



# ECONOMIC STATISTICS

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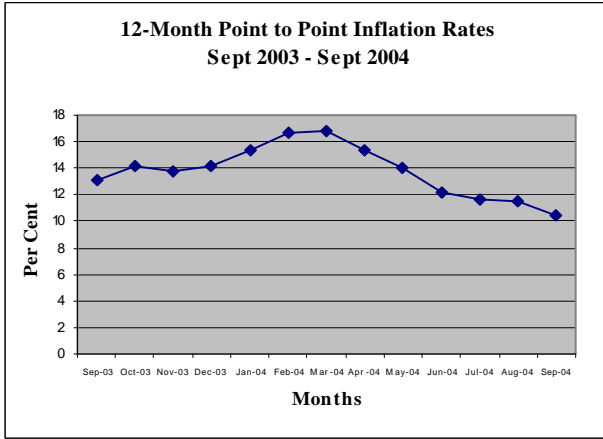
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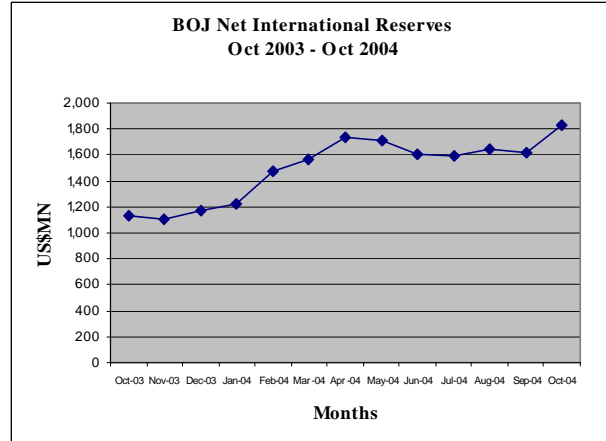


# SELECTED ECONOMIC INDICATORS

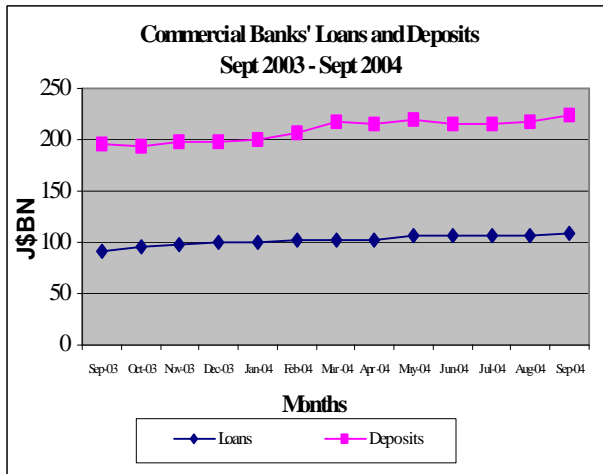
**Figure 1**



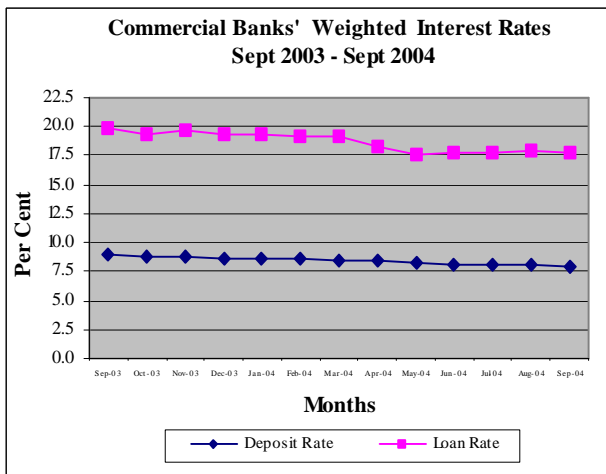
**Figure 2**



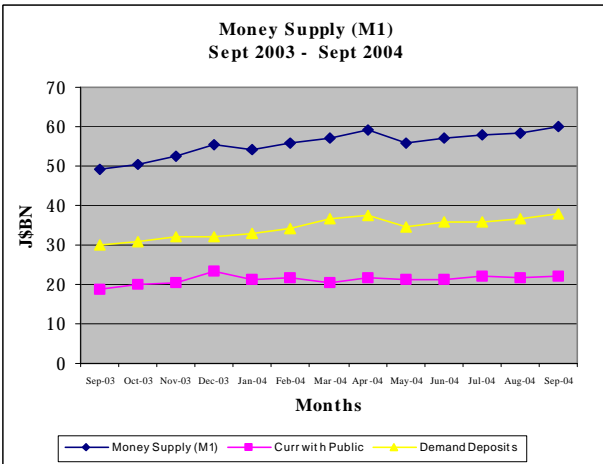
**Figure 3**



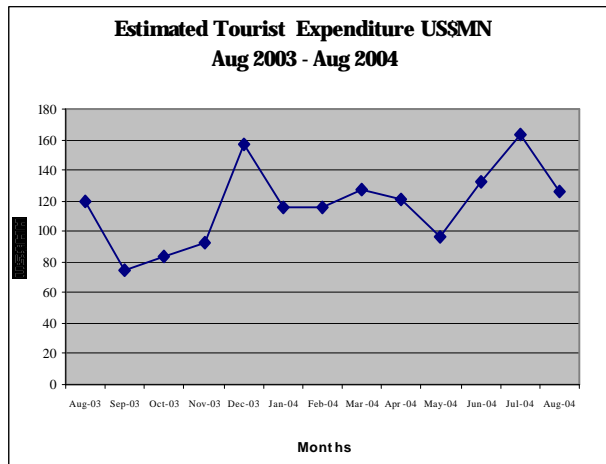
**Figure 4**



**Figure 5**



**Figure 6**



| <b>1. MONETARY AGGREGATES (J\$mn.)</b>             |                   |                   |                   | <b>%</b>           |
|--|-------------------|-------------------|-------------------|--------------------|
| <b>Local and Foreign Currency</b>                  | <b>Sept 2003</b>  | <b>Aug 2004+</b>  | <b>Sept 2004</b>  | <b>Change p.a.</b> |
| Money Supply (M1).....                             | <u>49,028.95</u>  | <u>58,234.56</u>  | <u>60,046.17</u>  | <u>22.47</u>       |
| (a) Currency with the Public.....                  | 18,907.61         | 21,602.77         | 22,160.37         | 17.20              |
| (b) Demand Deposits (adj.)***.....                 | 30,121.34         | 36,631.79         | 37,885.80         | 25.78              |
| Quasi-Money.....                                   | <u>123,731.42</u> | <u>138,977.53</u> | <u>140,085.12</u> | <u>13.22</u>       |
| (a) Time.....                                      | 31,040.34         | 35,976.95         | 33,986.09         | 9.49               |
| (b) Savings.....                                   | 92,691.08         | 103,000.58        | 106,099.03        | 14.47              |
| Money Supply (M2).....                             | <u>172,760.37</u> | <u>197,212.09</u> | <u>200,131.29</u> | <u>15.84</u>       |
| Domestic Credit (net).....                         | <u>203,274.04</u> | <u>216,146.21</u> | <u>222,682.19</u> | <u>9.55</u>        |
| <br>   |                   |                   |                   |                    |
| <b>Local Currency</b>                              | <b>Sept 2003</b>  | <b>Aug 2004</b>   | <b>Sept 2004</b>  |                    |
| Money Supply (M1).....                             | <u>39,838.81</u>  | <u>47,884.60</u>  | <u>48,914.70</u>  | <u>22.78</u>       |
| (a) Currency with the Public.....                  | 18,907.61         | 21,602.77         | 22,160.37         | 17.20              |
| (b) Demand Deposits (adj.)***.....                 | 20,931.20         | 26,281.83         | 26,754.33         | 27.82              |
| Quasi-Money.....                                   | <u>74,282.99</u>  | <u>82,831.12</u>  | <u>81,456.98</u>  | <u>9.66</u>        |
| (a) Time.....                                      | 17,452.68         | 19,609.97         | 17,641.41         | 1.08               |
| (b) Savings.....                                   | 56,830.31         | 63,221.15         | 63,815.57         | 12.29              |
| Money Supply (M2).....                             | <u>114,121.80</u> | <u>130,715.72</u> | <u>130,371.68</u> | <u>14.24</u>       |
| Domestic Credit (net).....                         | <u>176,158.27</u> | <u>182,912.48</u> | <u>189,564.41</u> | <u>7.61</u>        |
| <br>   |                   |                   |                   |                    |
|  | <b>Oct 2003</b>   | <b>Sept 2004</b>  | <b>Oct 2004</b>   |                    |
| Base Money.....                                    | <u>33,565.46</u>  | <u>38,390.93</u>  | <u>38,714.66</u>  | <u>15.34</u>       |
| <br>   |                   |                   |                   |                    |
| <b>II. COMMERCIAL BANKS (J\$mn.)</b>               | <b>Sept 2003</b>  | <b>Aug 2004+</b>  | <b>Sept 2004</b>  |                    |
| Assets & Liabilities (J\$mn.)**.....               | <u>306,632.80</u> | <u>326,700.76</u> | <u>341,733.16</u> | <u>11.45</u>       |
| <br>   |                   |                   |                   |                    |
| Loans**.....                                       | <u>91,254.85</u>  | <u>107,229.67</u> | <u>108,989.07</u> | <u>19.43</u>       |
| Agriculture.....                                   | 1,636.19          | 1,339.95          | 1,308.15          | -20.05             |
| Manufacturing.....                                 | 3,683.30          | 3,111.48          | 3,201.71          | -13.07             |
| Construction & Land Development.....               | 6,194.30          | 7,958.14          | 8,204.16          | 32.45              |
| Mining.....  | 322.34            | 187.45            | 196.78            | -38.95             |
| Tourism.....                                       | 10,574.73         | 13,823.07         | 13,817.81         | 30.67              |
| Transport, Storage & Communication.....            | 8,266.78          | 8,237.83          | 8,177.74          | -1.08              |
| Consumer-Oriented.....                             | 34,476.83         | 43,735.74         | 44,075.70         | 27.84              |
| Government Services.....                           | 24,858.10         | 27,351.33         | 28,301.73         | 13.85              |
| Other.....   | 1,242.28          | 1,484.68          | 1,705.29          | 37.27              |
| <br>   |                   |                   |                   |                    |
|  | <b>Sept 2003</b>  | <b>Aug 2004</b>   | <b>Sept 2004</b>  |                    |
| DEPOSITS.....                                      | <u>194,580.27</u> | <u>217,277.86</u> | <u>223,166.78</u> | <u>14.69</u>       |
| Private Sector (including overseas residents)..... | <u>167,042.05</u> | <u>190,788.26</u> | <u>193,065.53</u> | <u>15.58</u>       |
| Time.....  | 36,691.40         | 43,503.41         | 41,521.86         | 13.17              |
| Savings.....                                       | 99,602.95         | 110,454.88        | 113,587.02        | 14.04              |
| Demand.....  | 30,747.70         | 36,829.97         | 37,956.65         | 23.45              |
| Government.....                                    | <u>13,206.87</u>  | <u>13,246.90</u>  | <u>15,004.59</u>  | <u>13.61</u>       |
| Time.....  | 510.58            | 302.28            | 303.42            | -40.57             |
| Savings.....                                       | 1,577.09          | 1,443.38          | 1,512.53          | -4.09              |
| Demand.....  | 11,119.20         | 11,501.24         | 13,188.64         | 18.61              |
| Public Entities.....                               | <u>7,972.77</u>   | <u>7,189.72</u>   | <u>7,999.83</u>   | <u>0.34</u>        |
| Time.....  | 4,938.67          | 4,750.07          | 3,995.37          | -19.10             |
| Savings.....                                       | 1,970.15          | 1,140.44          | 2,645.77          | 34.29              |
| Demand.....  | 1,063.95          | 1,299.21          | 1,358.69          | 27.70              |

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

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

+ Revised

|   |                  |                  |                  | %                  |
|---|------------------|------------------|------------------|--------------------|
| <b>II. COMMERCIAL BANKS (J\$mn.) (Cont'd)</b>         | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> | <b>Change p.a.</b> |
| Spec. & O. F. Insts.....                              | <u>6,358.58</u>  | <u>6,052.98</u>  | <u>7,096.83</u>  | <u>11.61</u>       |
| Time.....   | 1,641.18         | 854.16           | 1,416.29         | -13.70             |
| Savings.....  | 960.92           | 791.41           | 977.95           | 1.77               |
| Demand.....   | 3,756.48         | 4,407.41         | 4,702.59         | 25.19              |
|   | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| Current Account Balances with BOJ (J\$mn).....        | <u>150.43</u>    | <u>133.08</u>    | <u>209.20</u>    |                    |
| <b>LIQUIDITY (Average) %</b>                          | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> |                    |
| Actual Liquid Assets Ratio.....                       | <u>33.70</u>     | <u>39.63</u>     | <u>38.61</u>     |                    |
| Cash.....   | 2.37             | 2.87             | 2.64             |                    |
| Deposits with B.O.J.....                              | 9.15             | 9.52             | 9.70             |                    |
| Treasury Bills.....                                   | 0.45             | 0.95             | 3.76             |                    |
| Local Registered Stocks.....                          | 9.49             | 7.22             | 3.32             |                    |
| Other.....  | 12.24            | 19.07            | 19.19            |                    |
| Statutory Requirement.....                            | <u>23.00</u>     | <u>23.00</u>     | <u>23.00</u>     |                    |
| <b>III. SELECTED INTEREST RATES (%)</b>               |                  |                  |                  |                    |
| <b>COMMERCIAL BANKS (Domestic Currency)</b>           | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| Fixed Deposits (J\$100,000 & over)                    |                  |                  |                  |                    |
| 3-6 months.....                                       | 8.50-13.25       | 8.50-13.25       | 8.50-13.15       |                    |
| 9-12 months.....                                      | 8.50-13.50       | 8.50-13.50       | 8.50-13.15       |                    |
| Call Deposits.....                                    | 1.00-60.00       | 4.00-12.00       | 1.00-15.00       |                    |
| Average Savings Deposits .....                        | 8.43             | 8.06             | 7.84             |                    |
| Average Loan Rate.....                                | 25.60            | 24.95            | 25.00            |                    |
| Average Inter-bank Rate .....                         | 14.27            | 8.38             | 8.75             |                    |
|   | <b>Sept 2003</b> | <b>Aug 2004+</b> | <b>Sept 2004</b> |                    |
| Weighted Fixed Deposits Rate.....                     | 9.02             | 8.03             | 7.99             |                    |
| Weighted Loan Rate.....                               | 19.87            | 17.92            | 17.76            |                    |
| <b>G.O.J. Treasury Bills (Weighted Average) Yield</b> | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| 2 Months:.....  | -                | -                | -                |                    |
| 3 Months:.....  | 22.44            | 14.41            | -                |                    |
| 6 Months:.....  | 23.07            | 14.80            | 14.78            |                    |
| 9 Months:.....  | -                | -                | -                |                    |
| 12 Months:.....                                       | -                | -                | -                |                    |
|   | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| <b>BOJ Reverse Repurchase Rates (%)</b>               |                  |                  |                  |                    |
| 30-Day .....  | 15.00            | 14.00            | 14.00            |                    |
| 60-Day .....  | 15.30            | 14.10            | 14.10            |                    |
| 90-Day .....  | 18.00            | 14.20            | 14.20            |                    |
| 120-Day .....   | 21.00            | 14.35            | 14.35            |                    |
| 180-Day .....   | 23.50            | 14.80            | 14.80            |                    |
| 270-Day .....   | 23.75            | 15.35            | 15.35            |                    |
| 365-Day .....   | 24.00            | 16.00            | 16.00            |                    |
| <b>COMMERCIAL BANKS (Foreign Currency)</b>            | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| Fixed Deposits (Under US\$100,000)                    |                  |                  |                  |                    |
| 1-3 months.....                                       | 2.00-4.50        | 1.00-4.50        | 1.00-5.00        |                    |
| 3-6 months.....                                       | 2.00-4.55        | 1.25-4.55        | 1.25-5.50        |                    |
| 6-12 months.....                                      | 2.00-6.00        | 1.50-6.00        | 1.50-6.00        |                    |
| Fixed Deposits (US\$100,000 & Over)                   |                  |                  |                  |                    |
| 1-3 months.....                                       | 2.50-4.75        | 2.00-4.75        | 2.00-5.75        |                    |
| 3-6 months.....                                       | 2.50-4.85        | 2.25-4.85        | 2.25-6.25        |                    |
| 6-12 months.....                                      | 2.50-6.25        | 2.50-6.25        | 2.50-6.75        |                    |
| Average Loan Rates .....                              | 12.15            | 12.50            | 12.41            |                    |
| Average Savings .....                                 | 2.66             | 2.69             | 2.69             |                    |

|   |                  |                  |                  | %                  |
|---|------------------|------------------|------------------|--------------------|
| <b>IV. SECURITIES (J\$mn.)</b> (outstanding balances)                           | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> | <b>Change p.a.</b> |
| GOJ Local Registered Stock.....   | 232,914.53       | 223,806.93       | 222,522.44       | -4.46              |
|   | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| BOJ Open Market Operations 1/.....  | 83,709.63        | 127,629.31       | 130,904.54       | 56.38              |
| GOJ Treasury Bills.....   | 3,000.00         | 3,750.00         | 3,650.00         | 21.67              |
| <b>V. INSTALMENT CREDIT (J\$mn.)</b><br>(Banks & Near-Banks)                    | <b>Sept 2003</b> | <b>Aug 2004+</b> | <b>Sept 2004</b> |                    |
| Total Credit Outstanding.....   | 9,119.65         | 11,289.17        | 11,295.45        | 23.86              |
| New Business.....   | 639.95           | 856.86           | 569.22           | -11.05             |
| <b>VI. NEAR-BANKS (J\$mn.)</b><br>(Merchant Banks, Trust Com. & Finance Houses) | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> |                    |
| Assets/Liabilities.....   | 35,776.35        | 44,345.39        | 43,231.79        | 20.84              |
| Loans Outstanding.....  | 5,812.00         | 5,684.20         | 5,949.29         | 2.36               |
| Total Deposits.....   | 8,735.36         | 9,828.77         | 9,687.26         | 10.90              |
| Loans.....  | <u>5,812.00</u>  | <u>5,684.20</u>  | <u>5,949.29</u>  | <u>2.36</u>        |
| Agriculture.....  | 103.85           | 59.33            | 295.67           | 184.71             |
| Manufacturing.....  | 303.45           | 251.41           | 285.05           | -6.06              |
| Construction & Land Development.....  | 736.01           | 954.39           | 1,074.46         | 45.98              |
| Mining, Quarrying & Processing.....   | 55.45            | 22.50            | 21.94            | -60.43             |
| Tourism.....  | 433.84           | 407.29           | 390.17           | -10.07             |
| Transport, Storage & Communication.....   | 17.42            | 391.99           | 476.36           | 2,634.56           |
| Consumer Oriented.....  | 2,997.10         | 2,987.68         | 2,480.96         | -17.22             |
| Government Services.....  | 993.74           | 382.59           | 692.03           | -30.36             |
| Other.....  | 171.14           | 227.02           | 232.65           | 35.94              |
|   | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> |                    |
| Liquid Assets Ratio (average) %.....  | 66.16            | 81.36            | 82.93            |                    |
| Statutory Requirement.....  | 23.00            | 23.00            | 23.00            |                    |
| <b>VII. BUILDING SOCIETIES (J\$mn.)</b><br>(members & associate members)        | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> |                    |
| Assets/Liabilities.....   | 61,633.86        | 76,393.50        | 77,955.10        | 26.48              |
| Loan Balances.....  | 22,896.56        | 26,915.79        | 27,399.08        | 19.66              |
| Savings Funds.....  | 46,814.32        | 55,522.72        | 55,996.96        | 19.62              |
| <b>VIII. INFLATION</b>  | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> |                    |
| Consumer Price Index (Jan. 1988 = 100).....                                     | 1,728.4          | 1,897.3          | 1,909.2          | 10.46              |
| Monthly Rate (%).....   | 1.6              | 1.3              | 0.6              |                    |
| Calendar Year to Date (%) (point to point).....                                 | 10.4             | 6.2              | 6.8              |                    |
| Fiscal Year to Date (%) (point to point).....                                   | 10.8             | 4.2              | 4.9              |                    |
| <b>IX. ACTUAL PRODUCTION ('000)</b>   | <b>Sept 2003</b> | <b>Aug 2004</b>  | <b>Sept 2004</b> |                    |
| Bauxite (metric tonnes).....  | 272.43           | 334.08           | 265.39           | -2.58              |
| Alumina (metric tonnes).....  | 310.76           | 327.39           | 188.32           | -39.40             |
| Sugar (metric tonnes).....  | -                | 0.88             | -                | -                  |
| Banana (tonnes).....  | 3.44             | 2.97             | 1.44             | -58.14             |
| <b>X. STOCK MARKET ACTIVITIES</b>   | <b>Oct 2003</b>  | <b>Sept 2004</b> | <b>Oct 2004</b>  |                    |
| Index.....  | 60,304.20        | 99,819.82        | 104,000.86       | 72.46              |
| Volume Traded (mn.).....  | 165.24           | 129.99           | 205.96           | 24.64              |
| Ordinary Shares.....  | 164.81           | 129.99           | 205.42           | 24.64              |
| Block Transactions.....   | 0.43             | -                | 0.54             | 25.58              |

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

| X. STOCK MARKET ACTIVITIES (cont'd)        | Oct 2003            | Sept 2004           | Oct 2004 | %               |
|--|---------------------|---------------------|----------|-----------------|
|  |                     |                     |          | Change p.a.     |
| Value of Stocks Traded (J\$mn.).....       | 1,421.24            | 1,825.11            | 1,994.39 | 40.33           |
| Ordinary Shares.....                       | 1,420.81            | 1,825.11            | 1,993.44 | 40.30           |
| Block Transactions.....                    | 0.43                | -                   | 0.95     | 120.93          |
| Advance/Decline Ratio.....                 | 12/13               | 20/13               | 22/10    |                 |
| <b>XI. EXTERNAL TRADE (US\$mn.)</b>        | <b>Jan-Feb 2003</b> | <b>Jan-Feb 2004</b> |          | <b>Change</b>   |
| <b>1. EXPORTS</b>                          |                     |                     |          |                 |
| a) Major Traditional Exports.....          | <u>131.66</u>       | <u>165.79</u>       |          | <u>34.13</u>    |
| Bauxite.....                               | 13.61               | 14.88               |          | 1.27            |
| Alumina.....                               | 103.09              | 133.61              |          | 30.52           |
| Sugar.....                                 | 12.09               | 13.99               |          | 1.90            |
| Bananas.....                               | 2.87                | 3.31                |          | 0.44            |
| b) Other Traditional Exports.....          | 10.86               | 10.30               |          | -0.56           |
| c) Non-Traditional Exports.....            | 37.53               | 43.17               |          | 5.64            |
| d) Re-exports.....                         | 2.92                | 9.78                |          | 6.86            |
| General Merchandise Exports.....           | <u>182.97</u>       | <u>229.04</u>       |          | <u>46.07</u>    |
| (e) Freezone Exports.....                  | 18.89               | 18.02               |          | -0.87           |
| (f) Goods Procured in Ports.....           | 5.00                | 8.00                |          | 3.00            |
| Total Goods Exports.....                   | <u>206.86</u>       | <u>255.06</u>       |          | <u>48.20</u>    |
| <b>2. IMPORTS</b>                          |                     |                     |          |                 |
| (a) Consumer Goods.....                    | 178.00              | 162.19              |          | -15.81          |
| (b) Raw Materials.....                     | 407.54              | 288.46              |          | -119.08         |
| (c) Capital Goods.....                     | 99.52               | 86.61               |          | -12.91          |
| General Merchandise Imports.....           | <u>685.06</u>       | <u>537.26</u>       |          | <u>-147.80</u>  |
| (d) Freezone Imports.....                  | 6.88                | 8.06                |          | 1.18            |
| (e) Goods Procured in Ports.....           | 6.40                | 12.80               |          | 6.40            |
| Total Goods Imports.....                   | <u>698.34</u>       | <u>558.12</u>       |          | <u>-140.22</u>  |
| Trade Balance.....                         | <u>-491.48</u>      | <u>-303.06</u>      |          | <u>188.42</u>   |
| Memo:                                      |                     |                     |          |                 |
| Caricom Exports.....                       | 6.48                | 9.69                |          | 3.21            |
| Caricom Imports.....                       | 79.41               | 70.87               |          | -8.54           |
| Caricom Trade Balance.....                 | <u>-72.93</u>       | <u>-61.18</u>       |          | <u>11.75</u>    |
| <b>XII. TOURISM</b>                        | <b>Jan-Aug 2003</b> | <b>Jan-Aug 2004</b> |          | <b>% Change</b> |
| Tourist Arrivals ('000).....               | <u>1,699.06</u>     | <u>1,789.39</u>     |          | <u>5.32</u>     |
| Stop Overs.....                            | 950.57              | 1,032.10            |          | 8.58            |
| Foreign Nationals.....                     | 893.87              | 974.67              |          | 9.04            |
| Non-Resident Jamaicans.....                | 56.70               | 57.43               |          | 1.29            |
| Cruise.....                                | 748.49              | 757.29              |          | 1.18            |
| Armed Forces.....                          | -                   | -                   |          | -               |
| Estimated Expenditure (US\$mn.).....       | <u>917.10</u>       | <u>999.00</u>       |          | <u>8.93</u>     |
| <b>XIII. BALANCE OF PAYMENTS (US\$mn.)</b> |                     |                     |          |                 |
| <b>Balance of Payments (Calendar)</b>      | <b>Jan-Jun 2003</b> | <b>Jan-Jun 2004</b> |          | <b>Change</b>   |
| <b>1. Current Account.....</b>             | <u>-423.4</u>       | <u>-79.5</u>        |          | <u>343.9</u>    |
| <b>A. Goods balance.....</b>               | <u>-1,002.3</u>     | <u>-735.8</u>       |          | <u>266.5</u>    |
| Exports (f.o.b.).....                      | 680.2               | 827.3               |          | 147.1           |
| Imports (f.o.b.).....                      | 1,682.5             | 1,563.1             |          | -119.4          |
| <b>B. Service Balance.....</b>             | <u>286.6</u>        | <u>332.5</u>        |          | <u>45.9</u>     |
| Transportation.....                        | -70.3               | -46.3               |          | 24.0            |
| Travel.....                                | 548.6               | 589.2               |          | 40.6            |
| Other Services.....                        | -191.8              | -210.3              |          | -18.5           |

| <i>Balance of Payments (Calendar) (Cont'd)</i> |  | Jan-Jun 2003     | Jan-Jun 2004     | Change        |
|--|--|------------------|------------------|---------------|
| <b>C. Income</b> .....                         |  | <u>-271.2</u>    | <u>-321.1</u>    | <u>-49.9</u>  |
| Compensation of Employees.....                 |  | 10.7             | 21.9             | 11.2          |
| Investment Income.....                         |  | -281.9           | -343.0           | -61.1         |
| <b>D. Current Transfers</b> .....              |  | <u>563.5</u>     | <u>644.9</u>     | <u>81.4</u>   |
| Official.....                                  |  | 52.4             | 44.2             | -8.2          |
| Private.....                                   |  | 511.1            | 600.7            | 89.6          |
| <b>2. Capital and Financial Account</b> .....  |  | <u>423.4</u>     | <u>79.5</u>      | <u>-343.9</u> |
| <b>A. Capital Account</b> .....                |  | <u>-0.9</u>      | <u>0.6</u>       | <u>1.5</u>    |
| Capital Transfers.....                         |  | -1.3             | <u>0.6</u>       | <u>1.9</u>    |
| Official.....                                  |  | 0.1              | 0.1              | 0.0           |
| Private.....                                   |  | -1.4             | 0.5              | 1.9           |
| Acq./Disp. of non-produced non-fin. assets.... |  | 0.4              | 0.0              | -0.4          |
| <b>B. Financial Account</b> .....              |  | <u>424.3</u>     | <u>78.9</u>      | <u>-345.4</u> |
| Other Official Investment.....                 |  | -302.3           | 328.6            | 630.9         |
| Other Private Investment.....                  |  | 257.0            | 189.4            | -67.6         |
| <i>(incl. errors &amp; omissions)</i>          |  |                  |                  |               |
| Reserves.....                                  |  | <u>469.6</u>     | <u>-439.1</u>    |               |
|  |  | <b>Apr-Jun</b>   | <b>Apr-Jun</b>   |               |
|  |  | <b>2002/2003</b> | <b>2003/2004</b> |               |
| <b>Balance of Payments (Fiscal)</b>            |  |                  |                  |               |
| <b>1. Current Account</b> .....                |  | <u>-179.3</u>    | <u>-66.4</u>     | <u>112.9</u>  |
| <b>A. Goods balance</b> .....                  |  | <u>-469.7</u>    | <u>-370.2</u>    | <u>99.5</u>   |
| Exports (f.o.b.).....                          |  | 346.0            | 421.3            | 75.3          |
| Imports (f.o.b.).....                          |  | 815.7            | 791.5            | -24.2         |
| <b>B. Service Balance</b> .....                |  | <u>127.5</u>     | <u>151.4</u>     | <u>23.9</u>   |
| Transportation.....                            |  | -40.5            | -31.5            | 9.0           |
| Travel.....                                    |  | 265.2            | 287.6            | 22.4          |
| Other Services.....                            |  | -97.2            | -104.7           | -7.5          |
| <b>C. Income</b> .....                         |  | <u>-117.4</u>    | <u>-168.1</u>    | <u>-50.7</u>  |
| Compensation of Employees.....                 |  | 7.0              | 14.0             | 7.0           |
| Investment Income.....                         |  | -124.4           | -182.1           | -57.7         |
| <b>D. Current Transfers</b> .....              |  | <u>280.2</u>     | <u>320.5</u>     | <u>40.3</u>   |
| Official.....                                  |  | 26.1             | 21.9             | -4.2          |
| Private.....                                   |  | 254.1            | 298.6            | 44.5          |
| <b>2. Capital and Financial Account</b> .....  |  | <u>179.3</u>     | <u>66.4</u>      | <u>-112.9</u> |
| <b>A. Capital Account</b> .....                |  | <u>-0.1</u>      | <u>0.7</u>       | <u>0.8</u>    |
| Capital Transfers.....                         |  | -0.5             | 0.7              | 1.2           |
| Official.....                                  |  | 0.0              | 0.0              | 0.0           |
| Private.....                                   |  | -0.5             | 0.7              | 1.2           |
| Acq./Disp. of non-produced non-fin. assets     |  | 0.4              | 0.0              | -0.4          |
| <b>B. Financial Account</b> .....              |  | <u>179.4</u>     | <u>65.7</u>      | <u>-113.7</u> |
| Other Official Investment.....                 |  | -50.8            | 73.1             | 123.9         |
| Other Private Investment.....                  |  | 17.9             | 28.0             | 10.1          |
| <i>(incl. errors &amp; omissions)</i>          |  |                  |                  |               |
| Reserves.....                                  |  | 212.3            | -35.4            |               |
| Government Reserves.....                       |  | 0.0              | 0.0              |               |

|   | Oct 2003 | Sept 2004+ | Oct 2004 | %<br>Change p.a. |
|---|----------|------------|----------|------------------|
| <b>XIV. BOJ NET INTERNATIONAL RESERVES</b>                            |          |            |          |                  |
| (US\$mn.)   |          |            |          |                  |
| BOJ Net International Reserves (US\$mn.).....                         | 1,131.13 | 1,616.52   | 1,826.66 | 61.49            |
| Gross Foreign Assets.....   | 1,165.17 | 1,640.73   | 1,850.91 | 58.85            |
| Gross Foreign Liabilities.....  | 34.04    | 24.21      | 24.25    | -28.76           |
| Estimated Gross Reserves in Weeks of Goods Imports                    | 18.18    | 23.56      | 26.58    |                  |
| Estimated Gross Reserves in Weeks of Goods and Services Imports.....  | 12.34    | 16.12      | 18.19    |                  |
| <b>XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.)</b>                    |          |            |          |                  |
| Combined Foreign Exchange Trading                                     |          |            |          |                  |
| Foreign Exchange Purchases (spot).....                                | 662.20   | 591.76     | 574.71   | -13.21           |
| Foreign Exchange Sales (spot).....                                    | 665.91   | 601.05     | 604.15   | -9.27            |
| Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ( ) |          |            |          |                  |
| Commercial Banks Balances.....  | 1,240.92 | 1,482.63   | 1,419.55 | 14.39            |
| "A" Accounts 1/.....  | 108.21   | 137.43     | 140.55   | 29.89            |
| Other.....  | 1,132.71 | 1,345.20   | 1,279.00 | 12.92            |
| F.I.As Balance.....   | 131.74   | 133.55     | 135.09   | 2.54             |
| "A" Accounts 1/.....  | 30.49    | 75.49      | 67.54    | 121.52           |
| Other.....  | 101.25   | 58.06      | 67.55    | -33.28           |
| Building Societies Balances.....                                      | 200.72   | 247.43     | 253.29   | 26.19            |
| "A" Accounts 1/.....  | 138.85   | 171.61     | 174.52   | 25.69            |
| Other .....   | 61.87    | 75.82      | 78.77    | 27.32            |
| Total Foreign Currency Deposits (US\$mn.).....                        | 1,573.38 | 1,863.61   | 1,807.93 | 14.91            |
| Total Foreign Currency Loans (US\$mn.).....                           | 665.44   | 720.37     | 742.45   | 11.57            |
| Commercial Banks.....   | 587.75   | 652.17     | 669.91   | 13.98            |
| F.I.As .....  | 65.89    | 59.21      | 63.66    | -3.38            |
| Building Societies.....   | 11.80    | 8.99       | 8.88     | -24.75           |
| London Interbank Offer Rate (LIBOR) Eurodollars (%)                   |          |            |          |                  |
| 3 months.....   | 1.16     | 1.89       | 2.07     |                  |
| 6 months.....   | 1.20     | 2.07       | 2.22     |                  |
| U.S. Prime Rate (end of period) (%).....                              | 4.00     | 4.75       | 4.75     |                  |
| Selling Exchange Rates (end period)                                   |          |            |          |                  |
| US\$1.00 = J\$.....   | 60.44    | 61.89      | 61.88    |                  |
| Can. \$1.00 = J\$.....  | 45.90    | 49.05      | 50.48    |                  |
| U.K. Pound = J\$.....   | 102.01   | 111.62     | 112.63   |                  |
| Euro = J\$**.....   | 70.17    | 76.84      | 78.87    |                  |
| Caricom Selling Exchange Rates**                                      |          |            |          |                  |
| T.T. \$1 = J\$.....   | 9.66     | 9.89       | 9.90     |                  |
| Bdos. \$1 = J\$.....  | 30.22    | 30.94      | 30.94    |                  |
| Guy. \$1 = J\$.....   | 0.31     | 0.32       | 0.31     |                  |
| E.C. \$1 = J\$.....   | 22.39    | 22.92      | 22.92    |                  |

( ) Exclude deposits in "B" accounts

\*\* Indicative Rates

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

+ Revised



## INFLATION SEPTEMBER 2004

**The All Jamaica Consumer Price Index (CPI) increased by 0.6 per cent in September 2004. This outturn brought inflation for the first six months of fiscal year (FY) 2004/05 to 4.9 per cent, compared with the 10.8 per cent obtained over the same interval in FY2003/04.** The inflation rate was 6.8 per cent for the first nine months of the calendar year, relative to 10.4 per cent in the comparable period of 2003. Continuing the declining trend since April 2004, the annual point-to-point inflation rate at September 2004 was 10.5 per cent, 2.6 percentage points below the rate recorded at September 2003. In contrast, the annual average inflation rate at September 2004 was 13.8 per cent, which was higher than the 8.5 per cent recorded at September 2003 (Table 1).

**The primary influences on inflation in September were increases in the prices of domestic agricultural products and selected international commodities.** These shocks were largely reflected in the *Food & Drink*, *Miscellaneous Expenses* and the *Housing & Other Housing Expenses* sub-indices that increased by 0.6 per cent, 1.5 per cent and 0.9 per cent, respectively (Table 2). The respective contributions from these sub-groups to inflation were 59.1 per cent, 22.5 per cent and 12.3 per cent

**The increase in the *Food & Drink* sub-index emanated mainly from the *Starchy Foods* and the *Vegetables & Fruits* sub-groups.** The respective increases of 2.0 per cent and 1.2 per cent in the *Starchy Foods* sub-group and *Vegetables & Fruits* sub-group were due primarily to seasonal reductions in agricultural supply, exacerbated by flooding from Tropical Storm Charley. The main items affected were yams, potatoes, dasheen, tomato, cabbage and escallion.

**For the *Miscellaneous Expenses* sub-index, upward adjustments in tuition fees and preparatory expenses for the new school year were the main factors behind the increase.** An average increase of 7.5 per cent in preparatory school fees across the three regions was recorded for the month.

**The *Housing & Other Housing Expenses* sub-index was primarily influenced by a 3.75 per cent increase in water rates across the regions.** This reflected the lagged effects of increases in electricity rates. There was a countervailing decline of 0.3 per cent in the *Transportation* sub-index, primarily as the result of reductions in airfare and petroleum prices.

**There was relatively uniform inflation across the regions. The CPI in the Rural Areas, KMA and Other Towns rose by 0.7 per cent, 0.6 per cent and 0.5 per cent, respectively.** Despite this convergence, there were some disparities between changes in the sub-groups. In the *Baked Products, Cereals & Breakfast Drinks* sub-group, the Rural Areas index increased faster than the other regions (see Table 3) and was caused primarily by a significant increase in the price of rice. Similarly, the increase in *Starchy Foods* index for the Rural Areas was mainly attributable to higher price increases for lucea yam, dasheen and green bananas. The *Miscellaneous Expenses* sub-index rose by 2.1 per cent in the KMA, compared with 1.0 per cent and 0.9 per cent in the Rural Areas and Other Towns, respectively. This disparity was reflected in the relatively higher increases in tuition fees in the KMA, compared to the other regions.

**Core inflation has been stable since February 2004.** The trimmed mean index increased by 0.34 per cent in September, which was a 0.12 percentage of a point below the previous month's measure (Table 4). The 12-month point-to-point core inflation rate of 5.5 per cent at September 2004 was 0.2 percentage of a point below the comparable measure in the previous month and 1.8 percentage points below the measure one year ago. Similarly, core inflation for the fiscal year to date was 2.3 per cent, which compares favourably with the 4.6 per cent for recorded for the same period in the previous fiscal year. The annual average core inflation rate of 7.2 per cent was, however, higher by 2.5 percentage points when compared with the rate recorded in September 2003.

**The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.27 per cent in September.** This estimate represents a significant reduction relative to the 0.98 per cent recorded the previous month. Price changes in the CPI-A index, which exhibited a declining trend since June 2003, have been increasing since May 2004.

**Table 1**  
**JAMAICA: INFLATION RATES**

|             |             | <b>1/<br/>C.P.I.</b> | <b>3 Month<br/>AVG.<br/>C.P.I.</b> | <b>Monthly<br/>%<br/>change</b> | <b>3 Month*<br/>%<br/>change</b> | <b>3 Month #<br/>%<br/>change</b> | <b>12<br/>Month*<br/>%<br/>change</b> | <b>12<br/>Month #<br/>%<br/>change</b> |
|-------------|-------------|----------------------|------------------------------------|---------------------------------|----------------------------------|-----------------------------------|---------------------------------------|--|
| <b>2000</b> | <b>Jan</b>  | 1,268.1              | 1,264.6                            | 0.17                            | 1.65                             | 2.00                              | 6.57                                  | 5.88                                   |
|             | <b>Feb</b>  | 1,273.1              | 1,269.0                            | 0.39                            | 1.05                             | 1.66                              | 8.18                                  | 6.04                                   |
|             | <b>Mar</b>  | 1,281.7              | 1,274.3                            | 0.68                            | 1.25                             | 1.31                              | 8.39                                  | 6.25                                   |
|             | <b>Apr</b>  | 1,294.4              | 1,283.0                            | 0.99                            | 2.07                             | 1.46                              | 9.70                                  | 6.61                                   |
|             | <b>May</b>  | 1,300.0              | 1,292.0                            | 0.43                            | 2.11                             | 1.81                              | 9.19                                  | 6.92                                   |
|             | <b>Jun</b>  | 1,311.4              | 1,301.9                            | 0.88                            | 2.32                             | 2.17                              | 8.75                                  | 7.24                                   |
|             | <b>Jul</b>  | 1,324.0              | 1,311.8                            | 0.96                            | 2.29                             | 2.24                              | 8.49                                  | 7.53                                   |
|             | <b>Aug</b>  | 1,335.9              | 1,323.7                            | 0.90                            | 2.76                             | 2.46                              | 8.23                                  | 7.79                                   |
|             | <b>Sept</b> | 1,349.3              | 1,336.4                            | 1.00                            | 2.89                             | 2.65                              | 9.03                                  | 8.10                                   |
|             | <b>Oct</b>  | 1,351.1              | 1,345.4                            | 0.13                            | 2.05                             | 2.56                              | 8.30                                  | 8.25                                   |
|             | <b>Nov</b>  | 1,352.4              | 1,350.9                            | 0.10                            | 1.24                             | 2.05                              | 7.34                                  | 8.25                                   |
|             | <b>Dec</b>  | 1,342.6              | 1,348.7                            | -0.72                           | -0.50                            | 0.92                              | 6.06                                  | 8.17                                   |
| <b>2001</b> | <b>Jan</b>  | 1,342.9              | 1,345.9                            | 0.02                            | -0.61                            | 0.04                              | 5.90                                  | 8.11                                   |
|             | <b>Feb</b>  | 1,358.6              | 1,348.0                            | 1.17                            | 0.46                             | -0.21                             | 6.72                                  | 7.98                                   |
|             | <b>Mar</b>  | 1,365.0              | 1,355.5                            | 0.47                            | 1.67                             | 0.50                              | 6.50                                  | 7.82                                   |
|             | <b>Apr</b>  | 1,370.8              | 1,364.8                            | 0.42                            | 2.08                             | 1.40                              | 5.90                                  | 7.51                                   |
|             | <b>May</b>  | 1,381.1              | 1,372.3                            | 0.75                            | 1.65                             | 1.80                              | 6.24                                  | 7.27                                   |
|             | <b>Jun</b>  | 1,404.9              | 1,385.6                            | 1.73                            | 2.93                             | 2.22                              | 7.13                                  | 7.14                                   |
|             | <b>Jul</b>  | 1,418.7              | 1,401.6                            | 0.98                            | 3.50                             | 2.70                              | 7.15                                  | 7.03                                   |
|             | <b>Aug</b>  | 1,431.1              | 1,418.3                            | 0.87                            | 3.63                             | 3.35                              | 7.13                                  | 6.94                                   |
|             | <b>Sept</b> | 1,442.9              | 1,430.9                            | 0.82                            | 2.70                             | 3.27                              | 6.94                                  | 6.78                                   |
|             | <b>Oct</b>  | 1,454.9              | 1,443.0                            | 0.83                            | 2.55                             | 2.95                              | 7.68                                  | 6.73                                   |
|             | <b>Nov</b>  | 1,456.2              | 1,451.3                            | 0.09                            | 1.75                             | 2.33                              | 7.68                                  | 6.76                                   |
|             | <b>Dec</b>  | 1,460.2              | 1,457.1                            | 0.27                            | 1.20                             | 1.83                              | 8.76                                  | 6.99                                   |
| <b>2002</b> | <b>Jan</b>  | 1,468.8              | 1,461.7                            | 0.59                            | 0.96                             | 1.30                              | 9.38                                  | 7.28                                   |
|             | <b>Feb</b>  | 1,468.0              | 1,465.6                            | -0.05                           | 0.81                             | 0.99                              | 8.05                                  | 7.39                                   |
|             | <b>Mar</b>  | 1,468.5              | 1,468.4                            | 0.03                            | 0.57                             | 0.78                              | 7.58                                  | 7.48                                   |
|             | <b>Apr</b>  | 1,475.9              | 1,470.8                            | 0.50                            | 0.48                             | 0.62                              | 7.67                                  | 7.62                                   |
|             | <b>May</b>  | 1,480.0              | 1,474.8                            | 0.28                            | 0.82                             | 0.62                              | 7.16                                  | 7.69                                   |
|             | <b>Jun</b>  | 1,492.8              | 1,482.9                            | 0.86                            | 1.65                             | 0.99                              | 6.25                                  | 7.61                                   |
|             | <b>Jul</b>  | 1,515.6              | 1,496.1                            | 1.53                            | 2.69                             | 1.72                              | 6.83                                  | 7.58                                   |
|             | <b>Aug</b>  | 1,521.2              | 1,509.9                            | 0.37                            | 2.79                             | 2.38                              | 6.29                                  | 7.51                                   |
|             | <b>Sept</b> | 1,528.0              | 1,521.6                            | 0.45                            | 2.36                             | 2.61                              | 5.90                                  | 7.41                                   |
|             | <b>Oct</b>  | 1,539.2              | 1,529.5                            | 0.73                            | 1.56                             | 2.23                              | 5.80                                  | 7.25                                   |
|             | <b>Nov</b>  | 1,558.3              | 1,541.8                            | 1.24                            | 2.44                             | 2.12                              | 7.01                                  | 7.20                                   |
|             | <b>Dec</b>  | 1,566.1              | 1,554.5                            | 0.50                            | 2.49                             | 2.16                              | 7.25                                  | 7.08                                   |
| <b>2003</b> | <b>Jan</b>  | 1,561.3              | 1,561.9                            | -0.31                           | 1.44                             | 2.12                              | 6.30                                  | 6.83                                   |
|             | <b>Feb</b>  | 1,552.2              | 1,559.9                            | -0.58                           | -0.39                            | 1.17                              | 5.74                                  | 6.64                                   |
|             | <b>Mar</b>  | 1,559.5              | 1,557.7                            | 0.47                            | -0.42                            | 0.20                              | 6.20                                  | 6.52                                   |
|             | <b>Apr</b>  | 1,584.0              | 1,565.2                            | 1.57                            | 1.45                             | 0.21                              | 7.33                                  | 6.50                                   |
|             | <b>May</b>  | 1,613.4              | 1,585.6                            | 1.86                            | 3.94                             | 1.65                              | 9.01                                  | 6.66                                   |
|             | <b>Jun</b>  | 1,653.1              | 1,616.8                            | 2.46                            | 6.00                             | 3.80                              | 10.74                                 | 7.04                                   |
|             | <b>Jul</b>  | 1,678.4              | 1,648.3                            | 1.53                            | 5.96                             | 5.31                              | 10.74                                 | 7.38                                   |
|             | <b>Aug</b>  | 1,702.0              | 1,677.8                            | 1.41                            | 5.49                             | 5.81                              | 11.88                                 | 7.85                                   |
|             | <b>Sept</b> | 1,728.4              | 1,702.9                            | 1.55                            | 4.56                             | 5.33                              | 13.11                                 | 8.47                                   |
|             | <b>Oct</b>  | 1,756.7              | 1,729.0                            | 1.64                            | 4.67                             | 4.90                              | 14.13                                 | 9.17                                   |
|             | <b>Nov</b>  | 1,773.0              | 1,752.7                            | 0.93                            | 4.17                             | 4.46                              | 13.78                                 | 9.74                                   |
|             | <b>Dec</b>  | 1,786.8              | 1,772.2                            | 0.78                            | 3.38                             | 4.07                              | 14.09                                 | 10.32                                  |
| <b>2004</b> | <b>Jan</b>  | 1,801.8              | 1,787.2                            | 0.84                            | 2.57                             | 3.36                              | 15.40                                 | 11.08                                  |
|             | <b>Feb</b>  | 1,811.9              | 1,800.2                            | 0.56                            | 2.19                             | 2.71                              | 16.73                                 | 11.99                                  |
|             | <b>Mar</b>  | 1,820.8              | 1,811.5                            | 0.49                            | 1.90                             | 2.22                              | 16.76                                 | 12.86                                  |
|             | <b>Apr</b>  | 1,828.2              | 1,820.3                            | 0.41                            | 1.47                             | 1.85                              | 15.42                                 | 13.52                                  |
|             | <b>May</b>  | 1,839.9              | 1,829.6                            | 0.64                            | 1.55                             | 1.64                              | 14.04                                 | 13.93                                  |
|             | <b>Jun</b>  | 1,854.8              | 1,841.0                            | 0.81                            | 1.87                             | 1.63                              | 12.20                                 | 14.03                                  |
|             | <b>Jul</b>  | 1,854.8              | 1,855.8                            | 0.97                            | 2.44                             | 1.95                              | 11.58                                 | 14.08                                  |
|             | <b>Aug</b>  | 1,897.3              | 1,875.0                            | 1.31                            | 3.12                             | 2.48                              | 11.47                                 | 14.02                                  |
|             | <b>Sept</b> | 1,909.2              | 1,893.1                            | 0.63                            | 2.93                             | 2.83                              | 10.46                                 | 13.77                                  |

1/ January 1998 = 100  
# Moving average  
\* Point to point  
Source: STATIN

**Table 2**  
**COMPONENT CONTRIBUTION TO INFLATION**  
**September 2004**

|   | Weight in<br>the CPI | Monthly<br>Inflation<br>(%) | Weighted<br>Inflation | % Contribution<br>to Inflation |
|---|----------------------|-----------------------------|-----------------------|--------------------------------|
| <b>FOOD &amp; DRINK</b>                                 | <b>0.5563</b>        | <b>0.6</b>                  | <b>0.3187</b>         | <b>59.1</b>                    |
| Meals away from home                                    | 0.0741               | 0.2                         | 0.0141                | 2.6                            |
| Meat, Poultry & Fish                                    | 0.1613               | 0.2                         | 0.0371                | 6.9                            |
| Dairy Products Oils & Fats                              | 0.0668               | 0.3                         | 0.0225                | 4.2                            |
| Baked Products, Cereals &<br>Breakfast Drink            | 0.0864               | 0.6                         | 0.0477                | 8.9                            |
| Starchy Foods   | 0.0525               | 2.0                         | 0.1031                | 19.1                           |
| Vegetables & Fruits                                     | 0.0650               | 1.2                         | 0.0758                | 14.1                           |
| Other Food & Beverages                                  | 0.0502               | 0.4                         | 0.0183                | 3.4                            |
| <b>FUELS &amp; OTHER HOUSEHOLD<br/>SUPPLIES</b>         | <b>0.0735</b>        | <b>0.2</b>                  | <b>0.0157</b>         | <b>2.9</b>                     |
| Household Supplies                                      | 0.0482               | 0.2                         | 0.0108                | 2.0                            |
| Fuels   | 0.0253               | 0.2                         | 0.0048                | 0.9                            |
| <b>HOUSING &amp; OTHER HOUSING<br/>EXPENSES</b>         | <b>0.0786</b>        | <b>0.9</b>                  | <b>0.0663</b>         | <b>12.3</b>                    |
| Rental  | 0.0209               | 0.0                         | 0.0000                | 0.0                            |
| Other Housing Expenses                                  | 0.0577               | 1.1                         | 0.0663                | 12.3                           |
| <b>HOUSEHOLD FURNISHINGS &amp;<br/>FURNITURE</b>        | <b>0.0283</b>        | <b>0.5</b>                  | <b>0.0132</b>         | <b>2.5</b>                     |
| Furniture   | 0.0068               | 1.0                         | 0.0070                | 1.3                            |
| Furnishings   | 0.0215               | 0.3                         | 0.0062                | 1.2                            |
| <b>HEALTHCARE &amp; PERSONAL<br/>EXPENSES</b>           | <b>0.0697</b>        | <b>0.2</b>                  | <b>0.0162</b>         | <b>3.0</b>                     |
| <b>PERSONAL CLOTHING FOOTWEAR<br/>&amp; ACCESSORIES</b> | <b>0.0507</b>        | <b>0.2</b>                  | <b>0.0095</b>         | <b>1.8</b>                     |
| Clothing Materials                                      | 0.0055               | 0.1                         | 0.0005                | 0.1                            |
| Readymade Clothing & Accessories                        | 0.0242               | 0.1                         | 0.0032                | 0.6                            |
| Footwear  | 0.0159               | 0.3                         | 0.0050                | 0.9                            |
| Making & Repairs  | 0.0051               | 0.2                         | 0.0008                | 0.1                            |
| <b>TRANSPORTATION</b>                                   | <b>0.0644</b>        | <b>-0.3</b>                 | <b>-0.0218</b>        | <b>-4.0</b>                    |
| <b>MISCELLANEOUS EXPENSES</b>                           | <b>0.0785</b>        | <b>1.5</b>                  | <b>0.1210</b>         | <b>22.5</b>                    |
| <b>ALL GROUPS</b>                                       | <b>1.0000</b>        | <b>0.63</b>                 | <b>0.54</b>           | <b>100.0</b>                   |

**Table 3**  
**REGIONAL INFLATION**  
**September 2004**

|   | <b>KMA<br/>(%)</b> | <b>Other<br/>Towns<br/>(%)</b> | <b>Rural<br/>(%)</b> |
|---|--------------------|--------------------------------|----------------------|
| <b>FOOD &amp; DRINK</b>                                 | <b>0.5</b>         | <b>0.5</b>                     | <b>0.9</b>           |
| Meals away from home                                    | 0.4                | 0.0                            | 0.0                  |
| Meat Poultry & Fish                                     | 0.2                | 0.1                            | 0.3                  |
| Dairy Products Oils & Fats                              | 0.3                | 0.2                            | 0.5                  |
| Baked Products Cereals &<br>Breakfast Drink             | 0.1                | 0.2                            | 1.2                  |
| Starchy Foods   | 1.5                | 0.9                            | 2.5                  |
| Vegetables & Fruits                                     | 1.2                | 3.3                            | 0.1                  |
| Other Food & Beverages                                  | 0.5                | 0.3                            | 0.3                  |
| <b>FUELS &amp; OTHER HOUSEHOLD<br/>SUPPLIES</b>         | <b>0.2</b>         | <b>0.4</b>                     | <b>0.1</b>           |
| Household Supplies                                      | 0.1                | 0.3                            | 0.3                  |
| Fuels   | 0.2                | 0.5                            | 0.0                  |
| <b>HOUSING &amp; OTHER HOUSING<br/>EXPENSES</b>         | <b>0.9</b>         | <b>1.0</b>                     | <b>0.8</b>           |
| Rental  | 0.0                | 0.0                            | 0.0                  |
| Other Housing Expenses                                  | 1.3                | 1.1                            | 0.8                  |
| <b>HOUSEHOLD FURNISHINGS &amp;<br/>FURNITURE</b>        | <b>1.0</b>         | <b>0.1</b>                     | <b>1.6</b>           |
| Furniture   | 3.1                | 0.1                            | 0.0                  |
| Furnishings   | 0.1                | 0.0                            | 0.7                  |
| <b>HEALTHCARE &amp; PERSONAL<br/>EXPENSES</b>           | <b>0.0</b>         | <b>0.4</b>                     | <b>0.4</b>           |
| <b>PERSONAL CLOTHING FOOTWEAR<br/>&amp; ACCESSORIES</b> | <b>0.2</b>         | <b>0.2</b>                     | <b>0.2</b>           |
| Clothing Materials                                      | 0.0                | 0.2                            | 0.2                  |
| Readymade Clothing & Accessories                        | 0.2                | 0.0                            | 0.1                  |
| Footwear  | 0.4                | 0.2                            | 0.3                  |
| Making & Repairs  | 0.0                | 0.8                            | 0.0                  |
| <b>TRANSPORTATION</b>                                   | <b>-0.4</b>        | <b>-0.3</b>                    | <b>-0.1</b>          |
| <b>MISCELLANEOUS EXPENSES</b>                           | <b>2.1</b>         | <b>0.9</b>                     | <b>1.0</b>           |
| <b>ALL GROUPS</b>                                       | <b>0.6</b>         | <b>0.5</b>                     | <b>0.7</b>           |

**Table 4**  
**INFLATION: ACTUAL & CORE**

|                | Monthly |      | Fiscal Year to Date |      | 12-Mth Core |         |
|----------------|---------|------|---------------------|------|-------------|---------|
|                | Actual  | Core | Actual              | Core | Pt to Pt    | Average |
| <b>2001/02</b> |         |      |                     |      |             |         |
| 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    |
| <b>2002/03</b> |         |      |                     |      |             |         |
| 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    |
| <b>2003/04</b> |         |      |                     |      |             |         |
| 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    |
| <b>2004/05</b> |         |      |                     |      |             |         |
| 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    |

**JAMAICA:**  
**BALANCE OF PAYMENTS DEVELOPMENTS**  
**January 2004**

**January 2004**

The current account deficit for January 2004 improved significantly by US\$104.0MN to US\$43.2MN, relative to January 2003. This improvement reflected a reduction of US\$93.9MN in the deficit on the merchandise trade account, which was complemented by respective expansions of US\$12.0MN and US\$6.5MN in the surpluses on the services and current transfers accounts. An increase of US\$8.4MN in the deficit on the income account had a partial countervailing effect on the improvement in the current account. Within the financial account, private capital investment inflows were more than sufficient to finance net official investment outflows and the deficit on the current account. In this context, there was a build up of US\$54.7MN in the net international reserves of the Bank of Jamaica.

**Merchandise Trade**

The narrowing in the merchandise trade deficit reflected an increase of US\$26.4MN in the value of exports (f.o.b.), augmented by a decline of US\$67.5MN in imports, relative to January 2003. With the exception of free zone exports, all the export categories registered increased earnings. Major traditional exports benefited from respective expansions of US\$13.4MN, US\$3.0MN and US\$0.2MN in the values of alumina, bauxite and banana exports. The growth in alumina exports was associated with respective increases of 12.9 per cent and 10.4 per cent in price and volume, relative to January 2003. There was also an expansion of US\$9.3MN in non-traditional exports, which were related to exports of root crops and tubers, in particular, dasheen and yam.

The decline in the import bill for the month was influenced by respective contractions of US\$74.0MN, US\$12.4MN and US\$6.0MN in the c.i.f. values of raw materials, consumer goods and capital goods, which were partly countered by increases of US\$3.2MN and US\$2.9MN in goods procured in ports and free zone imports, respectively. Reductions of US\$21.9MN and US\$52.1MN for fuel and other raw materials accounted for the decline in raw material imports. The contraction in the value of fuel was attributed to a 34.8 per cent decline in volume imported while for 'other raw materials', there was a decrease in spending on industrial supplies. Similarly, all components of consumer goods recorded declines, with the values of other non-durables and motorcars registering contractions of US\$4.6MN and US\$3.3MN, respectively. The contraction in expenditure on capital goods mainly reflected respective declines of US\$4.0MN and US\$2.9MN in the values of transport and equipment and 'other machinery and equipment', which were partially countered by an increase of US\$1.0MN in spending on construction equipment. Lower spending on motor vehicles for the transportation of goods was responsible for the contraction in the value of transport and equipment, while reduced expenditure on communication equipment accounted for the decline in other machinery and equipment.

**Services**

Higher receipts of US\$3.0MN on the travel sub-account, complemented by a reduction of US\$10.9MN in the deficit on the transportation sub-account accounted for the expansion in the surplus on the services account. An increase of US\$1.9MN in the deficit on the other services sub-account, however, partially offset this improvement. The contraction in the deficit on the transportation sub-account was primarily associated with reduced outflows of US\$8.3MN, due to the reduction in imports. Inflows to the travel sector benefited from a US\$5.9MN increase in tourist expenditure, influenced by an 8.9 per cent increase in the number of foreign national visitors to the Island.

## **Income**

An increase of US\$9.5MN in net investment income outflows influenced by higher interest payments on Government of Jamaica's external debt and imputed profit remittances of the direct investment companies was responsible for the growth in the deficit on the income account for the month, relative to 2003. In addition, net investment income inflows declined by US\$3.1MN due mainly to lower interest receipts on Bank of Jamaica's foreign reserves.

## **Current Transfers**

The increase on the current transfers account was attributed primarily to an expansion of US\$7.8MN in net inflows to the private sector. This improvement reflected an expansion in gross inflows of US\$15.7MN, which was partially offset by growth of US\$7.9MN in gross outflows.

## **Capital and Financial Accounts**

A deficit of US\$1.4MN was recorded on the capital account, while the financial account registered a surplus of US\$43.0MN for the review month, relative to January 2003. Within the financial account, net private capital investment inflows of US\$116.3MN were more than sufficient to finance net official investment outflows of US\$18.6MN, as well as the deficit on the current account. As a consequence, there was a build up of US\$54.7MN in the net international reserves of the Bank of Jamaica.

## **April 2003 to January 2004**

For the fiscal period April to January 2004, the current account deficit improved by US\$499.7MN to a deficit of US\$564.2MN, relative to the deficit recorded for the corresponding period in 2003. This improvement reflected respective increases of US\$202.9MN and US\$86.5MN in net receipts from services and current transfers, as well as contractions of US\$177.1MN and US\$33.2MN in the deficits on the goods and income accounts, respectively. Within the financial account net private investment inflows, combined with the surplus on the capital account, were insufficient to finance net official outflows, as well as the deficit on the current account. Consequently, there was a draw down of US\$120.1MN in the net international reserves during the review period.

## **Merchandise Trade**

An expansion of US\$98.4MN in the value of exports, in conjunction with a US\$78.7MN decline in imports (f.o.b.), contributed to the improvement in the merchandise trade deficit for the review period, relative to April to January 2003. The higher value of exports principally reflected an expansion of US\$86.3MN in receipts from alumina exports, due to increases of 7.0 per cent and 8.7 per cent in the volume and price, respectively. The decrease in expenditure on imports was mainly influenced by a significant contraction in capital goods and, to a lesser extent, consumer goods imports. This was partially offset by growth in raw material imports, in particular fuel imports. The increase in fuel imports resulted from an increase of 8.4 per cent in the average price of crude oil on the international market, relative to the corresponding period in 2003.

## **Services**

The expansion in the surplus on the services account, relative to 2003, primarily reflected an increase of US\$120.0MN in net travel receipts. Total visitor arrivals for the period grew by 6.7 per cent, relative to the corresponding period in 2003, influenced by increases of 7.1 per cent and 21.3 per cent in foreign national stopover and cruise visitor arrivals, respectively. In addition, there was a reduction of US\$93.9MN in net transportation payments due to higher net inflows of US\$71.6MN, which was complemented by a decline of US\$22.3MN in net outflows. Growth in



visitor arrivals during the review period accounted for higher net inflows while the decrease in net outflows was attributed to lower imports. Partially offsetting the surplus on the services account was an increase of US\$11.0MN in the deficit on the other services sub-account.

### **Income**

A reduction in imputed profit remittances by the direct investment companies was the main factor contributing to the decline of US\$44.2MN in net investment income outflows. Net receipts from compensation of employees was also lower by US\$11.0MN, which was due mainly to higher payments to foreign nationals working in Jamaica.

### **Current Transfers**

The improved surplus on the current transfers account was primarily influenced by an increase of US\$91.3MN in net private inflows. This increase stemmed from an expansion of US\$154.6MN in gross inflows, which was partially offset by an increase of US\$63.3MN in gross outflows. Respective increases of US\$63.0MN and US\$29.5MN in inflows through remittance companies and building societies were largely responsible for the growth in inflows.

### **Capital & Financial Accounts**

Surpluses of US\$1.0MN and US\$563.2MN, respectively, were recorded on the capital account and the financial account for the review period, relative to the comparable period in 2003.

Within the financial account, net private investment inflows of US\$573.9MN were insufficient to finance net official investment outflows of US\$130.8MN, as well as the deficit on the current account. Consequently, there was a draw down of US\$120.1MN in the net international reserves of the Bank of Jamaica. At the end of January 2004, the level of gross reserves stood at US\$1 251.0MN representing 20.1 weeks of imports of goods and 13.3 weeks of imports of goods and services.

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

**BALANCE OF PAYMENTS SUMMARY (US\$M)**

|  | Jan <sup>1/</sup> | Jan <sup>2/</sup> |               | Apr - Jan <sup>1/</sup> | Apr -Jan <sup>2/</sup> |               |
|--|-------------------|-------------------|---------------|-------------------------|------------------------|---------------|
|  | 2003              | 2004              | Change        | 2002/03                 | 2003/04                | Change        |
| <b>1. CURRENT ACCOUNT</b>                            | <b>-147.2</b>     | <b>-43.2</b>      | <b>104.0</b>  | <b>-1063.9</b>          | <b>-564.2</b>          | <b>499.7</b>  |
| <b>A. GOODS and SERVICES</b>                         | <b>-194.5</b>     | <b>-88.6</b>      | <b>105.9</b>  | <b>-1477.8</b>          | <b>-1097.8</b>         | <b>380.0</b>  |
| <b>a. GOODS BALANCE</b>                              | <b>-235.2</b>     | <b>-141.3</b>     | <b>93.9</b>   | <b>-1728.4</b>          | <b>-1551.3</b>         | <b>177.1</b>  |
| Exports (f.o.b.)                                     | 100.4             | 126.8             | 26.4          | 1079.8                  | 1178.2                 | 98.4          |
| Imports (f.o.b.)                                     | 335.6             | 268.1             | -67.5         | 2808.2                  | 2729.5                 | -78.7         |
| <b>b. SERVICES BALANCE</b>                           | <b>40.7</b>       | <b>52.7</b>       | <b>12.0</b>   | <b>250.6</b>            | <b>453.5</b>           | <b>202.9</b>  |
| Transportation                                       | -19.1             | -8.2              | 10.9          | -215.9                  | -122.0                 | 93.9          |
| Travel   | 90.4              | 93.4              | 3.0           | 792.7                   | 912.7                  | 120.0         |
| Other Services                                       | -30.6             | -32.5             | -1.9          | -326.2                  | -337.2                 | -11.0         |
| <b>B. INCOME</b>                                     | <b>-46.6</b>      | <b>-55.0</b>      | <b>-8.4</b>   | <b>-505.8</b>           | <b>-472.6</b>          | <b>33.2</b>   |
| Compensation of employees                            | 3.3               | 4.4               | 1.1           | 82.4                    | 71.4                   | -11.0         |
| Investment Income                                    | -49.9             | -59.4             | -9.5          | -588.2                  | -544.0                 | 44.2          |
| <b>C. CURRENT TRANSFERS</b>                          | <b>93.9</b>       | <b>100.4</b>      | <b>6.5</b>    | <b>919.7</b>            | <b>1006.2</b>          | <b>86.5</b>   |
| Official   | 8.4               | 7.1               | -1.3          | 90.8                    | 86.0                   | -4.8          |
| Private  | 85.5              | 93.3              | 7.8           | 828.9                   | 20.2                   | 91.3          |
| <b>2. CAPITAL &amp; FINANCIAL ACCOUNT</b>            | <b>145.8</b>      | <b>41.6</b>       | <b>-104.2</b> | <b>1063.9</b>           | <b>564.2</b>           | <b>-499.7</b> |
| <b>A. CAPITAL ACCOUNT</b>                            | <b>-1.4</b>       | <b>-1.4</b>       | <b>0.0</b>    | <b>-11.3</b>            | <b>1.0</b>             | <b>12.3</b>   |
| <b>a. Capital Transfers</b>                          | <b>-1.4</b>       | <b>-1.4</b>       | <b>0.0</b>    | <b>-11.3</b>            | <b>0.6</b>             | <b>11.9</b>   |
| Official   | 0.1               | 0.1               | 0.0           | 0.2                     | 0.1                    | -0.1          |
| Private  | -1.5              | -1.5              | 0.0           | -11.5                   | 0.5                    | 12.0          |
| <b>b. Acq/disposal of non-prod. Non-fin'l assets</b> | <b>0.0</b>        | <b>0.0</b>        | <b>0.0</b>    | <b>0.0</b>              | <b>0.4</b>             | <b>0.4</b>    |
| <b>B. FINANCIAL ACCOUNT</b>                          | <b>147.2</b>      | <b>43.0</b>       | <b>-104.2</b> | <b>1075.2</b>           | <b>563.2</b>           | <b>-512.0</b> |
| Other official investment                            | -12.8             | -18.6             | -5.8          | 12.2                    | -130.8                 | -143.0        |
| Other private investment <sup>3/</sup>               | 73.3              | 116.3             | 43.0          | 631.7                   | 573.9                  | -57.8         |
| Change in Reserves (minus = increase)                | 86.7              | -54.7             | 431.3         | 120.1                   |                        |               |

*1/ Revised*

*2/ Provisional*

*3/ Includes errors & omissions*