



ECONOMIC STATISTICS

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SELECTED ECONOMIC INDICATORS

Figure 1

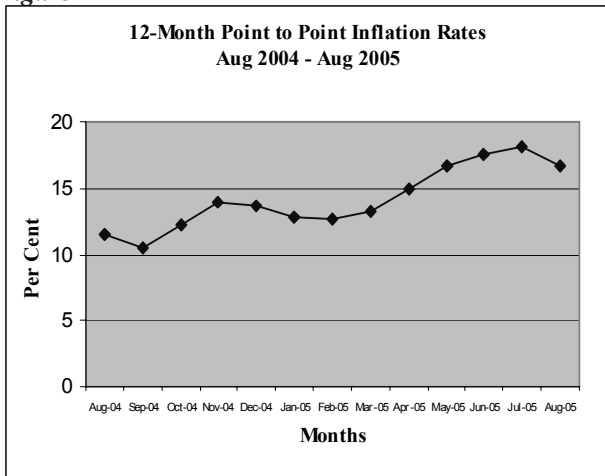


Figure 2

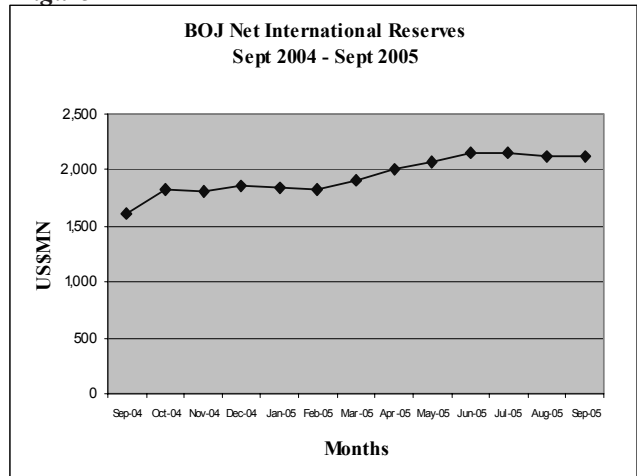


Figure 3

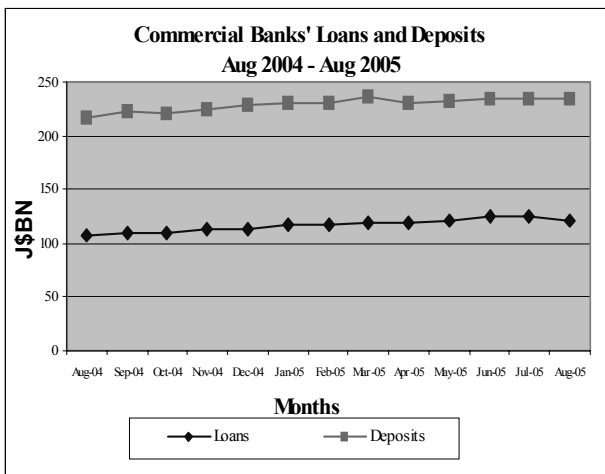


Figure 4

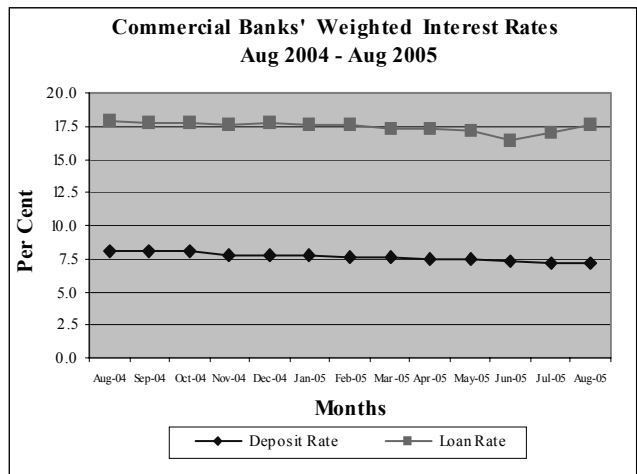


Figure 5

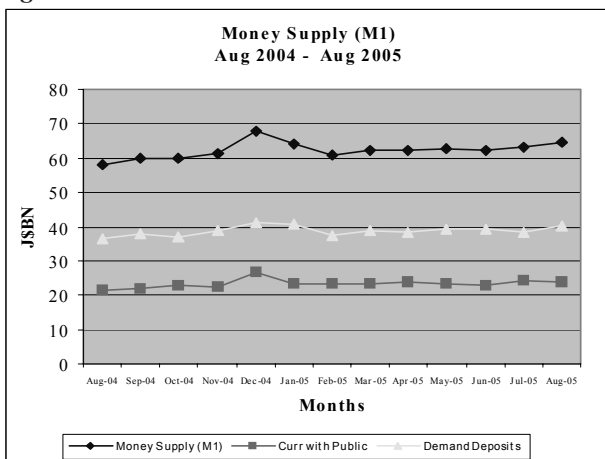
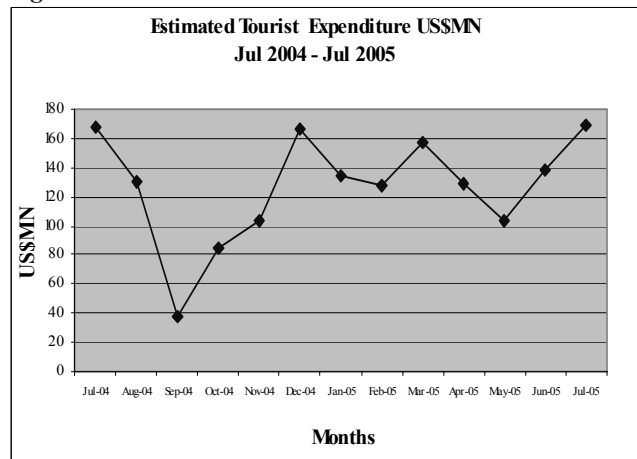


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Aug 2004	Jul 2005+	Aug 2005	Change p.a.
Money Supply (M1).....	58,234.56	63,003.85	64,377.77	10.55
(a) Currency with the Public.....	21,602.77	24,448.22	23,974.79	10.98
(b) Demand Deposits (adj.)***.....	36,631.79	38,555.63	40,402.98	10.29
Quasi-Money.....	138,977.53	151,038.81	151,567.44	9.06
(a) Time.....	35,976.95	40,935.81	41,380.51	15.02
(b) Savings.....	103,000.58	110,103.00	110,186.93	6.98
Money Supply (M2).....	197,212.09	214,042.66	215,945.21	9.50
Domestic Credit (net).....	216,360.91	240,146.33	240,012.29	10.93
Local Currency	Aug 2004	Jul 2005+	Aug 2005	
Money Supply (M1).....	47,884.60	53,551.57	55,139.12	15.15
(a) Currency with the Public.....	21,602.77	24,448.22	23,974.79	10.98
(b) Demand Deposits (adj.)***.....	26,281.83	29,103.35	31,164.33	18.58
Quasi-Money.....	82,831.12	89,880.91	89,876.12	8.51
(a) Time.....	19,609.97	21,453.19	21,580.78	10.05
(b) Savings.....	63,221.15	68,427.72	68,295.34	8.03
Money Supply (M2).....	130,715.72	143,432.48	145,015.24	10.94
Domestic Credit (net).....	183,127.18	198,930.81	190,248.19	3.89
	Sept 2004	Aug 2005	Sept 2005	
Base Money.....	38,090.93	41,485.55	40,374.19	5.99
II. COMMERCIAL BANKS (J\$mn.)	Aug 2004	Jul 2005	Aug 2005	
Assets & Liabilities (J\$mn.)**.....	326,700.76	347,230.07	347,034.11	6.22
Loans**.....	107,229.67	124,222.06	120,406.88	12.29
Agriculture.....	1,339.95	2,095.78	2,137.71	59.54
Manufacturing.....	3,111.48	4,702.33	4,642.24	49.20
Construction & Land Development.....	7,958.14	5,116.27	5,142.61	-35.38
Mining.....	187.45	230.41	255.60	36.36
Tourism.....	13,823.07	17,609.76	17,847.53	29.11
Transport, Storage & Communication.....	8,237.83	7,654.75	4,929.55	-40.16
Consumer-Oriented.....	43,735.74	50,394.05	53,024.73	21.24
Government Services.....	27,351.33	34,616.43	30,690.58	12.21
Other.....	1,484.68	1,802.28	1,736.33	16.95
	Aug 2004	Jul 2005+	Aug 2005	
DEPOSITS.....	217,277.86	234,618.23	235,065.93	8.19
Private Sector (including overseas residents).....	190,788.26	207,407.45	209,483.74	9.80
Time.....	43,503.41	50,702.29	51,166.14	17.61
Savings.....	110,454.88	117,646.25	117,804.99	6.65
Demand.....	36,829.97	39,058.91	40,512.61	10.00
Government.....	13,246.90	11,878.58	11,897.56	-10.19
Time.....	302.28	220.40	348.10	15.16
Savings.....	1,443.38	1,500.83	1,767.44	22.45
Demand.....	11,501.24	10,157.35	9,782.02	-14.95
Public Entities.....	7,189.72	9,632.31	7,788.87	8.33
Time.....	4,750.07	2,997.22	4,218.08	-11.20
Savings.....	1,140.44	4,560.17	1,646.07	44.34
Demand.....	1,299.21	2,074.92	1,924.72	48.15

+ 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)	Aug 2004	Jul 2005	Aug 2005	Change p.a.
Spec. & O. F. Insts.....	6,052.98	5,699.89	5,895.76	-2.60
Time.....	854.16	1,037.52	1,101.49	28.96
Savings.....	791.41	836.67	777.79	-1.72
Demand.....	4,407.41	3,825.70	4,016.48	-8.87
	Sept 2004	Aug 2005	Sept 2005	
Current Account Balances with BOJ (J\$mn).....	133.08	140.42	35.12	
LIQUIDITY (Average) %	Aug 2004	Jul 2005	Aug 2005	
Actual Liquid Assets Ratio.....	39.64	41.50	42.75	
Cash.....	2.88	2.69	2.99	
Deposits with B.O.J.....	9.52	9.40	9.45	
Treasury Bills.....	0.95	0.72	0.65	
Local Registered Stocks.....	7.22	2.91	2.55	
Other.....	19.07	25.78	27.11	
Statutory Requirement.....	23.00	23.00	23.00	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Sept 2004	Aug 2005	Sept 2005	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.25	2.50-14.10	2.50-14.10	
9-12 months.....	8.50-13.50	3.00-14.30	3.00-14.30	
Call Deposits.....	4.00-12.00	1.00-15.00	1.00-15.00	
Average Savings Deposits	6.61	5.52	5.48	
Average Loan Rate.....	24.95	22.00	22.00	
Average Inter-bank Rate	8.38	10.25	11.13	
	Aug 2004	Jul 2005+	Aug 2005	
Weighted Fixed Deposits Rate.....	8.03	7.16	7.10	
Weighted Loan Rate.....	17.92	17.02	17.65	
G.O.J. Treasury Bills (Weighted Average) Yield	Sept 2004	Aug 2005	Sept 2005	
2 Months:.....	-	-	-	
3 Months:.....	14.41	12.78	12.34	
6 Months:.....	14.80	13.03	13.15	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Sept 2004	Aug 2005	Sept 2005	
BOJ Reverse Repurchase Rates (%)				
30-Day	14.00	12.60	12.60	
60-Day	14.10	12.70	12.70	
90-Day	14.20	12.75	12.75	
120-Day	14.35	12.85	12.85	
180-Day	14.80	13.00	13.00	
270-Day	15.35	13.25	13.25	
365-Day	16.00	13.60	13.60	
COMMERCIAL BANKS (Foreign Currency)	Sept 2004	Aug 2005	Sept 2005	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	1.00-4.50	0.25-5.00	0.25-5.00	
3-6 months.....	1.25-4.55	0.25-5.50	0.25-5.50	
6-12 months.....	1.50-6.00	0.25-6.00	0.25-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	2.00-4.75	0.50-5.75	0.50-5.75	
3-6 months.....	2.25-4.85	0.50-6.25	0.50-6.25	
6-12 months.....	2.50-6.25	0.50-6.75	0.50-6.75	
Average Loan Rates	12.50	11.95	11.95	
Average Savings	2.69	2.60	2.60	

				%
				Change p.a.
IV. SECURITIES (J\$mnn.) (outstanding balances)	Aug 2004	Jul 2005	Aug 2005	
GOJ Local Registered Stock.....	223,806.97	223,082.33	220,153.50	-1.63
	Sept 2004	Aug 2005	Sept 2005	
BOJ Open Market Operations 1/.....	127,629.31	169,579.54	168,108.16	31.72
GOJ Treasury Bills.....	3,750.00	3,750.00	3,800.00	1.33
V. INSTALMENT CREDIT (J\$mnn.) (Banks & Near-Banks)	Aug 2004	Jul 2005	Aug 2005	
Total Credit Outstanding.....	11,289.17	12,892.71	13,301.17	17.82
New Business.....	856.86	918.43	1,144.61	33.58
VI. NEAR-BANKS (J\$mnn.) (Merchant Banks, Trust Com. & Finance Houses)	Aug 2004	Jul 2005	Aug 2005	
Assets/Liabilities.....	44,345.39	38,934.73	37,656.59	-15.08
Loans Outstanding.....	5,684.20	7,306.37	7,324.28	28.85
Total Deposits.....	9,828.77	11,085.00	11,093.06	12.86
Loans.....	5,684.20	7,306.37	7,324.28	28.85
Agriculture.....	59.33	450.58	453.80	664.87
Manufacturing.....	251.41	419.03	443.19	76.28
Construction & Land Development.....	954.39	1,193.54	1,216.75	27.49
Mining, Quarrying & Processing.....	22.50	39.31	19.29	-14.27
Tourism.....	407.29	548.53	527.84	29.60
Transport, Storage & Communication.....	391.99	565.89	295.66	-24.57
Consumer Oriented.....	2,987.68	3,500.53	3,758.93	25.81
Government Services.....	382.59	365.24	359.03	-6.16
Other.....	227.02	223.72	249.79	10.03
	Aug 2004	Jul 2005	Aug 2005	
Liquid Assets Ratio (average) %.....	81.36	49.06	45.08	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$mnn.) (members & associate members)	Aug 2004	Jul 2005	Aug 2005	
Assets/Liabilities.....	76,393.50	85,550.88	86,223.65	12.87
Loan Balances.....	26,915.79	33,747.76	34,257.94	27.28
Savings Funds.....	55,222.72	61,195.98	61,651.83	11.64
VIII. INFLATION	Aug 2004	Jul 2005	Aug 2005	
Consumer Price Index (Jan. 1988 = 100).....	1,897.3	2,213.3	2,214.7	16.73
Monthly Rate (%).....	1.3	1.6	0.1	
Calendar Year to Date (%) (point to point).....	6.2	8.9	9.0	
Fiscal Year to Date (%) (point to point).....	4.2	7.4	7.4	
IX. ACTUAL PRODUCTION ('000)	Aug 2004	Jul 2005	Aug 2005	
Bauxite (metric tonnes).....	334.08	278.65	379.01	13.45
Alumina (metric tonnes).....	328.40	330.43	359.98	9.62
Sugar (metric tonnes).....	0.88	-	-	-
Banana (tonnes).....	2.97	2.08	0.94	-68.35
X. STOCK MARKET ACTIVITIES	Sept 2004	Aug 2005	Sept 2005	
Index.....	99,819.82	103,997.53	103,332.61	3.52
Volume Traded (mn.).....	129.99	102.26	203.18	56.30
Ordinary Shares.....	129.99	102.26	203.05	56.20
Block Transactions.....	-	-	0.13	-

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

X. STOCK MARKET ACTIVITIES (cont'd)	Sept 2004	Aug 2005	Sept 2005	% Change p.a.
Value of Stocks Traded (J\$mn.).....	1,825.11	1,196.31	1,718.22	-5.86
Ordinary Shares.....	1,825.11	1,196.31	1,718.07	-5.86
Block Transactions.....	-	-	0.15	-
Advance/Decline Ratio.....	20/13	9/26	10/21	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Jun 2004	Jan-Jun 2005		Change
1. EXPORTS				
(a) Major Traditional Exports.....	551.83	554.17		2.34
Bauxite.....	49.52	48.38		-1.14
Alumina.....	402.94	430.71		27.77
Sugar.....	90.43	72.98		-17.45
Bananas.....	8.94	2.10		-6.84
(b) Other Traditional Exports.....	36.19	32.26		-3.93
(c) Non-Traditional Exports.....	149.35	123.19		-26.16
(d) Re-exports.....	26.04	14.36		-11.68
General Merchandise Exports.....	763.41	723.98		-39.43
(e) Freezone Exports.....	50.17	33.21		-16.96
(f) Goods Procured in Ports.....	35.16	35.16		-
Total Goods Exports.....	848.74	792.35		-56.39
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	253.55	289.50		35.95
(b) Beverage & Tobacco.....	21.26	27.47		6.21
(c) Crude Material.....	32.14	44.15		12.01
(d) Mineral Fuel.....	437.65	547.95		110.30
(e) Animal & Vegetable Oil.....	16.86	15.60		-1.26
(f) Chemical.....	197.01	243.68		46.67
(g) Manufactured Goods.....	247.06	320.07		73.01
(h) Machinery & Transportation.....	405.07	417.56		12.49
(i) Miscellaneous Manufactured Goods.....	191.73	225.61		33.88
(j) Miscellaneous Commodities.....	30.64	30.58		-0.06
General Merchandise Imports.....	1,832.97	2,162.17		329.20
Freezone Imports.....	36.48	9.27		-27.21
Goods Procured in Ports.....	56.15	56.15		-
Total Goods Imports.....	1,925.60	2,227.59		301.99
Trade Balance.....	-1,076.86	-1,435.24		-358.38
XII. TOURISM	Jan-Jul 2004	Jan-Jul 2005		% Change
Tourist Arrivals ('000).....	1,590.63	1,594.63		0.25
Stop Overs.....	902.56	913.37		1.20
Foreign Nationals.....	853.98	864.91		1.28
Non-Resident Jamaicans.....	48.58	48.46		-0.25
Cruise.....	688.07	681.26		-1.00
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	915.50	984.20		7.50
XIII. BALANCE OF PAYMENTS (US\$mn.)				
<i>Balance of Payments (Calendar)</i>	Jan-Jun 2004	Jan-Jun 2005		Change
1. Current Account.....	-91.4	-260.9		-169.5
A. Goods balance.....	-815.9	-1,138.0		-322.1
Exports (f.o.b.).....	848.7	792.4		-56.3
Imports (f.o.b.).....	1,664.6	1,930.4		265.8
B. Service Balance.....	362.3	432.2		69.9
Transportation.....	-43.2	-73.5		-30.3
Travel.....	622.9	713.9		91.0
Other Services.....	-217.4	-208.2		9.2

<i>Balance of Payments (Calendar) (Cont'd)</i>			
	Jan-Jun 2004	Jan-Jun 2005	Change
C. Income	-301.3	-313.0	-11.7
Compensation of Employees.....	15.9	16.5	0.6
Investment Income.....	-317.2	-329.5	-12.3
D. Current Transfers	663.5	757.9	94.4
Official.....	54.5	68.0	13.5
Private.....	609.0	689.9	80.9
2. Capital and Financial Account	91.4	260.9	169.5
A. Capital Account	0.4	-5.8	-6.2
Capital Transfers.....	0.4	-5.8	-6.2
Official.....	6.9	0.3	-6.6
Private.....	-6.5	-6.1	0.4
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	-
B. Financial Account	91.0	266.7	175.7
Other Official Investment.....	327.4	-46.3	-373.7
Other Private Investment.....	202.7	611.3	408.6
<i>(incl. errors & omissions)</i>			
Reserves.....	-439.1	-298.3	
	Apr-Jun	Apr-Jun	
<i>Balance of Payments (Fiscal)</i>	2003/2004	2004/2005	
1. Current Account	-57.0	-181.6	-124.6
A. Goods balance	-394.0	-546.3	-154.3
Exports (f.o.b.).....	432.7	421.9	-10.8
Imports (f.o.b.).....	826.7	970.2	143.5
B. Service Balance	160.1	172.8	12.7
Transportation.....	-29.1	-49.5	-20.4
Travel.....	297.7	326.5	28.8
Other Services.....	-108.5	-104.2	4.3
C. Income	-153.0	-169.1	-16.1
Compensation of Employees.....	11.1	9.8	-1.3
Investment Income.....	-164.1	-178.9	-14.8
D. Current Transfers	329.9	363.0	33.1
Official.....	27.0	28.8	1.8
Private.....	302.9	334.2	31.3
2. Capital and Financial Account	57.0	181.6	124.6
A. Capital Account	0.8	-2.8	-3.6
Capital Transfers.....	0.8	-2.8	-3.6
Official.....	3.5	0.2	-3.3
Private.....	-2.7	-3.0	-0.3
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	-
B. Financial Account	56.2	184.4	128.2
Other Official Investment.....	73.9	2.2	-71.7
Other Private Investment.....	17.7	437.4	419.7
<i>(incl. errors & omissions)</i>			
Reserves.....	-35.4	-255.2	
Government Reserves.....	0.0	0.0	

XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)	Sept 2004	Aug 2005	Sept 2005	% Change p.a.
BOJ Net International Reserves (US\$mn.).....	1,640.73	2,117.51	2,118.97	29.15
Gross Foreign Assets.....	1,616.52	2,259.18	2,242.96	38.75
Gross Foreign Liabilities.....	24.21	141.67	123.99	412.14
Estimated Gross Reserves in Weeks of Imports.....	23.56	27.18	26.98	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	16.12	19.26	19.13	
 XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.) *	 Sept 2004	 Aug 2005	 Sept 2005	
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	591.76	879.06	840.84	42.09
Foreign Exchange Sales (spot).....	601.05	864.26	811.64	35.04
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	 Aug 2004+	 Jul 2005+	 Aug 2005	
Commercial Banks Balances.....	1,482.63	1,497.20	1,486.27	0.25
"A" Accounts 1/.....	137.43	167.29	159.48	16.04
"B" Accounts	-	-	-	-
Other.....	1,345.20	1,329.91	1,326.79	-1.37
F.I.As Balance.....	133.55	146.01	142.52	6.72
"A" Accounts 1/.....	75.49	102.55	103.56	37.18
"B" Accounts	-	0.26	0.15	-
Other.....	58.06	43.20	38.81	-33.16
Building Societies Balances.....	306.75	340.46	345.54	12.65
"A" Accounts 1/.....	171.61	196.93	200.88	17.06
"B" Accounts	59.32	66.12	66.40	11.94
Other	75.82	77.41	78.26	3.22
Total Foreign Currency Deposits (US\$mn.).....	1,922.93	1,983.67	1,974.33	2.67
Total Foreign Currency Loans (US\$mn.).....	720.37	921.94	831.06	15.37
Commercial Banks.....	652.17	835.08	746.68	14.49
F.I.As	59.21	78.29	75.79	28.00
Building Societies.....	8.99	8.57	8.59	-4.45

* 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

+ Revised

	Sept 2004	Aug 2005	Sept 2005
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	1.90	3.79	3.90
6 months.....	2.09	4.02	4.04
U.S. Prime Rate (end of period) (%).....	4.75	6.50	3.44
Selling Exchange Rates (end period)	Sept 2004	Aug 2005	Sept 2005
US\$1.00 = J\$.....	61.89	62.24	62.89
Can. \$1.00 = J\$.....	49.05	52.20	53.61
U.K. Pound = J\$.....	111.62	111.31	110.02
Euro = J\$**.....	76.84	76.74	75.83
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	9.89	9.99	10.02
Bdos. \$1 = J\$.....	30.94	31.12	31.45
Guy. \$1 = J\$.....	0.32	0.32	0.32
E.C. \$1 = J\$.....	22.92	23.05	23.29

** Indicative Rates

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

INFLATION

AUGUST 2005

The All Jamaica Consumer Price Index (CPI) increased by 0.1 per cent in August 2005, relative to 1.6 per cent in the previous month (Table 1). This outturn resulted in an inflation rate of 7.4 per cent for the first five months of FY 2005/06, relative to 4.2 per cent recorded over the same interval in FY 2004/05. The 12-month point-to-point inflation rate at August 2005 was 16.7 per cent, 5.3 percentage points above the rate recorded for the comparable period in the previous year. The mean annual inflation rate was 14.5 per cent, which was higher than the rate obtained in July and that attained in August 2004.

The major factors influencing inflation in August were supply shocks to agriculture and continued increases in oil prices. The agriculture-based shocks were offsetting, with inflation in *Vegetables & Fruits* and other *Food & Beverages* sub-groups being negated by countervailing impulses in *Starchy Foods*. There were also offsetting impulses with regard to the cost of energy. Intense pressures remained on crude oil related products but there was a reduction in the cost of household electricity consequent on developments at the electric utility company. Additionally, the inflation in August also reflected residual effects of the increase in the GCT rate and removal of zero-rated GCT status.

All sub-categories within the CPI, with the exception of *Food & Drink* and *Housing & Other Housing Expenses*, reflected increases in August. However, these two groups were influential in restraining the overall rate of inflation. The main inflationary impulses were reflected in *Fuels & Other Household Supplies*, *Miscellaneous Expenses* and *Transportation*, which increased by 1.9 per cent, 0.7 per cent and 0.5 per cent, respectively (see **Table 2A**).

The increase in the sub-index for *Fuels & Other Household Supplies* was largely influenced by an increase in the *Fuels* sub-group, which was affected by increases in the price of kerosene, charcoal and cooking gas. The *Other Household Supplies* sub-group was affected by increases in the prices of hurricane-related supplies such as candles and batteries. Within *Miscellaneous Expenses*, cigarette prices continued to reflect the residual impact of the increase in Special Consumption Tax (SCT) on tobacco products while the prices of school items were affected by heightened demand as individuals prepared for the new school year. For *Transportation*, the increases in the price of international crude oil prices filtered into the price of petrol, lubricating oil and taxi fares.

The important 0.1 per cent countervailing price impulse registered in the sub-index for *Food & Drink* was influenced by the decline in *Starchy Foods*. *Vegetables & Fruits*, *Meat, Poultry & Fish* and *Meals Away from Home* provided the strongest offsetting impetus to the decline (see **Table 2**). There were significant declines in the prices of yellow yam, lucea yam, sweet potato, breadfruit and green bananas. With respect to *Vegetables & Fruits*, there were notable price increases for tomatoes, cabbage, escallion and avocado. The movement in *Meat, Poultry & Fish* was primarily influenced by price increases for beef and its by-products, liver and tripe. After declines in the stock of cattle during three of the last four years, beef prices are now buoyed by increased demand, in a context of the resulting lower supply. The increase in *Meals Away from Home* was influenced by earlier increases in the costs of fuel, utilities, meats and condiments.

The decrease of 1.9 per cent in *Housing & Other Housing Expenses* was as a result of a reduction of 2.6 per cent in the sub-index of *Other Housing Expenses*. The movement in *Other Housing Expenses* was mainly the result of a 7.5 per cent decline in electricity rates. A decline of approximately 15.0 per cent in the fuel charges drove the electricity bill lower, thereby negating the annual adjustment in the tariff rates of 7.5 per cent that was effected in August.

The CPI in the KMA increased by 0.5 per cent, while those for the Other Towns and Rural Areas each declined by 0.3 per cent. The inflation outturn mainly reflected the disparities in the *Food & Drink* group, in particular the *Starchy Foods* sub-group, as well as in *Housing & Other Housing Expenses* (see **Table 3**). The sharper movement in *Starchy Foods* in Other Towns and Rural Areas was mainly due to incongruous movements in the prices of *lucea yam* and *breadfruit*. In particular, the price of *lucea yam* rose in the KMA while it fell in the other regions, while breadfruit prices fell nearly twice as strongly in the Other Towns and Rural Areas. Within *Housing & Other Housing Expenses*, there was a decrease of 1.6 per cent in the KMA compared with reductions of 2.2 per cent and 2.6 per cent in the Other Towns and Rural Areas, respectively (see **Table 3**). The lower decline in the KMA primarily reflected the impact of an isolated increase in *rental* that partially offset the decline in *Other Housing Expenses*.

The trimmed mean index was estimated to have increased by 0.44 per cent in August, 0.14 of a percentage point below the previous month's measure (Table 4). The 12 month point-to-point core inflation rate at August was 6.00 per cent, relative to the 5.66 per cent recorded for the comparable period in the previous year. However, the annual average core inflation rate of 5.44 per cent for the month was 1.90 percentage points below what obtained in the similar period of 2004.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.56 per cent in August, compared to 0.71 per cent in the previous month. The lower change primarily reflected lower utility charges, as the decline in fuel charges at the energy provider offset some of the impulses from international crude oil prices, as well as the dissipating impact of earlier adjustments in consumption taxes.

Table 1
JAMAICA: INFLATION RATES

		1/ C.P.I.	3 Month AVG. C.P.I.	Monthly % change	3 Month* % change	3 Month # % change	12 Month* % change	12 Month # % change
2001	Jan	1,345.9	1,345.9	0.02	-0.61	0.04	5.90	8.11
	Feb	1,348.0	1,348.0	1.17	0.46	-0.21	6.72	7.98
	Mar	1,355.5	1,355.5	0.47	1.67	0.50	6.50	7.82
	Apr	1,381.1	1,364.8	0.42	2.08	1.40	5.90	7.51
	May	1,381.1	1,372.3	0.75	1.65	1.80	6.24	7.27
	Jun	1,404.9	1,385.6	1.73	2.93	2.22	7.13	7.14
	Jul	1,418.7	1,401.6	0.98	3.50	2.70	7.15	7.03
	Aug	1,431.1	1,418.3	0.87	3.63	3.35	7.13	6.94
	Sept	1,442.9	1,430.9	0.82	2.70	3.27	6.94	6.78
	Oct	1,454.9	1,443.0	0.83	2.55	2.95	7.68	6.73
	Nov	1,456.2	1,451.3	0.09	1.75	2.33	7.68	6.76
	Dec	1,460.2	1,457.1	0.27	1.20	1.83	8.76	6.99
2002	Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38	7.28
	Feb	1,468.0	1,465.6	-0.05	0.81	0.99	8.05	7.39
	Mar	1,468.5	1,468.4	0.03	0.57	0.78	7.58	7.48
	Apr	1,475.9	1,470.8	0.50	0.48	0.62	7.67	7.62
	May	1,480.0	1,474.8	0.28	0.82	0.62	7.16	7.69
	Jun	1,492.8	1,482.9	0.86	1.65	0.99	6.25	7.61
	Jul	1,515.6	1,496.1	1.53	2.69	1.72	6.83	7.58
	Aug	1,521.2	1,509.9	0.37	2.79	2.38	6.29	7.51
	Sept	1,528.0	1,521.6	0.45	2.36	2.61	5.90	7.41
	Oct	1,539.2	1,529.5	0.73	1.56	2.23	5.80	7.25
	Nov	1,558.3	1,541.8	1.24	2.44	2.12	7.01	7.20
	Dec	1,566.1	1,554.5	0.50	2.49	2.16	7.25	7.08
2003	Jan	1,561.3	1,561.9	-0.31	1.44	2.12	6.30	6.83
	Feb	1,552.2	1,559.9	-0.58	-0.39	1.17	5.74	6.64
	Mar	1,559.5	1,557.7	0.47	-0.42	0.20	6.20	6.52
	Apr	1,584.0	1,565.2	1.57	1.45	0.21	7.33	6.50
	May	1,613.4	1,585.6	1.86	3.94	1.65	9.01	6.66
	Jun	1,653.1	1,616.8	2.46	6.00	3.80	10.74	7.04
	Jul	1,678.4	1,648.3	1.53	5.96	5.31	10.74	7.38
	Aug	1,702.0	1,677.8	1.41	5.49	5.81	11.88	7.85
	Sept	1,728.4	1,702.9	1.55	4.56	5.33	13.11	8.47
	Oct	1,756.7	1,729.0	1.64	4.67	4.90	14.13	9.17
	Nov	1,773.0	1,752.7	0.93	4.17	4.46	13.78	9.74
	Dec	1,786.8	1,772.2	0.78	3.38	4.07	14.09	10.32
2004	Jan	1,801.8	1,787.2	0.84	2.57	3.36	15.40	11.08
	Feb	1,811.9	1,800.2	0.56	2.19	2.71	16.73	11.99
	Mar	1,820.8	1,811.5	0.49	1.90	2.22	16.76	12.86
	Apr	1,828.2	1,820.3	0.41	1.47	1.85	15.42	13.52
	May	1,839.9	1,829.6	0.64	1.55	1.64	14.04	13.93
	Jun	1,854.8	1,841.0	0.81	1.87	1.63	12.20	14.03
	Jul	1,854.8	1,855.8	0.97	2.44	1.95	11.58	14.08
	Aug	1,897.3	1,875.0	1.31	3.12	2.48	11.47	14.02
	Sept	1,909.2	1,893.1	0.63	2.93	2.83	10.46	13.77
	Oct	1,972.2	1,926.2	3.30	5.31	3.79	12.27	13.61
	Nov	2,020.0	1,967.1	2.42	6.47	4.92	13.93	13.62
	Dec	2,032.1	2,008.1	0.60	6.44	6.07	13.73	13.60
2005	Jan	2,032.8	2,028.3	0.03	3.07	5.30	12.82	13.39
	Feb	2,041.7	2,035.5	0.44	1.07	3.48	12.68	13.07
	Mar	2,061.6	2,045.4	0.97	1.45	1.86	13.22	12.81
	Apr	2,100.4	2,067.9	1.88	3.32	1.95	14.89	12.79
	May	2,147.3	2,103.1	2.23	5.17	3.32	16.71	13.04
	Jun	2,179.0	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

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

Table 2
COMPONENT CONTRIBUTION TO INFLATION
August 2005

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	-0.1	0.3500	72.1
Meals away from home	0.0741	1.2	0.0910	18.8
Meat, Poultry & Fish	0.1613	1.1	0.1806	37.2
Dairy Products Oils & Fats	0.0668	1.1	0.0704	14.5
Baked Products, Cereals & Breakfast Drink	0.0864	0.8	0.0670	13.8
Starchy Foods	0.0525	-6.4	-0.3377	-69.6
Vegetables & Fruits	0.0650	4.1	0.2669	55.0
Other Food & Beverages	0.0502	0.2	0.0118	2.4
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	1.9	0.0983	20.2
Household Supplies	0.0482	0.7	0.0331	6.8
Fuels	0.0253	2.6	0.0652	13.4
HOUSING & OTHER HOUSING EXPENSES	0.0786	-1.9	-0.1308	-26.9
Rental	0.0209	0.9	0.0184	3.8
Other Housing Expenses	0.0577	-2.6	-0.1492	-30.7
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.2	0.0273	5.6
Furniture	0.0068	2.7	0.0181	3.7
Furnishings	0.0215	0.4	0.0092	1.9
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0377	7.8
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.3	0.0132	2.7
Clothing Materials	0.0055	0.5	0.0026	0.5
Readymade Clothing & Accessories	0.0242	0.2	0.0047	1.0
Footwear	0.0159	0.2	0.0038	0.8
Making & Repairs	0.0051	0.4	0.0020	0.4
TRANSPORTATION	0.0644	0.5	0.0309	6.4
MISCELLANEOUS EXPENSES	0.0785	0.7	0.0589	12.1
ALL GROUPS	1.0000	0.06	0.49	100.0

Table 3
REGIONAL INFLATION
August 2005

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	1.0	-0.7	-1.0
Meals away from home	1.4	0.9	1.2
Meat Poultry & Fish	1.6	1.1	0.6
Dairy Products Oils & Fats	1.2	0.9	1.0
Baked Products Cereals & Breakfast Drink	0.8	0.8	0.7
Starchy Foods	-3.7	-7.7	-7.3
Vegetables & Fruits	4.9	1.4	4.8
Other Food & Beverages	0.4	0.2	0.1
FUELS & OTHER HOUSEHOLD SUPPLIES	1.1	1.9	2.9
Household Supplies	0.3	1.1	0.9
Fuels	1.5	2.4	4.1
HOUSING & OTHER HOUSING EXPENSES	-1.6	-2.2	-2.6
Rental	1.1	0.0	0.0
Other Housing Expenses	-2.5	-2.4	-2.8
HOUSEHOLD FURNISHINGS & FURNITURE	1.0	1.1	1.3
Furniture	3.4	2.4	2.2
Furnishings	0.0	0.5	0.9
HEALTHCARE & PERSONAL EXPENSES	0.1	0.6	1.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0	0.4	0.4
Clothing Materials	0.1	0.1	1.4
Readymade Clothing & Accessories	0.0	0.3	0.3
Footwear	0.0	0.8	0.1
Making & Repairs	0.0	0.1	1.1
TRANSPORTATION	0.2	1.1	0.6
MISCELLANEOUS EXPENSES	0.8	0.2	1.1
ALL GROUPS	0.5	-0.3	-0.3

Table 4
INFLATION: ACTUAL & CORE

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

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
June 2005

June 2005

The current account recorded a deficit of US\$59.1 million in June 2005, compared with a deficit of US\$16.8MN in June 2004. The increase in the deficit was attributed to respective expansions of US\$45.5MN and US\$5.0MN in the deficits on the merchandise trade and income accounts, partly offset by increases of US\$5.6MN and US\$2.6MN in the surpluses on the services and current transfers accounts. Within the financial account, net private and official investment inflows were more than enough to finance the deficits on the current and capital accounts. In this context, there was a build up of US\$82.3MN in the net international reserves of the Bank of Jamaica for the month.

Merchandise Trade

An increase of US\$26.5MN in payments for imports (f.o.b.), along with a decline of US\$19.0MN in export receipts, accounted for the expansion in the merchandise trade deficit for the review month. The growth in imports mainly reflected respective expansions of US\$27.1MN and US\$6.4MN in the c.i.f. payments for mineral fuel and machinery & transport equipment. This was partly offset by a US\$9.8MN reduction in spending on free zone imports. Declines in receipt from all the categories of exports were recorded for the month. In particular, earnings from major traditional and non-traditional exports fell by US\$4.7MN and US\$5.7MN, respectively. The contraction in the major traditional exports reflected the fact that there was no sugar shipment in June 2005.

Services

An increase of US\$7.8MN in net receipts from the travel sub-account, accounted for the expansion in the surplus on the services account as there was marginal deterioration in the deficits on the transportation and other services sub-accounts. For the travel sub-account, there was an estimated decline of US\$5.1 million in the expenditure of Jamaicans travelling abroad, which was complemented by an increase of US\$2.7MN in gross travel inflows. The growth in gross travel inflows reflected an increase of 2.8 per cent in the estimated daily expenditure of stop-over visitors, given that stopover arrivals fell marginally by 0.2 per cent for the month. There was also a fall of 4.2 per cent in cruise passenger arrivals.

Income

The widening of the deficit on the income account stemmed mainly from an increase of US\$4.0MN in net investment income outflows. This expansion primarily reflected growth in the imputed profit remittances of the direct investment companies, which was partly offset by an increase in the interest income earned on Bank of Jamaica's foreign assets.

Current Transfers

The increase in the surplus on the current transfers account for the review period was primarily attributed to higher net private sector inflows, relative to June 2004. This out-turn was influenced by an expansion of US\$5.7MN in gross inflows, which was partially offset by an increase of US\$3.1MN in gross outflows. Inflows through remittance companies grew by 16.1 per cent, while those through building societies and commercial banks fell by 13.3 per cent and 8.3 per cent, respectively.

Capital & Financial Accounts

A deficit of US\$1.0MN was recorded on the capital account for the review month, while the financial account registered a surplus of US\$60.1MN. Within the financial account, respective net inflows of US\$28.8MN and US\$113.6MN for official and private investment were recorded. These net inflows were more than sufficient to finance the deficits on the capital and current accounts, thus facilitating a build-up of US\$82.3MN in the net international reserves of the Bank of Jamaica during the review month.

April to June 2005

For the period April to June 2005, the current account deficit expanded by US\$124.6MN to US\$181.6MN, relative to the corresponding period of 2004. Respective increases of US\$154.3MN and US\$16.1MN in the deficits on the goods and income accounts accounted for the widening of the current account deficit. The deterioration in these accounts was partly offset by expansions of US\$33.1MN and US\$12.7MN in net receipts from current transfers and services, respectively. Within the capital and financial account, net private investment inflows were more than enough to offset the deficits on the current and capital accounts. In this context, there was a build up of US\$255.2MN in the net international reserves during the review period.

Merchandise Trade

An expansion of US\$143.5MN in spending on imports (f.o.b.), along with a decline of US\$10.8MN in the value of exports, accounted for the deterioration in the merchandise trade deficit for the review period. The growth in the value of imports reflected increases of US\$55.1MN, US\$29.4MN, US\$29.1MN and US\$26.8MN in spending on mineral fuels, food, chemicals and miscellaneous manufactured goods, respectively. The lower receipt from exports primarily reflected respective declines of US\$15.4MN and US\$5.3MN in receipts from non-traditional and free zone exports, partly offset by an increase of US\$26.6MN in the value of alumina exports.

Services

The increase in the surplus on the services account stemmed from an expansion of US\$28.8MN in the surplus on the travel sub-account, as well as a US\$4.3MN decline in the deficit on the other services sub-account. Partly offsetting these improvements was an increase of US\$20.4MN in net transportation payments, mainly associated with the growth in imports. The improvement in the surplus on the travel sub-account reflected a decline of US\$15.9MN in gross outflows, complemented by growth of US\$12.9MN in gross inflows. The contraction in outflows was attributed to a fall in the expenditure of Jamaicans travelling abroad, while the expansion in inflows reflected estimated increases of 4.7 per cent and 1.8 per cent in the daily expenditure and average length of stay of the stop-over visitors, respectively. Stopover arrivals, however, fell by 2.4 per cent and there was a 4.2 per cent decline in cruise passenger arrivals.

Income

An expansion in imputed profit remittances of the direct investment companies was the main factor influencing the growth of US\$14.8MN in net investment income outflows for the review period.

Current Transfers

Growth of US\$31.3MN in net private inflows was primarily responsible for the higher surplus on the current transfers account. This increase was attributed to an expansion of US\$45.2MN in gross private inflows, which was partially offset by an increase of US\$13.9MN in gross private outflows. Respective increases of US\$34.5MN and US\$7.1MN in inflows through remittance companies and commercial banks largely accounted for the growth in gross inflows.

Capital & Financial Accounts

The capital account registered a deficit of US\$2.8MN, while a surplus of US\$184.4MN was recorded on the financial account for the review period. Within the financial account, net private and official investment flows of US\$437.4MN and US\$2.2MN respectively, were recorded. These net inflows were more than sufficient to finance the deficits on the current and capital accounts. Consequently, there was a build up of US\$255.2MN in the net international reserves of the Bank of Jamaica. At end June 2005, the gross reserves of the Bank stood at US\$2 179.3MN, representing 26.2 weeks of imports and 18.6 weeks of imported goods and services.

The following table shows the balance of payments for June 2004, June 2005 and for the periods April to June 2004 and April to June 2005.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Jun^{1/}	Jun^{2/}		Apr - Jun^{1/}	Apr - Jun^{2/}	
	2004	2005	Change	2003/04	2004/05	Change
1. CURRENT ACCOUNT	-16.8	-59.1	-42.3	-57.0	-181.6	-124.6
A. GOODS and SERVICES	-67.5	-107.4	-39.9	-233.9	-375.5	-141.6
a. GOODS BALANCE	-129.4	-174.9	-45.5	-394.0	-548.3	-154.3
Exports (f.o.b.)	138.3	119.3	-19.0	432.7	421.9	-10.8
Imports (f.o.b.)	267.7	294.2	26.5	826.7	970.2	143.5
b. SERVICES BALANCE	61.9	67.5	5.6	160.1	172.8	12.7
Transportation	-11.8	-13.6	-1.8	-29.1	-49.5	-20.4
Travel	112.7	120.5	7.8	297.7	326.5	28.8
Other Services	-39.0	-39.4	-0.4	-108.5	-104.2	4.3
B. INCOME	-61.2	-66.2	-5.0	-153.0	-169.1	-16.1
Compensation of employees	6.0	5.0	-1.0	11.1	9.8	-1.3
Investment Income	-67.2	-71.2	-4.0	-164.1	-178.9	-14.8
C. CURRENT TRANSFERS	111.9	114.5	2.6	329.9	363.0	33.1
Official	9.1	9.1	0.0	27.0	28.8	1.8
Private	102.8	105.4	2.6	302.9	334.2	31.3
2. CAPITAL & FINANCIAL ACCOUNT	16.8	59.1	42.3	57.0	181.6	124.6
A. CAPITAL ACCOUNT	0.1	-1.0	-1.1	0.8	-2.8	-3.6
a. Capital Transfers	0.1	-1.0	-1.1	0.8	-2.8	-3.6
Official	1.2	0.1	-1.1	3.5	0.2	-3.3
Private	-1.1	-1.1	0.0	-2.7	-3.0	-0.3
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	16.7	60.1	43.4	56.2	184.4	128.2
Other official investment	-21.0	28.8	49.8	73.9	2.2	-71.7
Other private investment ^{3/}	-73.9	113.6	187.5	17.7	437.4	419.7
Change in Reserves (minus = increase)	111.6	-82.3		-35.4	-255.2	

1/ Revised

2/ Provisional

3/ Includes errors & omissions