



ECONOMIC STATISTICS

VOLUME 16 - NO. 11

NOVEMBER 2006



CONTENTS

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

© 2006 Bank of Jamaica
Nethersole Place
Kingston
Jamaica

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

ISSN 1018-9084

SELECTED ECONOMIC INDICATORS

Figure 1

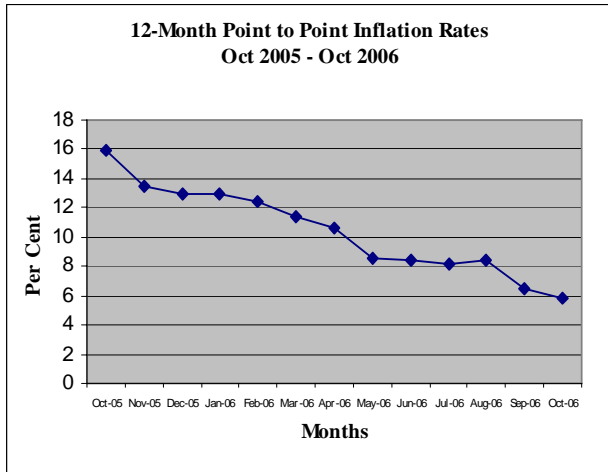


Figure 2

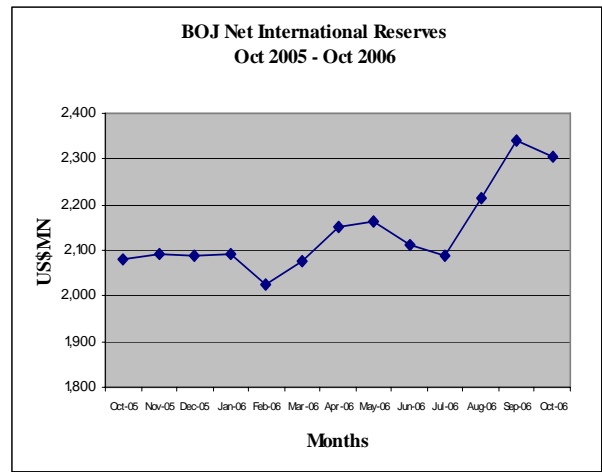


Figure 3

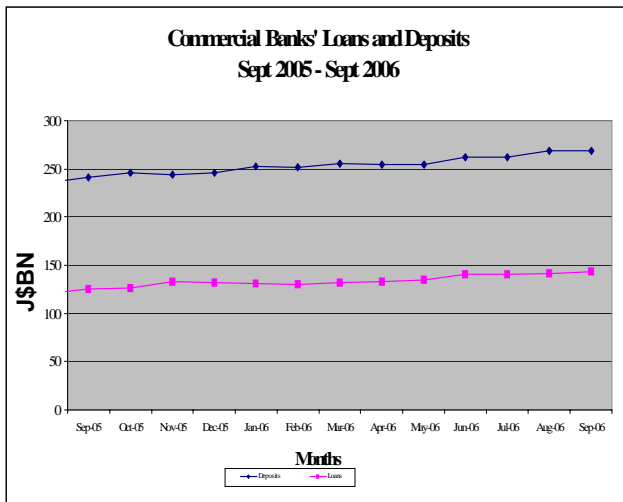


Figure 4

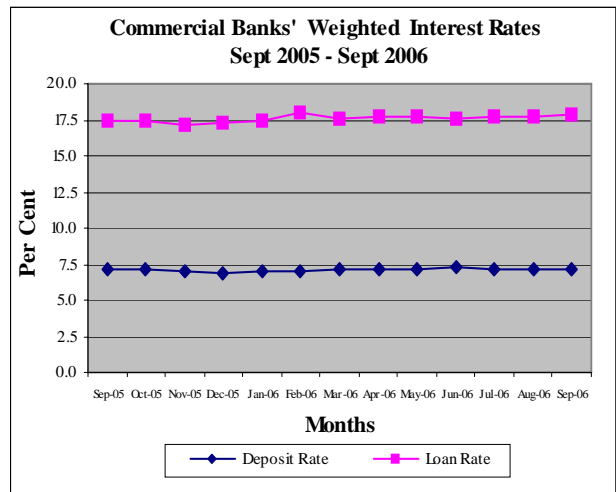


Figure 5

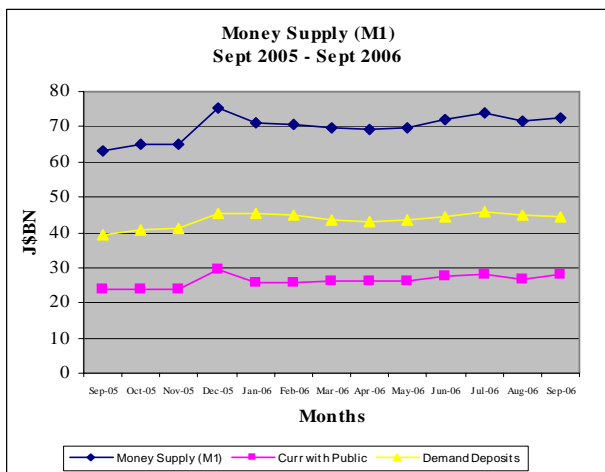
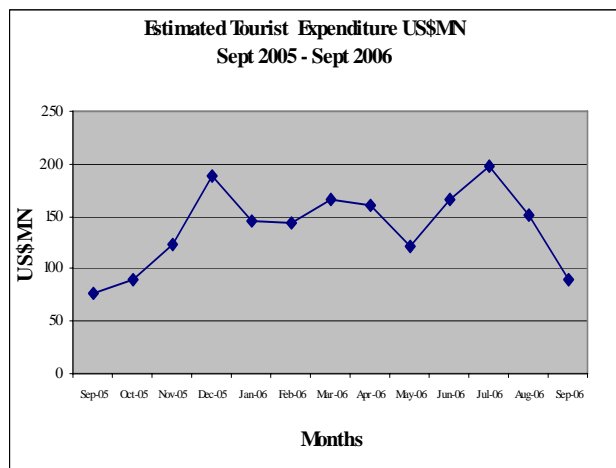


Figure 6



| | | | | % |
|--|-------------------|-------------------|-------------------|--------------------|
| 1. MONETARY AGGREGATES (J\$mn.) | | | | |
| Local and Foreign Currency | Sept 2005 | Aug 2006 | Sept 2006 | Change p.a. |
| Money Supply (M1)..... | <u>63,212.28</u> | <u>71,792.22</u> | <u>72,708.54</u> | <u>15.02</u> |
| (a) Currency with the Public..... | 24,080.64 | 26,683.21 | 28,104.39 | 16.71 |
| (b) Demand Deposits (adj.)***..... | 39,131.64 | 45,109.01 | 44,604.15 | 13.98 |
| Quasi-Money..... | <u>153,268.61</u> | <u>162,107.26</u> | <u>161,097.92</u> | <u>5.11</u> |
| (a) Time..... | 42,130.11 | 40,128.88 | 39,432.37 | -6.40 |
| (b) Savings..... | 111,138.50 | 121,978.38 | 121,665.55 | 9.47 |
| Money Supply (M2)..... | <u>216,480.89</u> | <u>233,899.48</u> | <u>233,806.46</u> | <u>8.00</u> |
| Domestic Credit (net)..... | <u>237,670.03</u> | <u>224,809.86</u> | <u>225,641.71</u> | <u>-5.06</u> |
| | | | | |
| Local Currency | Sept 2005 | Aug 2006 | Sept 2006 | |
| Money Supply (M1)..... | <u>53,089.78</u> | <u>62,416.86</u> | <u>64,144.13</u> | <u>20.82</u> |
| (a) Currency with the Public..... | 24,080.64 | 26,683.21 | 28,104.39 | 16.71 |
| (b) Demand Deposits (adj.)***..... | 29,009.14 | 35,733.65 | 36,039.74 | 24.24 |
| Quasi-Money..... | <u>90,340.22</u> | <u>97,583.20</u> | <u>97,797.63</u> | <u>8.25</u> |
| (a) Time..... | 22,164.18 | 22,131.50 | 21,581.05 | -2.63 |
| (b) Savings..... | 68,176.04 | 75,451.70 | 76,216.58 | 11.79 |
| Money Supply (M2)..... | <u>143,430.00</u> | <u>160,000.06</u> | <u>161,941.76</u> | <u>12.91</u> |
| Domestic Credit (net)..... | <u>198,143.55</u> | <u>186,038.57</u> | <u>184,080.03</u> | <u>-7.10</u> |
| | | | | |
| | Oct 2005 | Sept 2006 | Oct 2006 | |
| Base Money..... | <u>40,801.11</u> | <u>47,320.21</u> | <u>47,070.44</u> | <u>15.37</u> |
| | | | | |
| II. COMMERCIAL BANKS (J\$mn.) | Sept 2005 | Aug 2006+ | Sept 2006 | |
| Assets & Liabilities (J\$mn.)**..... | <u>356,575.53</u> | <u>407,416.26</u> | <u>411,691.38</u> | <u>15.46</u> |
| | | | | |
| Loans**..... | <u>124,842.31</u> | <u>141,269.34</u> | <u>143,400.22</u> | <u>14.87</u> |
| Agriculture..... | 1,683.10 | 1,781.53 | 1,803.79 | 7.17 |
| Manufacturing..... | 4,849.42 | 7,174.71 | 7,221.50 | 48.91 |
| Construction & Land Development..... | 5,275.98 | 6,772.81 | 7,105.08 | 34.67 |
| Mining..... | 286.01 | 636.42 | 628.08 | 119.60 |
| Tourism..... | 20,606.79 | 21,784.64 | 22,099.00 | 7.24 |
| Transport, Storage & Communication..... | 4,971.21 | 3,547.41 | 3,542.94 | -28.73 |
| Consumer-Oriented..... | 54,379.47 | 67,022.93 | 70,194.13 | 29.08 |
| Government Services..... | 31,127.76 | 30,729.82 | 29,030.83 | -6.74 |
| Other..... | 1,662.57 | 1,819.07 | 1,774.87 | 6.75 |
| | | | | |
| | Sept 2005 | Aug 2006 | Sept 2006 | |
| DEPOSITS..... | <u>240,794.30</u> | <u>268,938.61</u> | <u>268,345.90</u> | <u>11.44</u> |
| Private Sector (including overseas residents)..... | <u>211,474.93</u> | <u>227,737.47</u> | <u>225,713.07</u> | <u>6.73</u> |
| Time..... | 52,154.34 | 52,493.82 | 51,515.88 | -1.22 |
| Savings..... | 118,812.21 | 129,859.33 | 129,468.55 | 8.97 |
| Demand..... | 40,508.38 | 45,384.32 | 44,728.64 | 10.42 |
| Government..... | <u>12,419.82</u> | <u>14,782.76</u> | <u>18,590.62</u> | <u>49.69</u> |
| Time..... | 240.27 | 679.40 | 1,041.16 | 333.33 |
| Savings..... | 1,593.59 | 1,996.55 | 1,751.57 | 9.91 |
| Demand..... | 10,585.96 | 12,106.81 | 15,797.89 | 49.23 |
| Public Entities..... | <u>10,444.10</u> | <u>15,639.26</u> | <u>12,634.46</u> | <u>20.97</u> |
| Time..... | 4,936.77 | 9,146.24 | 8,227.81 | 66.66 |
| Savings..... | 2,674.41 | 3,865.27 | 2,620.73 | -2.01 |
| Demand..... | 2,832.92 | 2,627.75 | 1,785.92 | -36.96 |

+ Revised

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

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

| | | | | % |
|---|------------------|-------------------|------------------|--------------------|
| II. COMMERCIAL BANKS (J\$mn.) (Cont'd) | Sept 2005 | Aug 2006 | Sept 2006 | Change p.a. |
| Spec. & O. F. Insts..... | 6,455.45 | 10,779.12 | 11,407.75 | 76.72 |
| Time..... | 1,088.57 | 1,561.33 | 1,392.20 | 27.89 |
| Savings..... | 561.78 | 1,534.75 | 1,380.78 | 145.79 |
| Demand..... | 4,805.10 | 7,683.04 | 8,634.77 | 79.70 |
| | Oct 2005 | Sept 2006 | Oct 2006 | |
| Current Account Balances with BOJ (J\$mn)..... | 216.17 | 268.98 | 182.33 | |
| LIQUIDITY (Average) % | Sept 2005 | Aug 2006 | Sept 2006 | |
| Actual Liquid Assets Ratio..... | 41.18 | 44.53 | 44.28 | |
| Cash..... | 2.94 | 3.03 | 2.71 | |
| Deposits with B.O.J..... | 9.46 | 9.30 | 9.32 | |
| Treasury Bills..... | 0.60 | 0.89 | 1.02 | |
| Local Registered Stocks..... | 2.48 | 1.90 | 1.74 | |
| Other..... | 25.70 | 29.41 | 29.49 | |
| Statutory Requirement..... | 23.00 | 23.00 | 23.00 | |
| III. SELECTED INTEREST RATES (%) | | | | |
| COMMERCIAL BANKS (Domestic Currency) | Oct 2005 | Sept 2006+ | Oct 2006 | |
| Fixed Deposits (J\$100,000 & over) | | | | |
| 3-6 months..... | 2.50-14.10 | 2.50-14.10 | 2.50-14.10 | |
| 9-12 months..... | 3.00-14.30 | 3.00-14.30 | 3.00-14.30 | |
| Call Deposits..... | 1.00-15.00 | 1.00-15.00 | 4.00-15.00 | |
| Average Savings Deposits | 5.48 | 5.36 | 5.36 | |
| Average Loan Rate..... | 22.00 | 21.80 | 21.80 | |
| Average Inter-bank Rate | 9.96 | 9.13 | 10.17 | |
| | Sept 2005 | Aug 2006 | Sept 2006 | |
| Weighted Fixed Deposits Rate..... | 7.11 | 7.08 | 6.88 | |
| Weighted Loan Rate..... | 17.41 | 17.70 | 17.83 | |
| G.O.J. Treasury Bills (Weighted Average) Yield | Oct 2005 | Sept 2006 | Oct 2006 | |
| 2 Months:..... | - | - | - | |
| 3 Months:..... | 12.95 | 12.44 | 12.12 | |
| 6 Months:..... | 13.16 | 12.49 | 12.30 | |
| 9 Months:..... | - | - | - | |
| 12 Months:..... | - | - | - | |
| | Oct 2005 | Sept 2006 | Oct 2006 | |
| BOJ Open Market Rates (%) * | | | | |
| 30-Day | 12.60 | 11.95 | 11.95 | |
| 60-Day | 12.70 | 12.00 | 12.00 | |
| 90-Day | 12.75 | 12.10 | 12.10 | |
| 120-Day | 12.85 | 12.15 | 12.15 | |
| 180-Day | 13.00 | 12.30 | 12.30 | |
| 270-Day | 13.25 | - | - | |
| 365-Day | 13.60 | - | - | |
| COMMERCIAL BANKS (Foreign Currency) | Oct 2005 | Sept 2006 | Oct 2006 | |
| Fixed Deposits (Under US\$100,000) | | | | |
| 1-3 months..... | 0.25-5.00 | 0.25-5.00 | 0.25-5.00 | |
| 3-6 months..... | 0.25-5.50 | 0.25-5.50 | 0.25-5.50 | |
| 6-12 months..... | 0.25-6.00 | 0.25-6.00 | 0.25-6.00 | |
| Fixed Deposits (US\$100,000 & Over) | | | | |
| 1-3 months..... | 0.50-5.75 | 0.50-5.75 | 0.50-5.75 | |
| 3-6 months..... | 0.50-6.25 | 0.50-6.25 | 0.50-6.25 | |
| 6-12 months..... | 0.50-6.75 | 0.50-6.75 | 0.50-6.75 | |
| Average Loan Rates | 11.95 | 11.95 | 11.95 | |
| Average Savings | 2.60 | 2.45 | 2.45 | |

+ Revised

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

| | | | | % Change p.a. |
|---|------------------|------------------|------------------|------------------|
| IV. SECURITIES (J\$mn.) (outstanding balances) | Sept 2005 | Aug 2006 | Sept 2006 | |
| GOJ Local Registered Stock..... | 220,030.90 | 232,852.41 | 233,276.80 | 6.02 |
| | Oct 2005 | Sept 2006 | Oct 2006 | |
| BOJ Open Market Operations 1/..... | 164,786.93 | 166,018.91 | 159,485.89 | -3.22 |
| GOJ Treasury Bills..... | 4,100.00 | 4,600.00 | 4,200.00 | 2.44 |
| V. INSTALMENT CREDIT (J\$mn.) (Banks & Near-Banks) | Sept 2005 | Aug 2006 | Sept 2006 | |
| Total Credit Outstanding..... | 13,411.44 | 18,150.19 | 19,034.16 | 41.92 |
| New Business..... | 888.26 | 1,607.99 | 1,466.31 | 65.08 |
| VI. NEAR-BANKS (J\$mn.) (Merchant Banks, Trust Com. & Finance Houses) | Sept 2005 | Aug 2006 | Sept 2006 | |
| Assets/Liabilities..... | 38,998.89 | 46,490.41 | 45,916.72 | 17.74 |
| Loans Outstanding..... | 7,398.30 | 10,026.86 | 10,092.55 | 36.42 |
| Total Deposits..... | 11,029.11 | 13,095.83 | 13,094.06 | 18.72 |
| Loans..... | <u>7,398.30</u> | <u>10,026.86</u> | <u>10,092.55</u> | <u>36.42</u> |
| Agriculture..... | 450.05 | 948.96 | 946.66 | 110.35 |
| Manufacturing..... | 478.09 | 376.44 | 391.00 | -18.22 |
| Construction & Land Development..... | 1,225.02 | 1,382.41 | 1,419.86 | 15.91 |
| Mining, Quarrying & Processing..... | 25.53 | 14.59 | 14.24 | -44.22 |
| Tourism..... | 522.17 | 862.21 | 823.24 | 57.66 |
| Transport, Storage & Communication..... | 305.48 | 541.17 | 580.10 | 89.90 |
| Consumer Oriented..... | 3,773.32 | 5,258.64 | 5,458.20 | 44.65 |
| Government Services..... | 371.96 | 368.57 | 349.44 | -6.05 |
| Other..... | 246.68 | 273.87 | 109.81 | -55.48 |
| | Sept 2005 | Aug 2006+ | Sept 2006 | |
| Liquid Assets Ratio (average) %..... | 40.96 | 31.88 | 37.16 | |
| Statutory Requirement..... | 23.00 | 23.00 | 23.00 | |
| VII. BUILDING SOCIETIES (J\$mn.) (members & associate members) | Sept 2005 | Aug 2006 | Sept 2006 | |
| Assets/Liabilities..... | 86,610.70 | 99,752.10 | 101,128.26 | 16.76 |
| Loan Balances..... | 34,525.49 | 41,282.05 | 42,046.98 | 21.79 |
| Savings Funds..... | 62,064.32 | 69,645.10 | 70,275.56 | 13.23 |
| VIII. INFLATION | Oct 2005 | Sept 2006 | Oct 2006 | |
| Consumer Price Index (Jan. 1988 = 100)..... | 2,285.7 | 2,419.8 | 2,417.9 | 5.78 |
| Monthly Rate (%)..... | 0.6 | 0.8 | -0.1 | |
| Calendar Year to Date (%)..... | 12.5 | 5.5 | 5.4 | |
| Fiscal Year to Date (%)..... | 10.9 | 5.3 | 5.3 | |
| IX. ACTUAL PRODUCTION ('000) | Oct 2005 | Sept 2006 | Oct 2006 | |
| Bauxite (tonnes)..... | 289.19 | 397.16 | 348.37 | 20.46 |
| Alumina (tonnes)..... | 295.18 | 322.74 | 357.93 | 21.26 |
| Sugar (tonnes)..... | - | - | - | - |
| Banana Exports (tonnes)..... | 0.55 | 4.52 | 3.36 | 510.91 |
| X. STOCK MARKET ACTIVITIES | Nov 2005 | Oct 2006 | Nov 2006 | |
| Index..... | 100,689.87 | 85,955.93 | 94,617.93 | -6.03 |
| Volume Traded (mn.)..... | 84.79 | 70.18 | 135.72 | 60.07 |
| Ordinary Shares..... | 84.79 | 70.17 | 135.19 | 59.44 |
| Block Transactions..... | - | 0.01 | 0.53 | - |

+ Revised

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

- No Production

.. Not Available

| | Nov 2005 | Oct 2006 | Nov 2006 | % Change p.a. |
|--|-------------------------|-------------------------|----------|-----------------------|
| X. STOCK MARKET ACTIVITIES (cont'd) | | | | |
| Value of Stocks Traded (J\$mn.)..... | 851.58 | 840.17 | 1,559.25 | 83.10 |
| Ordinary Shares..... | 851.58 | 840.16 | 1,558.74 | 83.04 |
| Block Transactions..... | - | 0.01 | 0.51 | - |
| Advance/Decline Ratio..... | 14/22 | 22/14 | 32/2 | |
| XI. EXTERNAL TRADE (US\$mn.) | Jan-Jul 2005 | Jan-Jul 2006* | | Change |
| 1. EXPORTS | | | | |
| (a) Major Traditional Exports..... | <u>671.84</u> | <u>735.55</u> | | <u>63.71</u> |
| Bauxite..... | 54.70 | 64.79 | | 10.09 |
| Alumina..... | 537.42 | 576.11 | | 38.69 |
| Sugar..... | 76.80 | 87.10 | | 10.30 |
| Bananas..... | 2.92 | 7.55 | | 4.63 |
| (b) Other Traditional Exports..... | 37.42 | 52.15 | | 14.73 |
| (c) Non-Traditional Exports..... | 140.83 | 332.48 | | 191.65 |
| (d) Re-exports..... | 16.18 | 19.88 | | 3.70 |
| General Merchandise Exports..... | <u>866.27</u> | <u>1,140.06</u> | | <u>273.79</u> |
| (e) Freezone Exports..... | 38.55 | 34.10 | | -4.45 |
| (f) Goods Procured in Ports..... | 44.32 | 46.48 | | 2.16 |
| Total Goods Exports..... | <u>949.14</u> | <u>1,220.64</u> | | <u>271.50</u> |
| 2. IMPORTS (by S.I.T.C.) | | | | |
| (a) Food..... | 332.79 | 353.21 | | 20.42 |
| (b) Beverage & Tobacco..... | 32.27 | 37.85 | | 5.58 |
| (c) Crude Material..... | 50.96 | 48.31 | | -2.65 |
| (d) Mineral Fuel | 764.34 | 1,112.33 | | 347.99 |
| (e) Animal & Vegetable Oil..... | 16.63 | 15.43 | | -1.20 |
| (f) Chemicals..... | 301.33 | 396.90 | | 95.57 |
| (g) Manufactured Goods..... | 375.23 | 377.17 | | 1.94 |
| (h) Machinery & Transportation..... | 485.67 | 609.15 | | 123.48 |
| (i) Miscellaneous Manufactured Goods..... | 263.02 | 282.11 | | 19.09 |
| (j) Miscellaneous Commodities..... | 36.72 | 41.66 | | 4.94 |
| General Merchandise Imports | <u>2,658.96</u> | <u>3,274.12</u> | | <u>615.16</u> |
| Freezone Imports..... | 9.93 | 12.18 | | 2.25 |
| Goods Procured in Ports..... | 64.89 | 68.14 | | 3.25 |
| Total Goods Imports..... | <u>2,733.78</u> | <u>3,354.44</u> | | <u>620.66</u> |
| Trade Balance..... | <u>-1,784.64</u> | <u>-2,133.80</u> | | <u>-349.16</u> |
| XII. TOURISM | Jan-Sept 2005 | Jan-Sept 2006 | | % Change |
| Tourist Arrivals ('000)..... | <u>1,930.47</u> | <u>2,244.53</u> | | <u>16.27</u> |
| Stop Overs..... | 1,104.19 | 1,294.20 | | 17.21 |
| Foreign Nationals..... | 1,041.53 | 1,221.45 | | 17.27 |
| Non-Resident Jamaicans..... | 62.66 | 72.75 | | 16.10 |
| Cruise..... | 826.28 | 950.33 | | 15.01 |
| Armed Forces..... | - | - | | - |
| Estimated Expenditure (US\$mn.)..... | <u>1,143.6</u> | <u>1,368.7</u> | | <u>19.68</u> |
| XIII. BALANCE OF PAYMENTS (US\$mn.) | | | | |
| Balance of Payments (Calendar) | Jan-Jul 2005 | Jan-Jul 2006* | | Change |
| 1. Current Account..... | <u>-535.5</u> | <u>-599.7</u> | | <u>-64.2</u> |
| A. Goods balance..... | <u>-1,436.2</u> | <u>-1,724.2</u> | | <u>-288.0</u> |
| Exports (f.o.b.)..... | 949.1 | 1,220.6 | | 271.5 |
| Imports (f.o.b.)..... | 2,385.3 | 2,944.8 | | 559.5 |
| B. Service Balance..... | <u>426.9</u> | <u>539.6</u> | | <u>112.7</u> |
| Transportation..... | -139.3 | -165.5 | | -26.2 |
| Travel..... | 818.7 | 993.9 | | 175.2 |
| Other Services..... | -252.5 | -288.8 | | -36.3 |

* Provisional

| <i>Balance of Payments (Calendar) (Cont'd)</i> | | | |
|--|---------------------|----------------------|---------------|
| | Jan-Jul 2005 | Jan-Jul 2006* | Change |
| C. Income | <u>-428.7</u> | <u>-388.5</u> | <u>40.2</u> |
| Compensation of Employees..... | 29.3 | 34.1 | 4.8 |
| Investment Income..... | -458.0 | -422.6 | 35.4 |
| D. Current Transfers | <u>902.5</u> | <u>973.4</u> | <u>70.9</u> |
| Official..... | 86.1 | 78.7 | -7.4 |
| Private..... | 816.4 | 894.7 | 78.3 |
| 2. Capital and Financial Account | <u>535.5</u> | <u>599.7</u> | <u>64.2</u> |
| A. Capital Account | <u>-2.2</u> | <u>1.0</u> | <u>3.2</u> |
| Capital Transfers..... | <u>-2.2</u> | <u>1.0</u> | <u>3.2</u> |
| Official..... | 0.3 | 3.5 | 3.2 |
| Private..... | -2.5 | -2.5 | 0.0 |
| Acq./Disp. of non-produced non-fin. assets.... | 0.0 | 0.0 | 0.0 |
| B. Financial Account | <u>537.7</u> | <u>598.7</u> | <u>61.0</u> |
| Other Official Investment..... | 99.0 | 229.6 | 130.6 |
| Other Private Investment..... | 729.4 | 369.7 | -359.7 |
| <i>(incl. errors & omissions)</i> | | | |
| Reserves..... | <u>-290.7</u> | <u>-0.6</u> | |
| | Apr-Jul | Apr-Jul* | |
| <i>Balance of Payments (Fiscal)</i> | 2005/2006 | 2006/2007 | |
| 1. Current Account | <u>-366.8</u> | <u>-341.7</u> | <u>25.1</u> |
| A. Goods balance | <u>-835.0</u> | <u>-982.6</u> | <u>-147.6</u> |
| Exports (f.o.b.)..... | 567.9 | 702.2 | 134.3 |
| Imports (f.o.b.)..... | 1,402.9 | 1,684.8 | 281.9 |
| B. Service Balance | <u>226.1</u> | <u>296.3</u> | <u>70.2</u> |
| Transportation..... | -93.2 | -103.3 | -10.1 |
| Travel..... | 466.5 | 565.7 | 99.2 |
| Other Services..... | -147.2 | -166.1 | -18.9 |
| C. Income | <u>-264.6</u> | <u>-224.7</u> | <u>39.9</u> |
| Compensation of Employees..... | 20.8 | 25.0 | 4.2 |
| Investment Income..... | -285.4 | -249.7 | 35.7 |
| D. Current Transfers | <u>506.7</u> | <u>569.3</u> | <u>62.6</u> |
| Official..... | 43.7 | 42.9 | -0.8 |
| Private..... | 463.0 | 526.4 | 63.4 |
| 2. Capital and Financial Account | <u>366.8</u> | <u>341.7</u> | <u>-25.1</u> |
| A. Capital Account | <u>-1.3</u> | <u>2.8</u> | <u>4.1</u> |
| Capital Transfers..... | <u>-1.3</u> | <u>2.8</u> | <u>4.1</u> |
| Official..... | 0.2 | 3.5 | 3.3 |
| Private..... | -1.5 | -0.7 | 0.8 |
| Acq./Disp. of non-produced non-fin. assets | 0.0 | 0.0 | 0.0 |
| B. Financial Account | <u>368.1</u> | <u>338.9</u> | <u>-29.2</u> |
| Other Official Investment..... | 85.6 | 246.6 | 161.0 |
| Other Private Investment..... | 530.1 | 102.1 | -428.0 |
| <i>(incl. errors & omissions)</i> | | | |
| Reserves..... | <u>-247.6</u> | <u>-9.8</u> | |

* Provisional

| | Oct 2005 | Sept 2006 | Oct 2006 | % Change p.a. |
|---|-----------------|-----------------|-----------------|------------------|
| XIV. BOJ NET INTERNATIONAL RESERVES | | | | |
| (US\$mn.) | | | | |
| BOJ Net International Reserves (US\$mn.)..... | <u>2,078.99</u> | <u>2,342.01</u> | <u>2,306.40</u> | <u>10.94</u> |
| Gross Foreign Assets..... | <u>2,337.79</u> | <u>2,474.72</u> | <u>2,420.62</u> | <u>3.54</u> |
| Gross Foreign Liabilities..... | <u>258.80</u> | <u>132.71</u> | <u>114.22</u> | <u>-55.87</u> |
| Estimated Gross Reserves in Weeks of Imports..... | <u>29.30</u> | <u>26.37</u> | <u>24.94</u> | |
| Estimated Gross Reserves in Weeks of Goods and Services Imports..... | <u>20.58</u> | <u>18.97</u> | <u>18.05</u> | |
| XV. FOREIGN EXCHANGE | | | | |
| DEVELOPMENTS (US\$mn.) * | | | | |
| Combined Foreign Exchange Trading | | | | |
| Foreign Exchange Purchases (spot)..... | 781.66 | 1,066.02 | 1,081.21 | 38.32 |
| Foreign Exchange Sales (spot)..... | 748.70 | 1,124.09 | 1,048.43 | 40.03 |
| Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) | | | | |
| Commercial Banks Balances..... | <u>1,530.93</u> | <u>1,622.47</u> | <u>1,563.08</u> | <u>2.10</u> |
| "A" Accounts 1/..... | 162.74 | 151.42 | 139.80 | -14.07 |
| "B" Accounts | 0.00 | 0.00 | 0.00 | - |
| Other..... | 1,368.19 | 1,471.05 | 1,423.28 | 4.03 |
| F.I.As Balance..... | <u>147.46</u> | <u>164.51</u> | <u>163.82</u> | <u>11.09</u> |
| "A" Accounts 1/..... | 102.65 | 100.42 | 100.09 | -2.49 |
| "B" Accounts | 0.15 | 0.06 | 0.08 | -46.67 |
| Other..... | 44.66 | 64.03 | 63.65 | 42.52 |
| Building Societies Balances..... | <u>344.73</u> | <u>391.43</u> | <u>392.59</u> | <u>13.88</u> |
| "A" Accounts 1/..... | 200.32 | 239.02 | 239.76 | 19.69 |
| "B" Accounts | 66.07 | 66.30 | 67.25 | 1.79 |
| Other | 78.34 | 86.11 | 85.58 | 9.24 |
| Total Foreign Currency Deposits (US\$mn.)..... | <u>2,023.12</u> | <u>2,178.41</u> | <u>2,119.49</u> | <u>4.76</u> |
| Total Foreign Currency Loans (US\$mn.)..... | <u>887.09</u> | <u>977.28</u> | <u>992.92</u> | <u>11.93</u> |
| Commercial Banks..... | 802.08 | 870.70 | 885.86 | 10.45 |
| F.I.As | 75.27 | 93.44 | 93.05 | 23.62 |
| Building Societies..... | 9.74 | 13.14 | 14.01 | 43.84 |

* Foreign Currency balances represent the US dollar equivalent of the value of total transactions in major international currencies.
1/ 'A' Accounts are tax free Foreign Currency Accounts Held by non-residents

| | Oct 2005 | Sept 2006 | Oct 2006 |
|---|-----------------|------------------|-----------------|
| London Interbank Offer Rate (LIBOR) Eurodollars (%) | | | |
| 3 months..... | 2.27 | 3.43 | 3.57 |
| 6 months..... | 2.38 | 3.57 | 3.71 |
| U.S. Prime Rate (end of period) (%)..... | 6.75 | 8.25 | 8.25 |
| | | | |
| Selling Exchange Rates (end period) | Oct 2005 | Sept 2006 | Oct 2006 |
| US\$1.00 = J\$..... | 64.04 | 66.06 | 66.50 |
| Can. \$1.00 = J\$..... | 54.07 | 59.10 | 59.43 |
| U.K. Pound = J\$..... | 113.18 | 123.48 | 125.93 |
| Euro = J\$**..... | 76.82 | 83.80 | 84.94 |
| | | | |
| Caricom Selling Exchange Rates** | | | |
| T.T. \$1 = J\$..... | 10.26 | 10.55 | 10.69 |
| Bdos. \$1 = J\$..... | 32.02 | 33.03 | 33.25 |
| Guy. \$1 = J\$..... | 0.33 | 0.33 | 0.33 |
| E.C. \$1 = J\$..... | 23.72 | 24.47 | 24.63 |

*** Indicative Rates*

INFLATION

OCTOBER 2006

The All Jamaica Consumer Price Index (CPI) decreased by 0.1 per cent in October 2006, relative to a 0.8 per cent increase in the previous month. The decline in October was the second time since 1963 that there was deflation in that month and was also a significant departure from the seasonal average of 1.8 per cent for October.

The out-turn for October brought the rate of inflation for the fiscal year to date to 5.3 per cent, compared to inflation of 10.9 per cent for the similar period of F/Y 2005/06. The point-to-point inflation rate at October 2006 was 5.8 per cent, relative to 15.9 per cent recorded for the comparable period in the previous year. Similarly, the mean annual inflation rate of 9.9 per cent was 5.6 percentage points lower than the rate that obtained in October 2005 (See Table 1).

The major influences on the deflation in October were supply induced declines in the prices of tubers and other starchy foods and the lower cost of utilities and petrol. The impact of these declines was reflected in *Housing & Other Housing Expenses* and *Transportation*, respectively. *Food & Drink* and *Household Furnishing & Furniture* remained constant. However, save only for *Fuels & Other Household Supplies*, none of these increases exceeded 0.2 per cent (Table 2).

With no movement in the Rental sub-group, the decrease in the sub-index for *Housing & Other Housing Expenses* was influenced by a decline in *Other Housing Expenses*. This reduction emanated from a 3.9 per cent fall in electricity rates. This was the sharpest monthly decline in electricity rates since a 6.4 per cent reduction was recorded in December 2005. The decline in October resulted from a 6.9 per cent reduction in fuel charges by the Jamaica Public Service Company and was related to the sharp fall in prices in the international crude oil market. The West Texas Intermediate (WTI) benchmark, decreased by 8.2 per cent in October, following a decline of 12.2 per cent in September. The decline of 0.8 per cent in *Transportation* was also a consequence of the developments in international oil prices as local fuel prices fell an average by 7.8 per cent across the regions.

With regard to *Food & Drink*, the stability of this category masked sharp opposing adjustments in the agricultural sub-groups. *Starchy Foods* declined by 3.5 per cent but its impact was offset by a 2.1 per cent increase in *Vegetables & Fruits* as well as increases in *Meat, Poultry & Fish* and *Dairy Products, Oils & Fats*. The price reductions in *Starchy Foods* were related to increased supplies of yams which were associated with it being the peak reaping season as well as the favourable weather that has prevailed for most of the year. In particular, the 2006 hurricane season was especially mild with only one bout of adverse weather affecting the country.

The increase in the *Fuels & Other Household Supplies* sub-index was due mainly to an increase of 0.9 per cent in *Fuels*. This expansion was a result of lagged adjustments, given the recent declines in the price of international crude oil.

The CPI in the KMA and Other Towns increased by 0.3 per cent and 0.2 per cent, while that in the Rural Areas fell by 0.8 per cent. This pattern was mainly reflected in the largest group, *Food & Drink* and, to a smaller extent, in *Fuels & Other Household Supplies*. The increases in the *Food & Drink* index in the KMA and Other Towns were 0.8 per cent and 0.6 per cent, respectively, relative to a decline of 1.1 per cent in the Rural Areas. This disparity primarily reflected stronger downward impulses from *Starchy Foods*, which fell by 5.5 per cent in the Rural Areas while the reductions in the other areas were less than 1.0 per cent each. Also, the *Vegetables & Fruits* sub-index in Rural Areas reflected the only decline across the regions. *Fuels & Other Household Supplies* in the KMA and Other Towns increased by 1.1 per cent and 0.6 per cent, respectively, compared to 0.1 per cent in the Rural Areas (see **Table 3**). The sharper movements in the KMA and Other Towns primarily reflected movements in kerosene and cooking gas prices which were not observed in the Rural Areas.

The trimmed mean index was estimated to have increased by 0.12 per cent in October, 0.40 percentage point below the change in the previous month (Table 4). The outturn for October 2006 brought annual core inflation to 3.5 per cent, the lowest level in nearly four years. This compared well with the 5.8 per cent recorded for the comparable period in the previous year. The annual average core inflation rate of 4.5 per cent for the month was 1.0 percentage point below what obtained in the similar period of 2005, and 0.2 percentage point lower than the previous month's rate.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.12 per cent in October, compared to 0.68 per cent in the previous month. For the fiscal year to date, CPI-A was 4.1 per cent, relative to 8.3 per cent for the corresponding period last FY. This primarily reflected lower fuel price charges resulting from weaker international crude oil prices, as well as lower impulses from exchange rate changes as the foreign exchange market exhibited greater stability during the reporting fiscal period.

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 |
|-------------|--------------|---------------------------|------------------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| 2002 | | | | | | | |
| Jan | 1,468.8 | 1,461.7 | 0.59 | 0.96 | 1.30 | 9.38 | 7.28 |
| Feb | 1,468.0 | 1,465.6 | -0.05 | 0.81 | 0.99 | 8.05 | 7.39 |
| Mar | 1,468.5 | 1,468.4 | 0.03 | 0.57 | 0.78 | 7.58 | 7.48 |
| Apr | 1,475.9 | 1,470.8 | 0.50 | 0.48 | 0.62 | 7.67 | 7.62 |
| May | 1,480.0 | 1,474.8 | 0.28 | 0.82 | 0.62 | 7.16 | 7.69 |
| Jun | 1,492.8 | 1,482.9 | 0.86 | 1.65 | 0.99 | 6.25 | 7.61 |
| Jul | 1,515.6 | 1,496.1 | 1.53 | 2.69 | 1.72 | 6.83 | 7.58 |
| Aug | 1,521.2 | 1,509.9 | 0.37 | 2.79 | 2.38 | 6.29 | 7.51 |
| Sept | 1,528.0 | 1,521.6 | 0.45 | 2.36 | 2.61 | 5.90 | 7.41 |
| Oct | 1,539.2 | 1,529.5 | 0.73 | 1.56 | 2.23 | 5.80 | 7.25 |
| Nov | 1,558.3 | 1,541.8 | 1.24 | 2.44 | 2.12 | 7.01 | 7.20 |
| Dec | 1,566.1 | 1,554.5 | 0.50 | 2.49 | 2.16 | 7.25 | 7.08 |
| 2003 | | | | | | | |
| Jan | 1,561.3 | 1,561.9 | -0.31 | 1.44 | 2.12 | 6.30 | 6.83 |
| Feb | 1,552.2 | 1,559.9 | -0.58 | -0.39 | 1.17 | 5.74 | 6.64 |
| Mar | 1,559.5 | 1,557.7 | 0.47 | -0.42 | 0.20 | 6.20 | 6.52 |
| Apr | 1,584.0 | 1,565.2 | 1.57 | 1.45 | 0.21 | 7.33 | 6.50 |
| May | 1,613.4 | 1,585.6 | 1.86 | 3.94 | 1.65 | 9.01 | 6.66 |
| Jun | 1,653.1 | 1,616.8 | 2.46 | 6.00 | 3.80 | 10.74 | 7.04 |
| Jul | 1,678.4 | 1,648.3 | 1.53 | 5.96 | 5.31 | 10.74 | 7.38 |
| Aug | 1,702.0 | 1,677.8 | 1.41 | 5.49 | 5.81 | 11.88 | 7.85 |
| Sept | 1,728.4 | 1,702.9 | 1.55 | 4.56 | 5.33 | 13.11 | 8.47 |
| Oct | 1,756.7 | 1,729.0 | 1.64 | 4.67 | 4.90 | 14.13 | 9.17 |
| Nov | 1,773.0 | 1,752.7 | 0.93 | 4.17 | 4.46 | 13.78 | 9.74 |
| Dec | 1,786.8 | 1,772.2 | 0.78 | 3.38 | 4.07 | 14.09 | 10.32 |
| 2004 | | | | | | | |
| Jan | 1,801.8 | 1,787.2 | 0.84 | 2.57 | 3.36 | 15.40 | 11.08 |
| Feb | 1,811.9 | 1,800.2 | 0.56 | 2.19 | 2.71 | 16.73 | 11.99 |
| Mar | 1,820.8 | 1,811.5 | 0.49 | 1.90 | 2.22 | 16.76 | 12.86 |
| Apr | 1,828.2 | 1,820.3 | 0.41 | 1.47 | 1.85 | 15.42 | 13.52 |
| May | 1,839.9 | 1,829.6 | 0.64 | 1.55 | 1.64 | 14.04 | 13.93 |
| Jun | 1,854.8 | 1,841.0 | 0.81 | 1.87 | 1.63 | 12.20 | 14.03 |
| Jul | 1,854.8 | 1,855.8 | 0.97 | 2.44 | 1.95 | 11.58 | 14.08 |
| Aug | 1,897.3 | 1,875.0 | 1.31 | 3.12 | 2.48 | 11.47 | 14.02 |
| Sept | 1,909.2 | 1,893.1 | 0.63 | 2.93 | 2.83 | 10.46 | 13.77 |
| Oct | 1,972.2 | 1,926.2 | 3.30 | 5.31 | 3.79 | 12.27 | 13.61 |
| Nov | 2,020.0 | 1,967.1 | 2.42 | 6.47 | 4.92 | 13.93 | 13.62 |
| Dec | 2,032.1 | 2,008.1 | 0.60 | 6.44 | 6.07 | 13.73 | 13.60 |
| 2005 | | | | | | | |
| Jan | 2,032.8 | 2,028.3 | 0.03 | 3.07 | 5.30 | 12.82 | 13.39 |
| Feb | 2,041.7 | 2,035.5 | 0.44 | 1.07 | 3.48 | 12.68 | 13.07 |
| Mar | 2,061.6 | 2,045.4 | 0.97 | 1.45 | 1.86 | 13.22 | 12.81 |
| Apr | 2,100.4 | 2,067.9 | 1.88 | 3.32 | 1.95 | 14.89 | 12.79 |
| May | 2,147.1 | 2,103.0 | 2.23 | 5.17 | 3.32 | 16.70 | 13.04 |
| Jun | 2,178.9 | 2,142.2 | 1.48 | 5.69 | 4.73 | 17.48 | 13.49 |
| Jul | 2,213.3 | 2,179.8 | 1.58 | 5.38 | 5.41 | 18.18 | 14.04 |
| Aug | 2,214.7 | 2,202.4 | 0.06 | 3.15 | 4.72 | 16.73 | 14.48 |
| Sept | 2,272.4 | 2,233.5 | 2.61 | 4.29 | 4.26 | 19.03 | 15.19 |
| Oct | 2,285.7 | 2,257.7 | 0.59 | 3.27 | 3.57 | 15.90 | 15.48 |
| Nov | 2,292.3 | 2,283.5 | 0.29 | 3.50 | 3.69 | 13.48 | 15.43 |
| Dec | 2,293.8 | 2,290.7 | 0.07 | 0.94 | 2.56 | 12.88 | 15.33 |
| 2006 | | | | | | | |
| Jan | 2,295.7 | 2,294.0 | 0.08 | 0.44 | 1.61 | 12.94 | 15.32 |
| Feb | 2,295.3 | 2,295.0 | -0.02 | 0.13 | 0.50 | 12.42 | 15.27 |
| Mar | 2,297.1 | 2,296.1 | 0.08 | 0.14 | 0.24 | 11.43 | 15.09 |
| Apr | 2,323.3 | 2,305.2 | 1.14 | 1.20 | 0.49 | 10.62 | 14.70 |
| May | 2,332.6 | 2,317.6 | 0.40 | 1.63 | 0.99 | 8.64 | 14.00 |
| Jun | 2,362.3 | 2,339.4 | 1.27 | 2.84 | 1.89 | 8.42 | 13.24 |
| Jul | 2,394.5 | 2,363.1 | 1.36 | 3.06 | 2.51 | 8.19 | 12.41 |
| Aug | 2,401.9 | 2,386.2 | 0.31 | 2.97 | 2.96 | 8.45 | 11.73 |
| Sept | 2,419.8 | 2,405.4 | 0.75 | 2.43 | 2.82 | 6.49 | 10.71 |
| Oct | 2,417.9 | 2,413.2 | -0.08 | 0.98 | 2.12 | 5.78 | 9.87 |

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
October 2006

| | Weight in the CPI | Monthly Inflation (%) | Weighted Inflation | % Contribution to Inflation |
|---|----------------------|-----------------------------|-----------------------|--------------------------------|
| FOOD & DRINK | 0.5563 | 0.0 | 0.1472 | 217.6 |
| Meals away from home | 0.0741 | 0.4 | 0.0311 | 46.0 |
| Meat, Poultry & Fish | 0.1613 | 0.6 | 0.0890 | 131.6 |
| Dairy Products Oils & Fats | 0.0668 | 0.7 | 0.0460 | 68.0 |
| Baked Products, Cereals & Breakfast Drink | 0.0864 | 0.2 | 0.0146 | 21.7 |
| Starchy Foods | 0.0525 | -3.5 | -0.1831 | -270.7 |
| Vegetables & Fruits | 0.0650 | 2.1 | 0.1333 | 197.1 |
| Other Food & Beverages | 0.0502 | 0.3 | 0.0162 | 23.9 |
| FUELS & OTHER HOUSEHOLD SUPPLIES | 0.0735 | 0.6 | 0.0314 | 46.5 |
| Household Supplies | 0.0482 | 0.2 | 0.0091 | 13.4 |
| Fuels | 0.0253 | 0.9 | 0.0223 | 33.0 |
| HOUSING & OTHER HOUSING EXPENSES | 0.0786 | -1.2 | -0.0869 | -128.4 |
| Rental | 0.0209 | 0.0 | 0.0000 | 0.0 |
| Other Housing Expenses | 0.0577 | -1.5 | -0.0869 | -128.4 |
| HOUSEHOLD FURNISHINGS & FURNITURE | 0.0283 | 0.0 | 0.0003 | -0.5 |
| Furniture | 0.0068 | -0.1 | -0.0008 | -1.2 |
| Furnishings | 0.0215 | 0.0 | 0.0005 | 0.7 |
| HEALTHCARE & PERSONAL EXPENSES | 0.0697 | 0.1 | 0.0067 | 9.9 |
| PERSONAL CLOTHING FOOTWEAR & ACCESSORIES | 0.0507 | 0.2 | 0.0128 | 18.9 |
| Clothing Materials | 0.0055 | 0.1 | 0.0008 | 1.1 |
| Readymade Clothing & Accessories | 0.0242 | 0.3 | 0.0068 | 10.0 |
| Footwear | 0.0159 | 0.3 | 0.0044 | 6.5 |
| Making & Repairs | 0.0051 | 0.2 | 0.0009 | 1.3 |
| TRANSPORTATION | 0.0644 | -0.8 | -0.0536 | -79.2 |
| MISCELLANEOUS EXPENSES | 0.0785 | 0.1 | 0.0103 | 15.2 |
| ALL GROUPS | 1.0000 | -0.08 | 0.07 | 100.0 |

Table 3
REGIONAL INFLATION
October 2006

| | KMA (%) | Other Towns (%) | Rural (%) |
|---|-------------|-----------------------|--------------|
| FOOD & DRINK | 0.8 | 0.6 | -1.1 |
| Meals away from home | 0.7 | 0.2 | 0.2 |
| Meat Poultry & Fish | 0.6 | 0.9 | 0.2 |
| Dairy Products Oils & Fats | 0.5 | 1.2 | 0.6 |
| Baked Products Cereals & Breakfast Drink | 0.1 | 0.3 | 0.1 |
| Starchy Foods | -0.6 | -0.8 | -5.5 |
| Vegetables & Fruits | 4.3 | 2.9 | -0.5 |
| Other Food & Beverages | 0.7 | -0.1 | 0.1 |
| FUELS & OTHER HOUSEHOLD SUPPLIES | 1.1 | 0.6 | 0.1 |
| Household Supplies | 0.2 | 0.4 | 0.1 |
| Fuels | 1.6 | 0.8 | 0.0 |
| HOUSING & OTHER HOUSING EXPENSES | -1.1 | -1.3 | -1.4 |
| Rental | 0.0 | 0.0 | 0.0 |
| Other Housing Expenses | -1.5 | -1.4 | -1.5 |
| HOUSEHOLD FURNISHINGS & FURNITURE | 1.0 | -0.6 | -0.6 |
| Furniture | 2.7 | -1.9 | -1.8 |
| Furnishings | 0.1 | 0.1 | -0.1 |
| HEALTHCARE & PERSONAL EXPENSES | 0.0 | 0.2 | 0.2 |
| PERSONAL CLOTHING FOOTWEAR & ACCESSORIES | 0.1 | 0.6 | 0.2 |
| Clothing Materials | 0.2 | 0.2 | 0.0 |
| Readymade Clothing & Accessories | 0.0 | 0.4 | 0.4 |
| Footwear | 0.1 | 0.9 | 0.0 |
| Making & Repairs | 0.0 | 0.9 | 0.0 |
| TRANSPORTATION | -0.6 | -0.9 | -1.3 |
| MISCELLANEOUS EXPENSES | 0.1 | 0.2 | 0.1 |
| ALL GROUPS | 0.3 | 0.2 | -0.8 |

Table 4
INFLATION: ACTUAL & CORE

| | Monthly | | Fiscal Year to Date | | 12-Mth Core | |
|----------------|---------|------|---------------------|------|-------------|---------|
| | Actual | Core | Actual | Core | Pt to Pt | Average |
| 2003/04 | | | | | | |
| Apr | 1.57 | 0.65 | 1.57 | 0.65 | 4.54 | 3.35 |
| May | 1.86 | 0.73 | 3.46 | 1.38 | 5.09 | 3.51 |
| June | 2.46 | 0.91 | 6.00 | 2.30 | 5.64 | 3.72 |
| July | 1.53 | 0.94 | 7.62 | 3.27 | 6.31 | 3.99 |
| Aug | 1.41 | 0.79 | 9.14 | 4.08 | 6.90 | 4.33 |
| Sept | 1.55 | 0.52 | 10.83 | 4.62 | 7.22 | 4.70 |
| Oct | 1.64 | 0.79 | 12.65 | 5.45 | 7.77 | 5.12 |
| Nov | 0.93 | 0.66 | 13.69 | 6.14 | 7.89 | 5.51 |
| Dec | 0.78 | 0.53 | 14.58 | 6.70 | 8.09 | 5.90 |
| Jan | 0.84 | 0.50 | 15.54 | 7.23 | 8.22 | 6.30 |
| Feb | 0.56 | 0.32 | 16.18 | 7.57 | 8.15 | 6.68 |
| Mar | 0.49 | 0.32 | 16.76 | 7.91 | 7.91 | 6.99 |
| 2004/05 | | | | | | |
| Apr | 0.41 | 0.32 | 0.41 | 0.32 | 7.55 | 7.24 |
| May | 0.64 | 0.39 | 1.05 | 0.71 | 7.20 | 7.41 |
| June | 0.81 | 0.36 | 1.87 | 1.08 | 6.62 | 7.48 |
| July | 0.97 | 0.36 | 2.86 | 1.44 | 6.00 | 7.45 |
| Aug | 1.31 | 0.46 | 4.20 | 1.91 | 5.66 | 7.34 |
| Sept | 0.63 | 0.34 | 4.86 | 2.25 | 5.46 | 7.19 |
| Oct | 3.30 | 0.66 | 8.32 | 2.93 | 5.33 | 6.98 |
| Nov | 2.42 | 0.60 | 10.94 | 3.54 | 5.26 | 6.76 |
| Dec | 0.60 | 0.47 | 11.60 | 4.03 | 5.20 | 6.52 |
| Jan | 0.03 | 0.36 | 11.64 | 4.41 | 5.07 | 6.26 |
| Feb | 0.44 | 0.28 | 12.13 | 4.70 | 5.03 | 6.00 |
| Mar | 0.97 | 0.45 | 13.22 | 5.17 | 5.17 | 5.78 |
| 2005/06 | | | | | | |
| Apr | 1.88 | 0.50 | 1.88 | 0.50 | 5.37 | 5.60 |
| May | 2.23 | 0.56 | 4.16 | 1.07 | 5.55 | 5.47 |
| June | 1.48 | 0.58 | 5.69 | 1.66 | 5.78 | 5.40 |
| July | 1.58 | 0.58 | 7.36 | 2.25 | 6.01 | 5.41 |
| Aug | 0.06 | 0.44 | 7.43 | 2.71 | 6.00 | 5.44 |
| Sept | 2.61 | 0.40 | 10.23 | 3.12 | 6.06 | 5.49 |
| Oct | 0.59 | 0.37 | 10.87 | 3.49 | 5.75 | 5.52 |
| Nov | 0.29 | 0.34 | 11.19 | 3.85 | 5.48 | 5.54 |
| Dec | 0.07 | 0.24 | 11.27 | 4.10 | 5.24 | 5.54 |
| Jan | 0.08 | 0.27 | 11.36 | 4.37 | 5.14 | 5.55 |
| Feb | -0.02 | 0.29 | 11.34 | 4.68 | 5.15 | 5.56 |
| Mar | 0.08 | 0.26 | 11.43 | 4.95 | 4.95 | 5.54 |
| 2006/07 | | | | | | |
| Apr | 1.14 | 0.31 | 1.14 | 0.31 | 4.75 | 5.48 |
| May | 0.40 | 0.29 | 1.55 | 0.60 | 4.46 | 5.39 |
| June | 1.27 | 0.28 | 2.84 | 0.87 | 4.14 | 5.25 |
| July | 1.36 | 0.33 | 4.24 | 1.21 | 3.88 | 5.07 |
| Aug | 0.31 | 0.22 | 4.56 | 1.43 | 3.65 | 4.88 |
| Sept | 0.75 | 0.52 | 5.34 | 1.96 | 3.78 | 4.69 |
| Oct | -0.08 | 0.12 | 5.26 | 2.08 | 3.52 | 4.50 |

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
JULY 2006**

July 2006

Provisional data indicate that the current account deficit expanded by US\$60.5 million to US\$133.1 million in July 2006 (see **Table**). **This deterioration was driven mainly by respective increases of US\$60.0 million (50.2 per cent) and US\$32.6 million (47.9 per cent) in payments for fuel and machinery and transport equipment imports.** The growth in expenditure on fuel imports was partly influenced by a 26.7 per cent rise in the price of oil on the international market. In this context, the impact of the growth in imports was partly offset by respective expansions of US\$26.1 million and US\$11.2 million in earnings from exports of mineral fuel and crude materials.

There were also increases in net inflows from the travel sector and current transfers. The travel sector benefited from respective increases of 19.0 per cent and 43.5 per cent in stopover and cruise visitor arrivals, while the surplus in the current transfers account was attributed to an increase of US\$13.5 million in net inflows to the private sector.

Within the capital and financial accounts, net official and private investment inflows were insufficient to finance the deficit on the current account. As a result, the NIR of the Bank of Jamaica declined by US\$22.2 million for the month.

January – July 2006

For the period January – July 2006, the current account deficit was estimated at US\$599.7 million, which was US\$64.2 million higher than the deficit for the comparable period in 2005. The deterioration was influenced by an expansion in the deficit on the goods account, the impact of which was partly offset by increased surpluses on the services and current transfers accounts, as well as a decline in the deficit on the income account.

The deterioration on the goods account stemmed primarily from respective expansions of US\$348.0 million and US\$123.5 million in payments for fuel and machinery and transport equipment, the effect of which were partially offset by higher earnings from refined fuel and crude material exports. The higher surplus on the services account reflected respective increases of 17.3 per cent and 13.4 per cent in stopover and cruise passenger arrivals, while an increase of 6.9 per cent in gross private remittance inflows accounted for the expansion in current transfers. The lower deficit on the income account was influenced by a decline in the imputed profit remittances of the direct investment companies.

Within the capital and financial accounts, net official and private investment inflows were sufficient to finance the deficit on the current account. In this context, there was a slight build-up of US\$0.6 million in the NIR over the period. At end July 2006, the gross reserves stood at US\$2 251.6 million, representing 16.8 weeks of projected imports of goods and services.

BALANCE OF PAYMENTS SUMMARY (US\$M)

| | Jul | Jul^{2/} | | Jan-Jul | Jan-Jul^{2/} | |
|--|---------------|-------------------------|---------------|----------------|-----------------------------|---------------|
| | 2005 | 2006 | Change | 2005 | 2006 | Change |
| 1. CURRENT ACCOUNT | -72.6 | -133.1 | -60.5 | -535.5 | -599.7 | -64.2 |
| A. GOODS and SERVICES | -128.1 | -210.3 | -82.2 | -1009.3 | -1184.6 | -175.3 |
| a. GOODS BALANCE | -213.0 | -302.4 | -89.4 | -1436.2 | -1724.2 | -288.0 |
| Exports (f.o.b.) | 128.8 | 166.7 | 37.9 | 949.1 | 1220.6 | 271.5 |
| Imports (f.o.b.) | 341.8 | 469.1 | 127.3 | 2385.3 | 2944.8 | 559.5 |
| b. SERVICES BALANCE | 84.9 | 92.1 | 7.2 | 426.9 | 539.6 | 112.7 |
| Transportation | -20.7 | -29.3 | -8.6 | -139.3 | -165.5 | -26.2 |
| Travel | 149.3 | 171.1 | 21.8 | 818.7 | 993.9 | 175.2 |
| Other Services | -43.7 | -49.7 | -6.0 | -252.5 | -288.8 | -36.3 |
| B. INCOME | -74.1 | -65.9 | 8.2 | -428.7 | -388.5 | 40.2 |
| Compensation of employees | 9.0 | 10.1 | 1.1 | 29.3 | 34.1 | 4.8 |
| Investment Income | -83.1 | -76.0 | 7.1 | -458.0 | -422.6 | 35.4 |
| C. CURRENT TRANSFERS | 129.6 | 143.1 | 13.5 | 902.5 | 973.4 | 70.9 |
| Official | 11.0 | 11.0 | 0.0 | 86.1 | 78.7 | -7.4 |
| Private | 118.6 | 132.1 | 13.5 | 816.4 | 894.7 | 78.3 |
| 2. CAPITAL & FINANCIAL ACCOUNT | 72.6 | 133.1 | 60.5 | 535.5 | 599.7 | 64.2 |
| A. CAPITAL ACCOUNT | -0.6 | 1.5 | 2.1 | -2.2 | 1.0 | 3.2 |
| a. Capital Transfers | -0.6 | 1.5 | 2.1 | -2.2 | 1.0 | 3.2 |
| Official | 0.0 | 1.4 | 1.4 | 0.3 | 3.5 | 0.0 |
| Private | -0.6 | 0.1 | 0.7 | -2.5 | -2.5 | 0.0 |
| 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 | 73.2 | 131.6 | 58.4 | 537.7 | 598.7 | 61.0 |
| Other official investment | 93.1 | 64.2 | -28.9 | 99.0 | 229.6 | 130.6 |
| Other private investment ^{3/} | -27.5 | 45.2 | 72.7 | 729.4 | 369.7 | -359.7 |
| Change in Reserves (minus = increase) | 7.6 | 22.2 | | -290.7 | -0.6 | |

2/ Provisional

3/ Includes errors & omissions