	Change
C. Income.....	<u>-442.0</u>	<u>-454.4</u>	<u>-12.4</u>
Compensation of Employees.....	49.3	40.8	-8.5
Investment Income.....	-491.3	-495.2	-3.9
D. Current Transfers.....	<u>821.5</u>	<u>815.3</u>	<u>-6.2</u>
Official.....	83.7	64.2	-19.5
Private.....	737.8	751.1	13.3
2. Capital and Financial Account.....	<u>774.7</u>	<u>717.1</u>	<u>-57.6</u>
A. Capital Account.....	<u>-13.9</u>	<u>-14.1</u>	<u>-0.2</u>
Capital Transfers.....	<u>-13.9</u>	<u>-14.1</u>	<u>-0.2</u>
Official.....	0.2	0.1	-0.1
Private.....	-14.1	-14.2	-0.1
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
B. Financial Account.....	<u>788.6</u>	<u>731.2</u>	<u>-57.4</u>
Other Official Investment.....	20.2	-340.8	-361.0
Other Private Investment.....	615.0	657.6	42.6
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>153.4</u>	<u>414.4</u>	
	Apr-Sept 2002	Apr-Sept 2003	
Balance of Payments (Fiscal)			
1. Current Account.....	<u>-606.1</u>	<u>-418.2</u>	<u>187.9</u>
A. Goods balance.....	<u>-985.7</u>	<u>-887.8</u>	<u>97.9</u>
Exports (f.o.b.).....	658.9	698.0	39.1
Imports (f.o.b.).....	1,644.6	1,585.8	-58.8
B. Service Balance.....	<u>114.9</u>	<u>209.1</u>	<u>94.2</u>
Transportation.....	-133.0	-106.1	26.9
Travel.....	464.4	526.1	61.7
Other Services.....	-216.5	-210.9	5.6
C. Income.....	<u>-295.7</u>	<u>-284.4</u>	<u>11.3</u>
Compensation of Employees.....	46.3	35.9	-10.4
Investment Income.....	-342.0	-320.3	21.7
D. Current Transfers.....	<u>560.4</u>	<u>544.9</u>	<u>-15.5</u>
Official.....	58.5	42.5	-16.0
Private.....	501.9	502.4	0.5
2. Capital and Financial Account.....	<u>606.1</u>	<u>418.2</u>	<u>-187.9</u>
A. Capital Account.....	<u>-8.3</u>	<u>-9.1</u>	<u>-0.8</u>
Capital Transfers.....	-8.3	-9.1	-0.8
Official.....	0.1	0.0	-0.1
Private.....	-8.4	-9.1	-0.7
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	0.0
B. Financial Account.....	<u>614.4</u>	<u>427.3</u>	<u>-187.1</u>
Other Official Investment.....	-31.9	-89.3	-57.4
Other Private Investment.....	392.0	359.5	-32.5
<i>(incl. errors & omissions)</i>			
Reserves.....	254.3	157.1	
Government Reserves.....	0.0	0.0	

	Apr 2003	Mar 2004	Apr 2004	% Change p.a.
XIV. BOJ NET INTERNATIONAL RESERVES				
(US\$m.)				
BOJ Net International Reserves (US\$m.).....	<u>1,362.10</u>	<u>1,568.66</u>	<u>1,741.62</u>	<u>27.86</u>
Gross Foreign Assets.....	1,404.72	1,596.88	1,769.73	25.98
Gross Foreign Liabilities.....	42.62	28.22	28.11	-34.05
Estimated Gross Reserves in Weeks of Imports.....	<u>22.72</u>	<u>24.99</u>	<u>26.71</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>15.22</u>	<u>16.60</u>	<u>17.66</u>	
XV. FOREIGN EXCHANGE				
DEVELOPMENTS (US\$m.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	862.69	749.65	669.67	-22.37
Foreign Exchange Sales (spot).....	855.56	768.94	710.08	-17.00
Foreign Currency Deposit Balances of Authorised Dealers (US\$m.) ()				
Commercial Banks Balances.....	<u>1,204.88</u>	<u>1,310.93</u>	<u>1,348.65</u>	<u>11.93</u>
"A" Accounts 1/.....	82.05	118.56	128.43	56.53
Other.....	1,122.83	1,192.37	1,220.22	8.67
F.I.As Balance.....	<u>118.04</u>	<u>130.18</u>	<u>131.69</u>	<u>11.56</u>
"A" Accounts 1/.....	32.88	76.67	80.52	114.89
Other.....	85.16	53.51	51.17	-39.91
Building Societies Balances.....	<u>177.05</u>	<u>230.24</u>	<u>233.20</u>	<u>31.71</u>
"A" Accounts 1/.....	121.29	158.73	161.20	32.90
Other	55.76	71.51	72.00	29.12
Total Foreign Currency Deposits (US\$m.).....	<u>1,499.97</u>	<u>1,671.35</u>	<u>1,713.54</u>	<u>14.24</u>
Total Foreign Currency Loans (US\$m.).....	<u>596.99</u>	<u>711.56</u>	<u>696.27</u>	<u>16.63</u>
Commercial Banks.....	530.04	632.42	618.14	16.62
F.I.As	53.25	68.57	67.80	27.32
Building Societies.....	13.70	10.57	10.33	-24.60
London Interbank Offer Rate (LIBOR) Eurodollars (%)				
3 months.....	1.30	1.11	1.15	
6 months.....	1.28	1.16	1.27	
U.S. Prime Rate (end of period) (%).....	4.25	4.00	4.00	
Selling Exchange Rates (end period)				
US\$1.00 = J\$.....	Apr 2003 57.30	Mar 2004 61.01	Apr 2004 60.76	
Can. \$1.00 = J\$.....	39.60	46.46	44.18	
U.K. Pound = J\$.....	91.10	111.34	107.77	
Euro = J\$**.....	64.62	74.99	72.76	
Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.30	9.71	9.72	
Bdos. \$1 = J\$.....	28.90	30.50	30.38	
Guy. \$1 = J\$.....	0.30	0.31	0.31	
E.C. \$1 = J\$.....	21.41	22.59	22.50	

() Exclude deposits in "B" accounts

** Indicative Rates

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

+ Revised

INFLATION

MARCH 2004

The All Jamaica Consumer Price Index (CPI) increased by 0.5 per cent in March 2004, in line with the Bank's projection. This outturn brought inflation for the fiscal year (FY) 2003/04 to 16.8 per cent, 10.6 percentage points above that which obtained for FY 2002/03. The annual average rate was lower at 12.9 per cent but still higher than the 6.6 per cent as at March 2003 (Table 1). Nonetheless, the trajectory of monthly inflation has been downward since the highs recorded in the June 2003 quarter.

The primary influences on the inflation outturn in March were increases in global commodity prices and administered price adjustments. These increases were largely reflected in the *Food & Drink* and the *Housing & Other Housing Expenses* sub-indices, which increased by 0.3 per cent and 1.7 per cent, respectively. These sub-indices respectively contributed 44.7 per cent and 23.2 per cent to the overall inflation (Table 2). Other inflationary impulses of note were registered in the, *Healthcare & Personal Expenses* (0.6%), *Transportation* (0.4%) and *Miscellaneous Expenses* (0.2%) sub-indices. These groups contributed 7.8 per cent, 5.1 per cent and 3.2 per cent, respectively, to the overall inflation (Table 2).

The primary impetus to prices in the *Food & Drink* sub-index emanated from the *Meat, Poultry & Fish* sub-group. This sub-group increased by 1.0 per cent and primarily reflected price increases for fish, beef and chicken. These increases were due, in part, to the recent movements in international grain prices. Additionally, the price of fish reflected the seasonally higher demand associated with the Lenten period. Of note, there were countervailing impulses from the *Starchy Foods* sub-group, reflective of seasonally higher production volumes.

The *Housing & Other Housing Expenses* sub-index increased by 1.7 per cent, largely influenced by the *Other Housing Expenses* sub-group. This sub-group increased by 2.1 per cent, and primarily reflected increases in telephone and electricity rates, as well as increases in steel prices. The increase in telephone rates occurred as a result of a 25 per cent increase in rental charges for landlines, while the movement in electricity rates was primarily due to systematic upward movements in oil prices. The increases in steel prices, resulted from continued increased international demand for the commodity in the context of global economic recovery.

The *Healthcare & Personal Expenses* sub-index increased by 0.6 per cent. This was primarily influenced by upward adjustments of 5.6 per cent in the prices of spectacles in the KMA and 2.9 per cent each in the Other Towns and Rural Areas. Other impulses of note arose in the *Household Furnishings & Furniture* and the *Fuels & Other Household Supplies* sub-indices (see Table 2). The *Household Furnishings & Furniture* sub-index rose mainly on the account of an increase in the price of certain beds, particularly in the KMA, while the increase in the *Fuels & Other Household Supplies* group was due primarily to upward adjustments in cooking gas, as well as incremental increases in several household items.

At the regional level, both the KMA and Other Towns regions experienced similar increase of 0.7 per cent in their overall index for the month. However, the CPI in the Rural Areas remained unchanged.

The inflation in the three regions was mainly influenced by the *Food & Drink* sub-index, which increased by 0.8 per cent in the KMA and 0.7 per cent in the Other Towns but declined by 0.4 per cent in the Rural Areas. Agricultural prices were the moderating impulse in the Rural Areas as the *Starchy Foods* and *Vegetables & Fruits* sub-groups declined by 2.8 per cent and 1.7 per cent, respectively, in the region (see Table 3).

The trimmed mean index was estimated to have increased by 0.32 per cent in March, similar to what obtained in the previous month, but 0.18 percentage point less than the measure in January (Table 4). Core inflation has been on a declining trend since peaking in July 2003. This has been more evident since December 2003 consistent with the stability in the exchange rate since then. Core inflation, for the March 2004 quarter, was 1.1 per cent, consistent with the long-term objective of underlying inflation of approximately 4.0 per cent per year. The 12-month point-to-point core inflation rate at March 2004 was 7.9 per cent, 3.8 percentage points above the comparable measure at March 2003. Similarly, the annual average core inflation rate of 7.0 per cent was 3.7 percentage points above the rate recorded in the corresponding month of 2003.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.66 per cent in March. This estimate shows a decrease of 0.02 percentage point relative to the previous month's out-turn. Non-agricultural inflation had peaked in June 2003, consequent on impulses arising from budgetary measures and the instability in the exchange rate. Subsequent measures at limiting inflationary effects from this development and restoring stability have led to the downward trend.

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	
1999	Apr	1,179.9	1,179.7	-0.22	-0.84	-0.26	5.37	7.79	
	May	1,190.6	1,184.3	0.91	1.17	0.02	5.46	7.53	
	Jun	1,205.9	1,192.1	1.29	1.98	0.77	4.93	7.10	
	Jul	1,220.4	1,205.6	1.20	3.43	2.20	4.99	6.67	
	Aug	1,234.3	1,220.2	1.14	3.67	3.03	5.09	6.28	
	Sept	1,237.6	1,230.7	0.27	2.63	3.24	5.26	6.02	
	Oct	1,247.5	1,239.8	0.80	2.22	2.83	6.43	5.96	
	Nov	1,259.9	1,248.3	0.99	2.07	2.31	7.39	6.03	
	Dec	1,265.9	1,257.7	0.48	2.29	2.19	6.78	5.95	
	2000	Jan	1,268.1	1,264.6	0.17	1.65	2.00	6.57	5.88
		Feb	1,273.1	1,269.0	0.39	1.05	1.66	8.18	6.04
		Mar	1,281.7	1,274.3	0.68	1.25	1.31	8.39	6.25
	Apr	1,294.4	1,283.0	0.99	2.07	1.46	9.70	6.61	
	May	1,300.0	1,292.0	0.43	2.11	1.81	9.19	6.92	
	Jun	1,311.4	1,301.9	0.88	2.32	2.17	8.75	7.24	
	Jul	1,324.0	1,311.8	0.96	2.29	2.24	8.49	7.53	
	Aug	1,335.9	1,323.7	0.90	2.76	2.46	8.23	7.79	
	Sept	1,349.3	1,336.4	1.00	2.89	2.65	9.03	8.10	
	Oct	1,351.1	1,345.4	0.13	2.05	2.56	8.30	8.25	
	Nov	1,352.4	1,350.9	0.10	1.24	2.05	7.34	8.25	
	Dec	1,342.6	1,348.7	-0.72	-0.50	0.92	6.06	8.17	
2001	Jan	1,342.9	1,345.9	0.02	-0.61	0.04	5.90	8.11	
	Feb	1,358.6	1,348.0	1.17	0.46	-0.21	6.72	7.98	
	Mar	1,365.0	1,355.5	0.47	1.67	0.50	6.50	7.82	
	Apr	1,370.8	1,364.8	0.42	2.08	1.40	5.90	7.51	
	May	1,381.1	1,372.3	0.75	1.65	1.80	6.24	7.27	
	Jun	1,404.9	1,385.6	1.73	2.93	2.22	7.13	7.14	
	Jul	1,418.7	1,401.6	0.98	3.50	2.70	7.15	7.03	
	Aug	1,431.1	1,418.3	0.87	3.63	3.35	7.13	6.94	
	Sept	1,442.9	1,430.9	0.82	2.70	3.27	6.94	6.78	
	Oct	1,454.9	1,443.0	0.83	2.55	2.95	7.68	6.73	
	Nov	1,456.2	1,451.3	0.09	1.75	2.33	7.68	6.76	
	Dec	1,460.2	1,457.1	0.27	1.20	1.83	8.76	6.99	
2002	Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38	7.28	
	Feb	1,468.0	1,465.6	-0.05	0.81	0.99	8.05	7.39	
	Mar	1,468.5	1,468.4	0.03	0.57	0.78	7.58	7.48	
	Apr	1,475.9	1,470.8	0.50	0.48	0.62	7.67	7.62	
	May	1,480.0	1,474.8	0.28	0.82	0.62	7.16	7.69	
	Jun	1,492.8	1,482.9	0.86	1.65	0.99	6.25	7.61	
	Jul	1,515.6	1,496.1	1.53	2.69	1.72	6.83	7.58	
	Aug	1,521.2	1,509.9	0.37	2.79	2.38	6.29	7.51	
	Sept	1,528.0	1,521.6	0.45	2.36	2.61	5.90	7.41	
	Oct	1,539.2	1,529.5	0.73	1.56	2.23	5.80	7.25	
	Nov	1,558.3	1,541.8	1.24	2.44	2.12	7.01	7.20	
	Dec	1,566.1	1,554.5	0.50	2.49	2.16	7.25	7.08	
2003	Jan	1561.3	1561.9	-0.31	1.44	2.12	6.30	6.83	
	Feb	1552.2	1559.9	-0.58	-0.39	1.17	5.74	6.64	
	Mar	1559.5	1557.7	0.47	-0.42	0.20	6.20	6.52	
	Apr	1584.0	1565.2	1.57	1.45	0.21	7.33	6.50	
	May	1613.4	1585.6	1.86	3.94	1.65	9.01	6.66	
	Jun	1653.1	1616.8	2.46	6.00	3.80	10.74	7.04	
	Jul	1678.4	1648.3	1.53	5.96	5.31	10.74	7.38	
	Aug	1702.0	1677.8	1.41	5.49	5.81	11.88	7.85	
	Sept	1728.4	1702.9	1.55	4.56	5.33	13.11	8.47	
	Oct	1756.7	1729.0	1.64	4.67	4.90	14.13	9.17	
	Nov	1773.0	1752.7	0.93	4.17	4.46	13.78	9.74	
	Dec	1786.8	1772.2	0.78	3.38	4.07	14.09	10.32	
2004	Jan	1801.8	1787.2	0.84	2.57	3.36	15.40	11.08	
	Feb	1811.9	1800.2	0.56	2.19	2.71	16.73	11.99	
	Mar	1820.8	1811.5	0.49	1.90	2.22	16.76	12.86	

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
March 2004

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.3	0.2355	44.7
Meals away from home	0.0741	0.1	0.0081	1.5
Meat, Poultry & Fish	0.1613	1.0	0.1575	29.9
Dairy Products Oils & Fats	0.0668	0.6	0.0379	7.2
Baked Products, Cereals & Breakfast Drink	0.0864	0.3	0.0289	5.5
Starchy Foods	0.0525	-1.3	-0.0664	-12.6
Vegetables & Fruits	0.0650	0.6	0.0417	7.9
Other Food & Beverages	0.0502	0.6	0.0277	5.3
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.5	0.0350	6.7
Household Supplies	0.0482	0.5	0.0241	4.6
Fuels	0.0253	0.4	0.0110	2.1
HOUSING & OTHER HOUSING EXPENSES	0.0786	1.7	0.1220	23.2
Rental	0.0209	0.1	0.0020	0.4
Other Housing Expenses	0.0577	2.1	0.1200	22.8
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.7	0.0402	7.6
Furniture	0.0068	3.4	0.0233	4.4
Furnishings	0.0215	0.8	0.0169	3.2
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.6	0.0411	7.8
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.2	0.0092	1.7
Clothing Materials	0.0055	0.0	0.0001	0.0
Readymade Clothing & Accessories	0.0242	0.2	0.0043	0.8
Footwear	0.0159	0.3	0.0046	0.9
Making & Repairs	0.0051	0.0	0.0002	0.0
TRANSPORTATION	0.0644	0.4	0.0268	5.1
MISCELLANEOUS EXPENSES	0.0785	0.2	0.0170	3.2
ALL GROUPS	1.0000	0.49	0.53	100.0

Table 3
REGIONAL INFLATION
March 2004

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.8	0.7	-0.4
Meals away from home	0.1	0.2	0.1
Meat Poultry & Fish	1.1	1.1	0.8
Dairy Products Oils & Fats	0.9	0.3	0.3
Baked Products Cereals & Breakfast Drink	0.3	0.7	0.2
Starchy Foods	0.3	1.8	-2.8
Vegetables & Fruits	3.0	0.3	-1.7
Other Food & Beverages	0.9	0.5	0.2
FUELS & OTHER HOUSEHOLD SUPPLIES	0.3	0.9	0.4
Household Supplies	0.2	0.9	0.6
Fuels	0.4	0.9	0.2
HOUSING & OTHER HOUSING EXPENSES	1.5	1.9	1.9
Rental	0.0	0.4	0.4
Other Housing Expenses	2.1	2.1	2.0
HOUSEHOLD FURNISHINGS & FURNITURE	4.2	0.2	0.2
Furniture	10.8	0.1	0.3
Furnishings	1.6	0.2	0.2
HEALTHCARE & PERSONAL EXPENSES	0.5	0.4	0.8
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0	0.2	0.4
Clothing Materials	0.0	0.1	0.0
Readymade Clothing & Accessories	0.1	0.3	0.2
Footwear	0.0	0.0	0.8
Making & Repairs	0.0	0.2	0.0
TRANSPORTATION	0.5	0.4	0.2
MISCELLANEOUS EXPENSES	0.0	0.6	0.3
ALL GROUPS	0.7	0.7	0.0

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2000/01						
Apr	0.99	0.50	0.99	0.50	4.52	3.24
May	0.43	0.27	1.43	0.77	4.38	3.39
Jun	0.88	0.34	2.32	1.11	4.27	3.53
Jul	0.96	0.29	3.30	1.40	3.91	3.62
Aug	0.90	0.52	4.23	1.92	3.87	3.69
Sept	1.00	0.42	5.27	2.35	4.13	3.79
Oct	0.13	0.37	5.41	2.72	4.27	3.89
Nov	0.10	0.28	5.52	3.01	4.23	3.97
Dec	-0.72	0.16	4.75	3.18	4.03	4.03
Jan	0.02	0.13	4.77	3.31	4.05	4.12
Feb	1.17	0.85	6.00	4.19	4.55	4.18
Mar	0.47	0.22	6.50	4.41	4.41	4.22
2001/02						
Apr	0.42	0.14	0.42	0.14	4.04	4.18
May	0.75	0.50	1.18	0.65	4.29	4.17
June	1.73	0.35	2.93	1.00	4.30	4.17
July	0.98	0.44	3.94	1.44	4.46	4.22
Aug	0.87	0.39	4.85	1.84	4.33	4.26
Sept	0.82	0.28	5.71	2.12	4.18	4.26
Oct	0.83	0.34	6.59	2.46	4.15	4.25
Nov	0.09	0.15	6.68	2.61	4.01	4.23
Dec	0.27	0.13	6.97	2.75	3.98	4.23
Jan	0.59	0.35	7.60	3.11	4.22	4.24
Feb	-0.05	0.15	7.55	3.26	3.49	4.15
Mar	0.03	0.06	7.58	3.32	3.32	4.06
2002/03						
Apr	0.50	0.28	0.50	0.28	3.46	4.01
May	0.28	0.19	0.78	0.47	3.14	3.91
June	0.86	0.39	1.65	0.86	3.18	3.82
July	1.53	0.30	3.21	1.16	3.04	3.70
Aug	0.37	0.24	3.59	1.41	2.89	3.58
Sept	0.45	0.21	4.05	1.62	2.82	3.47
Oct	0.73	0.28	4.82	1.90	2.76	3.35
Nov	1.24	0.55	6.12	2.47	3.18	3.29
Dec	0.50	0.34	6.65	2.82	3.39	3.24
Jan	-0.31	0.37	6.32	3.20	3.41	3.17
Feb	-0.58	0.38	5.70	3.59	3.65	3.19
Mar	0.47	0.54	6.20	4.15	4.15	3.26
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
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

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
September 2003**

September 2003

The current account of the balance of payments improved by US\$91.6MN to minus US\$67.3MN in **September 2003**, relative to September 2002. The improvement reflected a contraction of US\$76.4MN in the deficit on the merchandise trade account, as well as increases of US\$12.0MN in net receipts from both services and current transfers. Partly offsetting these changes was an expansion of US\$8.8MN in the deficit on the income sub-account. Within the financial account, net private investment inflows were more than sufficient to finance net official investment outflows, as well as the deficits on the current and capital accounts. In this context, there was a build up of US\$102.5MN in the net international reserves of the Bank of Jamaica during the review month.

Merchandise Trade

The narrowing of the deficit on the merchandise trade account was attributed to a contraction of US\$44.8MN in the value of imports (f.o.b.), as well as an increase of US\$31.6MN in earnings from exports. Growth in export earnings for the month largely resulted from an expansion of US\$33.3MN in the major traditional export category, due entirely to an increase in alumina exports. The higher value of alumina exports resulted from an increase of 8.7 per cent in export volumes, complemented by a 6.9 per cent increase in the price of alumina. However, the effect of these increases was partially offset by reductions of US\$3.5MN and US\$1.4MN in receipts from non-traditional and other traditional exports.

Respective declines of US\$46.4MN, and US\$3.1MN in the c.i.f. values of raw materials and capital goods imports contributed to the overall reduction in imports. Raw material imports reflected contractions of US\$35.5MN and US\$10.9MN in the value of fuel and other raw material imports, respectively. The lower level of fuel imports reflected the impact of mining related fuel imports, while reduced spending on transport equipment for the public transportation system and telephone apparatus for the telecommunication sector were primarily responsible for the decline in expenditure on capital goods during the review month.

Services

Declines of US\$4.7MN and US\$3.5MN in net transportation and other service payments, respectively, supplemented by an expansion of US\$3.8MN in net receipts from the travel sub-sector, were responsible for the increased surplus on the services account for the review month. The reduction in net transportation payments was associated with lower freight charges, given the lower value of imports, while the travel sub-sector benefitted from increases of 30.4 per cent and 12.9 per cent in cruise passenger and foreign national arrivals, respectively.

Income

The increase in the deficit on the income account in September 2003 was attributable to an expansion of US\$11.2MN in net investment income outflows, which was associated with a US\$14.4MN expansion in the imputed profit remittances of direct investment companies. This increase was partially offset by a decline of US\$4.9MN in interest payments on Government of Jamaica's external debt.

Current Transfers

The growth in current transfers in the review month, relative to September 2002, stemmed from an increase of US\$14.1MN in net private inflows, which was attributable to an expansion of US\$16.9MN in gross inflows to the private sector. This outweighed an increase of US\$2.8MN in gross private outflows. Growth of US\$10.3MN in inflows through remittance companies was mainly responsible for the expansion in private inflows.

Capital and Financial Accounts

A deficit of US\$1.4MN was recorded on the capital account, while the financial account reflected a surplus of US\$68.7MN. Within the financial account, net private investment inflows of US\$178.2MN were more than sufficient to finance net official investment outflows of US\$7.0MN, as well as the deficits on the current and capital accounts. Consequently, there was a build-up of US\$102.5MN in the net international reserves of the Bank of Jamaica during the review month.

April to September 2003

The current account deficit improved by US\$187.9MN to US\$418.2MN during the period April to September 2003, relative to the deficit recorded for the corresponding period in 2002. The improvement reflected an increase of US\$94.2MN in net earnings from services, as well as respective reductions of US\$97.9MN and US\$11.3MN in the deficits on the trade and income accounts. Partly offsetting these changes was a decline of US\$15.5MN in the surplus on the current transfers sub-account. Within the financial account, net private investment inflows of US\$359.5MN, which were US\$32.5MN below the level recorded for the similar period in 2002, were insufficient to finance net amortisation of Government's external debt, as well as the deficits on the current and capital accounts. In this context, there was a draw down of US\$157.1MN in the net international reserves of the Bank of Jamaica during the review period.

Merchandise Trade

A contraction of US\$58.8MN in payment for imports (f.o.b.), augmented by an increase of US\$39.1MN in export receipts, contributed to the improvement in the merchandise trade deficit. The fall in imports reflected declines of US\$60.5MN and US\$39.5MN in capital and consumer goods imports, respectively, partly offset by an expansion of US\$23.5MN in raw material imports, relative to the corresponding period in 2002. Increased spending of US\$16.5MN and US\$7.0MN on fuels and other raw material imports, respectively, were responsible for the growth in raw material imports. The higher value of fuel imports was attributed to increased price, as the volume of fuel imports, particularly for the mining sector, fell. Increases in imports of parts and accessories, industrial supplies and food influenced the growth in other raw material imports. The contraction in capital goods imports was mainly due to lower spending on cellular telephones and buses for the public transportation system. The reduction in consumer goods imports stemmed from lower expenditure on all its subcategories, in particular, durable goods imports.

Major traditional and non-traditional exports increased by US\$58.6MN and US\$6.9MN, respectively, during the review period, while respective declines of US\$22.9MN, and US\$5.4MN were recorded in receipts from free zone and other traditional exports. With the exception of bauxite, all the major traditional exports recorded growth during the review quarter. In particular, the value of alumina exports grew by US\$60.5MN, reflecting increases of 15.5 per cent and 4.9 per cent in volume and price, respectively, relative to the similar period in 2002. Contractions of US\$3.2MN and US\$2.9MN in receipts from rum and coffee exports primarily accounted for the decline in other-traditional exports.

Services

The expansion in the surplus on the services account, relative to 2002, primarily reflected an increase of US\$61.7MN in net travel receipts. Total visitor arrivals for the review period rose by 13.2 per cent, relative to the corresponding period in 2002, influenced by increases of 6.5 per cent and 26.2 per cent in foreign national stopover and cruise visitor arrivals, respectively. In addition to the increase in net travel receipts, there were respective reductions of US\$26.9MN and US\$5.6MN in net payments for "transportation" and "other services".

Income

An estimated decline of US\$26.4MN in outflows related to the activities of the direct investment companies largely influenced the reduction in the deficit on the income account for the review period.

Current Transfers

The contraction in net current transfers was attributed to a reduction of US\$16.0MN in net official inflows. This decline occurred in the context of significant grant inflows in the comparable period of 2002, which were not repeated in the review period.

Capital & Financial Accounts

A deficit of US\$9.1MN was recorded on the capital account for the review period, while a surplus of US\$427.3MN was registered on the financial account. Within the financial account, net private investment inflows of US\$359.5MN and net official outflows of US\$89.3MN were recorded. The net official payment, in conjunction with the deficits on the current and capital accounts, led to a draw down of US\$157.1MN in the net international reserves of the Bank of Jamaica. At the end of September 2003, the level of gross reserves stood at US\$1117.6MN representing 19.1 weeks of imports of goods and 12.7 weeks of imports of goods and services.

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

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Sept ^{1/}	Sept ^{2/}		Apr - Sept ^{1/}	Apr -Sept ^{2/}	
	2002	2003	Change	2002	2003	Change
1. CURRENT ACCOUNT	-158.9	-67.3	91.6	-606.1	-418.2	187.9
A. GOODS and SERVICES	-221.1	-132.7	88.4	-870.8	-678.7	192.1
a. GOODS BALANCE	-211.5	-135.1	76.4	-985.7	-887.8	97.9
Exports (f.o.b.)	87.9	119.5	31.6	658.9	698.0	39.1
Imports (f.o.b.)	299.4	254.6	-44.8	1644.6	1585.8	-58.8
b. SERVICES BALANCE	-9.6	2.4	12.0	114.9	209.1	94.2
Transportation	-26.6	-21.9	4.7	-133.4	-106.1	26.9
Travel	48.8	52.6	3.8	464.4	526.1	61.7
Other Services	-31.8	-28.3	3.5	-216.5	-210.9	5.6
B. INCOME	-23.6	-32.4	-8.8	-295.7	-284.4	11.3
Compensation of employees	7.7	10.1	2.4	46.3	35.9	-10.4
Investment Income	-31.3	-42.5	-11.2	-342.0	-320.3	21.7
C. CURRENT TRANSFERS	85.5	97.8	12.0	560.4	544.9	-15.5
Official	8.9	6.8	-2.1	58.5	42.5	-16.0
Private	76.9	91.0	14.1	501.9	502.4	0.5
2. CAPITAL & FINANCIAL ACCOUNT	158.9	67.3	-91.6	606.1	418.2	-187.9
A. CAPITAL ACCOUNT	-1.4	-1.4	0.0	-8.3	-9.1	-0.8
a. Capital Transfers	-1.4	-1.4	0.0	-8.3	-9.1	-0.8
Official	0.0	0.0	0.0	0.1	0.0	-0.1
Private	-1.4	-1.4	0.0	-8.4	-9.1	-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	160.3	68.7	-91.6	614.4	427.3	-187.1
Other official investment	-15.4	-7.0	8.4	-31.9	-89.3	-57.4
Other private investment ^{3/}	177.4	178.2	0.8	392.0	359.5	-32.5
Change in Reserves (minus = increase)	-1.7	-102.5		254.3	157.1	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA

15 Jan 2004