



ECONOMIC STATISTICS

VOLUME 16 - NO. 9

SEPTEMBER 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

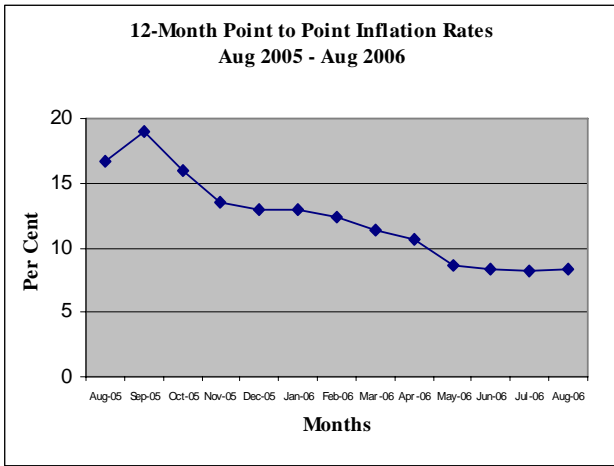


Figure 2

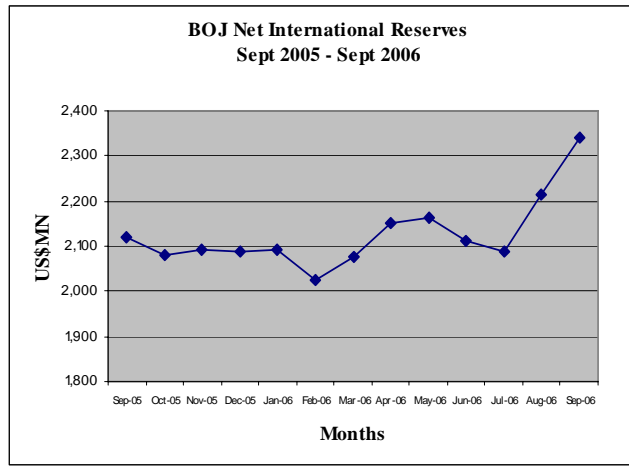


Figure 3

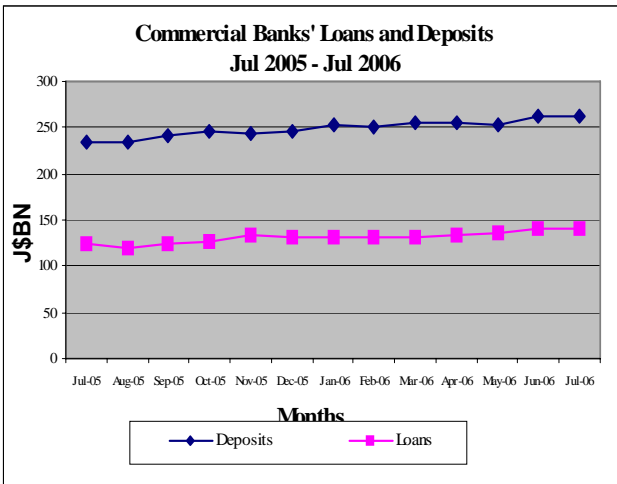


Figure 4

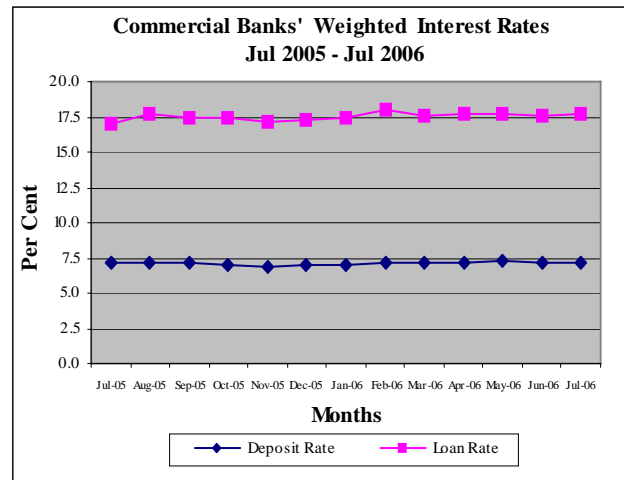


Figure 5

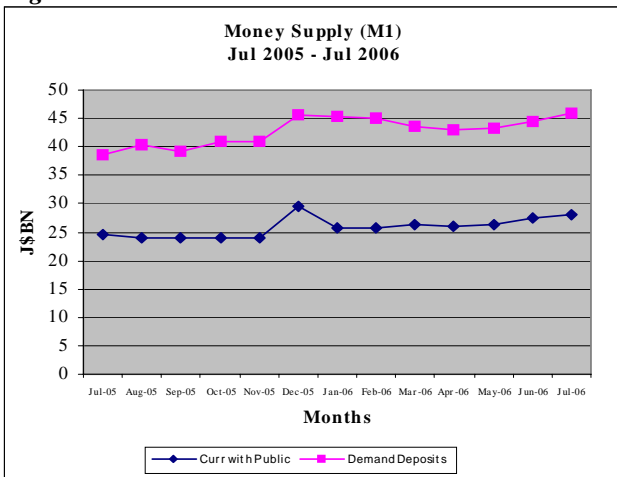
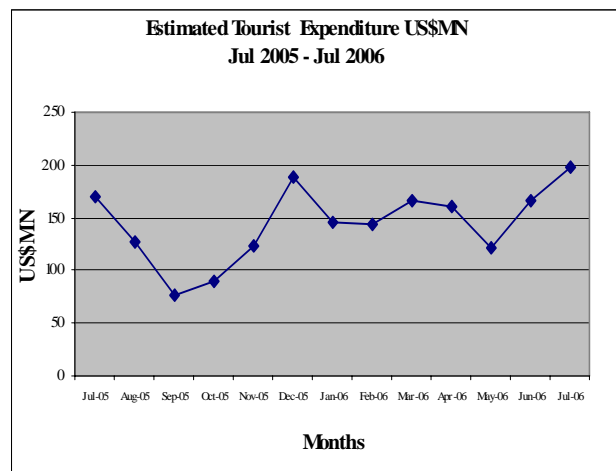


Figure 6



				%
1. MONETARY AGGREGATES (J\$mn.)				
Local and Foreign Currency	Jul 2005	Jun 2006	Jul 2006	Change p.a.
Money Supply (M1).....	<u>63,003.85</u>	<u>71,897.40</u>	<u>73,920.85</u>	<u>17.33</u>
(a) Currency with the Public.....	24,448.22	27,480.16	28,094.40	14.91
(b) Demand Deposits (adj.)***.....	38,555.63	44,417.24	45,826.45	18.86
Quasi-Money.....	<u>151,038.81</u>	<u>160,329.99</u>	<u>161,054.84</u>	<u>6.63</u>
(a) Time.....	40,935.81	39,297.71	40,414.63	-1.27
(b) Savings.....	110,103.00	121,032.28	120,640.21	9.57
Money Supply (M2).....	<u>214,042.66</u>	<u>232,227.39</u>	<u>234,975.69</u>	<u>9.78</u>
Domestic Credit (net).....	<u>240,146.33</u>	<u>232,173.07</u>	<u>230,452.47</u>	<u>-4.04</u>
Local Currency	Jul 2005	Jun 2006	Jul 2006	
Money Supply (M1).....	<u>53,551.57</u>	<u>61,908.47</u>	<u>63,851.93</u>	<u>19.23</u>
(a) Currency with the Public.....	24,448.22	27,480.16	28,094.40	14.91
(b) Demand Deposits (adj.)***.....	29,103.35	34,428.31	35,757.53	22.86
Quasi-Money.....	<u>89,880.91</u>	<u>97,245.25</u>	<u>97,476.28</u>	<u>8.45</u>
(a) Time.....	21,453.19	22,316.84	22,766.03	6.12
(b) Savings.....	68,427.72	74,928.41	74,710.25	9.18
Money Supply (M2).....	<u>143,432.48</u>	<u>159,153.72</u>	<u>161,328.21</u>	<u>12.48</u>
Domestic Credit (net).....	<u>198,930.81</u>	<u>186,097.63</u>	<u>183,622.12</u>	<u>-7.70</u>
	Sept 2005	Aug 2006	Sept 2006	
Base Money.....	<u>40,374.19</u>	<u>47,429.48</u>	<u>47,320.21</u>	<u>17.20</u>
II. COMMERCIAL BANKS (J\$mn.)	Jul 2005	Jun 2006	Jul 2006	
Assets & Liabilities (J\$mn.)**.....	<u>347,230.07</u>	<u>399,879.39</u>	<u>400,891.83</u>	<u>15.45</u>
Loans**.....	<u>124,222.06</u>	<u>140,265.27</u>	<u>140,556.74</u>	<u>13.15</u>
Agriculture.....	2,095.78	2,336.85	2,280.34	8.81
Manufacturing.....	4,702.33	6,943.48	6,888.86	46.50
Construction & Land Development.....	5,116.27	6,726.83	7,017.43	37.16
Mining.....	230.41	361.16	347.06	50.63
Tourism.....	17,609.76	21,887.21	21,719.95	23.34
Transport, Storage & Communication.....	7,654.75	5,673.45	4,567.41	-40.33
Consumer-Oriented.....	50,394.04	62,976.51	64,489.27	27.97
Government Services.....	34,616.43	30,991.80	30,235.36	-12.66
Other.....	1,802.29	2,367.98	3,011.06	67.07
	Jul 2005	Jun 2006	Jul 2006	
DEPOSITS.....	<u>234,618.23</u>	<u>262,241.91</u>	<u>261,709.50</u>	<u>11.55</u>
Private Sector (including overseas residents).....	<u>207,407.45</u>	<u>225,554.22</u>	<u>226,511.78</u>	<u>9.21</u>
Time.....	50,702.29	52,255.25	53,041.04	4.61
Savings.....	117,646.25	128,968.54	128,532.32	9.25
Demand.....	39,058.91	44,330.43	44,938.42	15.05
Government.....	<u>11,878.58</u>	<u>15,604.71</u>	<u>15,426.43</u>	<u>29.87</u>
Time.....	220.40	297.50	452.85	105.47
Savings.....	1,500.83	1,961.24	1,819.24	21.22
Demand.....	10,157.35	13,345.97	13,154.34	29.51
Public Entities.....	<u>9,632.31</u>	<u>11,895.88</u>	<u>10,753.66</u>	<u>11.64</u>
Time.....	2,997.22	6,477.57	6,081.80	102.91
Savings.....	4,560.17	3,429.72	2,251.82	-50.62
Demand.....	2,074.92	1,988.59	2,420.04	16.63

** 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)	Jul 2005	Jun 2006	Jul 2006	Change p.a.
Spec. & O. F. Insts.....	<u>5,699.89</u>	<u>9,187.10</u>	<u>9,017.63</u>	<u>58.21</u>
Time.....	1,037.52	1,513.16	1,601.49	54.36
Savings.....	836.67	1,141.47	1,190.37	42.27
Demand.....	3,825.70	6,532.47	6,225.77	62.74
	Sept 2005	Aug 2006	Sept 2006	
Current Account Balances with BOJ (J\$mn).....	<u>35.12</u>	<u>154.76</u>	<u>268.98</u>	
LIQUIDITY (Average) %	Jul 2005	Jun 2006	Jul 2006	
Actual Liquid Assets Ratio.....	<u>41.50</u>	<u>45.28</u>	<u>43.53</u>	
Cash.....	2.69	2.59	2.57	
Deposits with B.O.J.....	9.40	9.29	9.29	
Treasury Bills.....	0.72	0.68	0.84	
Local Registered Stocks.....	2.91	1.86	1.81	
Other.....	25.78	30.86	29.02	
Statutory Requirement.....	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Aug 2005	Jul 2006	Aug 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	4.00-15.00	4.00-15.00	
Average Savings Deposits	5.52	5.39	5.39	
Average Loan Rate.....	22.00	22.50	22.50	
Average Inter-bank Rate	10.25	8.92	8.95	
	Jul 2005	Jun 2006	Jul 2006	
Weighted Fixed Deposits Rate.....	7.16	7.17	7.17	
Weighted Loan Rate.....	17.02	17.60	17.65	
G.O.J. Treasury Bills (Weighted Average) Yield	Sept 2005	Aug 2006	Sept 2006	
2 Months:.....	-	-	-	
3 Months:.....	12.34	12.68	12.44	
6 Months:.....	13.15	12.79	12.49	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Sept 2005	Aug 2006	Sept 2006	
BOJ Open Market Rates (%) *				
30-Day	12.60	12.45	12.15	
60-Day	12.70	12.50	12.20	
90-Day	12.75	12.60	12.30	
120-Day	12.85	12.65	12.35	
180-Day	13.00	12.80	12.50	
270-Day	13.25	-	-	
365-Day	13.60	-	-	
COMMERCIAL BANKS (Foreign Currency)	Aug 2005	Jul 2006	Aug 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	

*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\$m.) (outstanding balances)	Aug 2005	Jul 2006	Aug 2006	
GOJ Local Registered Stock.....	220,153.50	233,521.74	232,852.41	5.77
	Sept 2005	Aug 2006	Sept 2006	
BOJ Open Market Operations 1/.....	168,108.16	160,640.33	166,018.91	-1.24
GOJ Treasury Bills.....	3,800.00	4,200.00	4,600.00	21.05
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Jul 2005	Jun 2006	Jul 2006	
Total Credit Outstanding.....	12,892.71	16,323.32	17,280.66	34.03
New Business.....	918.43	1,407.93	1,559.96	69.85
VI. NEAR-BANKS (J\$m.) (Merchant Banks, Trust Com. & Finance Houses)	Jul 2005	Jun 2006	Jul 2006	
Assets/Liabilities.....	38,934.73	48,119.56	47,926.59	23.09
Loans Outstanding.....	7,306.37	9,749.05	10,016.84	37.10
Total Deposits.....	11,085.00	12,803.06	13,098.09	18.16
Loans.....	<u>7,306.37</u>	<u>9,749.05</u>	<u>10,016.84</u>	<u>37.10</u>
Agriculture.....	450.58	963.13	945.08	109.75
Manufacturing.....	419.03	392.11	388.94	-7.18
Construction & Land Development.....	1,193.54	1,069.36	1,121.59	-6.03
Mining, Quarrying & Processing.....	39.31	21.64	21.16	-46.17
Tourism.....	548.53	953.62	1,007.56	83.68
Transport, Storage & Communication.....	565.89	425.80	530.88	-6.19
Consumer Oriented.....	3,500.53	5,247.72	5,354.14	52.95
Government Services.....	365.24	397.05	369.08	1.05
Other.....	223.72	278.62	278.41	24.45
	Jul 2005	Jun 2006	Jul 2006	
Liquid Assets Ratio (average) %.....	68.24	24.61	24.91	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Jul 2005	Jun 2006	Jul 2006	
Assets/Liabilities.....	85,550.88	96,715.73	97,784.53	14.30
Loan Balances.....	33,747.76	40,140.26	40,696.68	20.59
Savings Funds.....	61,195.98	68,347.36	68,732.53	12.32
VIII. INFLATION	Aug 2005	Jul 2006	Aug 2006	
Consumer Price Index (Jan. 1988 = 100).....	2,214.7	2,394.5	2,401.9	8.45
Monthly Rate (%).....	0.1	1.4	0.3	
Calendar Year to Date (%).....	9.0	4.4	4.7	
Fiscal Year to Date (%).....	7.4	4.2	4.6	
IX. ACTUAL PRODUCTION ('000)	Aug 2005	Jul 2006	Aug 2006	
Bauxite (metric tonnes).....	379.01	335.40	453.89	19.76
Alumina (metric tonnes).....	359.98	347.02	334.12	-7.18
Sugar (metric tonnes).....	-	-	-	-
Banana Exports (tonnes).....	0.94	2.73	2.65	181.91
X. STOCK MARKET ACTIVITIES	Sept 2005	Aug 2006	Sept 2006	
Index.....	103,332.61	84,004.96	86,195.99	-16.58
Volume Traded (mn.).....	203.18	162.83	142.66	-29.79
Ordinary Shares.....	203.05	162.83	105.70	-47.94
Block Transactions.....	0.13	-	36.96	28,330.77

1/ As at May 2005 the Bank of Jamaica no longer issues Reverse Repurchases
- No Production
.. Not Available

X. STOCK MARKET ACTIVITIES (cont'd)	Sept 2005	Aug 2006	Sept 2006	%
				Change p.a.
Value of Stocks Traded (J\$mn.).....	1,718.22	958.16	1,020.79	-40.59
Ordinary Shares.....	1,718.07	958.16	808.02	-52.97
Block Transactions.....	0.15	-	212.77	141,746.47
Advance/Decline Ratio.....	10/21	16/17	24/7	
XI. EXTERNAL TRADE (US\$mn.)	Jan-May 2005	Jan-May 2006*		Change
1. EXPORTS				
(a) Major Traditional Exports.....	<u>497.52</u>	<u>539.87</u>		<u>42.35</u>
Bauxite.....	39.11	47.17		8.06
Alumina.....	384.63	413.95		29.32
Sugar.....	72.98	73.45		0.47
Bananas.....	0.80	5.30		4.50
(b) Other Traditional Exports.....	26.71	38.38		11.67
(c) Non-Traditional Exports.....	105.69	233.39		127.70
(d) Re-exports.....	11.44	15.49		4.05
General Merchandise Exports.....	<u>641.36</u>	<u>827.13</u>		<u>185.77</u>
(e) Freezone Exports.....	22.97	20.40		-2.57
(f) Goods Procured in Ports.....	31.66	33.20		1.54
Total Goods Exports.....	<u>695.99</u>	<u>880.73</u>		<u>184.74</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food.....	242.90	254.09		11.19
(b) Beverage & Tobacco.....	22.65	26.59		3.94
(c) Crude Material.....	39.54	37.60		-1.94
(d) Mineral Fuel.....	535.53	703.61		168.08
(e) Animal & Vegetable Oil.....	12.40	10.83		-1.57
(f) Chemicals.....	225.33	253.99		28.66
(g) Manufactured Goods.....	270.33	246.85		-23.48
(h) Machinery & Transportation.....	343.67	410.75		67.08
(i) Miscellaneous Manufactured Goods.....	186.24	177.19		-9.05
(j) Miscellaneous Commodities.....	24.96	28.44		3.48
General Merchandise Imports	<u>1,903.55</u>	<u>2,149.94</u>		<u>246.39</u>
Freezone Imports.....	7.70	9.40		1.70
Goods Procured in Ports.....	46.35	48.68		2.33
Total Goods Imports.....	<u>1,957.60</u>	<u>2,208.02</u>		<u>250.42</u>
Trade Balance.....	<u>-1,261.61</u>	<u>-1,327.29</u>		<u>-65.68</u>
XII. TOURISM	Jan-Jul 2005	Jan-Jul 2006		% Change
Tourist Arrivals ('000).....	<u>1,594.63</u>	<u>1,844.89</u>		<u>15.69</u>
Stop Overs.....	913.37	1,072.18		17.39
Foreign Nationals.....	864.91	1,014.60		17.31
Non-Resident Jamaicans.....	48.46	57.58		18.82
Cruise.....	681.26	772.71		13.42
Armed Forces.....	-	-		-
Estimated Expenditure (US\$mn.).....	<u>941.5</u>	<u>1,100.4</u>		<u>16.88</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)	Jan-May 2005	Jan-May 2006*		Change
1. Current Account.....	<u>-353.4</u>	<u>-242.9</u>		<u>110.5</u>
A. Goods balance.....	<u>-1,010.8</u>	<u>-1,054.7</u>		<u>-43.9</u>
Exports (f.o.b.).....	696.0	880.8		184.8
Imports (f.o.b.).....	1,706.8	1,935.5		228.7
B. Service Balance.....	<u>282.3</u>	<u>383.9</u>		<u>101.6</u>
Transportation.....	-96.9	-98.4		-1.5
Travel.....	548.0	678.3		130.3
Other Services.....	-168.8	-196.0		-27.2

* Provisional

<i>Balance of Payments (Calendar) (Cont'd)</i>		Jan-May 2005	Jan-May 2006*	Change
C. Income		<u>-280.4</u>	<u>-259.2</u>	<u>21.2</u>
Compensation of Employees.....		14.6	14.2	-0.4
Investment Income.....		-295.0	-273.4	21.6
D. Current Transfers		<u>655.5</u>	<u>687.1</u>	<u>31.6</u>
Official.....		64.7	57.5	-7.2
Private.....		590.8	629.6	38.8
2. Capital and Financial Account		<u>353.4</u>	<u>242.9</u>	<u>-110.5</u>
A. Capital Account		<u>-1.3</u>	<u>-2.4</u>	<u>-1.1</u>
Capital Transfers.....		<u>-1.3</u>	<u>-2.4</u>	<u>-1.1</u>
Official.....		0.2	0.1	-0.1
Private.....		-1.5	-2.5	-1.0
Acq./Disp. of non-produced non-fin. assets....		0.0	0.0	0.0
B. Financial Account		<u>354.7</u>	<u>245.3</u>	<u>-109.4</u>
Other Official Investment.....		-3.6	171.3	174.9
Other Private Investment.....		574.3	149.5	-424.8
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-216.0</u>	<u>-75.5</u>	
		Apr-May	Apr-May*	
		2005/2006	2006/2007	
Balance of Payments (Fiscal)				
1. Current Account		<u>-184.7</u>	<u>-26.4</u>	<u>158.3</u>
A. Goods balance		<u>-409.6</u>	<u>-351.5</u>	<u>58.1</u>
Exports (f.o.b.).....		314.8	363.2	48.4
Imports (f.o.b.).....		724.4	714.7	-9.7
B. Service Balance		<u>81.5</u>	<u>138.2</u>	<u>56.7</u>
Transportation.....		-50.8	-38.2	12.6
Travel.....		195.8	250.1	54.3
Other Services.....		-63.5	-73.7	-10.2
C. Income		<u>-116.3</u>	<u>-96.2</u>	<u>20.1</u>
Compensation of Employees.....		6.1	5.1	-1.0
Investment Income.....		-122.4	-101.3	21.1
D. Current Transfers		<u>259.7</u>	<u>283.1</u>	<u>23.4</u>
Official.....		22.3	21.8	-0.5
Private.....		237.4	261.3	23.9
2. Capital and Financial Account		<u>184.7</u>	<u>26.4</u>	<u>-158.3</u>
A. Capital Account		<u>-0.4</u>	<u>-0.6</u>	<u>-0.2</u>
Capital Transfers.....		<u>-0.4</u>	<u>-0.6</u>	<u>-0.2</u>
Official.....		0.1	0.1	0.0
Private.....		-0.5	-0.7	-0.2
Acq./Disp. of non-produced non-fin. assets		0.0	0.0	-
B. Financial Account		<u>185.1</u>	<u>27.0</u>	<u>-158.1</u>
Other Official Investment.....		-17.0	114.8	131.8
Other Private Investment.....		375.0	-3.1	-378.1
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-172.9</u>	<u>-84.7</u>	

* Provisional

XIV. BOJ NET INTERNATIONAL RESERVES	Sept 2005	Aug 2006+	Sept 2006	% Change p.a.
(US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>2,118.97</u>	<u>2,215.63</u>	<u>2,342.01</u>	<u>10.53</u>
Gross Foreign Assets.....	<u>2,242.96</u>	<u>2,383.05</u>	<u>2,474.72</u>	<u>10.33</u>
Gross Foreign Liabilities.....	<u>123.99</u>	<u>167.42</u>	<u>132.71</u>	<u>7.03</u>
Estimated Gross Reserves in Weeks of Imports.....	<u>27.18</u>	<u>25.10</u>	<u>26.07</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>19.23</u>	<u>18.09</u>	<u>18.78</u>	
 XV. FOREIGN EXCHANGE	 Sept 2005	 Aug 2006	 Sept 2006	
DEVELOPMENTS (US\$mn.) *				
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	840.84	1,108.16	1,066.02	26.78
Foreign Exchange Sales (spot).....	811.64	1,147.57	1,124.09	38.50
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	 Jul 2005	 Jun 2006	 Jul 2006	
Commercial Banks Balances.....	<u>1,497.20</u>	<u>1,523.93</u>	<u>1,508.46</u>	<u>0.75</u>
"A" Accounts 1/.....	167.29	149.08	146.50	-12.43
"B" Accounts	0.00	0.00	0.00	-
Other.....	1,329.91	1,374.85	1,361.96	2.41
F.I.As Balance.....	<u>146.01</u>	<u>157.47</u>	<u>160.97</u>	<u>10.25</u>
"A" Accounts 1/.....	102.55	95.42	96.83	-5.58
"B" Accounts	0.26	0.06	0.06	-76.92
Other.....	43.20	61.99	64.08	48.33
Building Societies Balances.....	<u>340.47</u>	<u>375.32</u>	<u>380.50</u>	<u>11.76</u>
"A" Accounts 1/.....	196.93	225.22	230.13	16.86
"B" Accounts	66.13	66.29	65.82	-0.47
Other	77.41	83.81	84.55	9.22
Total Foreign Currency Deposits (US\$mn.).....	<u>1,983.68</u>	<u>2,056.72</u>	<u>2,049.93</u>	<u>3.34</u>
Total Foreign Currency Loans (US\$mn.).....	<u>921.94</u>	<u>980.68</u>	<u>982.40</u>	<u>6.56</u>
Commercial Banks.....	835.08	879.66	878.17	5.16
F.I.As	78.29	89.29	92.70	18.41
Building Societies.....	8.57	11.73	11.53	34.54

* 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

	Sept 2005	Aug 2006	Sept 2006
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	2.17	3.26	3.43
6 months.....	2.21	3.45	3.57
U.S. Prime Rate (end of period) (%).....	6.75	8.25	8.25
Selling Exchange Rates (end period)	Sept 2005	Aug 2006	Sept 2006
US\$1.00 = J\$.....	62.89	65.96	66.06
Can. \$1.00 = J\$.....	53.61	59.43	59.10
U.K. Pound = J\$.....	110.02	125.20	123.48
Euro = J\$**.....	75.83	84.39	83.80
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	10.02	10.61	10.55
Bdos. \$1 = J\$.....	31.45	32.98	33.03
Guy. \$1 = J\$.....	0.32	0.33	0.33
E.C. \$1 = J\$.....	23.29	24.43	24.47

*** Indicative Rates*

INFLATION

AUGUST 2006

The All Jamaica Consumer Price Index (CPI) increased by 0.3 per cent in August 2006, relative to 1.4 per cent in the previous month (Table 1). The outturn for the review month resulted in an inflation rate of 4.6 per cent for the fiscal year to August relative to 7.4 per cent recorded over the corresponding period in FY 2005/06. The annual point-to-point inflation rate was 8.4 per cent, 8.3 percentage points below the rate recorded in 2005. Similarly, the mean annual inflation rate of 11.7 per cent was 2.8 percentage points below the rate recorded one year ago.

The major factors influencing inflation in August were supply constraints with regard to beef and fish, the rising cost of energy, higher prices of some intermediate inputs and holiday demand. Since the start of the year, the first two of these factors have been significant in their impact on inflation. Uncharacteristically for August, falling prices for agricultural products was a moderating influence on inflation.

With the exception of *Housing & Other Housing Expenses*, all sub-categories of the CPI reflected increases relative to the previous month. The main inflationary impulses were registered in *Food & Drink*, *Healthcare & Personal Expenses* and *Transportation*. These three groups all increased by 0.5 per cent. The *Housing & Other Housing Expenses* sub-category decreased by 0.6 per cent.

The movement in the *Food & Drink* sub-index was due primarily to respective increases of 1.1 per cent and 2.0 per cent in *Meat, Poultry & Fish* and *Baked Products, Cereals & Breakfast Drinks*. The rise in the *Meat, Poultry & Fish* index was influenced by the continuing disjuncture between demand and supply of beef and the effects of the Jamaica Broilers' redirecting of its supply of fish to the North American market. Higher grains prices affected the price of flour and consequently led to increases in the prices of bread and baked products. The prices of the items in these groups were also affected by the increased cost of energy. Favourable weather conditions for the year to date have had a positive impact on agriculture supply conditions, which has facilitated respective declines in *Starchy Foods* and *Vegetables & Fruits* of 0.1 per cent and 2.1 per cent. This provided some tempering of the inflation in the *Food & Drink* group.

The 0.5 per cent increase in *Healthcare & Personal Expenses* was principally attributable to movements in the *Personal Expenses* component of the group. *Personal Expenses* were mainly affected by increases in the cost of hair care for both men and women. This was related to sharp adjustments in electricity rates driven by higher fuel cost, tariffs and the annual adjustment for inflation. Within the *Healthcare* component, there were increases in opticians' and dentists' fees as well as in the cost of some medicaments.

Another development of note within the CPI was a 0.5 per cent expansion in *Transportation*. The expansion in this sub-category mainly emanated from increases in air fares, and the price of petrol and lubricating oil. Despite the generally adverse impact of oil prices on the basket, there was countervailing impetus from a decline in fuel charges by the Jamaica Public Service Company. This resulted in lower electricity bills and a decline in *Housing & Other Housing Expenses*. A mild appreciation in the billing exchange rate also supported the fall in utility rates.

While there was negligible movement in the CPI in the Rural Areas and the KMA, the index of Other Towns expanded by 1.1 per cent. This pattern of inflation across the regions primarily reflected disparities in *Food & Drink*, which emanated mainly from the agricultural sub-groups. Sharper increases in the agricultural commodities reflected catching up by the Other Towns as these prices were coming from significantly lower levels than in other regions.

The trimmed mean index was estimated to have increased by 0.22 per cent in August, 0.11 percentage point below the previous month's measure (Table 4). This brought the 12-month point-to-point core inflation rate to 3.7 per cent, relative to the 6.0 per cent recorded for the comparable period in the previous year. Similarly, the annual average core inflation rate of 4.9 per cent was 0.5 percentage point below what obtained in the similar period of 2005. The 12-month point-to-point and annual average core inflation rates for August were the lowest since January 2003 and September 2003, respectively.

The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.52 per cent in August, compared to 0.69 per cent in the previous month. For the calendar year-to-date (CYTD), non-agricultural inflation was 5.43 per cent, relative to 6.16 per cent for CYTD 2005. The CPI-A measure of inflation for this period reflects generally slowing underlying impulses and was influenced primarily by lower oil price and exchange rate impulses relative to last year.

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

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
August 2006

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.5	0.2956	79.2
Meals away from home	0.0741	0.4	0.0263	7.1
Meat, Poultry & Fish	0.1613	1.1	0.1783	47.8
Dairy Products Oils & Fats	0.0668	0.6	0.0382	10.2
Baked Products, Cereals & Breakfast Drink	0.0864	2.0	0.1688	45.2
Starchy Foods	0.0525	-0.1	-0.0077	-2.1
Vegetables & Fruits	0.0650	-2.1	-0.1360	-36.4
Other Food & Beverages	0.0502	0.6	0.0277	7.4
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.2	0.0158	4.2
Household Supplies	0.0482	0.2	0.0115	3.1
Fuels	0.0253	0.2	0.0043	1.2
HOUSING & OTHER HOUSING EXPENSES	0.0786	-0.6	-0.0357	-9.5
Rental	0.0209	1.2	0.0247	6.6
Other Housing Expenses	0.0577	-1.0	-0.0603	-16.2
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.4	0.0093	2.5
Furniture	0.0068	1.0	0.0068	1.8
Furnishings	0.0215	0.1	0.0025	0.7
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0380	10.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.2	0.0082	2.2
Clothing Materials	0.0055	0.3	0.0016	0.4
Readymade Clothing & Accessories	0.0242	0.2	0.0042	1.1
Footwear	0.0159	0.1	0.0018	0.5
Making & Repairs	0.0051	0.1	0.0006	0.2
TRANSPORTATION	0.0644	0.5	0.0340	9.1
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0081	2.2
ALL GROUPS	1.0000	0.31	0.37	100.0

Table 3
REGIONAL INFLATION
August 2006

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	0.2	2.0	0.0
Meals away from home	0.3	0.5	0.3
Meat Poultry & Fish	1.0	1.1	1.3
Dairy Products Oils & Fats	0.4	0.6	0.7
Baked Products Cereals & Breakfast Drink	0.5	4.2	2.3
Starchy Foods	1.2	4.6	-2.1
Vegetables & Fruits	-3.7	3.0	-2.8
Other Food & Beverages	0.1	1.7	0.4
FUELS & OTHER HOUSEHOLD SUPPLIES	0.1	0.3	0.2
Household Supplies	0.0	0.4	0.4
Fuels	0.1	0.3	0.1
HOUSING & OTHER HOUSING EXPENSES	-0.4	-0.9	-1.0
Rental	1.4	0.2	0.2
Other Housing Expenses	-1.1	-1.0	-1.1
HOUSEHOLD FURNISHINGS & FURNITURE	0.2	0.6	0.5
Furniture	0.4	1.7	1.2
Furnishings	0.2	0.1	0.1
HEALTHCARE & PERSONAL EXPENSES	0.8	0.5	0.2
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.1	0.5	0.0
Clothing Materials	0.0	0.8	0.5
Readymade Clothing & Accessories	0.2	0.5	0.0
Footwear	0.0	0.5	0.0
Making & Repairs	0.0	0.6	0.0
TRANSPORTATION	0.5	0.6	0.6
MISCELLANEOUS EXPENSES	0.0	0.2	0.2
ALL GROUPS	0.1	1.1	0.0

**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

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

May 2006

Provisional data indicate that the current account deficit improved significantly by US\$98.2 million to US\$14.4 million in May 2006 (see **Table**). **This improvement was attributed to declines in the deficits on the merchandise trade and income accounts, as well as increases in the surpluses on the current transfers and services accounts.** Within the trade account, an increase of US\$59.4 million in receipts from exports largely reflected higher earnings from alumina and bauxite. There was also an improvement in receipts from mineral fuel exports. The rise in earnings from alumina exports reflected respective increases of 28.0 per cent and 11.1 per cent in export volume and price, while bauxite exports benefited from a 44.4 per cent expansion in export volume. The lower deficit on the income account was associated with a reduction in the imputed profit remittance of direct investment companies. An increase of US\$26.2 million in net inflows to the private sector was responsible for the rise in the surplus in current transfers. The travel sub-account benefited from respective increases of 20.8 per cent and 11.8 per cent in stopover and cruise passenger arrivals.

Within the capital and financial accounts, net official investment inflows were more than sufficient to finance net private investment outflows, as well as the deficit on the current account. As a result, the NIR of the Bank of Jamaica increased by US\$11.0 million for the month.

January – May 2006

For the period January – May 2006, the current account deficit was estimated at US\$242.9 million, representing an improvement of US\$110.5 million, relative to the deficit in the same period in 2005. This noteworthy improvement largely reflected significant increases in the surpluses on the services and current transfers account, complemented by a reduction in the deficit on the income account. This was, however, partly countered by an increase in the merchandise trade deficit.

The higher surplus on the services account was attributed to growth of 16.6 per cent and 9.2 per cent in stopover and cruise passenger arrivals over the period, relative to the same period in 2005, while the current transfers sub-account benefited from an increase of 4.6 per cent in gross private remittance inflows. The deterioration on the trade account was influenced by an expansion in payments for fuel imports. In addition, the purchase of a power barge in February contributed significantly to growth in imports of machinery and transportation equipment.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	May 2005	May ^{2/} 2006	Change	Jan-May 2005	Jan-May ^{2/} 2006	Change
1. CURRENT ACCOUNT	-112.6	-14.4	98.2	-353.4	-242.9	110.5
A. GOODS and SERVICES	-167.1	-103.2	63.9	-728.5	-670.8	57.7
a. GOODS BALANCE	-201.0	-150.3	50.7	-1010.8	-1054.7	-43.9
Exports (f.o.b.)	145.4	204.8	59.4	696.0	880.8	184.8
Imports (f.o.b.)	346.4	355.1	8.7	1706.8	1935.5	228.7
b. SERVICES BALANCE	33.9	47.1	13.2	282.3	383.9	101.6
Transportation	-22.7	-22.3	0.4	-96.9	-98.4	-1.5
Travel	87.1	102.7	15.6	548.0	678.3	130.3
Other Services	-30.5	-33.3	-2.8	-168.8	-196.0	-27.2
B. INCOME	-69.6	-59.9	9.7	-280.4	-259.2	21.2
Compensation of employees	3.0	3.9	0.9	14.6	14.2	-0.4
Investment Income	-72.6	-63.8	8.8	-295.0	-273.4	21.6
C. CURRENT TRANSFERS	124.1	148.7	24.6	655.5	687.1	31.6
Official	11.8	10.2	-1.6	64.7	57.5	-7.2
Private	112.3	138.5	26.2	590.8	629.6	38.8
2. CAPITAL & FINANCIAL ACCOUNT	112.6	14.4	-98.2	353.4	242.9	-110.5
A. CAPITAL ACCOUNT	0.0	0.2	0.2	-1.3	-2.4	-1.1
a. Capital Transfers	0.0	0.2	0.2	-1.3	-2.4	-1.1
Official	0.1	0.1	0.0	0.2	0.1	-0.1
Private	-0.1	0.1	0.2	-1.5	-2.5	-1.0
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	112.6	14.2	-98.4	354.7	245.3	-109.4
Other official investment	5.7	100.1	94.4	-3.6	171.3	174.9
Other private investment ^{3/}	171.0	-74.9	-245.9	574.3	149.5	-424.8
Change in Reserves (minus = increase)	-64.1	-11.0		-216.0	-75.5	

2/ Provisional

3/ Includes errors & omissions