



ECONOMIC STATISTICS

VOLUME 14 - NO. 9

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SELECTED ECONOMIC INDICATORS

Figure 1

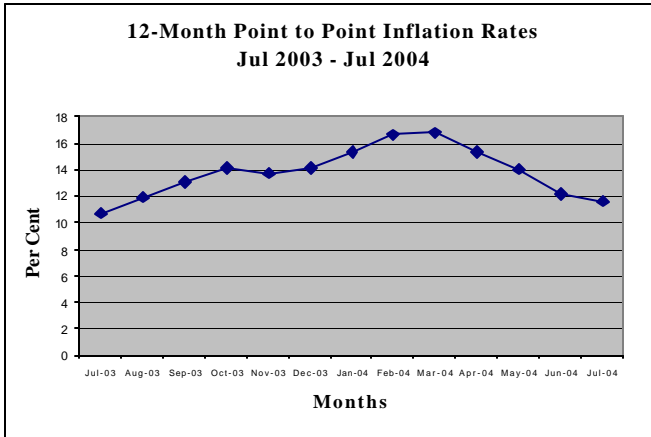


Figure 2

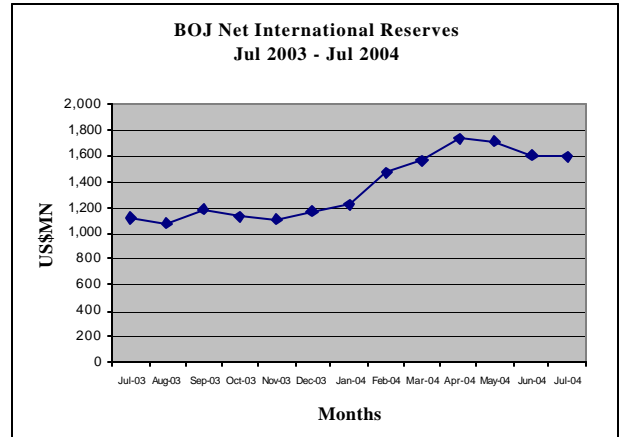


Figure 3

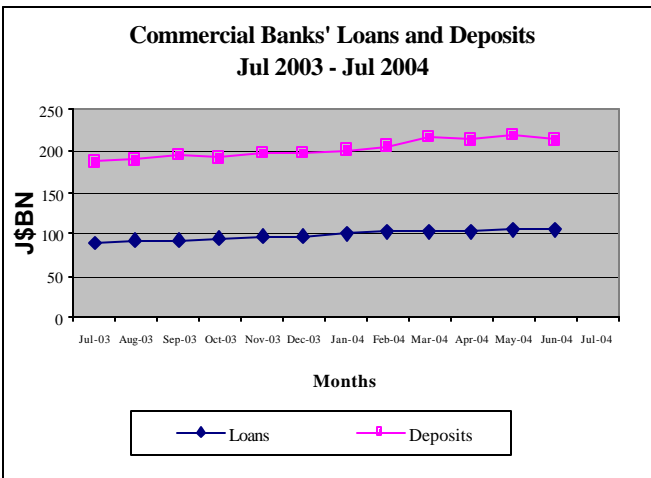


Figure 4

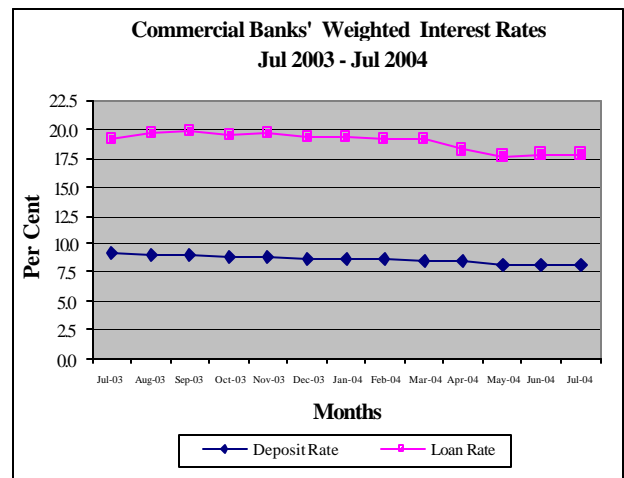


Figure 5

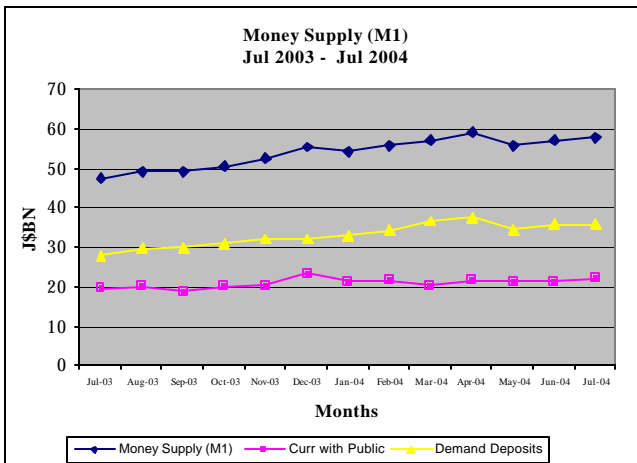
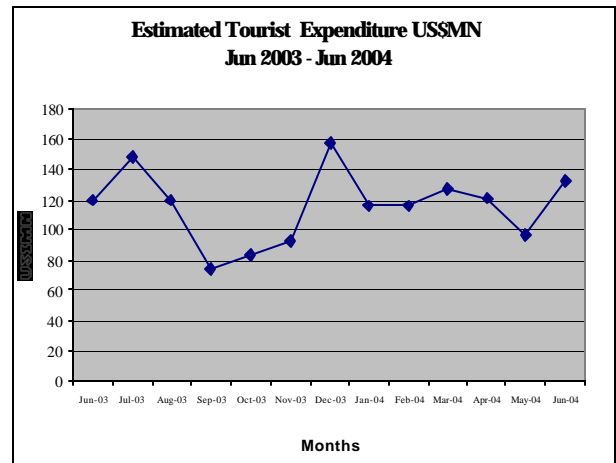


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Jul 2003	Jun 2004+	Jul 2004	Change p.a.
Money Supply (M1).....	<u>47,394.04</u>	<u>57,161.64</u>	<u>58,098.43</u>	<u>22.59</u>
(a) Currency with the Public.....	19,638.05	21,119.44	22,259.81	13.35
(b) Demand Deposits (adj.)***.....	27,755.99	36,042.20	35,838.62	29.12
Quasi-Money.....	<u>119,442.31</u>	<u>136,494.86</u>	<u>137,475.77</u>	<u>15.10</u>
(a) Time.....	30,355.39	35,315.52	34,841.87	14.78
(b) Savings.....	89,086.92	101,179.34	102,633.90	15.21
Money Supply (M2).....	<u>166,836.35</u>	<u>193,656.50</u>	<u>195,574.20</u>	<u>17.23</u>
Domestic Credit (net).....	<u>197,642.34</u>	<u>215,284.38</u>	<u>215,435.81</u>	<u>9.00</u>
Local Currency	Jul 2003	Jun 2004+	Jul 2004	
Money Supply (M1).....	<u>38,953.31</u>	<u>46,485.38</u>	<u>47,815.51</u>	<u>22.75</u>
(a) Currency with the Public.....	19,638.05	21,119.44	22,259.81	13.35
(b) Demand Deposits (adj.)***.....	19,315.26	25,365.94	25,555.70	32.31
Quasi-Money.....	<u>74,059.86</u>	<u>81,769.25</u>	<u>82,496.62</u>	<u>11.39</u>
(a) Time.....	17,687.88	18,623.97	18,880.86	6.74
(b) Savings.....	56,371.98	63,145.28	63,615.76	12.85
Money Supply (M2).....	<u>113,013.17</u>	<u>128,254.63</u>	<u>130,312.13</u>	<u>15.31</u>
Domestic Credit (net).....	<u>173,026.62</u>	<u>181,361.68</u>	<u>181,439.54</u>	<u>4.86</u>
	Aug 2003	Jul 2004	Aug 2004	
Base Money.....	<u>33,059.43</u>	<u>37,646.92</u>	<u>38,022.43</u>	<u>15.01</u>
II. COMMERCIAL BANKS (J\$mn.)	Jul 2003	Jun 2004+	Jul 2004	
Assets & Liabilities (J\$mn.)**.....	<u>299,171.74</u>	<u>327,721.85</u>	<u>327,079.91</u>	<u>9.32</u>
Loans**.....	<u>89,141.22</u>	<u>106,169.95</u>	<u>106,982.11</u>	<u>20.01</u>
Agriculture.....	1,595.76	1,400.50	1,354.90	-15.09
Manufacturing.....	3,764.09	3,026.23	3,256.76	-13.48
Construction & Land Development.....	5,215.63	7,458.88	7,845.68	50.43
Mining.....	135.19	176.30	185.58	37.27
Tourism.....	10,152.49	13,706.74	13,994.71	37.85
Transport, Storage & Communication.....	7,356.96	8,125.32	8,237.39	11.97
Consumer-Oriented.....	31,716.96	43,025.95	43,893.93	38.39
Government Services.....	27,658.71	27,818.74	26,904.39	-2.73
Other.....	1,545.43	1,431.29	1,308.77	-15.31
DEPOSITS.....	<u>188,189.02</u>	<u>214,596.24</u>	<u>216,036.57</u>	<u>13.81</u>
Private Sector (including overseas residents).....	<u>160,732.21</u>	<u>187,235.18</u>	<u>188,318.83</u>	<u>17.16</u>
Time.....	36,266.42	42,732.91	42,916.11	18.34
Savings.....	95,976.19	108,508.91	110,132.97	14.75
Demand.....	28,489.60	35,993.36	35,269.75	23.80
Government.....	<u>13,474.23</u>	<u>13,424.53</u>	<u>14,347.59</u>	<u>6.48</u>
Time.....	568.99	326.67	336.86	-40.80
Savings.....	1,524.03	1,415.41	1,421.39	-6.73
Demand.....	11,381.21	11,682.45	12,589.34	10.62
Public Entities.....	<u>8,278.30</u>	<u>7,904.41</u>	<u>7,320.71</u>	<u>-11.57</u>
Time.....	5,514.4	4,393.84	4,291.95	-22.17
Savings.....	1,659.73	2,251.91	1,421.29	-14.37
Demand.....	1,104.17	1,258.66	1,607.47	45.58

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

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

+ Revised

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Jul 2003	Jun 2004	Jul 2004	Change p.a.
Spec. & O. F. Insts.....	<u>5,704.28</u>	<u>6,032.12</u>	<u>6,049.44</u>	<u>6.05</u>
Time.....	1,832.53	1,467.19	975.07	-46.79
Savings.....	1,011.87	647.73	574.36	-43.24
Demand.....	2,859.88	3,917.20	4,500.01	57.35
	Aug 2003	Jul 2004	Aug 2004	
Current Account Balances with BOJ (J\$mn).....	<u>94.09</u>	<u>235.18</u>	<u>549.58</u>	
LIQUIDITY (Average) %	Jul 2003	Jun 2004+	Jul 2004	
Actual Liquid Assets Ratio.....	<u>33.26</u>	<u>39.43</u>	<u>38.79</u>	
Cash.....	2.18	2.25	2.40	
Deposits with B.O.J.....	9.25	9.12	9.11	
Treasury Bills.....	0.31	0.90	0.99	
Local Registered Stocks.....	11.35	7.38	7.52	
Other.....	10.17	19.78	18.77	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Aug 2003	Jul 2004	Aug 2004	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	8.50-13.15	8.50-13.25	8.50-13.25	
9-12 months.....	8.50-13.15	8.50-13.50	8.50-13.50	
Call Deposits.....	1.00-64.00	1.00-15.00	1.00-25.00	
Average Savings Deposits	8.22	8.06	8.06	
Average Loan Rate.....	25.60	25.02	25.10	
Average Inter-bank Rate	28.04	9.65	10.90	
	Jul 2003	Jun 2004	Jul 2004	
Weighted Fixed Deposits Rate.....	9.12	8.14	8.09	
Weighted Loan Rate.....	19.01	17.75	17.84	
G.O.J. Treasury Bills (Weighted Average) Yield	Aug 2003	Jul 2004	Aug 2004	
2 Months:.....	-	-	-	
3 Months:.....	-	-	-	
6 Months:.....	25.74	14.96	-	
9 Months:.....	-	-	-	
12 Months:.....	-	-	16.36	
	Aug 2003	Jul 2004	Aug 2004	
BOJ Reverse Repurchase Rates (%)				
30-Day	15.00	14.20	14.20	
60-Day	15.30	14.30	14.30	
90-Day	18.00	14.40	14.40	
120-Day	22.00	14.55	14.55	
180-Day	25.00	15.05	15.05	
270-Day	25.75	15.65	15.65	
365-Day	26.00	16.40	16.40	
COMMERCIAL BANKS (Foreign Currency)	Aug 2003	Jul 2004	Aug 2004	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	2.00-4.50	1.00-4.50	1.00-4.50	
3-6 months.....	2.00-4.55	1.25-4.55	1.25-4.55	
6-12 months.....	2.00-6.00	1.50-6.00	1.50-6.00	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	3.25-4.75	2.00-4.75	2.00-4.75	
3-6 months.....	3.25-4.75	2.50-4.85	2.25-4.85	
6-12 months.....	3.50-6.25	2.50-6.25	2.50-6.25	
Average Loan Rates	12.15	12.50	12.50	
Average Savings	2.72	2.69	2.69	

				% Change p.a.
IV. SECURITIES (J\$m.) (outstanding balances)	Jun 2003	May 2004	Jun 2004	
GOJ Local Registered Stock.....	241,163.21	217,770.51	222,372.22	-7.79
	Aug 2003	Jul 2004	Aug 2004	
BOJ Open Market Operations 1/.....	78,997.19	123,005.34	125,321.90	58.64
GOJ Treasury Bills.....	2,000.00	3,950.00	3,950.00	97.50
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Jul 2003	Jun 2004	Jul 2004	
Total Credit Outstanding.....	8,365.96	10,717.35	11,033.04	31.88
New Business.....	663.28	697.97	917.58	38.34
VI. NEAR-BANKS (J\$m.) (Merchant Banks, Trust Com. & Finance Houses)	Jul 2003	Jun 2004	Jul 2004	
Assets/Liabilities.....	43,466.22	42,060.90	44,046.03	1.33
Loans Outstanding.....	5,242.45	6,023.93	6,209.99	18.46
Total Deposits.....	6,695.84	8,274.29	9,587.46	43.19
Loans.....	<u>5,242.45</u>	<u>6,023.93</u>	<u>6,209.99</u>	<u>18.46</u>
Agriculture.....	83.79	58.90	56.50	-32.57
Manufacturing.....	279.47	235.79	252.54	-9.64
Construction & Land Development.....	766.98	997.64	916.77	19.53
Mining, Quarrying & Processing.....	75.38	36.23	11.26	-85.06
Tourism.....	467.46	344.14	401.23	-14.17
Transport, Storage & Communication.....	13.57	362.51	381.49	2,711.27
Consumer Oriented.....	2,313.18	2,926.83	2,976.42	28.67
Government Services.....	984.16	877.46	995.92	1.19
Other.....	258.46	184.43	217.86	-15.71
	Jul 2003	Jun 2004	Jul 2004	
Liquid Assets Ratio (average) %.....	70.27	77.65	38.72	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Jul 2003	Jun 2004	Jul 2004	
Assets/Liabilities.....	59,398.58	73,701.08	74,870.36	26.05
Loan Balances.....	23,403.22	26,023.88	26,409.66	12.85
Savings Funds.....	45,520.40	54,051.77	54,586.92	19.92
VIII. INFLATION	Jul 2003	Jun 2004	Jul 2004	
Consumer Price Index (Jan. 1988 = 100).....	1,678.4	1,854.8	1,872.8	11.58
Monthly Rate (%).....	1.5	0.8	1.0	
Calendar Year to Date (%) (point to point).....	7.2	3.8	4.8	
Fiscal Year to Date (%) (point to point).....	7.6	1.9	2.9	
IX. ACTUAL PRODUCTION ('000)	Jul 2003	Jun 2004	Jul 2004	
Bauxite (metric tonnes).....	328.18	300.96	307.62	-6.26
Alumina (metric tonnes).....	322.94	339.50	349.94	8.36
Sugar (metric tonnes).....	1.32	4.29	2.82	113.64
Banana (tonnes).....	3.04	3.35	3.78	24.34
X. STOCK MARKET ACTIVITIES	Aug 2003	Jul 2004	Aug 2004	
Index.....	55,077.34	98,145.75	97,267.57	76.60
Volume Traded (mn.).....	1,027.23	126.68	134.43	-86.91
Ordinary Shares.....	723.56	126.10	129.43	-82.11
Block Transactions.....	303.67	0.58	5.00	-98.35

				%
X. STOCK MARKET ACTIVITIES (cont'd)	Aug 2003	Jul 2004	Aug 2004	Change p.a.
Value of Stocks Traded (J\$mn.).....	3,837.50	1,534.24	1,561.08	-59.32
Ordinary Shares.....	2,604.55	1,529.81	1,554.18	-40.33
Block Transactions.....	1,232.95	4.43	6.90	-99.44
Advance/Decline Ratio.....	19/12	23/11	16/20	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Dec 2002	Jan-Dec 2003		Change
1. EXPORTS				
a) Major Traditional Exports.....	<u>793.82</u>	<u>863.67</u>		<u>69.85</u>
Bauxite.....	106.33	90.08		-16.25
Alumina.....	603.77	688.44		84.67
Sugar.....	66.15	66.31		0.16
Bananas.....	17.56	18.84		1.28
b) Other Traditional Exports.....	74.62	67.49		-7.13
c) Non-Traditional Exports.....	229.11	235.75		6.64
d) Re-exports.....	19.78	29.07		9.29
General Merchandise Exports.....	<u>1,117.33</u>	<u>1,195.99</u>		<u>78.66</u>
(e) Freezone Exports.....	162.70	141.73		-20.97
(f) Goods Procured in Ports.....	29.10	30.00		0.90
Total Goods Exports.....	<u>1,309.13</u>	<u>1,367.72</u>		<u>58.59</u>
2. IMPORTS				
(a) Consumer Goods.....	1,094.43	1,068.30		-26.13
(b) Raw Materials.....	1,805.02	2,052.34		247.32
(c) Capital Goods.....	671.00	558.24		-112.76
General Merchandise Imports.....	<u>3,570.45</u>	<u>3,678.88</u>		<u>108.43</u>
(d) Freezone Imports.....	93.58	94.30		0.72
(e) Goods Procured in Ports.....	38.20	39.40		1.20
Total Goods Imports.....	<u>3,702.23</u>	<u>3,812.58</u>		<u>110.35</u>
Trade Balance.....	<u>-2,393.10</u>	<u>-2,444.86</u>		<u>-51.76</u>
Memo:				
Caricom Exports.....	48.71	50.91		2.20
Caricom Imports.....	398.64	469.25		70.61
Caricom Trade Balance.....	<u>-349.93</u>	<u>-418.34</u>		<u>-68.41</u>
XII. TOURISM	Jan-Jun	Jan-Jun		%
	2003	2004		Change
Tourist Arrivals ('000).....	<u>1,279.60</u>	<u>1,362.20</u>		<u>6.46</u>
Stopovers.....	640.95	705.08		10.01
Non-Resident Jamaicans.....	37.37	37.26		-0.29
Cruise.....	601.21	619.86		3.10
Armed Forces.....	0.07	-		-
Estimated Expenditure (US\$mn.).....	<u>653.30</u>	<u>709.60</u>		<u>8.62</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)	Jan-Dec 2002	Jan-Dec 2003		Change
<i>Balance of Payments (Calendar)</i>				
1. Current Account.....	<u>-1,118.7</u>	<u>-934.3</u>		<u>184.4</u>
A. Goods balance.....	<u>-1,870.5</u>	<u>-1,925.0</u>		<u>-54.5</u>
Exports (f.o.b.).....	1,309.1	1,367.6		58.5
Imports (f.o.b.).....	3,179.6	3,292.6		113.0
B. Service Balance.....	<u>270.4</u>	<u>471.0</u>		<u>200.6</u>
Transportation.....	-245.6	-200.7		44.9
Travel.....	950.3	1,102.7		152.4
Other Services.....	-434.3	-431.0		3.3

Balance of Payments (Calendar) (Cont'd)

	Jan-Dec 2002	Jan-Dec 2003	Change
C. Income.....	<u>-605.5</u>	<u>-616.5</u>	<u>-11.0</u>
Compensation of Employees.....	82.1	75.5	-6.6
Investment Income.....	-687.6	-692.0	-4.4
D. Current Transfers.....	<u>1,086.9</u>	<u>1,136.2</u>	<u>49.3</u>
Official.....	107.6	84.7	-22.9
Private.....	979.3	1,051.5	72.2
2. Capital and Financial Account.....	<u>1,118.7</u>	<u>934.3</u>	<u>-184.4</u>
A. Capital Account.....	<u>-16.9</u>	<u>-17.1</u>	<u>-0.2</u>
Capital Transfers.....	<u>-16.9</u>	<u>-17.1</u>	<u>-0.2</u>
Official.....	0.2	0.1	-0.1
Private.....	-17.1	-17.2	-0.1
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
B. Financial Account.....	<u>1,135.6</u>	<u>951.4</u>	<u>-184.2</u>
Other Official Investment.....	77.1	-363.8	-440.9
Other Private Investment.....	814.8	883.1	68.3
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>243.7</u>	<u>432.1</u>	

	Apr-Dec 2002/2003	Apr-Dec 2003/2004	
Balance of Payments (Fiscal)			
1. Current Account.....	<u>-950.1</u>	<u>-640.1</u>	<u>310.0</u>
A. Goods balance.....	<u>-1,493.2</u>	<u>-1,397.0</u>	<u>96.2</u>
Exports (f.o.b.).....	979.4	1,037.9	58.5
Imports (f.o.b.).....	2,472.6	2,434.9	-37.7
B. Service Balance.....	<u>176.5</u>	<u>342.7</u>	<u>166.2</u>
Transportation.....	-196.8	-154.6	42.2
Travel.....	702.3	819.3	117.0
Other Services.....	-329.0	-322.0	7.0
C. Income.....	<u>-459.2</u>	<u>-451.4</u>	<u>7.8</u>
Compensation of Employees.....	79.1	70.6	-8.5
Investment Income.....	-538.3	-522.0	16.3
D. Current Transfers.....	<u>825.8</u>	<u>865.6</u>	<u>39.8</u>
Official.....	82.4	63.0	-19.4
Private.....	743.4	802.6	59.2
2. Capital and Financial Account.....	<u>950.1</u>	<u>640.1</u>	<u>-310.0</u>
A. Capital Account.....	<u>-11.3</u>	<u>-12.1</u>	<u>-0.8</u>
Capital Transfers.....	-11.3	-12.1	-0.8
Official.....	0.1	0.0	-0.1
Private.....	-11.4	-12.1	-0.7
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	0.0
B. Financial Account.....	<u>961.4</u>	<u>652.2</u>	<u>-309.2</u>
Other Official Investment.....	25.0	-112.3	-137.3
Other Private Investment.....	591.8	589.7	-2.1
<i>(incl. errors & omissions)</i>			
Reserves.....	344.6	174.8	
Government Reserves.....	0.0	0.0	

				%
XIV. BOJ NET INTERNATIONAL RESERVES	Aug 2003	Jul 2004 ^{2/}	Aug 2004	Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	1,080.10	<u>1,594.69</u>	<u>1,594.69</u>	<u>52.16</u>
Gross Foreign Assets.....	1117.65	1,854.14	1,669.66	49.39
Gross Foreign Liabilities.....	37.55	259.45	26.20	-30.23
Estimated Gross Reserves in Weeks of Imports.....	<u>17.52</u>	<u>26.21</u>	<u>23.97</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>11.54</u>	<u>17.69</u>	<u>16.15</u>	
 XV. FOREIGN EXCHANGE	 Aug 2003	 Jul 2004	 Aug 2004	
DEVELOPMENTS (US\$mn.)				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	612.30	687.95	626.12	2.26
Foreign Exchange Sales (spot).....	613.78	671.06	618.99	0.85
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.) ()	 Jul 2003	 Jun 2004	 Jul 2004	
Commercial Banks Balances.....	<u>1,181.02</u>	<u>1,346.00</u>	<u>1,283.25</u>	<u>8.66</u>
"A" Accounts ^{1/}	102.94	140.22	131.98	28.21
Other.....	1,078.08	1,205.78	1,151.27	6.79
F.I.As Balance.....	<u>97.83</u>	<u>110.95</u>	<u>131.69</u>	<u>34.61</u>
"A" Accounts ^{1/}	23.12	72.21	74.24	221.11
Other.....	74.71	38.74	57.45	-23.10
Building Societies Balances.....	<u>190.39</u>	<u>245.04</u>	<u>246.85</u>	<u>29.65</u>
"A" Accounts ^{1/}	131.68	169.48	170.82	29.72
Other	58.71	75.56	76.03	29.50
Total Foreign Currency Deposits (US\$mn.).....	<u>1,469.24</u>	<u>1,701.99</u>	<u>1,661.79</u>	<u>13.11</u>
Total Foreign Currency Loans (US\$mn.).....	<u>634.78</u>	<u>749.26</u>	<u>722.29</u>	<u>13.79</u>
Commercial Banks.....	565.98	673.33	643.99	13.78
F.I.As	56.53	66.45	69.02	22.09
Building Societies.....	12.27	9.48	9.28	-24.37
 London Interbank Offer Rate (LIBOR) Eurodollars (%)	 Aug 2003	 Jul 2004	 Aug 2004	
3 months.....	1.13	1.63	1.73	
6 months.....	1.20	1.89	1.94	
U.S. Prime Rate (end of period) (%).....	4.00	4.25	4.50	
 Selling Exchange Rates (end period)	 Aug 2003	 Jul 2004	 Aug 2004	
US\$1.00 = J\$.....	59.39	61.80	61.90	
Can. \$1.00 = J\$.....	42.32	46.50	46.86	
U.K. Pound = J\$.....	93.26	112.41	110.56	
Euro = J\$**.....	65.87	74.37	74.55	
 Caricom Selling Exchange Rates**				
T.T. \$1 = J\$.....	9.61	9.89	9.90	
Bdos. \$1 = J\$.....	29.98	30.90	30.93	
Guy. \$1 = J\$.....	0.31	0.32	0.32	
E.C. \$1 = J\$.....	22.21	22.89	22.91	

() Exclude deposits in "B" accounts

** Indicative Rates

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

INFLATION

JULY 2004

The All Jamaica Consumer Price Index (CPI) increased by 1.0 per cent in July 2004. The rate of inflation for the calendar year to July was 4.8 per cent, 2.4 percentage points below the 7.2 per cent recorded over the same interval in 2003. The outturn for July reflected seasonal price increases, albeit below the 1.5 per cent inflation recorded in July 2003. The annual point-to-point inflation rate of 11.6 per cent was 1.0 percentage point above that recorded for July 2003. It is important to note this measure is currently on a declining trend since March 2004. The annual average rate at July 2004 was 14.1 per cent, higher than the 7.4 per cent as at July 2003 (Table 1).

The primary influences on inflation in July were increases in the prices of domestic agricultural products and some international commodities. These increases were largely reflected in the Food & Drink sub-index, which increased by 1.3 per cent in the review month, thereby accounting for 69.3 per cent of the overall inflation. Other significant contributors to the outturn were the Housing & Other Housing Expenses, Fuels & Other Household Supplies, and Healthcare & Personal Expenses sub-indices, which increased by 2.0 per cent, 0.5 per cent and 0.4 per cent, respectively. These sub-indices respectively contributed 17.2 per cent, 3.8 per cent and 3.2 per cent to the overall inflation (Table 2).

The primary impetus to price increases in the Food & Drink sub-index emanated from the Starchy Foods sub-group. This sub-group increased by 6.9 per cent and primarily reflected price increases for yams, sweet potatoes and breadfruit. These increases were due, in part, to reduction in production volumes, relative to April. There were also strong impulses from the Meat, Poultry & Fish sub-group, reflective of price increases for beef, chicken and fish. While meat prices continued to be affected by lagged grain impulses, fish prices were affected by turbidity in the waters of the Kingston harbour caused by the ongoing expansion of the berthing facilities.

The increase in the Housing & Other Housing Expenses sub-index was solely influenced by upward adjustments in the Other Housing Expenses sub-group as the Rental sub-index did not change. In particular, the sub-group was affected by the increase in the cost of electricity stemming from an annual adjustment in energy tariffs and movements in fuel charges. The increase in fuel rates was principally attributed to the movements in world oil prices, which, as indicated by the West Texas Intermediate index, rose by approximately 18.3 per cent over the period January to June 2004. The movement in the Fuels & Other Household Supplies sub-index was also related to the movements in energy prices on the international market and reflected increases in fuels such as cooking gas and kerosene.

The increase in the Healthcare & Personal Expenses sub-index was primarily influenced by upward adjustments in medical practitioners' fees. Dentists', doctors' and opticians' fees increased by varying amounts across the KMA and the Other Towns, but remained unchanged in the Rural Areas. In earlier months these fees increased across all the regions but there remained significant disparities in the absolute prices. The magnitudes of the disparities suggest that further price adjustments can be anticipated.

At the regional level, the CPI in the Rural Areas, Other Towns and KMA had respective increases of 1.6 per cent, 1.3 per cent, and 0.3 per cent. This pattern was mostly influenced by the Food & Drink sub-category, which increased by 2.4 per cent in the Rural Areas, while expanding by 1.7 per cent and 0.1 per cent in the Other Towns and KMA, respectively (Table 3). The disparity in this sub-category was particularly evident in the Meat, Poultry & Fish, Dairy Products, Oils & Fats and the Starchy Foods sub-groups. Closer examination of the previous six months reveal that over the February to April period Rural Area inflation was very low, while in the May to July period inflation in the KMA was moderate. For the Starchy Foods, this dichotomy resulted as in times of excess supply early in the year source markets would be inundated with produce and thus see stronger price reductions. As supplies dwindle, the situation would be reversed with supplies being attracted to the higher prices in the KMA. For the other groups, this is posited to relate to greater exposure of the KMA to external influences, which would impact there firstly and then filter through to the other areas

The trimmed mean index was estimated to have increased by 0.36 per cent in July, coincident with the previous month's measure (Table 4). Consistent with the path of the monetary base, core inflation has been stable since February 2004. The 12-month point-to-point core inflation rate at July 2004 was 6.0 per cent, 0.3 percentage point below the comparable measure at July 2003. Similarly, for the fiscal year to date, core inflation was 1.4 per cent, 1.9 percentage points below the equivalent measure at July 2003. However, the annual average core inflation rate of 7.5 per cent was 3.5 percentage points above the rate recorded in July 2003.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.51 per cent in July. This estimate was slightly above the measure for the previous month, but 0.89 percentage point below that of July 2003, affirming the downward trend in evidence since June 2003. This trend is consistent with a general decline in inflationary impulses.

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
2000	Jan	1,268.1	1,264.6	0.17	1.65	2.00	6.57	5.88
	Feb	1,273.1	1,269.0	0.39	1.05	1.66	8.18	6.04
	Mar	1,281.7	1,274.3	0.68	1.25	1.31	8.39	6.25
	Apr	1,294.4	1,283.0	0.99	2.07	1.46	9.70	6.61
	May	1,300.0	1,292.0	0.43	2.11	1.81	9.19	6.92
	Jun	1,311.4	1,301.9	0.88	2.32	2.17	8.75	7.24
	Jul	1,324.0	1,311.8	0.96	2.29	2.24	8.49	7.53
	Aug	1,335.9	1,323.7	0.90	2.76	2.46	8.23	7.79
	Sept	1,349.3	1,336.4	1.00	2.89	2.65	9.03	8.10
	Oct	1,351.1	1,345.4	0.13	2.05	2.56	8.30	8.25
	Nov	1,352.4	1,350.9	0.10	1.24	2.05	7.34	8.25
	Dec	1,342.6	1,348.7	-0.72	-0.50	0.92	6.06	8.17
2001	Jan	1,342.9	1,345.9	0.02	-0.61	0.04	5.90	8.11
	Feb	1,358.6	1,348.0	1.17	0.46	-0.21	6.72	7.98
	Mar	1,365.0	1,355.5	0.47	1.67	0.50	6.50	7.82
	Apr	1,370.8	1,364.8	0.42	2.08	1.40	5.90	7.51
	May	1,381.1	1,372.3	0.75	1.65	1.80	6.24	7.27
	Jun	1,404.9	1,385.6	1.73	2.93	2.22	7.13	7.14
	Jul	1,418.7	1,401.6	0.98	3.50	2.70	7.15	7.03
	Aug	1,431.1	1,418.3	0.87	3.63	3.35	7.13	6.94
	Sept	1,442.9	1,430.9	0.82	2.70	3.27	6.94	6.78
	Oct	1,454.9	1,443.0	0.83	2.55	2.95	7.68	6.73
	Nov	1,456.2	1,451.3	0.09	1.75	2.33	7.68	6.76
	Dec	1,460.2	1,457.1	0.27	1.20	1.83	8.76	6.99
2002	Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38	7.28
	Feb	1,468.0	1,465.6	-0.05	0.81	0.99	8.05	7.39
	Mar	1,468.5	1,468.4	0.03	0.57	0.78	7.58	7.48
	Apr	1,475.9	1,470.8	0.50	0.48	0.62	7.67	7.62
	May	1,480.0	1,474.8	0.28	0.82	0.62	7.16	7.69
	Jun	1,492.8	1,482.9	0.86	1.65	0.99	6.25	7.61
	Jul	1,515.6	1,496.1	1.53	2.69	1.72	6.83	7.58
	Aug	1,521.2	1,509.9	0.37	2.79	2.38	6.29	7.51
	Sept	1,528.0	1,521.6	0.45	2.36	2.61	5.90	7.41
	Oct	1,539.2	1,529.5	0.73	1.56	2.23	5.80	7.25
	Nov	1,558.3	1,541.8	1.24	2.44	2.12	7.01	7.20
	Dec	1,566.1	1,554.5	0.50	2.49	2.16	7.25	7.08
2003	Jan	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

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

Table 2
COMPONENT CONTRIBUTION TO INFLATION
July 2004

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	1.3	0.5985	69.3
Meals away from home	0.0741	0.2	0.0183	2.1
Meat, Poultry & Fish	0.1613	0.9	0.1460	16.9
Dairy Products Oils & Fats	0.0668	0.5	0.0316	3.7
Baked Products, Cereals & Breakfast Drink	0.0864	0.3	0.0225	2.6
Starchy Foods	0.0525	6.9	0.3642	42.2
Vegetables & Fruits	0.0650	-0.1	-0.0073	-0.8
Other Food & Beverages	0.0502	0.5	0.0234	2.7
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.5	0.0325	3.8
Household Supplies	0.0482	0.4	0.0182	2.1
Fuels	0.0253	0.6	0.0143	1.7
HOUSING & OTHER HOUSING EXPENSES	0.0786	2.0	0.1484	17.2
Rental	0.0209	0.0	0.0000	0.0
Other Housing Expenses	0.0577	2.6	0.1484	17.2
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.4	0.0112	1.3
Furniture	0.0068	0.2	0.0011	0.1
Furnishings	0.0215	0.5	0.0101	1.2
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.4	0.0276	3.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.3	0.0157	1.8
Clothing Materials	0.0055	0.3	0.0015	0.2
Readymade Clothing & Accessories	0.0242	0.1	0.0022	0.3
Footwear	0.0159	0.5	0.0081	0.9
Making & Repairs	0.0051	0.8	0.0039	0.5
TRANSPORTATION	0.0644	0.2	0.0114	1.3
MISCELLANEOUS EXPENSES	0.0785	0.2	0.0179	2.1
ALL GROUPS	1.0000	0.97	0.86	100.0

Table 3
REGIONAL INFLATION
July 2004

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.1	1.7	2.4
Meals away from home	0.0	0.5	0.5
Meat Poultry & Fish	0.5	1.1	1.3
Dairy Products Oils & Fats	0.3	0.5	0.7
Baked Products Cereals & Breakfast Drink	0.3	0.2	0.3
Starchy Foods	0.9	7.7	9.5
Vegetables & Fruits	-2.4	3.7	0.5
Other Food & Beverages	0.4	0.4	0.5
FUELS & OTHER HOUSEHOLD SUPPLIES	0.5	1.0	0.2
Household Supplies	0.4	0.8	0.1
Fuels	0.6	1.1	0.2
HOUSING & OTHER HOUSING EXPENSES	1.9	2.2	2.3
Rental	0.0	0.0	0.0
Other Housing Expenses	2.6	2.5	2.6
HOUSEHOLD FURNISHINGS & FURNITURE	0.2	0.6	0.4
Furniture	-0.1	0.3	0.3
Furnishings	0.3	0.8	0.4
HEALTHCARE & PERSONAL EXPENSES	0.2	1.1	0.3
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.2	0.4	0.4
Clothing Materials	0.0	0.7	0.5
Readymade Clothing & Accessories	0.1	0.1	0.0
Footwear	0.2	0.4	1.0
Making & Repairs	0.8	1.2	0.5
TRANSPORTATION	0.1	0.2	0.3
MISCELLANEOUS EXPENSES	0.1	0.2	0.5
ALL GROUPS	0.3	1.3	1.6

Table 4
INFLATION: ACTUAL & CORE

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

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

December 2003

The deficit on the current account of the balance of payments improved by US\$49.9MN, to US\$41.8MN in December 2003, relative to the comparable period of 2002. This improvement reflected respective increases of US\$28.3MN and US\$14.2MN in net receipts from current transfers and services, as well as, a contraction of US\$16.6MN in the deficit on the merchandise trade account. Partly offsetting these changes was an increase of US\$9.2MN in the deficit on the income sub-account. Within the financial account, net private capital inflows were more than sufficient to finance net official outflows and the deficits on the current and capital accounts. Consequently, there was a build-up of US\$61.7MN in the net international reserves of the Bank of Jamaica during the month.

Merchandise Trade

The narrowing of the deficit on the merchandise trade account reflected an increase of US\$14.2MN in earnings from exports and a decline of US\$2.4MN in the value of imports (f.o.b.). With the exception of non-traditional exports and goods procured in Jamaican ports, all the major categories of exports recorded increases in December 2003, relative to December 2002. Of note, there was an expansion of US\$7.3MN in the major traditional export category, associated primarily with an increase of US\$10.1MN in the value of alumina exports. This was, however, partly offset by a reduction of US\$4.2MN in crude bauxite exports. The growth in earnings from alumina export reflected increases of 23.7 per cent and 4.8 per cent in export price and volume, respectively. Free zone exports, re-exports and other traditional exports also recorded expansions of US\$7.2MN, US\$1.7MN and US\$0.5MN, respectively, while non-traditional exports declined by US\$2.5MN.

A US\$16.5MN contraction in expenditure on capital goods was largely responsible for the decline in imports. This contraction reflected lower expenditure on public transport equipment and machinery and telephone equipment for the communication sector. There was also a decline of US\$2.1MN in consumer goods imports arising principally from a US\$4.1MN contraction in spending on non-durable items (excluding food) by informal commercial importers. Imports of food for consumption and semi-durable items, including garments, were marginally higher than in December 2002. Increased spending on raw material, in particular fuel, due to higher oil prices was a partial countervailing influence. The value of fuel imports increased by US\$5.9 MN, to US\$52.8MN in December 2003, relative to December 2002.

Services

The increase in the surplus on the services account stemmed primarily from an expansion of US\$11.7MN in net receipts from the travel sub-sector. The improvement was associated with an increase of 6.9 per cent in total visitor arrivals.

Income

The higher deficit on the income account largely reflected an expansion in interest payments by the Central Government, which was partly offset by increased inflows from Jamaican migrant workers.

Current Transfers

An increase of US\$29.6 million in net private remittance inflows largely accounted for the growth in current transfers for the review period. Despite a drop in market share, the remittance companies remained the most dominant conduit through which funds are remitted, accounting for 48.6 per cent of all inflows, relative to 57.0 per cent in December 2002.

Capital and Financial Accounts

A deficit of US\$0.7MN was recorded on the capital account for December 2003, while the financial account reflected a surplus of US\$42.5MN. Within the financial account, net private investment inflows of US\$127.8MN were sufficient to finance net official outflows of US\$23.6MN, as well as the deficits on the current and capital accounts. Consequently, there was a build-up of US\$61.7MN in the net international reserves of the Bank of Jamaica during the review month.

April to December 2003

For the period April to December 2003, the current account deficit improved by US\$310.0MN to US\$640.1MN, relative to the deficit recorded for the corresponding period in FY2002/03. This improvement reflected increases of US\$166.2MN and US\$39.8MN in net earnings from services and current transfers, respectively. Reductions of US\$96.2MN and US\$7.8MN in the deficits on the trade and income accounts, respectively, also contributed to the overall improvement of the current account. Within the financial account, net private capital inflows were insufficient to finance Government debt payments, as well as the deficits on the current and capital accounts. Consequently, there was a draw down of US\$174.8 million in the net international reserves over the period.

Merchandise Trade

The lower merchandise trade deficit stemmed from an increase of US\$58.5MN in exports, complemented by a contraction of US\$37.7MN in payment for imports (f.o.b.). With the exception of free zone and other traditional exports, which recorded respective declines of US\$16.2MN and US\$7.0MN, all other category of exports expanded in the review period. Major traditional exports, non-traditional exports and goods procured in ports increased by US\$65.8MN, US\$8.0MN and US\$0.6MN, respectively. Within the major traditional export group, the value of alumina exports expanded by US\$72.9MN, reflecting increases of 8.5 per cent and 7.0 per cent in price and volume, respectively, relative to the similar period in 2002. Earnings from bauxite exports recorded a decline of US\$9.9MN, due primarily to a fall-off in volumes exported over the review period. Contractions of US\$5.5MN and US\$3.7MN in receipts from rum and coffee exports accounted for the decline in other-traditional exports.

Respective declines of US\$115.9MN and US\$45.6MN in the c.i.f. values of capital and consumer goods imports contributed to the overall reduction in imports. This was partly countered by an expansion of US\$100.4MN in raw material imports, relative to the corresponding of FY 2002/03. Capital goods imports reflected respective contractions of US\$72.8MN and US\$48.1MN in the level of expenditure on transportation equipment and other machinery, including data processing apparatus and cellular telephones. Increased spending of US\$88.8MN and US\$11.6MN on fuels and other raw material imports, respectively, were responsible for the growth in raw material imports. The value of fuel imports for the review period totalled US\$613.0 million.

Services

An increase in net travel receipts of US\$117.0MN was the main contributory factor to the expansion in the surplus on the services account during the period April to December 2003, relative to the comparable period of FY2002/03. Total visitor arrivals rose by 13.6 per cent, relative to the corresponding period in 2002, reflecting increases of 6.9 per cent and 24.4 per cent in foreign national stopover and cruise visitor arrivals, respectively. The surplus on the services account also reflected respective reductions of US\$42.2MN and US\$7.0MN in net payments for transportation and other services.

Income

The decline in the deficit on the income account over the review period was attributable to a contraction of US\$16.3MN in net investment income outflows primarily associated with the activities of the direct investment companies.

Current Transfers

The growth in net current transfers was attributed to an increase of US\$59.2MN in net private inflows. However, this expansion was partly countered by a decline of US\$19.4MN in official inflows, influenced by the non-repetition of significant grant inflows in the comparable period of FY2002/03.

Capital & Financial Accounts

A deficit of US\$12.1MN was recorded on the capital account for the review period, in contrast to a surplus of US\$652.2MN on the financial account. Within the financial account, net private investment inflows of US\$589.7MN and net amortization by Government of US\$112.3MN were recorded. Net amortization of foreign debt by Central Government, in conjunction with the deficits on the current and capital accounts, was significantly above the build up in private balances. Consequently, there was a draw down of US\$174.8MN in the net international reserves of the Bank of Jamaica. At the end of December 2003, the level of gross reserves stood at US\$1 196.3MN representing 19.2 weeks of imports of goods and 12.7 weeks of imports of goods and services.

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

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Dec^{1/}	Dec^{2/}		Apr - Dec^{1/}	Apr -Dec^{2/}	
	2002	2003	Change	2002	2003	Change
1. CURRENT ACCOUNT	-91.7	-41.8	49.9	-950.1	-640.1	310.0
A. GOODS and SERVICES	-114.7	- 83.9	30.8	-1316.7	-1054.3	262.4
a. GOODS BALANCE	-178.5	-161.9	16.6	-1493.2	-1397.0	96.2
Exports (f.o.b.)	92.7	106.9	14.2	979.4	1037.9	58.5
Imports (f.o.b.)	271.2	268.8	-2.4	2472.6	2434.9	-37.7
b. SERVICES BALANCE	63.8	78.0	14.2	176.5	342.7	166.2
Transportation	-15.6	-12.5	3.1	-196.8	-154.6	42.2
Travel	123.3	135.0	11.7	702.3	819.3	117.0
Other Services	-43.9	-44.5	-0.6	-329.0	-322.0	7.0
B. INCOME	-67.5	-76.7	-9.2	-459.2	-451.4	7.8
Compensation of employees	6.0	11.1	-5.1	79.1	70.6	-8.5
Investment Income	-73.5	-87.8	-14.3	-538.3	-522.0	16.3
C. CURRENT TRANSFERS	90.5	118.8	28.3	825.8	865.6	39.8
Official	8.7	7.4	-1.3	82.4	63.0	-19.4
Private	81.8	111.4	29.6	743.4	802.6	59.2
2. CAPITAL & FINANCIAL ACCOUNT	91.7	41.8	-49.9	950.1	640.1	310.0
A. CAPITAL ACCOUNT	-1.0	-0.7	0.3	-11.3	-12.1	-0.8
a. Capital Transfers	-1.0	-0.7	0.3	-11.3	-12.1	-0.8
Official	0.0	0.0	0.0	0.1	0.0	-0.1
Private	-1.0	-0.7	0.3	-11.4	-12.1	-0.7
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	92.7	42.5	-50.2	961.4	652.2	-309.2
Other official investment	2.3	-23.6	-25.9	25.0	-112.3	-137.3
Other private investment ^{3/}	73.0	127.8	54.8	591.8	589.7	-2.1
Change in Reserves (minus = increase)	17.4	-61.7		344.6	174.8	

1/ Revised

2/ Provisional

3/ Includes errors & omissions

BANK OF JAMAICA