Bank of Jamaica

Quarterly Monetary Policy Report

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Nethersole Place
Kingston
Jamaica

Telephone: (876) 922 0750-9
Fax: (876) 967 4265
Email: library@boj.org.jm
Website: www.boj.org.jm
Twitter: @CentralBankJA
YouTube:@CentralBankJamaica
Facebook: www.facebook.com/CentralBankJA

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Monetary Policy at Bank of Jamaica

Bank of Jamaica's monetary policy objective is to achieve an inflation target of 4 to 6 per cent per annum for the next three years. This inflation rate, measured as the annual point-to-point change in the Consumer Price Index (CPI) published by the Statistical Institute of Jamaica, is necessary for the achievement of sustained growth and development in Jamaica.

The inflation target was confirmed by the Minister of Finance and the Public Service in consultation with Bank of Jamaica in April 2024.

The Bank uses a variety of tools to achieve its inflation target, the main one being the interest rate on overnight balances in the current accounts of deposit-taking institutions at Bank of Jamaica (BOJ). Changes in the Bank's policy rate signal the Bank's policy stance towards achieving its inflation objective, which is transmitted to prices through the financial markets and then through spending and investment decisions.

Monetary policy decisions are made by BOJ's Monetary Policy Committee (MPC) and affect inflation with a lag of between 4 to 8 quarters. For this reason, monetary policy in Jamaica is forward-looking and the Bank puts much effort into establishing its view of the economy in the future, and bases its decision on this view. It is also important that the Bank clearly and transparently communicates this view of the future to the Jamaican public. The Bank undertakes an assessment of the economy eight times during each calendar year and publishes its decisions in accordance with a pre-announced schedule. On four of these occasions, when most data on the key macro-economic variables are available, the Bank prepares a comprehensive macro-economic forecast contained in The Monetary Policy Report covering the international economy, the fiscal accounts, balance of payments, money, credit, interest rates, Gross Domestic Product (GDP) and prices.

This Monetary Policy Report describes the MPC's recent policy decisions and outlines the Bank's projections for inflation in Jamaica and the main macroeconomic variables that affect it. The Monetary Policy Report is prepared and published once every three months and coincides with four of the Bank's monetary policy announcements.

Overview

Annual inflation at March 2024 was 5.6 per cent, within the Bank's target range of 4.0 to 6.0 per cent and lower than the outturn of 6.9 per cent at December 2023. The deceleration in inflation relative to December 2023 was primarily due to lower agricultural food inflation. The measure of core inflation that excludes food and fuel prices accelerated marginally to 5.9 per cent at March 2024, relative to 5.7 per cent at December 2023. Annual inflation is projected to average 5.6 per cent over the next eight quarters (June 2024 to March 2026 quarters). The risks to the inflation forecast are skewed to the upside, suggesting the possibility of a higher than projected inflation.

The Jamaican economy is estimated to have grown by 1.0 to 2.0 per cent for the March 2024 quarter, a deceleration relative to the growth of 1.7 per cent recorded for the December 2023 quarter. With the exception of Construction, all industries are estimated to have grown during the review quarter. For FY2023/24, real economic activity is estimated to have grown within the range of 1.5 to 2.5 per cent relative to the expansion of 4.7 per cent for FY2022/23. Real GDP for FY2024/25 is projected to grow by 1.0 to 2.0 per cent. The projected growth for FY2024/25 largely reflects expansions for Hotels & Restaurants and its allied industries, Mining & Quarrying, Agriculture, Forestry & Fishing, Manufacture and Electricity & Water Supply. The risks to the domestic GDP forecast over the next eight quarters are assessed to be skewed to the downside, reflecting the possibility of adverse weather conditions.

The current account (CA) of the balance of payments is estimated to have recorded a surplus of 1.0 per cent of GDP for the March 2024 quarter, broadly similar to the surplus recorded for the March 2023 quarter. This surplus reflects an improvement in the services sub-account, partially offset by deteriorations in the merchandise trade deficit, current transfers and income sub-accounts. At end-March 2024, Jamaica's gross international reserves amounted to US$5.2 billion, representing 121.9 per cent of the Assessing Reserve Adequacy metric for FY2023/24.

The Bank estimates a current account surplus of 2.5 to 3.5 per cent of GDP for FY2023/24. This estimated surplus is higher than the surplus of 2.0 per cent recorded for FY2022/23. This performance largely reflects improvements in the services and the merchandise trade sub-accounts, partially offset by deteriorations on the current transfers and income sub-accounts. For FY2024/25, the current account surplus is projected to moderate within the range of 1.0 to 2.0 per cent relative to FY2023/24. The lower CA balance reflects projected deteriorations in the merchandise trade balance, current transfers and the income sub-accounts, partially offset by an improvement on the services balance. The risks to the projections for the current account are skewed to the downside, suggesting the possibility of a lower than projected surplus.

For the March 2024 quarter, the Jamaican dollar appreciated by 0.2 per cent relative to December 2023. The appreciation was underpinned by continued tightening in Jamaican dollar liquidity. Additional factors contributing to the appreciating impulse included Bank of Jamaica's Foreign Exchange Intervention & Trading Tool (B-FXITT) sales amounting to US$208.1 million during the quarter. These sales were higher than the US$200.0 million sold to the market during the corresponding period of 2023.

The financial system continued to be resilient. DTIs' risk-weighted Capital Adequacy Ratio (CAR) at end-March 2024 was 14.3 per cent, well above the statutory requirement of 10.0 per cent. Banks also remained liquid, with all licensees reporting Liquidity Coverage Ratios (LCRs) in excess of 100 per cent at end-March 2024. The quality of the DTIs' loan portfolio remained fairly stable with a ratio of non-performing loans (NPLs) to gross loans at March 2024 of 2.3 per cent, slightly below the 2.4 per cent recorded a year earlier.

On 28 March 2024, Bank of Jamaica's Monetary Policy Committee (MPC) unanimously agreed to maintain: (i) the policy interest rate (the rate offered to deposit-taking institutions (DTIs) on overnight placements with Bank of Jamaica (BOJ)) at 7.0 per cent; (ii) relative stability in the foreign exchange market; and (iii) tight Jamaican dollar liquidity conditions. The MPC's decision reflected the fact that Jamaica's headline inflation at February 2024 of 6.2 per cent, while moderating relative to the previous three months, remained above the Bank's target of 4.0 to 6.0 per cent.

Inflation is projected to breach the upper end of the target range towards the end of the June 2024 quarter, mainly reflecting seasonally higher agricultural food inflation, a normalisation in electricity rates following significant declines in the same quarter of 2023 and higher transport-related inflation, due to the uptick in oil prices. Thereafter, inflation is projected to return to the target range and generally remain there over the next eight quarters, with the exception of a few months in 2025. Future monetary policy decisions to reduce interest rates will depend on incoming data related to the strength of the potential risks to inflation as well as evidence that inflation is firmly anchored within the target range. The Committee will maintain heightened surveillance of the potential risks to inflation, in particular, the evolution of wage pressures, measured inflation expectations and core inflation.

Contents

ABBREVIATIONS & ACRONYMS

ARA	Assessing Reserve Adequacy
B-FXITT	Bank of Jamaica's Foreign Exchange Intervention & Trading Tool
BOJ	Bank of Jamaica
BOP	Balance of Payments
bps	Basis points
CAD	Current Account Deficit
CBO	Congressional Budget Office
CDs	Certificates of Deposit
CPI	Consumer Price Index
CPI-FF	Consumer Price Index without Food and Fuel
CY	Calendar Year
DTIs	Deposit-taking Institutions
EMBI+	JP Morgan Emerging Market Bond Index
e.o.p	End of Period
EFR	Excess Funds Rate
Fed	US Federal Reserve System
FTSE	Financial Times Stock Exchange
FY	Fiscal Year
GDP	Gross Domestic Product
GOJ	Government of Jamaica
GOJGBs	Government of Jamaica Global Bonds
HWEG	Housing, Water, Electricity Gas & Other Fuels
IES	Inflation Expectations Survey
IMF	International Monetary Fund
JMD	Jamaican Dollar
JSE	Jamaica Stock Exchange
M2J	Broad money supply
M2+	Broad money supply that includes foreign currency deposits
MCI	Monetary Conditions Index
NDA	Net Domestic Assets
NIR	Net International Reserve
NOP	Net Open Position
o/w	Of which
O/N	Overnight
OMO	Open Market Operations

PMMR	Private Money Market Rates
PSE	Public Sector Entities
QoQ	Quarter over Quarter
REER	Real Effective Exchange Rate
S&P	Standard & Poor's
SBA	Stand-by Agreement
SCT	Special Consumption Tax
SLF	Standing Liquidity Facility
T-Bill	Treasury Bill
TP	Trading Partners
UR	Unemployment Rate
US	United States
USD	US dollar
WASR	Weighted Average Selling Rate
WTI	West Texas Intermediate

1.0 Inflation

The annual point to point inflation rate at March 2024 decelerated to 5.6 per cent from 6.9 per cent at December 2023, due primarily to lower agricultural food inflation. The average inflation rate over the next two years (June 2024 to March 2026) is projected to fall to 5.6 per cent, relative to 7.5 per cent over the previous eight-quarter. Inflation is projected to breach the upper end of the target range towards the end of the June 2024 quarter, mainly reflecting seasonally higher agricultural food inflation, a normalisation in electricity rates following significant declines in the same quarter of 2023 as well as higher transport costs due to an uptick in international oil prices. Inflation thereafter is projected to return to the target range and generally remain there over the next eight quarters with the exception of a few months in 2025.

The reduction in average inflation over the next two years occurs in a context of the impact of the Bank's relatively tight monetary policy posture on inflation expectations, the exchange rate and, consequently, on imported inflation. This posture occasions a fall in core inflation (that excludes food and fuel/energy prices from the CPI (CPIFF)) to a projected average of 4.7 per cent, compared with 6.8 per cent over the past two years. With the exception of energy-related inflation, the projected moderation in inflation is broad-based across the divisions of the CPI, but principally evidenced by lower food price inflation. The outlook for inflation incorporates the impact of increases in international oil prices on energy and transport inflation, the planned increase in the national minimum wage and a small impact of wage-related inflation.

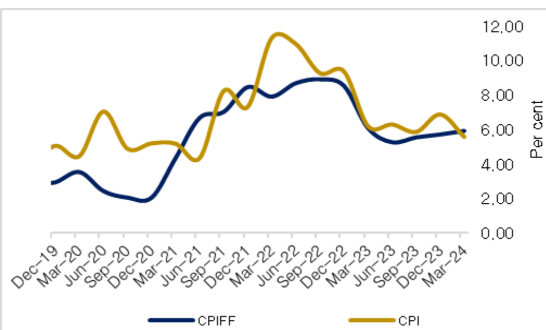
When compared with the Bank's previous forecast, headline inflation for the next eight quarters has been revised downwards on average by 1.3 percentage point (pp). This downward revision mainly reflects the removal of the second increase in public passenger vehicles (PPV) fares (which was scheduled for April 2024) from the outlook, given the announced postponement of the increase by the Government. In addition, the outlook for restaurant & accommodation services and rent inflation were revised downwards. The downward adjustment to the cost for restaurant & accommodation services inflation primarily reflects the impact of a downward revision to international grains prices, while the revised outlook for rental rates reflects recent trends. This is partly offset by the incorporation of the announced increase in the national minimum wage and higher energy and transport related inflation, due to higher international oil prices.

The risks to the inflation forecast are skewed to the upside. While core inflation has moderated, it remains close to the upper end of the target range. There continues to be risks that wage-related pressures and high inflation expectations could cause inflation to rise above the target. Larger-than-projected regulated price adjustments could also influence higher inflation in the future. There are also some upside risks that are external to Jamaica, such as higher-than-projected international oil prices and worse-than-anticipated weather conditions due to the emerging La Niña weather phenomenon that could result in a more active 2024 hurricane season. The factors that could result in lower-than-projected inflation include weaker-than-projected global growth, which could reduce domestic demand and imported inflation.

Recent Developments and Near–term Outlook

The annual point–to–point inflation rate at March 2024 was 5.6 per cent, within the Bank's target range of 4.0 per cent to 6.0 per cent and lower than the outturn of 6.9 per cent at December 2023. Core inflation (the measure that excludes food and fuel/energy prices from the CPI (CPIFF)) accelerated marginally to 5.9 per cent at March 2024, relative to 5.7 per cent at December 2023 (see **Figure 1**). The deceleration in headline inflation relative to December 2023 mainly reflected a decline in inflation for the Food & Non–alcoholic Beverage and the Restaurant and Accommodation service divisions of the CPI.

Figure 1: Core Inflation and CPI
(Annual per cent change)



Source: STATIN & BOJ

Inflation Outlook

Headline inflation is projected to average 5.6 per cent over the next eight quarters (June 2024 to March 2026 quarters) (see **Figure 2**). This reflects a deceleration relative to the previous eight–quarter average of 7.5 per cent. Similarly, core inflation is projected to average 4.7 per cent over the period, lower when compared to the average of 6.8 per cent over the previous two years (see **Figure 3**).

Inflation is projected to breach the upper end of the target range towards the end of the June 2024 quarter, mainly reflecting seasonally higher agricultural food inflation, a normalisation in electricity rates following significant declines in the same quarter of 2023 as well as higher transport costs due to an uptick in international oil prices. Inflation thereafter is projected to return to the target range and generally remain there over the next eight quarters with the exception of a few months in 2025. (see **Figure 2**).

The reduction in average inflation over the next two years occurs in a context of the impact of the Bank's relatively tight monetary policy posture on inflation expectations, the exchange rate and, consequently, on imported inflation. This posture occasions a fall in core inflation to a projected average of 4.7 per cent, compared with 6.8 per cent over the past two years. With the exception of energy–related prices, the projected moderation in inflation is broad–based across the divisions of the CPI, but principally evidenced by lower food price inflation. The outlook for inflation also incorporates the impact of increases in international oil prices on energy and transport inflation, the planned increase in the national minimum wage and a small impact of wage–related inflation.

The projected average eight–quarter inflation rate of 5.6 per cent is lower relative to the previous projection of 6.9 per cent. The downward revision to the inflation outlook mainly reflects the removal from the outlook of the second increase in fares for public passenger vehicles, which was scheduled for April 2024.[1] This is partly offset by the incorporation of the announced increase in the national minimum wage and higher energy and transport related inflation, due to higher international oil prices.

The main factors underpinning the inflation forecast are as follows:

(i) Inflation expectations are projected to remain elevated in the context of adjustments in regulated price (the increase in the national minimum wage). However, the effects of the Bank's monetary policy posture as well as the

[1] The second increase in PPV fares was projected to increase inflation by 0.9 ppt in April 2024.

announced postponement of the second phase of the PPV fare increase will help to temper inflation expectations. In the March 2024 Survey of Businesses' Inflation Expectations, respondents lowered their expectations for inflation 12-month ahead to 8.0 per cent from 8.3 per cent (see **Box 1**).

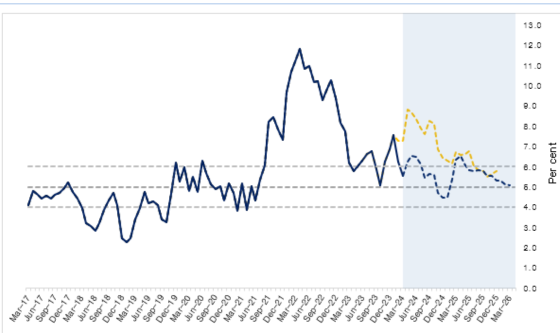
(i) The output gap is projected to decline and become marginally negative in the June 2025 quarter due to a contraction in monetary and fiscal conditions (see **Real Sector**).

(ii) Oil prices are projected to average US$83.89 per barrel for the next eight quarters (June 2024 to March 2026). This represents an average quarter over quarter increase of 0.7 per cent. The projected increase in prices reflects near term supply shocks and an anticipated strengthening in the demand for oil as advanced economies begin loosening monetary policy (see **International Economy**).

(iii) Freight charges, which increased sharply at the start of 2024 owing to the crisis in the Red Sea, declined at end April 2024 relative to January 2024. The forecast assumes that freight charges will remain low and stable over the projection period.

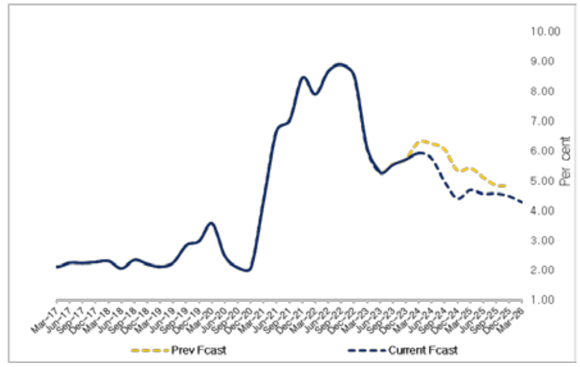
(iv) Inflation in the US is forecasted to average 2.8 per cent over the next eight quarters (see **International Economy**).

Figure 2: Monthly Comparative Headline Inflation Forecasts



Source: Bank of Jamaica

Figure 3: Comparative Core Inflation Forecasts

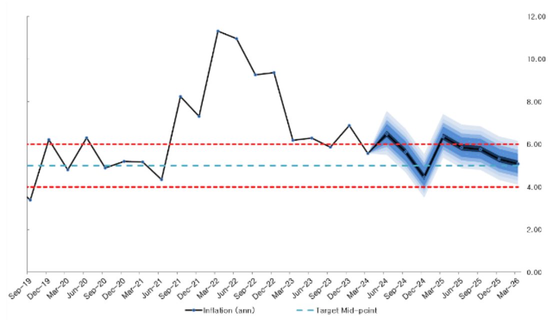


Source: Bank of Jamaica

Inflation Risks

The risks to the inflation forecast are skewed to the upside (see **Figure 4**). In particular, while core inflation has moderated, it remains close to the upper end of the target range. There continues to be risks that wage-related pressures and high inflation expectations could cause inflation to rise above the target. Larger-than-projected regulated price adjustments could also influence higher inflation in the future. There are also some upside risks that are external to Jamaica, such as higher-than-projected international oil prices and worse-than-anticipated weather conditions due to the emerging La Niña weather phenomenon that could result in a more active 2024 hurricane season. The factors that could result in lower-than-projected inflation include weaker-than-projected global growth, which could reduce domestic demand and imported inflation.

Figure 4: Inflation Fan Chart



Source: Bank of Jamaica

Box 1: Businesses' Inflation Expectations Survey – March 2024

Overview

The Bank's Survey of Businesses' Inflation Expectations (IES) at March 2024 indicated 1-year ahead inflation expectations of 8.0 per cent, higher than the Bank's inflation target range of 4.0 to 6.0 per cent. The result represented the continuation of a trend decline in inflation expectations. Businesses' perception of inflation control also improved relative to the previous survey. The majority of respondents continued to be unaware of BOJ's inflation target as well as the most recent annual point-to-point inflation rate.

Inflation Expectations

In the March 2024 survey, respondents' expectation of inflation 12-month ahead declined to 8.0 per cent, down from the previous level of 8.3 per cent as at the January 2024 survey. Furthermore, businesses forecasted an annual point-to-point inflation rate for December 2024 of 7.7 per cent, which is higher than the annual point-to-point rate of 5.6 per cent at March 2024 (see Figure 1).

Perception of Inflation Control

The index of businesses perception of inflation control was higher (improved) when compared to the January 2024 survey (see Figure 2). This reflected a decline in the number of respondents who were "very dissatisfied", coupled with an increase in those being "very satisfied".

Exchange Rate Expectations

In the March 2024 survey, respondents forecasted the exchange rate to depreciate over all three-time horizons but at a generally stable pace for the 12-month ahead forecast relative to the previous survey (see Table 1).

Interest Rate Expectations

The majority of respondents forecasted the Bank's policy rate, 3-month ahead, to remain the same. The proportion of respondents who were of this view increased, relative to the previous survey. The 90-day Treasury bill (T-Bill) yield, 3-month ahead was forecasted to be 8.4 per cent, slightly higher than the previous survey result of 8.3 per cent.

Table 1: Exchange Rate Expectations

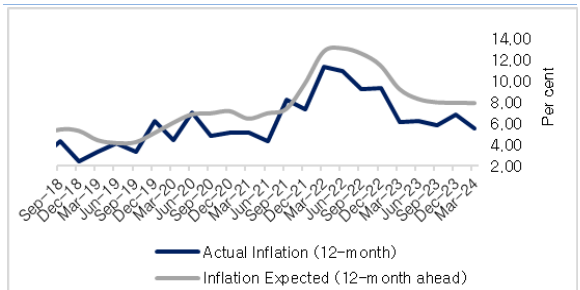
Question: In January 2024, the exchange rate for the Jamaican Dollar (JA$) in respect of the United States Dollar (US$) was $156.00. What do you think the rate will be for the following period?

	Expected Exchange Rate Depreciation/Appreciation (%)			
Periods Ahead	Sep-23	Dec-23	Jan-24	Mar-24
3-Months	0.8	0.8	0.4	0.6
6-Months	0.9	0.8	0.7	1.1
12- Months	1.3	1.5	1.2	1.7

Source: Businesses' Inflation Expectations Survey.
Note: The responses have been converted to percentage change.
(-) indicates an appreciation of the exchange rate
(+) indicates a depreciation of the exchange rate

Figure 1: Expected 12-Month Ahead Inflation

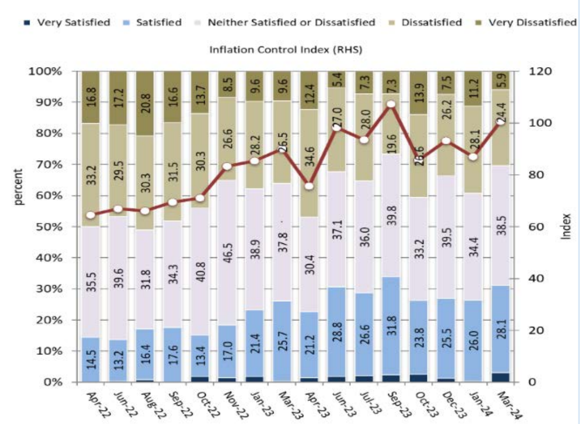
Question: If you expect inflation, what do you expect the rate of inflation to be at December 2024 and over the next 12 months?



Source: Businesses' Inflation Expectations Survey

Figure 2: Perception of Inflation Control

Question: How satisfied are you with the way inflation is being controlled by the Government?



Source: Businesses' Inflation Expectations Survey.
Notes: The Index of Inflation Control is calculated as the number of satisfied respondents minus the number of dissatisfied respondents plus 100

Inflation Target Awareness

The majority of respondents were not aware of BOJ's inflation target (53 per cent). Additionally, most respondents (64 per cent) indicated that they weren't aware of the point-to-point inflation rate at March 2024.

Figure 3: Inflation Target Awareness

Question: Are you aware of Bank of Jamaica's inflation target?

2.0 International Economy

Global growth is forecasted to be 2.5 per cent for 2024, a slower pace relative to 2023. This moderation reflects the lagged impact of elevated interest rates on most major economies. Growth is projected to accelerate slightly in the range of 2.0 to 3.0 per cent in 2025. Relative to the previous forecast, the projected global growth for 2024 and 2025 was revised upwards by 0.3 ppt and 0.1 ppt, respectively. This reflects higher than projected demand driven by improvement in financial conditions, particularly within the US.

The US economy is projected to grow by 2.3 per cent in 2024, below the growth of 2.5 per cent for 2023. For 2025, the US economy is projected to expand by 1.5 to 2.5 per cent. The previous forecast was for growth of 1.0 to 2.0 per cent in 2024 and 1.5 to 2.5 per cent in 2025. The risk to US GDP growth is skewed to the downside amid the impact of geopolitical tensions that can further weigh on growth. In addition, the outcome of the US election in November 2024 is a risk to the forecast. On the upside, stronger consumption spending could support greater growth.

The US Federal Reserve (Fed) maintained its policy rate in May 2024. Bank of Jamaica anticipates that the Fed will commence reducing rates in the December 2024 quarter, with interest rates approaching the long-run neutral level of 2.5 per cent over the next eight quarters. In this context, yields on Jamaica's sovereign bonds and US Treasury bills are projected to remain relatively stable throughout the June and September 2024 quarters and decline thereafter.

Average oil prices are projected to increase by 9.5 per cent in FY2024/25 to US$85.24, relative to FY2023/24. For FY2025/26, oil prices are forecasted to decline by 3.2 per cent to average US$82.55, relative to the previous fiscal year. Oil prices over the forecast horizon have been revised upwards, relative to the previous forecast. This mainly reflects near-term adverse supply shocks. Grains prices are projected to decline over the next eight quarters. On average, prices are projected to decline by 18.3 per cent and 0.9 per cent in 2024 and 2025, respectively. The outlook is supported by a projected increase in global production as well as the impact on demand of tight monetary conditions. The risks to the forecast for oil and grains prices are assessed to the upside. Upside risks to commodities may emanate from extreme weather shocks and heightened geopolitical risks.

Trends in the Global Economy

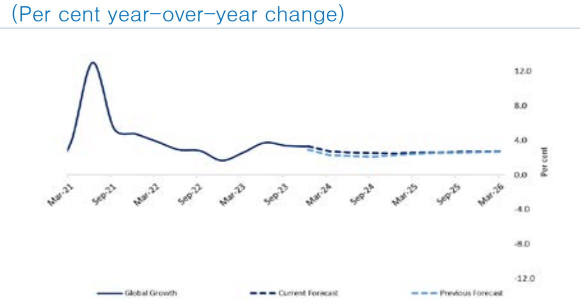
The global economy is estimated to have expanded by 2.7 per cent for the March 2024 quarter, below the expansion of 3.3 per cent in the December 2023 quarter but above the previous forecast (2.3 per cent). The upward revision to global growth for the March 2024 quarter, relative to the previous projection, reflects stronger than projected demand conditions in some economies, particularly the US.

The Bureau of Economic Analysis' (BEA's) advance estimate indicates that US GDP for the March 2024 quarter increased on an annualized basis by 1.6 per cent, following an expansion of 3.4 per cent for the December 2023 quarter. Despite the headwinds from high interest rates, the growth for the quarter primarily reflected increases in consumer spending, residential fixed investment, non-residential fixed investment, and state and local government spending.[1,2]

The estimated growth in US GDP was above the 0.1 per cent anticipated by the Bank.

Global growth is projected to average 2.0 to 3.0 per cent over the next eight quarters (June 2024 to March 2026) (see Figure 5). The global economy is projected to grow by 2.0 to 3.0 per cent for 2024, a slower pace relative to 2023. The projected moderation in growth for 2024 primarily reflects the lagged impact of tight financial conditions. Growth is projected to accelerate in the range of 2.0 to 3.0 per cent in 2025 due to an expected improvement in financial conditions and greater demand.

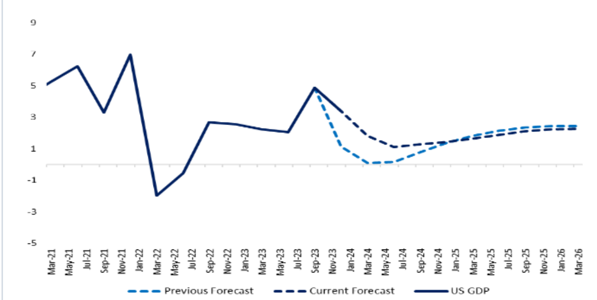
Figure 5: Global Growth Projection*
(Per cent year-over-year change)



Source: Bloomberg
*Bank of Jamaica's Estimate and forecast

The Bank projects US GDP growth to moderate to 2.3 per cent for 2024 from 2.5 per cent in 2023. Growth in economic activity for 2025 is forecasted to moderate further to 1.7 per cent, relative to 2024.

Figure 6: Comparative US GDP Growth Forecast
(Per cent change annualised)



Source: BOJ, CBO

Risks

The risks to global growth are skewed to the downside. An escalation of geopolitical tensions could cause new trade disruptions, putting downward pressures on growth. Downward pressures could also emanate from higher than projected crude oil prices. Climate change also poses significant downside risks to the global economy.

Despite tight monetary conditions, the US economy has remained resilient. Nonetheless, the risk to US GDP is assessed to the downside. On the downside, geopolitical tensions could undermine growth. On the upside, stronger consumption growth could support greater growth.

[1] Consumer spending accounted for approximately 68 per cent of all economic activity during the quarter. The increase in consumer spending reflected an expansion in the services sub-component from 3.4 per cent in the December 2023 quarter to 4.0 per cent in the March 2024 quarter.

[2] US consumption growth has remained resilient. At the onset of the pandemic, consumption was driven by the impact of excess savings due to an improvement in fiscal support. Moreover, the continued strength in consumption emanates from (i) the robustness in the level of net wealth of households and relatively low debt servicing cost, partly due to the increase in the share of fixed rate mortgages, (ii) a continued acceleration in credit card and auto debt balances, and (iii) the approved cancellation of approximately US$145 billion in federal student loans – impacting nearly 4 million borrowers. Further strong growth in US equity indices in the December 2023 and March 2024 quarters supported consumption growth during that period.

Box 2: Economic Growth in Selected Economies

China

The Chinese economy is estimated to have expanded by 4.3 per cent for the March 2024 quarter compared to the March 2023 quarter. [3] This was a deceleration relative to the growth of 5.2 per cent in the December 2023 quarter. The moderation in growth in the March 2024 quarter was underpinned by a protracted downturn in the property sector, mounting local government debts and weak private sector spending.

GDP growth in China is projected to range between 4.2 per cent to 4.9 per cent over the next eight quarters. This forecast represents a minor upward revision relative to the previous projection. The Chinese government has unveiled monetary and fiscal support to stimulate growth. [4]

Japan

The Japanese economy is estimated to have increased by 0.2 per cent for the March 2024 quarter, following an expansion of 0.4 per cent in the December 2023 quarter. The moderation in growth in the March 2024 quarter is due to a decline in investment and exports, partly offset by an acceleration in public consumption.

For the next eight quarters, GDP growth in Japan is projected in the range of 0.9 per cent to 1.5 per cent, above the previous projection in the range of approximately 0.9 to 1.1 per cent.

Canada

The Canadian economy is estimated to have expanded by 1.0 per cent for the March 2024 quarter, a similar pace of growth to the December 2023 quarter. An improvement in exports of oil, government spending and gross fixed investments should provide support for growth. However, Canadian businesses and households spending continue to be impacted by tight monetary conditions.

For the next eight quarters, GDP growth in Canada is projected in the range of 0.7 per cent to 2.1 per cent.

Euro Area

The economy of the Euro Area is estimated to have increased by 0.4 per cent for the March 2024 quarter relative to a decline of 0.2 in the previous quarter. The increase in the March 2024 quarter occurred amid minor improvement in household consumption and gross fixed investment.

For the next eight quarters, GDP growth in the Euro Area is projected in the range of 0.8 per cent to 1.6 per cent.

United Kingdom (UK)

The Bank estimates growth of 0.8 per cent for the UK economy for the March 2024 quarter relative to contraction of 1.2 per cent in the December 2023 quarter. The estimate for the March 2024 quarter reflects improvements in government spending.

Growth in the UK economy over the next eight quarters is projected in the range of 0.8 per cent to 1.2 per cent.

[3] Estimates for China growth represent year-over-year per cent change.

[4] In Q1 2024, China's central bank cut its 5-year loan prime rate (LPR) by 0.25 basis points to 3.95% while leaving its 1-year rate unchanged at 3.45% in the latest move to ease pressures in the ailing property market. This could improve buyer's affordability for property purchases through the lowering of mortgage rates. The reduction in the LPR was the first since June 2023, as well as the largest cut on record for that rate. The Chinese economy depends heavily on the property sector to drive growth and provide employment.

Labour Market

The unemployment rate in the US at March 2024 was 3.8 per cent, lower than the outturn for February 2024, but marginally above the rate that obtained at January 2024.[5] This outturn was marginally below the Bank's projection for 3.9 per cent and below the Fed's estimate of the natural rate of unemployment of 4.1 per cent as at March 2024. The US unemployment rate is projected to increase over the next eight quarters amid the lagged impact of restrictive monetary policy that will weigh on growth at least until mid-2024. [6]

Monetary Policy

On 01 May 2024, the Federal Open Market Committee (FOMC) maintained its target range for the US Fed Funds rate in the range of 5.25 per cent – 5.50 per cent.[7] This is in line with the Bank's projection. Bank of Jamaica's forecast assumes that the Fed will begin to reduce interest rates in the December 2024 quarter.[8] Over the next eight quarters, nominal interest rates in the US are projected to approach the long-run neutral level of 2.5 per cent.

Trading Partners' Inflation

The weighted average of 12-month inflation rates for Jamaica's main trading partners' (TPs) at March 2024 is estimated at 2.9 per cent. This is marginally above the outturn for February 2024 and higher than the Bank's previous forecast of 2.7 per cent. For the US, annual CPI inflation at March 2024 was 3.5 per cent, higher than the Bank's previous forecast.[9] The personal consumption expenditures (PCE) price index grew by 2.7 per cent on a year-on-year basis at March 2024, 0.2 pp higher than the growth in February 2024.[10]

Over the next eight quarters, the Bank projects the inflation rate of Jamaica's main trading partners (TP) to average 2.3 per cent (see **Figure 7**), a moderation relative to the same measure over the past eight quarters.[11] The lagged effects of tight monetary policy and a moderation in wage growth will support the slowdown in inflation.

TP inflation is projected to trend marginally above the previous forecast of 2.1 per cent. The upward revision to the forecast reflects the impact of stronger demand conditions as well as a higher trajectory for oil prices. Notably, US inflation is projected to average 2.8 per cent over the ensuing eight quarters, higher than the previous forecast (see **Figure 8**). [12]

[5] Total nonfarm payroll employment in the US increased by 303,000 persons in March 2024, following increases of 256,000 and 270,000 persons in January and February 2024, respectively. Average hourly earnings increased marginally by 0.3 per cent relative to the previous month, resulting in a slowdown in the annual rate to 4.1 per cent.

[6] The unemployment rate is projected to end FY2024/25 at 4.3 per cent, 0.5 pp above the rate at end-FY2023/24, and is projected to end FY2025/26 at 4.8 per cent. Of note, the rise in unemployment in FY2025/26 reflects an anticipated increase in the labour force.

[7] The updated policy guidance at the May 2024 meeting states that "in recent months, there has been a lack of further progress toward the Committee's 2.0 per cent inflation objective". Officials maintain the view that "greater confidence" that inflation is moving down to 2.0% sustainably is needed before it would be appropriate to reduce rates. The Fed chair also maintains the view that the decision on future monetary policy will be data dependent.

[8] The Fed is forecasted to maintain its policy stance for longer due to the fact that the core PCE inflation remains more elevated than anticipated and is expected to trend above the previous forecast over the near term.

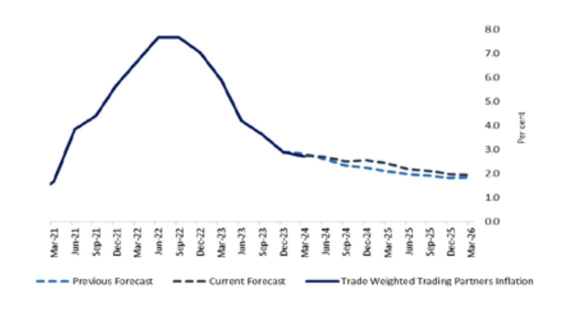
[9] The index for all items less food and energy remained unchanged at 3.8 per cent over the last 12 months. The energy index increased by 2.1 per cent for the 12 months ending March 2024, representing the first 12-month increase since the period ending February 2023. The food index increased by 2.2 per cent over the last year. The annual increase in March 2024 was supported by a rise in the fuel and utilities index as well as the transportation index. Moreover, on a monthly basis, the index for shelter rose in March 2024, as did the index for gasoline. Combined, these two indexes contributed to more than half of the monthly increase in the index for all items. Other notable increases occurred in motor vehicle insurance and medical care. The index for used cars and trucks, recreation, and new vehicles declined over the month.

[10] On a monthly basis, headline PCE inflation and core PCE inflation increased each by 0.3 per cent in March 2024, a similar pace of increase as in the previous month. Core PCE inflation increased by 2.8 per cent on an annual basis in March 2024, similar to the increase in February 2024.

[11] The inflation rate of Jamaica's main trading partners (TP inflation) for FY2024/25 on average is projected at 2.6 per cent, marginally above the previous forecast of 2.3 per cent. TP inflation for FY2025/26 on average is projected at 2.1 per cent.

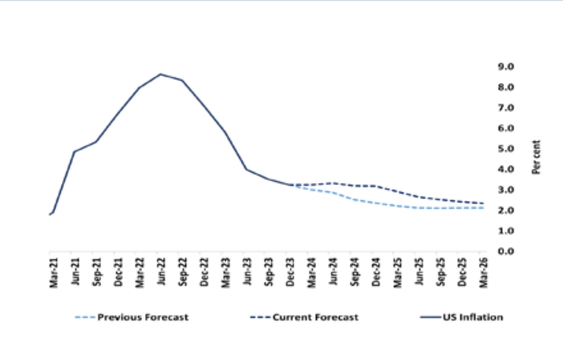
[12] The US inflation reflects expectations for higher oil prices as well as expectations for a less protracted US output gap than previously anticipated.

Figure 7: Trade Weighted Trading Partners' Inflation
(Per cent quarterly YOY change)



Source: Bloomberg

Figure 8: US Inflation
(Per cent quarterly YOY change)



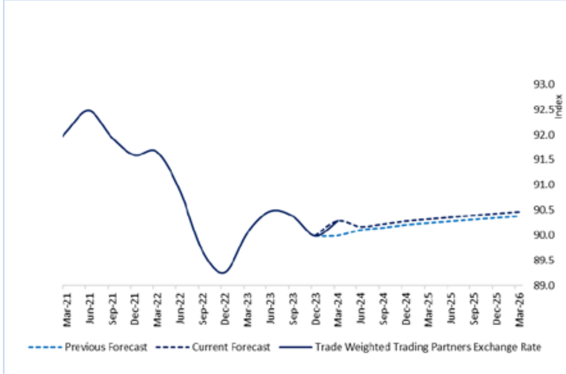
Source: Bloomberg

Trends in Trading Partners' Exchange Rates

During the March 2024 quarter, TP currencies generally appreciated against the US dollar, relative to the December 2023 quarter.[13] The depreciation of the US dollar was due to the market adopting the view that the Fed's rate reduction cycle was imminent.

Bank of Jamaica projects that, over the next eight quarters (June 2024 to March 2026), the currencies of Jamaica's major trading partners, on average, will remain unchanged against the US dollar (see Figure 9). The Bank projects that the US dollar will appreciate in the June 2024 quarter given the relatively tight monetary conditions in the US and a faster pace of slowdown in growth for other advanced economies. The Bank's projection for the Fed to begin reducing rates in the December 2024 quarter will support a depreciation of the US dollar, partly offset by the continued resilience in the US economy relative to other major economies.

Figure 9: Trading Partners' Trade Weighted Exchange Rate – vis–à–vis USD, May 2013 =100



Notes: An increase in the index represents a depreciation of the US dollar, while a decline represents an appreciation of the US dollar.
Source: Bloomberg

Commodity Prices

The daily average of West Texas Intermediate crude oil prices for the March 2024 quarter declined by 1.7 per cent, relative to the similar measure for the December 2023 quarter.[14,15] However, prices increased on a monthly basis for all three months in the March 2024 quarter. Upward pressures for crude oil prices during the quarter occurred amid (i) elevated cold temperatures in January 2024 which led to the closure of a number of energy fields in the US, (ii) OPEC+' decision to extend cuts into the June 2024 quarter, (iii) geopolitical tensions (iv) Mexico's decision to cut crude exports by approximately 300,000 barrels per day. On average, relative to the

[13]There was an average depreciation of 0.3 per cent in the USD vis–à–vis the exchange rate of Jamaica's trading partners for the March 2024 quarter, following an average appreciation of 0.4 per cent in the December 2023 quarter. On a monthly basis, the USD relative to the currencies of Jamaica's major trading partners, on average, remained relatively unchanged in January 2024, appreciated by 0.3 per cent in February 2024 and depreciated by 0.1 in March 2024. The previous forecast assumed that the USD vis–à–vis the exchange rate of Jamaica's trading partners would remain steady in the March 2024 quarter.

[14] In the previous projection, the Bank expected the daily average of West Texas Intermediate crude oil prices for the March 2024 quarter to decline by 7.9 per cent, relative to the December 2023 quarter.

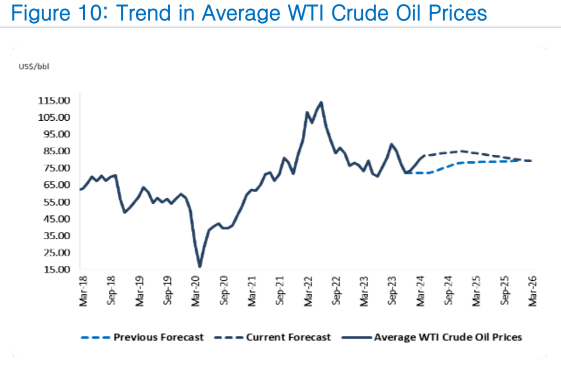
[15] Oil prices started and ended the December 2023 quarter at an average of US$85.47 and US$72.19, respectively. At the start of the March 2024 quarter, average oil price was US$73.71. The quarter ended at an average of US$80.54. The higher price level for October 2024 supported the stronger average for the December 2024 quarter.

March 2023 quarter, crude oil prices increased by 1.1 per cent.

Oil prices are projected to average US$83.89 per barrel (pbl) or the next eight quarters. The forecast trajectory reflects an average quarter-over-quarter increase of 0.7 per cent (see Figure 10). In this context, average oil prices are projected to increase by 9.5 per cent for FY2024/25, relative to FY2023/24, to US$85.24 per barrel. For FY2025/26, oil prices are forecasted to decline by 3.2 per cent to average US$82.55 per barrel, relative to the previous fiscal year. The projected increase in prices for FY2024/25 reflects supply shocks and an anticipated strengthening in demand as advanced economies begin loosening monetary policy.[16] Prices are projected to trend above the previous forecast average of US$77.56 per barrel over the near-term.

For the March 2024 quarter, US LNG prices declined by 28.3 per cent, relative to the previous quarter. The previous projection assumed a decline of 3.9 per cent in prices. LNG prices fell amid surplus inventories in the context of mild winter conditions.

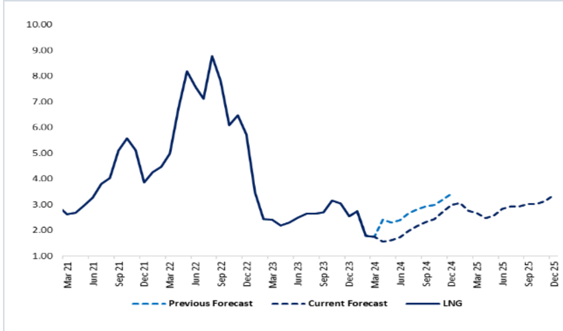
Figure 10: Trend in Average WTI Crude Oil Prices



Sources: Bloomberg, BOJ

For the June 2024 to March 2026 quarters, US LNG prices, on average, are projected to gradually increase over the forecast horizon, albeit below the previous forecast (see Figure 11).[17] Upward pressures for LNG will be supported by declines in inventory partly due to production curtailment measures to stimulate prices as well as higher demand during the summer period. Higher crude oil prices will also contribute upward pressures to LNG prices in 2024. Average prices are projected to decline by 19.6 per cent to US$2.14 per MMBtu in 2024 but to increase by 35.0 per cent in 2025.

Figure 11: Trend in Average LNG Prices



Sources: Bloomberg, BOJ

The risks to the forecast for oil prices over the next eight quarters are assessed to the upside. Upside risks may emanate from further escalation in geopolitical tensions. Additional upside risks include the impact of uncertain weather patterns from the La Nina phenomenon.[18]

The risks to the forecast for LNG prices over the next eight quarters are to the upside.

Average grains prices for the March 2024 quarter declined by 5.5 per cent, relative to the December 2023 quarter (a decline of 23.7 per cent on an annual basis).[19] The reduction over the March 2024 quarter was associated with lower prices for corn (10.8 per cent decline for the quarter, 34.5 per cent decline on an annual basis), soybean (4.7 per cent decline for the quarter, 18.5 per cent decline on an annual basis) and wheat (2.8 per cent decline for the quarter, 24.2 per cent decline on an annual

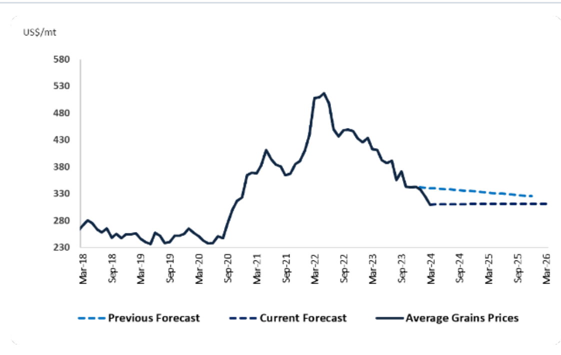
[16] Supply constraints are supported by geopolitical tensions as Ukraine continues to damage Russia's oil infrastructure. In addition, prolonged OPEC+ production cuts through to the June 24 quarter will continue to constrain supply. The forecast assumes that all of the voluntary cuts will be unwound by end-2025.
[17] The forecast for US LNG prices is taken from the US Energy Information Administration (EIA).
[18] The US CPC forecasts that there is a 60% chance of a La Niña weather event developing in the September 2024 quarter. During a La Niña year, winter temperatures are warmer than normal in the South and cooler than normal in the North.
[19] The Bank previously projected a decline of 0.4 per cent for the March 2024 quarter, relative to the December 2023 quarter.

basis). The decline in average grains prices reflected the impact of increased supplies from Russia.

The average price of grains is projected to decline at a quarter over quarter rate of 0.5 per cent over the next eight quarters (June 2024 to March 2026).[20] The projected decline reflects (i) higher global wheat output largely due to improved harvests in Russia and the US, (ii) higher corn and soybean production from China in 2024 (see **Figure 12**).

The risks to the forecast for grains prices are skewed to the upside. Upside risks include extreme weather conditions, higher geopolitical tensions and higher than expected oil prices.

Figure 12: Trend in Average Grains Prices

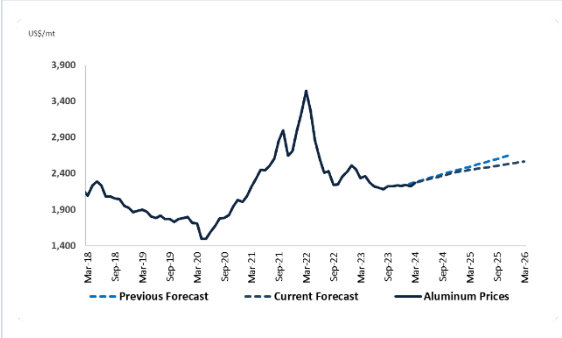


Sources: Bloomberg, BOJ

Aluminium prices increased by 0.9 per cent for the March 2024 quarter, relative to the December 2023 quarter (a decline of 7.8 per cent on an annual basis).[21] The increase reflected (i) lower Chinese production due to drought in the Yunnan province which limited hydroelectric power to aluminium smelters, and (ii) strong demand particularly from China.

The price of aluminium is projected to increase at an average quarter–over–quarter rate of 1.6 per cent over the next eight quarters (June 2024 to March 2026) (see **Figure 13**). This projected increase reflects demand from China and the US consistent with the growth outlook. The risks to the forecast for aluminium prices are assessed to the upside due to ongoing geopolitical tensions that may disrupt supply.

Figure 13: Trend in Average Aluminium Prices

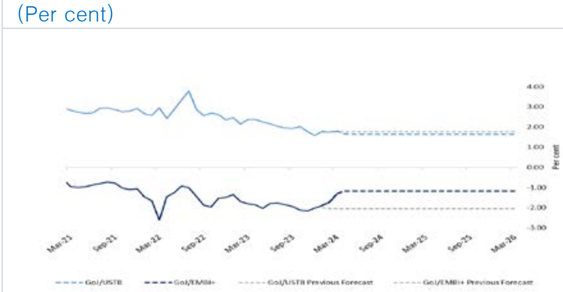


Sources: Bloomberg, BOJ

External Financial Markets

The spread between GOJ and US sovereign bonds were unchanged in the March 2024 quarter. The average of the daily spreads between the indicative yield on Government of Jamaica global bonds (GOJGBs) and the yield on US Treasury Bills were unchanged at 1.78 pp, when compared to the same measure for the December 2023 quarter.[22] The spread was projected to decline by 3 bps (see **Figure 14**).[23]

Figure 14: Average International Bond Spreads
(Per cent)

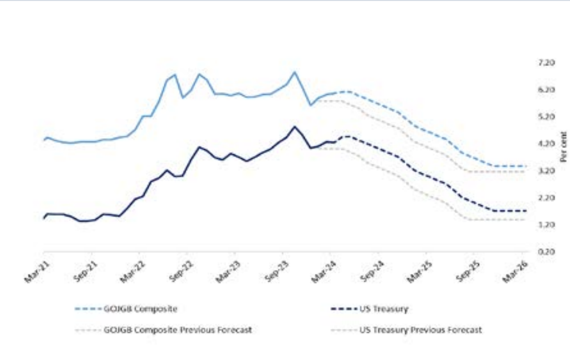


Source: Bloomberg,

[20] The previous forecast assumed an average quarter–over–quarter decline of 0.7 per cent over the June 2024 to March 2026 quarters.
[21] The Bank projected an increase of 1.6 per cent for the March 2024 quarter, relative to the December 2023 quarter.
[22] The average of the daily spreads between the indicative yield on GOJGBs and the yield on the EMBI+ deteriorated (increased) by 46 basis points (bps) when compared to the same measure for the December 2023 quarter. Relative to EMBI+, the spreads were negative 163 pps, respectively.
[23] This includes actual data at the time of the projections and thereafter holding the spread constant.

There was a decline of 26 bps, 25 bps and 72 bps, respectively, in the average yields on GOJGBs, US treasuries and EMBI+ for the March 2024 quarter (see **Figure 15**).

Figure 15: Average International Bond Yields
(Per cent)



Source: Bloomberg,

Over the near-term, US nominal interest rates are projected to normalise towards the long-run neutral level of 2.5 per cent. In 2024 and 2025, rates are projected to fall as monetary policy in the US loosens.

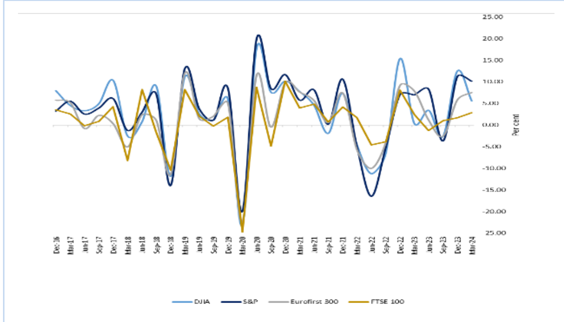
Jamaica's sovereign bond yields are projected to remain relatively stable throughout the June 2024 quarter and decline thereafter. The outlook for GOJ bond yields reflects the Bank's forecast that the Fed will begin to reduce rates in the December 2024 quarter.

Global Stock Market

The performances of selected global stock market indices during the March 2024 quarter were positive. Relative to the December 2023 quarter, the Dow Jones Industrial Average (DIJA), S&P 500, Euro First and FTSE increased by 5.6 per cent, 10.2 per cent, 7.5 per cent and 2.8 per cent, respectively.

The positive performance in US equity indices in the March 2024 quarter was mainly supported by market optimism for the continued resilience in the US economy and the Fed's decision to maintain its projection for interest rate cuts, combined with optimism regarding potential business opportunities in artificial intelligence. Further, some technological stocks such as NVDIA Corporation and Meta Platforms Incorporated have also been a core growth driver to US stock indices.

Figure 16: Selected Stock Market Indices
(Quarter-over-Quarter Per cent)



Source: Bloomberg

3.0 Real Sector

The Jamaican economy is estimated to have grown at a year-over-year rate in the range of 1.0 to 2.0 per cent for the March 2024 quarter, a deceleration relative to the growth of 1.7 per cent recorded for the December 2023 quarter. Real GDP is projected to grow by 1.5 to 2.5 per cent for FY2023/24. This estimated growth largely reflects expansions for Hotels & Restaurants and its allied industries, Mining & Quarrying, Manufacture and Electricity & Water Supply.

For both FY2024/25 and FY2025/26, real GDP is projected to expand by 1.0 to 2.0 per cent. The projected growth largely reflects expansions for Hotels & Restaurants and its allied industries, Mining & Quarrying, Agriculture, Forestry & Fishing, Manufacture and Electricity & Water Supply. The projected growth in the economy remains consistent with the view that demand pressures will continue to affect wage growth, albeit moderating in the latter half of the near term. Over the medium term (FY2026/27 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent.

The projected GDP growth over the near term is in line with the previous forecast, primarily reflecting lower growth for Agriculture, Forestry & Fishing, Mining & Quarrying and Construction, offset by higher growth for Hotels & Restaurants and Electricity & Water Supply. The downward revisions to Agriculture, Forestry & Fishing and Mining & Quarrying reflect the impact of drier than forecasted weather conditions on domestic output and lower levels of capacity utilization within the industry, respectively. A slower pace of moderation is anticipated for Hotels & Restaurant due to greater demand. The projected medium-term growth is unchanged relative to the Bank's previous projection.

The risks to the forecast for domestic real GDP growth over the near term are skewed to the downside, reflecting potentially more adverse weather conditions. Over the medium term, the risks to the forecast for domestic real GDP growth are also skewed to the downside, reflecting the risk of weaker than projected external demand.

GDP Growth

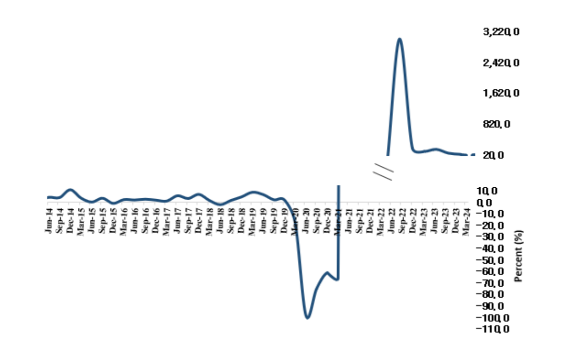
The Jamaican economy is estimated to have grown at a year-over-year rate in the range of 1.0 to 2.0 per cent for the March 2024 quarter, a deceleration relative to the growth of 1.7 per cent recorded for the December 2023 quarter.

With the exception of *Construction,* all industries are estimated to have grown during the March 2024 quarter.

For *Hotels & Restaurants,* the estimated growth for the March 2024 quarter was associated with an increase in foreign national arrivals, which resulted in spill-over effects on *Manufacture*, *Other Services* and *Transport, Storage & Communication* (see **Figure 17**).

For *Other Services*, growth primarily represented an increase in recreational, cultural & sporting activities reflecting greater demand from the tourism industry due to the increase in foreign national arrivals and increased activity within the domestic entertainment industry.

Figure 17: Trend in Visitor Days (12-Month Per cent change)

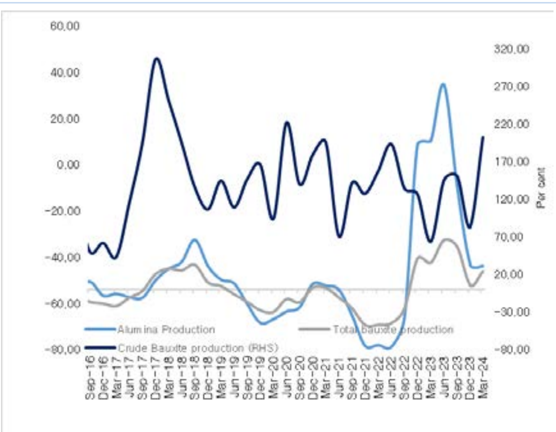


Source: BOJ and Jamaica Tourist Board

Regarding *Transport, Storage & Communication,* growth was largely underpinned by increased airport arrivals, which generated greater demand for transport services from the Tourism industry. In addition, greater activities at the ports, supported by an estimated increase in total cargo movement facilitated growth in the industry.

The estimated growth in *Mining & Quarrying* reflected higher capacity utilization at all the plants (see **Figure 18**).

Figure 18: Trends in Crude Bauxite, Alumina & Total Bauxite Production (12-Month Per cent Change)



Source: Jamaica Bauxite Institute

As it relates to *Electricity & Water Supply,* growth in the March 2024 quarter was driven by increased electricity consumption related to greater economic activity, particularly in the Manufacture industry. This was partly offset by a decline in water consumption.

For *Agriculture, Forestry & Fishing*, growth was underpinned by a partial rebound in domestic crop production from adverse weather conditions in the same period of 2023.

The estimated growth for *Manufacture* was predicated on an improvement in the production of Food, Beverages & Tobacco, resulting from greater demand from the Tourism industry.

Growth in *Wholesale & Retail Trade* was attributed to the continued buoyancy in the Manufacture industry and supported by an improvement in agricultural output.

Both the tradable and non-tradable industries are estimated to have expanded.

Table 1: Industry Contribution to Growth (March 2024 Quarter)

	Contribution*	Estimated Impact on Growth
GOODS	33.1	1.5 to 2.5
Agriculture, Forestry & Fishing	10.6	1.5 to 2.5
Mining & Quarrying	28.6	26.0 to 27.0
Manufacturing	12.6	1.5 to 2.5
Construction	-18.8	-4.0 to -3.0
SERVICES	66.9	1.0 to 2.0
Electricity & Water Supply	15.3	7.5 to 8.5
Wholesale & Retail Trade, Repairs & Installation	8.3	0.0 to 1.0
Hotels & Restaurants	8.6	1.5 to 2.5
Transport Storage & Communication	14.6	1.5 to 2.5
Financing & Insurance Services	12.5	1.0 to 2.0
Real Estate, Renting & Business Activities	9.0	1.0 to 2.0
Producers of Government Services	1.5	-0.5 to 0.5
Other Services	4.9	0.5 to 1.5
Financial Intermediation Services Indirectly Measured	7.9	2.0 to 3.0

* The negative value indicates the negative contribution of the industries to the quarter.
Source: Bank of Jamaica

Aggregate Demand

From the perspective of aggregate demand, the estimated growth for the March 2024 quarter reflected improvements in net exports and consumption, partly offset by a contraction in investment. The improvement in net exports reflected a decline in imports, particularly raw materials, partly offset by a contraction in exports (mineral fuel). The increase in consumption was underpinned by expansions in real private spending and personal loans. The contraction in investment was inferred from an estimated decline in foreign direct investment. [1]

Outlook

Real GDP is projected to grow at an average rate of 1.0 to 2.0 per cent over the June 2024 to March 2026 quarters. In this context, real GDP for both FY2024/25 and FY2025/26 is projected to grow by 1.0 to 2.0 per cent. The projected growth for FY2024/25 largely reflects expansions for Hotels & Restaurants and its allied industries, Mining & Quarrying, Agriculture, Forestry & Fishing, Manufacture and Electricity & Water Supply.

The strongest sectoral expansion is anticipated for *Mining & Quarrying*, underpinned by increased capacity utilization at all plants as operational challenges are resolved.

Real GDP growth over the near term (June 2024 to March 2026 quarters) is in line with the previous forecast. This primarily reflects lower growth for *Agriculture, Forestry & Fishing*, *Mining & Quarrying* and *Construction,* offset by higher growth for *Hotels & Restaurants* and *Electricity & Water Supply*

Over the medium term (FY2026/27 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent, driven by moderate expansions in the capital stock but constrained by slow growth in labour supply.

Risks

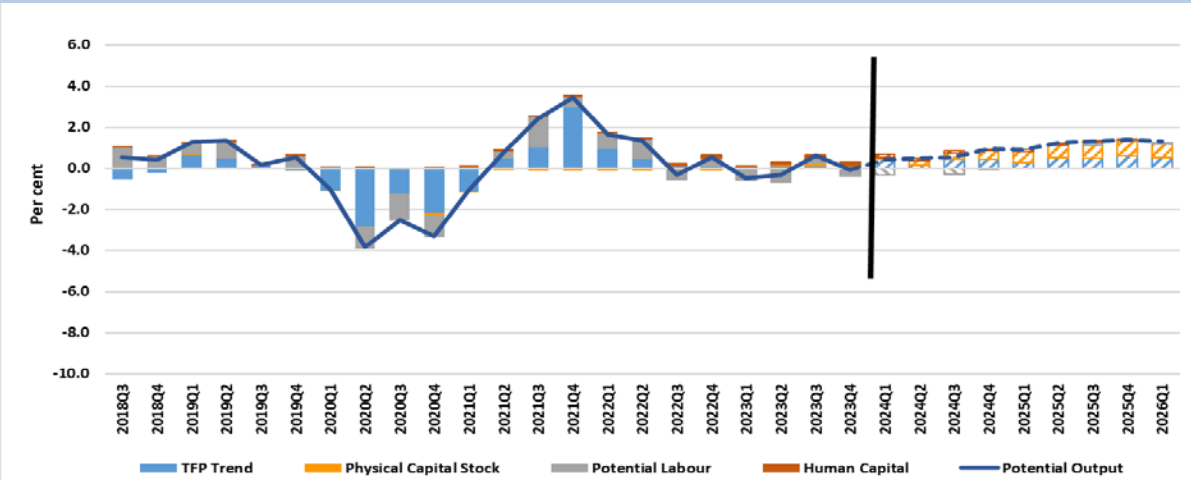
The risks to the forecast for real GDP growth over the near-term are assessed to be on the downside, reflecting the possibility of adverse weather conditions. The risks to the forecast for domestic real GDP growth over the medium-term are also assessed to be skewed to the downside, reflecting the risk of weaker than projected external demand.

[1] Foreign direct investment is estimated to have declined by 19.5 per cent. This was partly offset by increases of 18.6 per cent and 11.8 per cent, respectively, in Central Government capital expenditure and public bodies capital expenditure.

Box 3: Potential Output

Jamaica's potential output is estimated to have increased by 0.0 to 1.0 per cent for the March 2024 quarter relative to the corresponding period in 2023. This is below the estimated growth for the economy (see **Figure 1**).[2]

Figure 1: Year-Over-Year Growth in Potential Output and its Components



Contributions to Potential Output Growth[3]

The estimated expansion in potential output for the March 2024 quarter reflects growth in total factor productivity, which is estimated to have grown by 0.0 to 1.0 per cent. (see **Figure 1**).[4] In addition, the potential capital stock and human capital were both estimated to have grown by 1.0 to 2.0 per cent, while potential labour supply is estimated to have declined by 1.0 to 2.0 per cent for the quarter.

Outlook for Potential Output

Potential output is forecasted to increase at an average rate of 1.0 to 2.0 per cent over the June 2024 to March 2026 quarters (near-term) (see **Figure 2**). Physical capital stock, total factor productivity and human capital are projected to grow at an average rate of 1.1 per cent, 0.4 per cent and 0.3 per cent, respectively.[5] Growth in potential labour supply is anticipated to be flat over the review period. The anticipated growth in physical capital stock stems primarily from a projected increase in investment, particularly public bodies, as well as foreign direct investment.

Over the medium-term, potential output is projected to grow, on average, by 0.5 to 2.5 per cent. This projected growth is driven by increases in physical capital stock and total factor productivity (TFP), in a context where potential human capital and potential labour supply are projected to remain generally flat. The growth in the physical capital stock reflects the view that the GOJ's climate-related projects will materialise.

Potential output over the medium-term is in line with the previous projection.

[2] Estimated year-over-year growth of potential output over the period 1998 to 2018 averaged 0.6 per cent, compared with the average year-over-year growth of 0.9 percent for the pre-crisis period of 1998 to 2008.

[3] The production function approach allows for the computation and examination of the contribution of the underlying factor inputs in the economy responsible for driving the potential GDP growth. The key factors of production considered in the production function approach are capital and labour, and their productivity (total factor productivity, TFP). Changes in the underlying factors give an indication of the structural changes in Jamaica's economy over time.

[5] Physical capital stock, total factor productivity and human capital are projected to contribute an average rate of 0.5 per cent, 0.4 per cent and 0.1 per cent, respectively, to the growth in potential output

4.0 Fiscal Accounts

For the March 2024 quarter, Central Government's operations recorded a fiscal surplus of $33.6 billion (1.1 per cent of GDP), relative to a deficit of $7.2 million (0.3 per cent of GDP) for the March 2023 quarter. The outturn for the review period reflected higher revenues & grants (in particular tax and non-tax revenue) as well as lower expenditure, relative to the corresponding period of 2023. The lower expenditure was reflected mainly in compensation of employees and programme spending.

Recent Developments

For the March 2024 quarter, Central Government's operations recorded a fiscal surplus of $33.6 billion (1.1 per cent of GDP), relative to a deficit of $7.2 million (0.3 per cent of GDP) for the March 2023 quarter. The outturn for the review period reflected higher revenues & grants (in particular tax and non-tax revenue) as well as lower expenditure, relative to the corresponding period of 2023.[1] The lower expenditure was reflected mainly in compensation of employees and programme spending.

The lower expenditure for the review period, relative to the March 2023 quarter, was largely reflected in compensation of employees. This occurred against the background of the retroactive salary payments made in the March 2023 quarter arising from the GOJ's compensation review (see **Table 2**).

The performance of Revenue & Grants for the March 2024 quarter was explained mainly by higher tax revenue, emanating from all tax categories, particularly production & consumption.[2]

The financing requirement for Central Government for the March 2024 quarter was $4.4 billion (0.1 per cent of GDP) reflecting the fiscal surplus of $33.7 billion (1.1 per cent of GDP) and amortisation of $29.3 billion (1.0 per cent of GDP).

Financing during the quarter was sourced from external and domestic loans receipts of $40.9 billion (1.4 per cent of GDP) and $5.7 billion (0.2 per cent of GDP), respectively. External loan receipts amounted to US$263.3 million which mainly reflected funds received through the Resilience and Sustainability Trust (RST) facility of the IMF of US$253.9 million (1.3 per cent of GDP) and inflows from multilateral agencies of US$5.9 million (0.1 per cent of GDP). Domestic loans reflected Treasury bill issuances amounting to $5.7 billion (0.2 per cent of GDP).

Amortisation for the March 2024 quarter mainly reflected external amortisation, which included payments of US$116.5 million (0.6 per cent of GDP) and US$40.3 million (0.2 per cent of GDP) to multilateral and bilateral lending agencies, respectively. Domestic amortisation of $5.7 billion (0.2 per cent of GDP) consisted of Treasury bill maturities. Against this background, there was a build-up of $51.4 billion (1.7 per cent of GDP) in Central Government bank balances.

[1] In nominal terms, for the March 2024 quarter, tax revenue amounted to $258.9 billion, higher than the $233.5 billion for the March 2023 quarter.

[2] Greater inflows from production & consumption was attributable to increase GCT (local) and SCT (local) reflecting increased consumption. Higher income & profits was largely driven by the over-performance of PAYE and tax on interest. The increase in PAYE was attributable to salary increases arising from the GOJ's compensation review (changes in the wage base) as well as improved labour market conditions. For international trade, the greater inflows were driven by GCT (imports) and travel tax reflecting greater imports and higher visitor arrivals, respectively.

Table 2: Summary of Fiscal Operations
(per cent of GDP)

	Quarter		
	Mar-24	Mar-23	Diff
Revenue & Grants	**9.5**	**9.4**	**0.1**
o/w Tax Revenue	8.3	8.5	(0.2)
Non- Tax Revenue	1.1	0.9	0.2
Grants	0.1	0.0	0.1
Expenditure	**8.4**	**9.7**	**(1.3)**
Programmes	2.8	3.0	(0.2)
Compensation of Employees	3.3	4.4	(1.1)
Interest Payment	1.7	1.7	0.0
Capital Expenditure	0.6	0.6	0.0
Fiscal Surplus/Deficit	**1.1**	**(0.3)**	**1.4**
Primary Balance	**2.8**	**1.4**	**1.4**
Current Balance	**1.1**	**0.3**	0.8
Total Financing	**1.5**	**1.9**	(0.4)
External Loans	1.4	0.2	1.2
Domestic Loans	0.2	1.8	(1.6)
Other Inflows	**0.1**	**0.0**	0.1
Other Outflows	**0.0**	**0.0**	0.0
Amortisation	**1.0**	**4.0**	(3.0)
External	0.8	0.5	0.3
Domestic	0.2	3.5	(3.3)
Overall Balance	**1.7**	**(2.2)**	**(0.5)**
Source: Ministry of Finance & the Public Service			

5.0 Balance of Payments

The current account of the balance of payments (BOP) is estimated to have recorded a surplus of 1.0 per cent of GDP for the March 2024 quarter, broadly similar to the outturn for the March 2023 quarter.

The current account (CA) of the balance of payments (BOP) for FY2023/24 is estimated to have improved to a surplus in the range of 2.5 to 3.5 per cent of GDP from a surplus of 2.0 per cent of GDP in FY2022/23. This improvement largely reflects a higher surplus on the services sub-account due to higher travel inflows and a lower deficit on the merchandise trade balance due to a decline in import volumes. This is partially offset by a lower surplus on the current transfers sub-account and a higher deficit on the income sub-account. The CA balance is projected to moderate to an average surplus of 0.4 per cent of GDP over FY2024/25 and FY2025/26. The lower surplus largely reflects a deterioration in the merchandise trade balance due to higher anticipated imports as well as a lower surplus on the current transfers sub-account due to lower remittance inflows. Over the medium term, on average the CA balance is forecasted to remain at a surplus in the range of 0.0 to 1.0 per cent of GDP.

Relative to the previous forecast, the CA surplus over the June 2024 to the March 2026 quarters, on average is higher (better). This revision is underpinned primarily by improvements on the current transfers and services sub-accounts, due to an improved growth outlook for Jamaica's source markets.

Over the near term, the gross reserves are projected to be lower than the previous forecast. This is largely influenced by an upward revision to net private capital outflows associated with higher B-FXITT sales, as well as an upward revision to GOJ outflows due to higher debt repayments.

The risks to the projections for the CA are skewed to the downside (lower surplus). The main downside risks relate to greater imports associated with higher commodity prices and lower travel inflows associated with weaker than projected growth in the Island's tourism source markets. The risks to reserves are balanced.

Recent Developments

For the March 2024 quarter, a current account surplus of US$187.5 million (1.0 per cent of GDP) is estimated, broadly similar to the surplus recorded for the March 2023 quarter. This surplus reflects an improvement in the services sub-account, partially offset by deteriorations in the merchandise trade deficit, current transfers and income sub-accounts.

The improvement on the services balance was mainly underpinned by lower transport outflows and higher tourism inflows. The merchandise trade balance is estimated to have deteriorated mainly due to increased imports of consumer goods and transport equipment, partially offset by a decline in imports of raw materials, capital goods and fuel. The deterioration on the income sub-account was underpinned by higher central government outflows.[1]

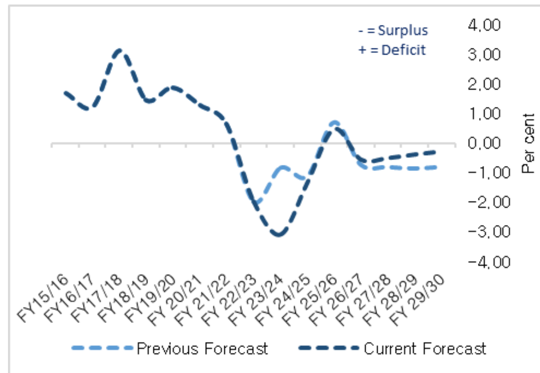
Relative to previous projections, the current account balance for the March 2024 quarter is US$33.1 million higher (better). The variance in the CA was largely underpinned by improvements on current transfers, income and services sub-accounts, partially offset by a deterioration in the merchandise trade balance. Current transfers were above previous projections by US$45.9 million underpinned by higher remittance inflows of approximately US$52.4 million. The income sub-account was US$24.1 million better than the previous projection, underpinned by higher net investment inflows, mainly reflecting higher interest income on BOJ foreign assets. The surplus on the services sub-account was US$14.4 million above projection due to higher travel inflows. For the merchandise trade balance, exports and imports were below projections by US$63.2 million and US$11.9 million, respectively.

The current account (CA) is projected to be sustainable over the near and medium-term. For FY2024/25 to FY2025/26, the CA is projected to reflect an average surplus of 0.4 per cent of GDP, an improvement relative to the previous projection for a surplus of 0.2 per cent of GDP and a moderation relative to the surplus in the range of 2.5 to 3.5 per cent of GDP estimated for FY2023/24.

Over the medium-term, the CA is projected to record a lower surplus, relative to the previous forecasted surplus. During the period, the CA balance is projected to range between a surplus of 0.0 to 1.0 per cent of GDP between FY2026/27 to FY2029/30 (see **Figure 19**). The lower CA balance relative to the previous projection is mainly due to an upward revision to central government outflows as well as a downward revision to exports.[2]

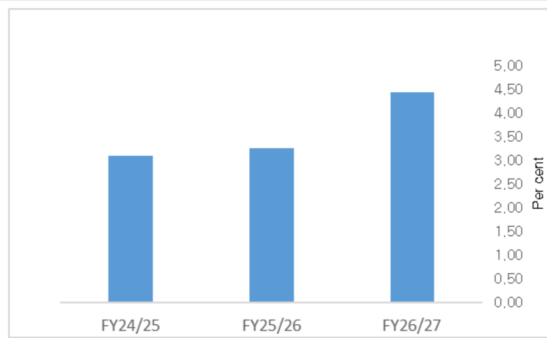
The current account balance, after accounting for FDI-related imports, reflects an average surplus of 3.6 per cent of GDP for the 3-year forecast period of FY2024/25 to FY2026/27 (see **Figure 20**).

Figure 19: Medium-Term CAD Forecast (% GDP)



Source: Bank of Jamaica

Figure 20: Current Account less FDI (% of GDP)



Source: Bank of Jamaica

[1] The higher central government outflows reflected greater interest repayments.

[2] Over the medium-term (FY2026/27 to FY2029/30) exports are lower due to a decline in re-exports. Central government outflows are higher relative to previous projections mainly due to higher principal and interest payments.

6.0 Monetary Policy & Market Operations

BOJ maintained its signal rate during the March 2024 quarter at 7.00 per cent. The Bank also continued to implement other measures to contain Jamaican dollar liquidity expansion. While not targeting any specific level of the exchange rate, Bank of Jamaica continued to ensure that movements in the exchange rate did not threaten a return to the inflation target.

Jamaican dollar liquidity was unchanged, on average, during the March 2024 quarter, relative to the preceding quarter, reflecting net GOJ operations offset by net BOJ operations.

Monetary Policy

During the March 2024 quarter, BOJ maintained its signal rate at 7.00 per cent.

Liquidity Conditions

Average liquidity was unchanged during the March 2024 quarter, relative to the December 2023 quarter. Deposit-taking institutions (DTIs) and primary dealers maintained average current account balances at Bank of Jamaica of $26.2 billion, in line with the average held for the preceding quarter. The unchanged liquidity level reflects net absorptions from GOJ operations of $27.9 billion, offset by net injection of $27.9 billion from BOJ operations, largely associated with FX operations (see **Table 3**).[1]

Bank of Jamaica conducted 13 auctions of 30-day CDs during the review quarter. The average offer size during the March 2024 quarter was $35.6 billion, above the average of $30.5 billion for the December 2023 quarter. The average yield on these operations for the review quarter increased by 92 bps to 10.65 per cent.

Foreign currency demand during the March 2024 quarter along with the associated fluctuations in market conditions necessitated BOJ's foreign currency sales of US$208.1 million via the B-FXITT facility.2,3 The intervention sales occurred in the first two months of the quarter. The Bank net purchased US$448.1 million in foreign currency during the March 2024 quarter. During the quarter, Bank of Jamaica continued its policy of unwinding its outstanding USD CDs, where US$62.4 million matured (see **Table 4**).

Table 3: BOJ Liquidity Facility (J$ Billions)

BOJ Liquidity Flow (J$ Billions)	Actual Sep-23	Actual Dec-23	Projected Average Mar-24	Actual Average Mar-24	Variance Mar-24
Net BOJ Operations (Inject/Absorb)	25.1	21.8	28.9	27.9	-0.9
Open Market Operations	-0.8	-14.3	-17.0	-32.1	-15.1
BOJ Repo - (incl. OTROs)	1.3	-1.7	9.8	10.4	0.6
FR CDs - (incl. 30day CDs)	-2.1	-25.6	-14.8	-30.6	-15.8
VR CDs	0.0	0.0	0.0	0.0	0.0
USD Indexed Notes	0.0	12.9	-12.0	-11.9	0.2
BOJ FX (incl. PSE)	46.5	33.3	57.8	67.6	9.9
BOJ Other	-20.6	2.8	-11.8	-7.6	4.3
o.w. Currency Issue	-25.4	1.1	-3.1	-3.3	-0.2
o.w. Cash Reserve (Com Banks)	-2.2	-2.3	-3.0	-1.6	1.4
o.w. other	7.0	4.0	-5.8	-2.7	3.1
GOJ Operations	-29.8	-23.0	-22.4	-27.9	-5.5
Current A/C (+) = Loosen; (-) = Tighten	-4.7	-1.2	6.5	0.0	-6.5
Current A/C Balance	27.4	26.2	32.7	26.2	-6.5

Notes: (+) = Inject; (-) = Absorb
Source: Bank of Jamaica

[1]The net GOJ absorption for the March 2024 quarter reflected a fiscal surplus largely emanating from end-fiscal year tax receipts.
[2] The associated fluctuations in conditions were related to a seasonal increase in JMD liquidity in January 2024 as a result of increased currency redemptions. JMD liquidity was further boosted in January and February 2024 by maturing proceeds from BOJ longer-dated instruments.
[3] See footnote in the Exchange Rate Development section for further clarity.

Table 4: Placements & Maturities of BOJ USD Instruments

Tenor	October – December 2023			January – March 2024		
	Placements (US$MN)	Maturities (US$MN)	Average Rate (%)	Placements (US$MN)	Maturities (US$MN)	Average Rate (%)
5-year	–	0.00	–	–	0.00	–
7-year	–	18.5	–	–	62.38	–
TOTAL	–	18.5	–	–	62.38	–

Note: Total outstanding stock of USD CDs as at March 2024 was US$22.4 million

Source: Bank of Jamaica

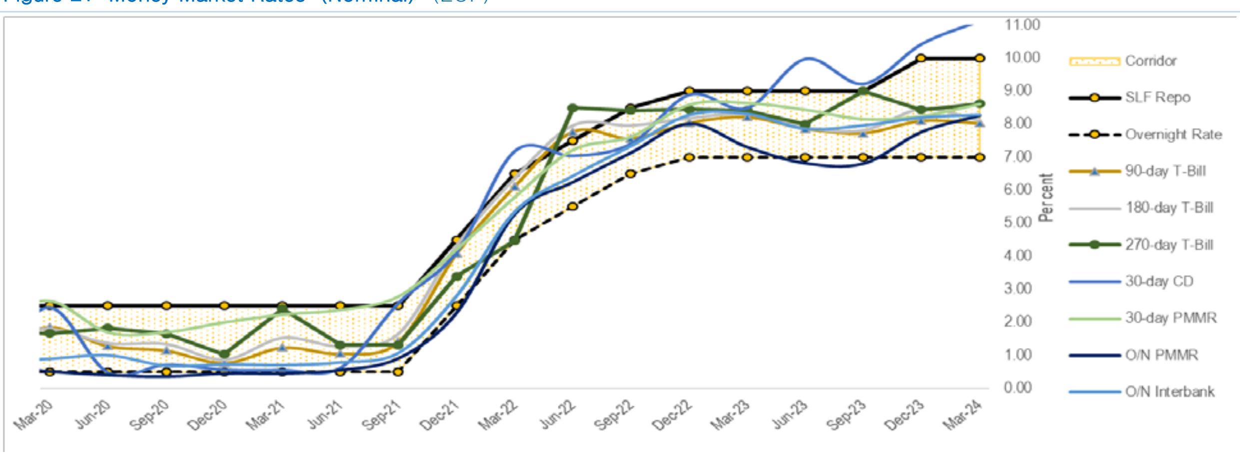
7.0 Financial Markets

Money market rates generally increased during the March 2024 quarter. The estimated yield curve on GOJ JMD bonds at end-March 2024 was slightly higher relative to the yield curve at end-December 2023. Sovereign risk and the risk-free interest rate increased for the March 2024 quarter, while exchange rate risk declined.

Market Interest Rates

Money market rates generally increased during the March 2024 quarter. When compared to the rates at end-December 2023, the O/N private money market rate (PMMR), the 30-day PMMR, the overnight (O/N) interbank rate, and the 30-day CD rate increased by 49 bps, 37 bps, 9 bps and 70 bps, respectively. In addition, at end-March 2024, the yields on GOJ 270-day Treasury bill increased by 19 bps, while the 180-day and 90-day Treasury bills at end-March 2024 were lower by 7 bps and 35 bps, respectively, relative to the same yields at end-December 2023 (see **Figure 21**). The general increase in the money market rates was influenced by a decline in liquidity at end-March 2024 relative to end-December 2023, reflective of efforts to fund end-fiscal year tax obligations amid the tight monetary policy stance.

Figure 21: Money Market Rates (Nominal)[1] (EOP)



	SLF Repo	30-day CD	BOJ O/N Deposit	O/N PMMR	O/N Interbank	30-day PMMR	90-day T-Bill	180-day T-Bill	270-day T-Bill
Sep-22	8.50	7.41	6.50	7.14	7.34	7.63	7.57	7.96	8.42
Dec-22	9.00	8.89	7.00	8.01	8.28	8.60	8.04	8.18	8.45
Mar-23	9.00	8.49	7.00	7.30	8.31	8.65	8.21	8.31	8.41
Jun-23	9.00	9.98	7.00	6.82	7.85	8.45	7.86	7.89	8.00
Sep-23	9.00	9.22	7.00	6.81	7.96	8.16	7.73	7.81	9.00
Dec-23	10.00	10.43	7.00	7.77	8.19	8.25	8.10	8.46	8.43
Mar-24	10.00	11.13	7.00	8.26	8.28	8.62	8.03	8.11	8.62

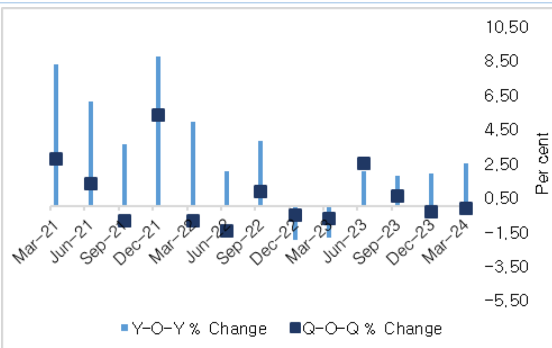
Source: Bank of Jamaica

[1] Notes: (i) PMMR is the private money market rate (ii) O/N is the overnight rate in the market accessible by all financial institutions while the interbank rate (I/B) is the overnight rate accessible only by banks.

Exchange Rate Developments

The nominal exchange rate appreciated during the March 2024 quarter, relative to the December 2023 quarter. The weighted average selling rate of the Jamaican dollar vis-á-vis the US dollar (WASR) closed the March 2024 quarter at J$154.70 = US$1.00, reflecting an appreciation of 0.16 per cent, relative to the previous quarter and a depreciation of 2.5 per cent, relative to end-March 2023.[2]

Figure 22: Movements in WASR

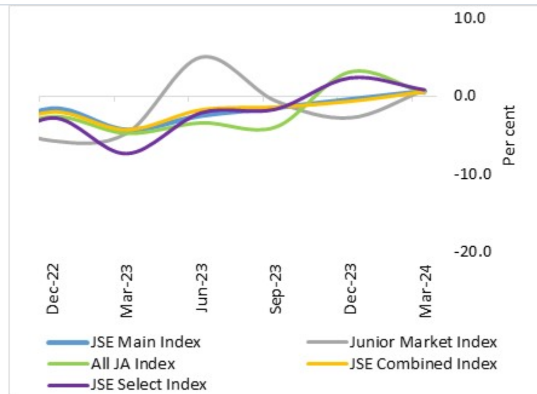


The appreciation in the exchange rate during the March 2024 quarter was particularly noticeable in March 2024. This was underpinned by continued tightening in Jamaican dollar liquidity. Additional factors that provided the impulse for appreciation included B-FXITT sales of US$208.1 million during the quarter.

Equities Market

For the March 2024 quarter, the five major Jamaica Stock Exchange (JSE) indices recorded marginal increases ranging from 0.81 per cent to 0.43 per cent, partly reflecting improved earnings (see Figure 23). This is an improvement compared to the previous quarter which recorded declines in three of the five major indices. More specifically, the JSE Main Index improved by 0.6 per cent for the March 2024 quarter, compared to a decrease of 0.4 per cent for the previous quarter. Additionally, the Junior Market Index increased by 0.7 per cent for the review quarter, relative to a decline of 2.8 per cent in the previous quarter.[3] The performance of the stock market continued to be influenced by the restrictive monetary policy environment, characterised by high interest rates.

Figure 23: Quarterly growth rates of the JSE indices (percentage change)[4]



Source: Jamaica Stock Exchange

The annual performance of the stock market for the year ended-March 2024, reflected a decline for all the major JSE indices, with the exception of the Junior Market Index, relative to the prior year. More precisely, the JSE Main Market Index recorded a decline of 3.7 per cent for the year ended-March 2024, compared to a decrease of 13.0 per cent for the same period last year. On the other hand, the Junior Market Index recorded an increase of 2.1 per cent for the year ended-March 2024, relative to a decline of 10.1 per cent for the corresponding period of the previous year.

Of note, for the review quarter, foreign currency investments yielded higher returns relative to equity investments. More specifically, foreign currency investments yielded a quarterly return of 1.3 per cent, while the quarterly return on equities was 0.6

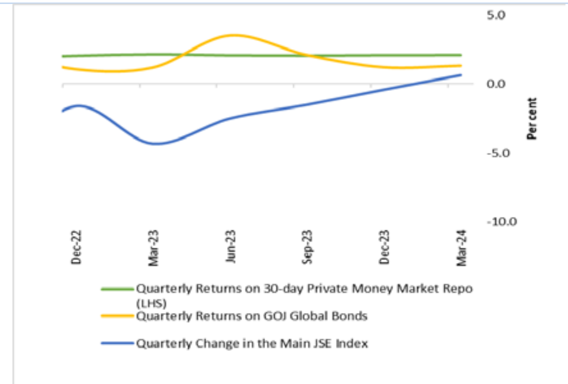
[2] The average WASR for the March 2024 quarter was J$156.18 = US$1.00, reflecting an average depreciation of 0.04 per cent, relative to the December 2023 quarter and an average depreciation of 1.5 per cent relative to the March 2023 quarter. The average WASR for the March 2024 quarter was J$0.12 higher (more depreciated) relative to the February 2024 assessment's average WASR of J$156.06= US$1.00.

[3] The JSE Select Index and the JSE All Jamaican Composite Index recorded increases of 0.81 and 0.43 per cent, respectively compared to increases of 2.31 and 3.16 for the previous quarter.

[4] The All JA and JSE Main Index, exhibit strong co-movement with returns.

per cent for the March 2024 quarter.[5] Additionally, the average quarterly yield on 30-day private money market instruments remained stable at 2.1 per cent for the March 2024 quarter compared to the December 2023 quarter (see Figure 24).

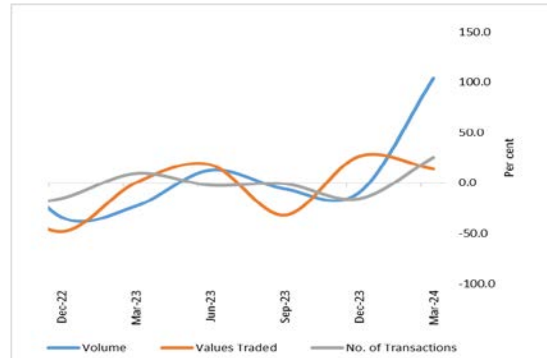
Figure 24: Returns from Private Money Market, foreign currency investments and Capital Gains/ (Losses) from JSE Main Index
(Per cent)



Source: Jamaica Stock Exchange and Bloomberg

In line with quarterly improvements in the JSE Indices, market activity indicators for the JSE Main Index reflected a general increase for the March 2024 quarter. In particular, the volume traded, number of transactions and values traded increased by 104.2, 25.5 and 14.0 per cent, respectively. This compares to a decline of 9.7 per cent and 15.3 per cent for volume traded and number of transactions, respectively and an increase of 25.56 per cent for values traded during the December 2023 quarter. The main contributor to these results was the earnings releases from financial sector companies. Most companies experienced improvements in earnings, mainly stemming from increases in net interest income, net fee income, commission income and shares from associates (see Figure 25).

Figure 25: Quarterly Change in the Monthly Volumes, Values Traded & Number of Transactions (Main JSE Index) (Per cent)



Source: Jamaica Stock Exchange

Table 5: Stock Price Appreciation

Advancing	Per cent
Financial	
First Rock Capital Holdings Limited	37.1
Sygnus Real Estate Finance Limited	26.8
QWI Investments Limited	26.2
Scotia Group Jamaica	22.7
Insurance	
Key Insurance Company Limited	15.3
Manufacturing	
Lasco Manufacturing Limited	26.7
Lasco Distributors Limited	13.0
Other	
Wigton Windfarm Limited (WIG)	41.8
Stanley Motta Limited	28.4
TransJamaica Highway Limited	23.3

Table 6: Stock Price Depreciation

Declining	Per cent
Financial	
Mayberry Group Limited	−24.5
Sagicor Group Jamaica	−16.2
Eppley Limited	−8.0
Sterling Investments Limited	−5.9
Other	
Palace Amusement	−23.0
Margaritaville (Turks) Limited	−8.9
Supreme Ventures	−8.7
Manufacturing	
Berger Paints (Jamaica)	−17.5
Conglomerate	
GraceKennedy Limited	−7.2
Communication	
Radio Jamaica	−29.9

[5] The return on equities is computed as the change in value of the JSE Main Index for the review quarter relative to the previous period. The return on foreign currency investments is computed as the sum of quarterly foreign currency gains (losses) and the average quarterly returns on GOJ global bonds.

The advance-to-decline ratio for the stocks listed on the JSE was 29:22 for the March 2024 quarter.[6] This compares to an advance-to-decline ratio of 22:26 for the previous quarter. Of note, stock price appreciation and depreciation were largely concentrated among the *Financial* category (see **Tables 5 and 6**).

[6] During March 2024, Lasco Manufacturing Limited and Lasco Distributors Limited graduated from the Junior Market to the Main Market.

8.0 Monetary Aggregates

The monetary base increased by 3.2 per cent at March 2024 when compared to March 2023. Regarding the sources of the annual change in the monetary base at March 2024, there was an increase of 26.1 per cent in the Bank of Jamaica's net international reserves (NIR), partly offset by a decline of 53.1 per cent in Net Domestic Assets.

The annual growth in the flow of real new local currency loans for the period January to February 2024 moderated when compared to the similar measure for the December 2023 quarter.

Money

The monetary base increased by 3.2 per cent at March 2024 when compared to March 2023. Regarding the sources of the annual change in the monetary base at March 2024, there was an increase of 26.1 per cent in Bank of Jamaica's net international reserves (NIR), partly offset by a decline of 53.1 per cent in the Bank's Net Domestic Assets (see Table 7). The growth in the Jamaica dollar equivalent of the NIR was mainly associated with both an increase in the USD value of the NIR stock and a depreciation in the exchange rate. The increase in the USD NIR stock was influenced by inflows through the PSE Facility, surrenders by Authorized Dealers and Cambios, and inflows from the IMF Resilience and Sustainability Facility (RSF), partly offset by outflows from Government of Jamaica as well as net B-FXITT sales of US$944.9 million over the year. For the NDA, the decline was influenced by an increase in OMOs, higher net credit to banks, and lower claims on the public sector reflected in the increase in central government deposits.

Table 7: Bank of Jamaica Accounts

	Stock (J$MN)			Flow (%)	
	Mar-23	Dec-23	Mar-23	Qtr. -o- Qtr.	Y-o-Y
NIR (US$MN)	4,152.4	4,758.3	5,137.3	8.0	23.7
NIR(J$MN)	626,881.7	734,722.1	790,658.0	7.6	26.1
- Assets	707,229.1	751,769.3	805,196.6	7.1	13.9
- Liabilities	-80,347.3	-17,047.2	-14,538.6	-14.7	-81.9
Net Domestic Assets	-288,143.3	-362,937.6	-441,107.0	-21.5	-53.1
- Net Claims on Public Sector	148,614.5	132,276.5	78,145.0	-40.9	-47.4
- Net Credit to Banks	-89,678.5	-92,847.8	-93,955.5	1.2	4.8
- Open Market Operations	-150,669.6	-202,966.0	-239,984.1	18.2	59.3
- Other	-196,409.6	-199,400.3	-185,312.5	-7.1	-5.6
-o/w USD FR CDs	4,957.5	11,312.2	20,808.9	84.0	319.7
Monetary Base	338,738.4	371,784.5	349,551.0	-6.0	3.2
- Currency Issue	224,592.2	277,440.1	257,312.9	-7.3	14.6
- Cash Reserve	47,844.1	64,147.9	65,628.3	2.3	37.2
- Current Account	66,302.1	30,196.5	26,609.7	-11.9	-59.9

Source: Bank of Jamaica

M2J expanded by 14.2 per cent at February 2024 slightly below the expansion of 15.0 per cent at December 2023. Growth in broad money was largely underpinned by growth of 15.2 per cent in currency in circulation and 14.0 per cent in local currency deposits, compared to the respective growth of 18.1 per cent and 14.1 per cent recorded at end-December 2023. The continued growth in deposits was strongly reflected in time, savings, and demand deposits, which grew by 23.8 per cent, 13.9 per cent and 10.8 per cent, respectively, relative to the growth of 20.0 per cent, 12.9 per cent and 13.9 per cent in December 2023 (see **Table 8**).

Table 8: Components of Money Supply (M2*)

	Percentage Change (%)		
	Feb-23	Dec-23	Feb-24
Total Money Supply (M2*)	6.9	10.5	10.0
Money Supply (M2J)	8.3	15.0	14.2
Money Supply (M1J)	8.1	15.7	12.6
Currency with the public	7.1	18.1	15.2
Demand Deposits	8.8	13.9	10.8
Quasi Money	8.5	14.2	15.7
Savings Deposits	7.4	12.9	13.9
Time Deposits	13.7	20.0	23.8
Foreign Currency Deposits	4.6	2.6	2.8

Source: Bank of Jamaica

Private Sector Credit

Growth of 11.0 per cent in the stock of private sector loans and advances (including domestic and foreign currency denominated loans) at February 2024 was slightly below the growth of 11.4 per cent as at December 2023.This translates to an annual increase of 4.5 per cent in real terms in February 2024. Relative to GDP, the stock of private sector loans at February 2024 was 41.5 per cent, slightly above the ratio of 41.0 per cent a year earlier.

Table 9: Select Private Sector Financing Indicators (12-month Percentage Change)

Stock	Feb-23	Dec-23	Feb-24
Total DTI	12.8	11.4	11.0
o.w. to Businesses	13.1	11.1	10.2
o.w. to Consumers	12.6	11.7	11.5
Stock as a % of Annual GDP			
Total DTI	42.0	41.4	40.6
o.w. to Businesses	17.2	17.1	16.7
o.w. to Consumers	24.8	24.3	23.9

Source: Bank of Jamaica

The growth in total loans and advances was underpinned by expansions of 11.5 per cent and 10.2 per cent in loans to the individual and productive sector, respectively. Growth in loans to the productive sector was mainly attributed to increases in loans to Business & Professional Services, Distribution, Construction and Land Development, Transport, Storage & Communication and Manufacturing industries.

The annual growth in the flow of new loans to the private sector moderated in real terms to 7.7 per cent for the period January to February 2024 relative to annual growth of 11.8 per cent for the December 2023 quarter. This moderation was supported by an annual decline of 1.8 per cent in real new loans to businesses which was offset by annual growth of 2.7 per cent in real new loans to individuals. The decline in loans to the productive sector largely reflected lower disbursements to *Distribution, Agriculture, Transport and Tourism industries*.

Monetary Projections

Broad money is projected to expand at an average annual rate of 10.7 per cent over the next eight quarters, below the previous projection of 11.5 per cent. The projected growth in broad money reflects expansions in currency in circulation and local currency deposits, supported by positive growth in economic activity and remittance inflows.

Growth in DTI private sector credit is forecasted to be lower over the next eight quarters relative to the previous projections. Private sector credit is projected to grow at an average rate of 8.9 per cent up to the March 2026 quarter, compared to the previous forecast for an expansion of 9.4 per cent. The slower pace of growth in credit is primarily driven by moderation in economic activity.

9.0 Conclusion

The average inflation rate cent over the next two years (June 2024 to March 2026) is projected to fall to 5.6 per cent, relative to 7.5 per cent over the previous eight-quarter. Inflation is projected to breach the upper end of the target range towards the end of the June 2024 quarter, mainly reflecting seasonally higher agricultural food inflation, a normalisation in electricity rates following significant declines in the same quarter of 2023 as well as higher transport costs due to an uptick in international oil prices. Inflation thereafter is projected to return to the target range and generally remain there over the next eight quarters with the exception of a few months in 2025.

For both FY2024/25 and FY2025/26, real GDP is projected to grow by 1.0 to 2.0 per cent. The projected growth largely reflects expansions for Hotels & Restaurants and its allied industries, Mining & Quarrying, Agriculture, Forestry & Fishing, Manufacture and Electricity & Water Supply. The projected growth in the economy remains consistent with the view that demand pressures will continue to affect wage growth, which will moderate in the latter half of the near term. Over the medium term (FY2026/27 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent. The risks to the forecast for domestic real GDP growth over the near term are skewed to the downside, reflecting potentially more adverse weather conditions. Similar, over the medium term, the risks to the forecast are skewed to the downside, reflecting the risk of weaker than projected external demand.

The current account (CA) of the balance of payments (BOP) for FY2023/24 is projected to improve to a surplus in the range of 2.5 to 3.5 per cent of GDP from a surplus of 2.0 per cent of GDP in FY2022/23. This improvement largely reflects a higher surplus on the services sub-account due to higher travel inflows and a lower deficit on the general merchandise trade balance due to a decline in import volumes. This is partially offset by a lower surplus on the current transfers sub-account and a higher deficit on the income sub-account. The CA balance is projected to moderate to an average surplus of 0.4 per cent of GDP over FY2024/25 and FY2025/26. The lower surplus largely reflects a deterioration in the merchandise trade balance due to higher imports as well as a lower surplus on the current transfers sub-account due to lower remittance inflows. Over the medium term, on average the CA balance is forecasted to remain at a surplus in the range of 0.0 to 1.0 per cent of GDP. Under a floating exchange rate regime, the gross reserves are projected to remain above the ARA 100% benchmark over the medium term and end FY2029/30 at US$7.5 billion (177.4 per cent of the ARA 100% metric).

On 28 March 2024, the Monetary Policy Committee (MPC) unanimously agreed to maintain: (i) the policy interest rate (the rate offered to deposit-taking institutions (DTIs) on overnight placements with Bank of Jamaica) at 7.0 per cent; (ii) relative stability in the foreign exchange market; and (iii) tight Jamaican dollar liquidity conditions. Future monetary policy decisions to reduce interest rates will depend on incoming data related to the strength of the potential risks to inflation as well as evidence that inflation is firmly anchored within the target range. The Committee will maintain heightened surveillance of the potential risks to inflation, in particular, the evolution of wage pressures, measured inflation expectations and core inflation.

Additional Tables

1: INFLATION RATES

		CPI (Point-to-Point) **	Headline Inflation	Core Inflation*
FY11/12	Dec-11	68.25	6.01	6.86
	Mar-12	69.39	7.26	6.97
FY12/13	Jun-12	70.41	6.71	6.91
	Sep-12	71.86	6.65	5.59
	Dec-12	73.71	8.00	5.44
	Mar-13	75.72	9.13	6.30
FY13/14	Jun-13	76.57	8.76	6.26
	Sep-13	79.37	10.46	6.95
	Dec-13	80.70	9.47	7.38
	Mar-14	82.04	8.34	6.54
FY14/15	Jun-14	82.68	7.97	6.10
	Sep-14	86.50	8.99	6.72
	Dec-14	85.83	6.36	5.97
	Mar-15	85.29	3.96	5.51
FY15/16	Jun-15	86.29	4.37	4.81
	Sep-15	88.08	1.82	4.00
	Dec-15	88.97	3.66	3.51
	Mar-16	87.82	2.96	3.04
FY16/17	Jun-16	88.46	2.52	2.76
	Sep-16	89.71	1.86	2.48
	Dec-16	90.50	1.72	2.31
	Mar-17	91.41	4.09	2.27
FY17/18	Jun-17	92.38	4.43	2.42
	Sep-17	93.82	4.58	2.55
	Dec-17	95.24	5.24	2.65
	Mar-18	95.00	3.94	2.58
FY18/19	Jun-18	94.99	2.82	2.29
	Sep-18	97.89	4.33	2.44
	Dec-18	97.56	2.44	2.36
	Mar-19	98.23	3.39	2.33
FY19/20	Jun-19	98.97	4.19	2.50
	Sep-19	101.20	3.39	2.87
	Dec-19	103.63	6.22	2.95
	Mar-20	102.95	5.44	3.27
FY20/21	Jun-20	105.20	6.31	2.92
	Sep-20	106.14	4.88	3.20
	Dec-20	109.01	5.19	3.60
	Mar-21	108.27	5.18	5.30
FY21/22	Jun-21	109.77	4.34	7.17
	Sep-21	114.88	8.23	7.82
	Dec-21	116.98	7.31	9.09
	Mar-22	120.52	11.31	9.53
FY22/23	Jun-22	121.79	10.95	10.85
	Sep-22	125.52	9.26	10.76
	Dec-22	127.93	9.36	10.15
	Mar-23	127.97	6.19	7.91
FY23/24	Jun-23	129.45	6.29	6.12
	Sep-23	132.88	5.86	4.85
	Dec-23	136.72	6.87	4.84
	Mar-24	135.09	5.56	5.24

* Core inflation is measured as headline inflation excluding agriculture and fuel related components of the CPI Basket (CPI-AF)

** STATIN revised the reference basket used to measure the CPI in March 2020

2: ALL JAMAICA INFLATION – Point–to–Point (March 2024) *

Divisions, Classes and Groups	Weight (%)	Inflation (%)	Weighted Inflation	Contribution
FOOD & NON-ALCOHOLIC BEVERAGES	35.28	4.83	1.70	30.74
Food	33.28	4.65	1.55	27.91
Cereals and cereal products (ND)	6.59	4.10	0.27	4.88
Live animals, meat and other parts of slaughtered land animals (ND)	6.51	3.53	0.23	4.15
Fish and other seafood (ND)	3.54	2.99	0.11	1.91
Milk, other dairy products and eggs (ND)	2.82	4.04	0.11	2.06
Oils and Fats (ND)	0.90	2.44	0.02	0.40
Fruits and nuts (ND)	2.56	12.68	0.32	5.86
Vegetables, tubers, plantains, cooking bananas and pulses (ND)	6.92	3.16	0.22	3.94
Tubers, plantains, cooking bananas and pulses (ND)	4.91	7.60	0.37	6.73
Vegetables	2.01	1.46	0.03	0.53
Sugar, confectionery and desserts (ND)	1.29	7.75	0.10	1.80
Ready-made food and other food products n.e.c. (ND)	2.16	8.39	0.18	3.27
Non-Alcoholic Beverages	2.00	7.97	0.16	2.88
Fruit and Vegetable Juices (ND)	0.65	8.87	0.06	1.04
Coffee, Tea and Cocoa	0.45	7.74	0.03	0.63
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.91	7.55	0.07	1.24
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	1.43	4.44	0.06	1.15
CLOTHING AND FOOTWEAR	2.45	3.68	0.09	1.63
Clothing	1.64	4.26	0.07	1.26
Footwear	0.81	2.49	0.02	0.36
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	19.01	2.95	0.56	10.10
Rentals for Housing	10.37	4.39	0.46	8.22
Maintenance, Repair and Security of the Dwelling	0.66	7.27	0.05	0.87
Water Supply and Miscellaneous Services Related to the Dwelling	2.24	5.55	0.12	2.24
Electricity, Gas and Other Fuels	5.74	-0.21	-0.01	-0.21
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	3.72	9.75	0.36	6.55
Furniture, Furnishings, and Loose Carpets	0.35	3.74	0.01	0.24
Household Textiles	0.22	5.06	0.01	0.20
Household Appliances	0.35	1.80	0.01	0.11
Tools and Equipment for House and Garden	0.15	3.24	0.00	0.09
Goods and Services for Routine Household Maintenance	2.65	12.25	0.32	5.86
HEALTH	2.59	4.19	0.11	1.96
Medicines and Health Products	2.12	3.78	0.08	1.45
Outpatient Care Services	0.30	7.62	0.02	0.41
Other Health Services	0.17	3.18	0.01	0.10
TRANSPORT	11.07	10.05	1.11	20.07
INFORMATION AND COMMUNICATION	4.51	5.20	0.23	4.24
RECREATION, SPORT AND CULTURE	4.95	4.97	0.25	4.44
EDUCATION SERVICES	2.40	15.64	0.38	6.77
RESTAURANTS & ACCOMMODATION SERVICES	6.56	7.07	0.46	8.37
INSURANCE AND FINANCIAL SERVICES	1.11	1.65	0.02	0.33
PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	4.92	4.12	0.20	3.66
ALL DIVISIONS	100.00	5.56	5.54	100.00

3: BANK OF JAMAICA OPERATING TARGETS

	Actual Mar-22	Actual Jun-22	Actual Sep-22	Actual Dec-22	Actual Mar-23	Actual Jun-23	Actual Sep-23	Actual Dec-23	Actual Mar-24
Net International Reserves (US$)	3,675.85	3,804.75	3,807.30	3,976.25	4,152.36	4,283.50	4,758.53	4,758.27	5,137.29
NET INT'L RESERVES (J$)	564,279.73	573,423.61	578,957.26	603,195.44	626,881.71	660,497.90	737,928.70	734,722.11	790,658.03
Assets	663,725.83	661,615.64	661,408.44	685,347.31	707,229.05	738,098.10	758,093.84	751,769.34	805,196.60
Liabilities	-99,446.11	-88,192.03	-82,451.18	-82,151.87	-80,347.34	-77,600.20	-20,165.14	-17,047.22	-14,538.56
NET DOMESTIC ASSETS	-296,160.65	-294,497.14	-295,955.39	-293,996.16	-288,143.28	-333,376.50	-395,364.02	-362,937.57	-441,107.04
-Net Claims on Public Sector	136,05033	128,865.57	103,495.97	114,784.43	148,614.51	157,000.30	105,826.57	132,276.48	78,145.04
-Net Credit to Banks	-84,710.58	-85,841.83	-86,021.11	-85,247.82	-89,678.54	-95,288.40	-94,948.05	-92,847.78	-93,955.51
-Open Market Operations	-142,423.26	-147,399.54	-117,518.10	-130,018.10	-150,669.64	-191,738.40	-200,737.50	-202,965.95	-239,984.07
-Other	-205,077.14	-190,121.34	-195,912.16	-193,514.67	-196,409.62	-203,350.0	-205,505.03	-199,400.32	-185,312.49
MONETARY BASE	268,119.07	278,926.48	283,001.87	309,199.28	338,738.43	327,121.40	342,564.68	371,784.55	349,551.00
- Currency Issue	207,895.60	204,515.25	206,218.51	233,760.72	224,592.25	250,673.80	253,448.05	277,440.09	257,312.95
- Cash Reserve	44,909.59	45,885.45	45,291.63	45,437.41	47,844.11	60,724.40	62,462.58	64,147.93	65,628.33
- Current Account	15,313.88	28,525.77	31,491.79	30,001.15	66,302.07	15,723.20	26,654.06	30,196.53	26,609.72
GROWTH IN MONETARY BASE [F-Y-T-D]	-	4.0	5.6	15.3	-	-3.4	1.1	9.8	-

4: MONETARY AGGREGATES

		BASE	M1J	M1	M2J	M2	M3J	M3
FY18/19	Jun-18	169,828.80	216,289.92	251,603.73	482,485.41	770,885.09	673,782.30	962,181.99
	Sep-18	177,365.64	230,629.81	266,659.06	496,418.25	804,064.91	693,490.11	1,001,136.77
	Dec-18	202,547.07	251,413.40	283,542.66	524,339.37	818,748.06	731,302.94	1,025,711.62
	Mar-19	214,015.10	249,673.01	285,367.63	542,149.88	844,420.19	753,609.43	1,055.879.73
FY19/20	Jun-19	204,318.65	256,383.63	294,330.41	544,085.24	858,311.49	763,563.05	1,077,789.31
	Sep-19	220,133.35	258,452.00	291,166.83	553,029.15	874,593.99	784,502.64	1,106,067.49
	Dec-19	220,953.60	288,765.41	324,896.57	617,627.36	941,252.00	843,835.41	1,167,460.05
	Mar-20	220,952.59	291,510.62	341,364.49	612,444.99	963,144.91	842,710.44	1,193,410.36
FY20/21	Jun-20	239,267.12	304,413.99	346,525.54	634,039.95	998,227.40	852,992.97	1,217,180.42
	Sep-20	265,854.12	321,603.09	366,833.99	670,333.46	1,055,569.83	889,371.33	1,274,607.69
	Dec-20	282,573.00	341,946.01	382,054.10	699,607.17	1,092,427.28	926,877.37	1,319,697.49
	Mar-21	295,363.42	348,520.04	390,210.97	717,228.90	1,118,874.17	949,719.11	1,351,364.37
FY21/22	Jun-21	299,515.81	354,014.44	406,142.44	735,982.82	1,163,036.18	978,463.19	1,405,516.55
	Sep-21	317,422.82	364,765.50	413,386.24	753,978.91	1,182,807.26	994,201.70	1,423,030.04
	Dec-21	339,864.27	406,708.92	458,639.06	818,963.54	1,276,153.09	1,056,944.42	1,514,133.98
	Mar-22	268,119.07	390,171.16	448,269.27	796,096.93	1,288,243.47	1,032,292.35	1,524,438.89
FY22/23	Jun-22	278,926.48	391,424.80	454,536.66	806,237.99	1,302,293.54	1,042,795.03	1,538,850.58
	Sep-22	283,001.87	399,254.74	462,863.63	829,756.76	1,311,358.70	1,065,630.99	1,556,104.97
	Dec-22	309,199.28	430,073.61	492,538.25	873,718.70	1,369,647.42	1,135,973.38	1,369,647.42
	Mar-23	338,738.43	433,068.16	491,676.32	893,429.05	1,394,825.28	1,159,500.28	1,394,825.28
FY23/24	Jun-23	327,121.38	449,812.65	511,275.70	931,293.37	1,438,711.16	1,198,163.28	1,438,711.16
	Sep-23	342,564.68	460,793.59	522,036.15	948,668.62	1,454,544.72	1,218,959.86	1,724,835.96
	Dec-23	371,784.55	497,665.07	557,168.97	1,004,486.05	1,513,138.70	1,290,192.39	1,798,845.04
	Feb-24	361,028.66	481,639.27	546,760.69	997,828.28	1,517,559.13	1,277,356.67	1,797,087.52

5: GOJ TREASURY BILL YIELDS[1]

(End of Period)

		1-month	3-month	6-month
FY15/16	Sep-15	6.23	6.20	6.35
	Dec-15	5.97	5.96	6.04
	Mar-16	5.38	5.75	5.83
FY16/17	Jun-16	5.47	5.86	6.01
	Sept-16	5.84	5.86	5.81
	Dec-16	5.64	5.68	6.56
	Mar-17	6.10	6.13	6.32
FY17/18	Jun-17	...	5.77	6.13
	Sept-17	...	4.98	5.45
	Dec-17	...	4.18	4.63
	Mar-18	...	2.98	3.17
FY18/19	Jun-18	...	2.54	2.66
	Sep-18	...	1.71	1.87
	Dec-18	...	2.05	2.07
	Mar-19	...	2.19	2.17
FY19/20	Jun-19	...	1.95	1.84
	Sep-19	...	1.74	1.75
	Dec-19	...	1.32	1.60
	Mar-20	...	1.85	1.80
FY20/21	Jun-20	...	1.28	1.36
	Sep-20	...	1.14	1.33
	Dec-20	...	0.77	0.86
	Mar-21	...	1.23	1.52
FY21/22	Jun-21	...	1.05	1.27
	Sep-21	...	1.41	1.66
	Dec-21	...	4.09	4.33
	Mar-22	...	6.12	6.37
FY22/23	Jun-22	...	7.78	7.96
	Sep-22	...	7.57	7.96
	Dec-22	...	8.04	8.18
	Mar-23	...	8.21	8.31
FY23/24	Jun-23	...	7.86	7.89
	Sep-23	...	7.73	7.81
	Dec-23	...	8.10	8.46
	Mar-24	...	8.03	8.11

[1] The 270-day instrument was not issued in March 2023.

6: BANK OF JAMAICA OPEN MARKET INTEREST RATES
(End of Period)

		30 days
FY12/13	Sep-12	6.25
	Dec-12	6.25
	Mar-13	5.75
FY13/14	Jun-13	5.75
	Sep-13	5.75
	Dec-13	5.75
	Mar-14	5.75
FY14/15	Jun-14	5.75
	Sep-14	5.75
	Dec-14	5.75
	Mar-15	5.75
FY15/16	Jun-15	5.50
	Sep-15	5.25
	Dec-15	5.25
	Mar-16	5.25
FY16/17	Jun-16	5.00
	Sep-16	5.00
	Dec-16	5.00
	Mar-17	5.00
FY17/18	Jun-17	4.75
	Sep-17	4.09
	Dec-17	3.80
	Mar-18	2.68
FY18/19	Jun-18	2.31
	Sep-18	1.72
	Dec-18	2.10
	Mar-19	2.19
FY19/20	Jun-19	2.39
	Sep-19	1.48
	Dec-19	0.95
	Mar-20	2.77
FY20/21	Jun-20	0.58
	Sep-20	0.67
	Dec-20	0.55
	Mar-21	1.01
FY21/22	Jun-21	0.57
	Sep-21	1.97
	Dec-21	4.17
	Mar-22	6.50
FY22/23	Jun-22	7.32
	Sep-22	7.67
	Dec-22	9.07
	Mar-23	8.33
FY23/24	Jun-23	9.60
	Sep-23	9.42
	Dec-23	10.03
	Mar-24	10.92

7: Placements and Maturities* in BOJ OMO Instruments

	July – September 2023			October – December 2023			January – March 2024		
	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)
30-day CD	320.6	321.0	9.57	370.4	383.2	9.73	387.3	462.0	10.65
272-day VR CD	0	0		0	0		0	0	
365-day VR CD	0	0		0	0		0	0	
548-day VR CD	0	0		0	0		0	0	
729-day VR CD	0	0		0	0		0	0	
272-day FR CD	0	0		0	0		0	0	
365-day FR CD	0	0		0	0		0	0	
510-day FR CD	0	20		0	0		0	0	
730-day FR CD	0	0		0	25.0	8.95	8	25.0	9.41
911-day FR CD	15	0		0	0		0	0	
272-day FR USD IB	0	0		0	0		0	0	
365-day FR USD IB	0	0		0	0		0	0	
540-day FR USD IB	0	0		0	0		0	0	
730-day FR USD IB	0	0		0.0	0		0.0	0	
911-day FR USD IB	0	0		0	17	6.08	0	8	6.94
1095-day FR USD IB	0	0		22	0		4	0	
Repos	290.4	286.3		181.3	200.4		871.7	850.6	
	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)
1-year FR USD CD	0	0		0	0		0	0	
2-year FR USD CD	0	0		0	0		0	0	
3-year FR USD CD	0	0		0	0		0	0	
4-year FR USD CD	0	0		0	0		0	0	
5-year FR USD CD	0	0		0	0		0	0	
7-year FR USD CD	21.78	0		18.5	0		62.38	0	
TOTAL	21.78	0		18.5	0		62.38	0	

8: EXTERNAL TRADE – GOODS EXPORTS (f.o.b)
(Flows – US$MN)

	Bauxite	Alumina	Sugar	Bananas	Other Traditional	Non-Traditional	Other	Total Goods Exports
FY15/16	116.4	479.8	36.9	0.3	69.9	317.8	158.3	1178.7
Jun-15	32.0	143.8	23.6	0.1	21.9	80.4	45.2	347.0
Sep-15	33.8	114.5	13.1	0.1	19.2	71.0	31.9	283.6
Dec-15	23.9	116.4	0.2	0.1	13.4	84.2	38.8	277.0
Mar-16	26.6	105.1	0.0	0.1	15.4	82.2	42.3	271.1
FY16/17	80.5	472.3	17.7	0.4	76.9	407.3	191.0	1246.1
Jun-16	26.7	126.6	9.0	0.1	26.9	90.7	55.2	335.3
Sep-16	20.6	102.7	4.8	0.1	20.6	93.0	41.0	282.7
Dec-16	17.9	109.6	0.3	0.1	13.0	108.4	49.9	299.1
Mar-17	15.3	133.4	3.6	0.1	16.5	115.2	44.9	328.9
FY17/18	94.5	641.9	11.3	0.7	65.8	436.1	205.3	1455.6
Jun-17	19.7	128.4	8.8	0.1	18.7	108.8	56.3	340.8
Sep-17	19.4	142.5	1.7	0.1	18.9	95.8	43.8	322.3
Dec-17	29.4	148.2	0.3	0.1	15.1	119.1	46.6	358.8
Mar-18	25.9	222.9	0.5	0.3	13.2	112.3	58.6	433.7
FY18/19	94.7	1136.8	15.8	0.5	68.4	424.8	232.3	1973.2
Jun-18	25.3	300.8	3.9	0.1	19.5	99.0	58.9	507.5
Sep-18	23.2	328.5	11.3	0.1	21.3	100.6	52.5	537.4
Dec-18	25.9	270.0	0.3	0.1	14.0	112.6	59.4	482.3
Mar-19	20.3	237.5	0.4	0.1	13.5	112.6	61.5	445.9
FY19/20+	94.3	573.6	10.2	0.6	81.4	506.9	106.4	1373.4
Jun-19+	26.1	214.6	6.4	0.1	20.8	117.9	50.7	436.6
Sep-19+	22.5	169.4	3.0	0.1	24.0	120.2	46.8	386.0
Dec-19+	21.1	113.0	0.4	0.1	18.2	122.0	44.5	319.4
Mar-20+	18.7	104.3	0.4	0.2	24.6	159.8	44.4	346.6
FY20/21+	87.2	423.5	6.9	0.8	67.3	535.8	81.0	1201.6
Jun-20	27.3	94.0	6.0	0.2	19.3	106.4	7.0	260.2
Sep-20	20.4	108.1	0.0	0.2	31.6	117.4	25.0	302.7
Dec-20	22.2	119.4	0.0	0.2	19.6	128.2	26.1	315.7
Mar-21	17.3	102.1	0.8	0.2	16.9	164.0	51.7	353.1
FY21/22+	72.9	316.4	6.0	0.9	77.7	675.9	157.6	1307.4
Jun-21	17.3	125.4	5.4	0.2	23.8	186.9	49.2	408.3
Sep-21	17.1	117.8	0.1	0.3	19.3	170.2	23.7	348.4
Dec-21	20.1	42.4	0.5	0.2	15.0	138.7	34.6	251.0
Mar-22	18.5	30.8	0.1	0.3	19.5	180.1	50.2	299.0
FY22/23+	73.0	284.6	3.7	1.1	100.7	756.3	625.7	1845.0
Jun-22	20.2	50.1	3.3	0.3	23.8	208.4	91.6	398.0
Sep-22	17.6	33.6	0.1	0.3	24.2	177.1	155.0	408.0
Dec-22	20.2	109.6	0.1	0.2	23.0	182.9	237.3	573.0
Mar-23	15.0	91.3	0.1	0.3	29.7	187.9	141.8	466.0
Jun-23	20.7	131.4	0.1	0.3	32.0	148.7	130.1	463.0
Sep-23	16.8	134.6	3.8	0.3	30.9	173.2	85.7	445.0

+ Revised

9: BALANCE OF PAYMENTS QUARTERLY SUMMARY
(US$MN)

	Mar-21+	Jun-21+	Sep-21 +	Dec-21+	Mar-22+	Jun-22+	Sep-22+	Dec-22+	Mar-23+	Jun-23+	Sep-23+
1. Current Account	-43.1	216.1	78.3	-102.0	-293.2	13.7	-86.1	235.8	189.0	234.1	-94.2
A. Goods Balance	-640.8	-551.8	-547.4	-1041.8	-1126.3	-1189.6	-1291.9	-1000.2	-1094.9	-1044.8	-1202.1
Exports (f.o.b)	365.9	425.7	401.2	288.0	340.9	464.9	466.8	628.9	527.4	505.2	493.5
Imports (f.o.b)	1006.7	977.5	948.5	1329.9	1467.2	1654.5	1758.7	1629.1	1622.3	1550.0	1695.6
B. Services Balance	-60.6	-40.8	-182.4	61.0	259.2	416.9	320.1	309.0	589.1	451.1	320.6
Transportation	-307.1	-434.7	-591.4	-391.1	-322.3	-276.2	-311.5	-318.0	-304.7	-322.1	-360.4
Travel	254.9	457.5	542.7	650.8	722.0	862.3	848.7	893.8	1109.4	960.7	900.1
Other Services	-8.5	-63.6	-133.7	-198.7	-140.5	-169.3	-217.0	-266.8	-215.6	-187.5	-219.1
Goods & Services Balance	-701.4	-592.5	-729.8	-980.8	-867.2	-772.7	-971.8	-691.2	-505.8	-593.7	-881.5
C. Income	-158.2	-104.2	-121.3	-34.9	-225.5	-96.7	-52.1	27.5	-126.8	-38.0	-118.0
Compensation of employees	15.3	9.7	28.5	46.5	18.8	16.8	33.3	50.6	17.1	18.0	36.8
Investment Income	-173.5	-113.9	-149.9	-81.5	-244.3	-113.6	-85.3	-23.1	-143.9	-56.0	-154.8
D. Current Transfers	816.6	912.9	929.4	913.8	799.5	883.2	937.8	899.5	821.5	865.8	905.3
General Government	44.0	40.8	53.7	40.5	47.0	41.7	48.7	44.5	46.0	44.4	49.0
Other Sectors	772.5	872.0	875.7	873.3	752.5	841.5	889.1	855.1	775.6	821.4	856.4
2. Capital & Financial Account	423.4	276.7	-401.1	1216.8	1026.0	977.2	529.5	23.6	292.0	156.1	377.2
A. Capital Account	-8.6	-9.2	-5.8	-5.6	-9.2	-7.8	-6.7	-6.2	-9.4	-5.3	-3.2
Capital Transfers	-8.6	-9.2	-5.8	-5.6	-9.2	-7.8	-6.7	-6.2	-9.4	-5.3	-3.2
General Government	1.4	0.8	1.9	1.8	0.9	2.2	2.5	1.2	0.6	4.6	6.0
Other Sectors	-10.0	-9.9	-7.7	-7.3	-10.0	-9.9	-9.2	-7.3	-10.0	-9.9	-9.2
Acq/disp of non-produced non- fin assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial Account	432.0	285.8	-395.3	1222.3	1035.1	985.0	536.2	29.8	301.4	161.5	380.5
Direct Investment	22.3	36.7	118.4	86.9	44.5	64.7	100.1	49.1	124.2	110.0	93.2
Portfolio Investment	-268.8	-198.2	-311.8	320.2	-127.1	57.0	215.3	-93.7	-129.5	203.9	73.0
Other official investment	165.2	-58.6	-76.1	223.0	-11.7	96.0	16.9	74.6	-6.2	-104.5	-104.0
Other private Investment	377.7	217.6	96.1	552.5	434.8	186.5	120.5	167.4	315.3	19.6	47.0
Reserves	135.6	288.4	-222.0	39.7	694.5	580.8	83.4	-167.6	-2.3	-67.5	271.4
Errors & Omissions	-380.2	-492.8	322.9	-1114.8	-732.8	-990.9	-443.4	-259.4	-481.0	-390.2	-283.1

+ Revised

10: FOREIGN EXCHANGE SELLING RATES

(J$ per unit of foreign currency – end of period)

		US$	Can$	GBP £
FY13/14	Sep-13	103.6000	100.7100	167.1600
	Dec-13	106.3800	99.7200	175.8400
	Mar-14	109.5700	98.9300	181.7700
FY14/15	Jun-14	112.2022	103.1802	191.8988
	Sep-14	112.6662	101.0142	180.2393
	Dec-14	114.6607	97.6896	177.6759
	Mar-15	115.0435	90.6202	169.9738
FY15/16	Jun-15	116.9832	93.8399	183.7774
	Sep-15	119.0553	88.6177	180.1478
	Dec-15	120.4150	84.9062	177.1179
	Mar-16	122.0421	92.5223	173.4625
FY16/17	Jun-16	126.3835	97.8795	169.8517
	Sept-16	128.2704	97.3084	166.7776
	Dec-16	128.4404	95.8778	157.4208
	Mar-17	128.6672	97.1686	159.5670
FY17/18	Jun-17	128.6228	99.3865	166.5811
	Sep-17	129.9127	105.0988	173.8791
	Dec-17	125.0004	97.3947	167.0275
	Mar-18	125.9850	97.1994	178.1109
FY18/19	Jun-18	130.3918	100.0079	172.9757
	Sep-18	134.6486	103.7023	178.1844
	Dec-18	127.7162	91.5382	159.0355
	Mar-19	126.4666	95.8862	165.5342
FY19/20	Jun-19	131.0682	101.8648	168.0812
	Sep-19	135.1591	102.3052	166.1363
	Dec-19	132.5690	100.1539	171.6232
	Mar-20	135.3908	95.3267	169.1721
FY20/21	Jun-20	140.0111	105.1658	177.1609
	Sep-20	142.1048	107.7533	185.5508
	Dec-20	142.6493	111.4117	193.6657
	Mar-21	146.5813	120.1525	202.8338
FY21/22	Jun-21	148.5164	122.7285	207.0185
	Sep-21	147.2441	117.6625	202.9298
	Dec-21	155.0878	122.7604	210.1385
	Mar-22	153.7801	123.7584	202.6811
FY22/23	Jun-22	151.5580	118.7574	184.3548
	Sep-22	152.8195	112.9388	168.1380
	Dec-22	152.0521	108.4869	182.0905
	Mar-23	150.9129	113.4294	189.4821
FY23/24	Jun-23	154.6212	117.5245	197.2435
	Sep-23	155.4830	115.2425	190.4675
	Dec-23	154.9504	117.8987	197.4849
	Mar-24	154.6974	114.4878	196.1865

11: BANK OF JAMAICA: NET INTERNATIONAL RESERVES
(End-of-Point)

		(US$MN) Gross Foreign Assets	(US$MN) Gross Foreign Liabilities	(US$MN) International Reserves (Net)	Weeks of Imports Goods	Weeks of Imports Goods & Services
FY15/16	Jun-15	2,537.27	420.76	2,116.51	29.00	19.83
	Sep-15	2,890.45	448.57	2,441.88	32.34	22.39
	Dec-15	2,890.45	479.82	2,437.01	34.61	23.45
	Mar-16	2,894.31	478.77	2,415.53	34.38	23.30
FY16/17	Jun-16	2,819.90	554.77	2,265.13	32.66	19.36
	Sep-16	3,056.16	593.15	2,463.01	36.30	24.60
	Dec-16	3,291.47	-572.10	2,719.37	38.40	22.27
	Mar-17	3,323.89	-554.72	2,769.17	38.78	22.49
FY17/18	Jun-17	3,185.65	-568.84	2,616.81	35.44	20.54
	Sep-17	3,714.94	-577.80	3,137.14	40.87	23.70
	Dec-17	3,781.17	-572.88	3,208.29	38.83	22.78
	Mar-18	3,656.91	-582.35	3,074.57	35.83	21.29
FY18/19	Jun-18	3,687.40	-551.91	3,135.49	32.49	19.80
	Sep-18	3,568.84	-542.12	3,026.72	33.14	19.67
	Dec-18	3,532.04	-526.63	3005.41	32.80	19.47
	Mar-19	3,605.18	-520.35	3,084.83	35.54	20.50
FY19/20	Jun-19	3,537.33	-502.02	3,035.31	32.88	22.62
	Sep-19	3,581.92	-483.86	3,098.05	33.45	22.82
	Dec-19	3,631.09	-468.55	3,152.53	33.80	22.94
	Mar-20	3,688.45	-450.78	3,237.67	34.27	23.22
FY20/21	Jun-20	3,905.02	-955.76	2,949.26	56.33	38.15
	Sep-20	3,713.37	-965.88	2,747.49	53.56	36.28
	Dec-20	4,081.09	-954.95	3,126.13	53.95	38.81
	Mar-21	4,243.53	-924.20	3,319.32	53.65	38.71
FY21/22	Jun-21	4,285.89	-897.18	3,388.71	42.42	30.12
	Sep-21	4,834.98	-870.77	3964.22	46.62	33.27
	Dec-21	4833.40	-832.62	4000.77	54.33	33.51
	Mar-22	4323.66	-674.81	3675.85	46.80	29.60
FY22/23	Jun-22	4389.91	-585.17	3804.75	36.11	24.49
	Sep-22	4349.51	-542.21	3807.30	36.32	24.19
	Dec-22	4517.79	-541.54	3976.25	37.46	25.20
	Mar-23	4684.57	-532.21	4152.36	38.84	26.13
FY23/24	Jun-23	4786.72	-503.25	4283.47	38.75	26.46
	Sep-23	4846.60	-130.03	4716.57	37.40	25.59
	Dec-23	4858.54	-110.41	4748.14	34.90	23.94
	Mar-24	5231.75	-94.46	5137.29	39.40	26.40

12: VALUE ADDED BY INDUSTRY AT CONSTANT (2007) PRICES (% CHANGE)

Sep 2019 – Sep 2021– + (Seasonally Unadjusted)

(Percentage Change (%) Over the Corresponding Quarter of Previous Year)

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Total Value Added at Basic Prices	6.7	6.4	4.8	5.9	3.8	4.2	2.3	2.3	1.7
Agriculture, Forestry & Fishing	13.8	8.4	6.4	16.3	5.9	-7.1	-8.1	-10.0	2.6
Mining & Quarrying	-60.5	-60.0	-62.5	-27.6	99.0	114.1	164.2	103.1	21.5
Manufacturing	-2.2	4.5	5.7	9.4	5.4	3.7	3.1	2.1	0.3
Food, Beverages & Tobacco	2.2	6.8	10.3	12.7	2.8	7.2	4.6	0.9	5.4
Other Manufacturing	-7.3	1.3	-0.9	4.5	8.9	-1.2	0.7	4.0	-5.9
Construction	5.9	3.5	-5.2	-3.1	-4.8	-4.2	-0.7	0.7	-3.8
Electricity & Water	5.8	1.4	2.0	3.9	1.7	0.7	6.2	6.7	5.2
Wholesale & Retail Trade; Repairs; Installation of Machinery	10.6	8.8	7.6	5.3	1.3	2.8	-0.1	0.4	1.0
Hotels and Restaurants	79.5	107.1	56.0	35.3	21.6	29.7	7.8	8.4	8.3
Transport, Storage & Communication	10.1	8.8	5.6	5.9	5.9	7.1	5.6	5.9	2.1
Finance & Insurance Services	2.7	0.8	1.1	1.0	1.4	1.9	2.1	1.5	3.6
Real Estate & Business Services	2.1	1.1	2.1	3.3	0.6	2.3	1.8	0.9	1.3
Government Services	-0.1	0.4	0.4	0.1	-0.8	-0.3	-0.2	-0.9	-0.4
Other Services	10.4	12.1	9.8	13.0	10.4	12.6	2.2	5.8	1.1
Less Financial Intermediation Services Indirectly Measured (FISIM)	3.2	4.4	2.0	1.6	3.3	3.9	3.5	3.1	3.7

13: USD LONDON INTERBANK OFFER RATE-LIBOR (End- of-Period)

		1-month	3-month	6-month	12-month
FY13/14	Jun-13	0.1958	0.2731	0.4144	0.6902
	Sep-13	0.1789	0.2489	0.3685	0.6294
	Dec-13	0.1677	0.2461	0.3480	0.5831
	Mar-14	0.1520	0.2306	0.3289	0.5581
FY14/15	Jun-14	0.1552	0.2307	0.3268	0.5451
	Sep-14	0.1565	0.2351	0.3304	0.5786
	Dec-14	0.1713	0.2556	0.3628	0.6288
	Mar-15	0.1763	0.2708	0.4007	0.6942
FY15/16	Jun-15	0.1865	0.2832	0.4449	0.7715
	Sep-15	0.1930	0.325	0.534	0.8511
	Dec-15	0.4300	0.613	0.846	1.1780
	Mar-16	0.4370	0.6290	0.900	1.2100
FY16/17	Jun-16	0.4650	0.6540	0.9240	1.2300
	Sept-16	0.5311	0.8537	1.2397	1.5518
	Dec-16	0.7717	0.9979	1.3177	1.6857
	Mar-17	0.9828	1.1496	1.4232	1.8018
FY17/18	Jun-17	1.2239	1.2992	1.4477	1.7384
	Sep-17	1.2322	1.3339	1.5060	1.7823
	Dec-17	1.5640	1.6940	1.8370	2.1070
	Mar-18	1.8831	2.3118	2.4524	2.6626
FY18/19	Jun-18	2.0903	2.3358	2.5013	2.7641
	Sep-18	2.2606	2.3984	2.6039	2.9186
	Dec-18+	2.5027	2.8076	2.8756	3.0054
	Mar-19	2.4945	2.5998	2.6595	2.7106
FY19/20	Jun-19	2.3980	2.3199	2.2005	2.1781
	Sep-19	2.0156	2.0851	2.0556	2.0321
	Dec-19	1.7625	1.9083	1.9121	1.9962
	Mar-20	0.9930	1.4510	1.1750	0.9980
FY20/21	Jun-20	0.1623	0.3020	0.3693	0.5458
	Sep-20	0.1483	0.2339	0.2598	0.3601
	Dec-20	0.1439	0.2384	0.2576	0.3419
	Mar-21	0.1111	0.1943	0.2053	0.2831
FY21/22	Jun-21	0.1005	0.1458	0.1595	0.2463
	Sep-21	0.0803	0.1301	0.1585	0.2366
	Dec-21	0.1013	0.2091	0.3388	0.5831
	Mar-22	0.4520	0.9616	1.4699	2.1014
FY22/23	Jun-22	1.7867	2.2851	2.9351	3.6190
	Sep-22	3.1427	3.7547	4.2320	4.7806
	Dec-22	4.3916	4.7673	5.1389	5.4821
	Mar-23	4.8577	5.1927	5.3130	5.3053
FY23/24	Jun-23	5.2177	5.5454	5.7623	6.0414
	Sep-23	5.4335	5.6571	5.8955	6.0414
	Dec-23	5.4692	5.5930	5.5860	6.0414
	Mar-24	5.4432	5.5598	5.6461	6.0414

14: PRIME LENDING RATES (End-of-Period)

		EURO-ZONE	UNITED STATES			UNITED KINGDOM
		Repo rate	Fed Funds Rate	Discount Rate	Prime Rate	Repo rate
FY13/14	Sep-13	0.50	0 - 0.25	0.75	3.25	0.50
	Dec-13	0.25	0 - 0.25	0.75	3.25	0.50
	Mar-14	0.25	0 - 0.25	0.75	3.25	0.50
FY14/15	Jun-14	0.15	0 - 0.25	0.75	3.25	0.50
	Sep-14	0.05	0 - 0.25	0.75	3.25	0.50
	Dec-14	0.05	0 - 0.25	0.75	3.25	0.50
	Mar-15	0.05	0 - 0.25	0.75	3.25	0.50
FY15/16	Jun-15	0.05	0 - 0.25	0.75	3.25	0.50
	Sep-15	0.05	0 - 0.25	0.75	3.25	0.50
	Dec-15	0.05	0 - 0.50	1.00	3.50	0.50
	Mar-16	0.00	0 - 0.50	1.00	3.50	0.50
FY16/17	Jun-16	0.00	0 - 0.50	1.00	3.50	0.50
	Sept-16	0.00	0 – 0.50	1.00	3.50	0.25
	Dec-16	0.00	0 .50– 0.75	1.25	3.75	0.25
	Mar-17	0.00	0.75–1.00	1.50	4.00	0.25
FY17/18	Jun-17	0.00	1.00–1.25	1.75	4.25	0.25
	Sep-17	0.00	1.00–1.25	1.75	4.25	0.25
	Dec-17	0.00	1.25-1.50	2.00	4.50	0.50
	Mar-18	0.00	1.50-1.75	2.25	4.75	0.50
FY18/19	Jun-18	0.00	1.75-2.00	2.50	5.00	0.50
	Sep-18	0.00	2.00-2.25	2.75	5.25	0.75
	Dec-18	0.00	2.25–2.50	3.00	5.50	0.75
	Mar-19	0.00	2.25–2.50	3.00	5.50	0.75
FY19/20	Jun-19	0.00	2.25-2.50	3.00	5.50	0.75
	Sep-19	0.00	1.75-2.00	2.50	5.00	0.75
	Dec-19	0.00	1.5-1.75	2.25	4.75	0.75
	Mar-20	0.00	0-0.25	0.25	3.25	0.10
FY20/21	Jun-20	0.00	0.0-0.25	0.25	3.25	0.10
	Sep-20	0.00	0.0-0.25	0.25	3.25	0.10
	Dec-20	0.00	0.0-0.25	0.25	3.25	0.10
	Mar-21	0.00	0.0-0.25	0.25	3.25	0.10
FY21/22	Jun-21	0.00	0.0-0.25	0.25	3.25	0.10
	Sep-21	0.00	0.0-0.25	0.25	3.25	0.10
	Dec-21	0.00	0.0-0.25	0.25	3.25	0.25
	Mar-22	0.00	0.25-0.50	0.50	3.50	0.75
FY22/23	Jun-22	0.00	1.50-1.75	1.75	4.75	1.25
	Sep-22	1.25	3.00-3.25	3.25	6.25	2.25
	Dec-22	2.50	4.25-4.50	4.50	7.50	3.50
	Mar-23	3.50	4.75-5.00	5.00	8.00	4.25
FY23/24	Jun-23	4.00	5.00-5.25	5.25	8.25	5.00
	Sep-23	4.50	5.25-5.50	5.50	8.50	5.25
	Dec-23	4.50	5.25-5.50	5.50	8.50	5.25
	Mar-24	4.50	5.25-5.50	5.50	8.50	5.25

15: INTERNATIONAL EXCHANGE RATES

		Sterling vs. US$	Canadian $ vs. US$	Yen vs. US$	Euro vs. US$
FY14/15	Jun-14	0.5846	1.0676	101.2900	0.7305
	Sep-14	0.6168	1.1196	109.6491	0.7917
	Dec-14	0.6418	1.1614	119.8035	0.8264
	Mar-15	0.6737	1.2679	119.9472	0.9321
FY15/16	Jun-15	0.6737	1.2483	122.1001	0.8966
	Sep-15	0.6609	1.3394	119.6745	0.8943
	Dec-15	0.6786	1.3837	120.2501	0.9206
	Mar-16	0.6964	1.3004	112.5746	0.8787
FY16/17	Jun-16	0.7513	1.2925	103.1779	0.9004
	Sept-16	0.7709	1.3127	101.3377	0.8901
	Dec-16	0.8104	1.3439	117.0001	0.9508
	Mar-17	0.7968	1.3317	111.3958	0.9388
FY17/18	Jun-17	0.7677	1.2963	112.3469	0.8752
	Sep-17	0.7464	1.2470	112.5239	0.8465
	Dec-17	0.7400	1.2571	112.6888	0.8330
	Mar-18	0.7135	1.2895	106.2812	0.8114
FY18/19	Jun-18+	0.7572	1.3134	110.6929	0.8559
	Sep-18	0.7601	1.3043	111.8443	0.8559
	Dec-18	0.7841	1.3639	109.6131	0.8721
	Mar-19	0.7672	1.3349	110.8525	0.8914
FY19/20	Jun-19	0.7876	1.3094	107.8865	0.8793
	Sep-19	0.8161	1.3224	106.3943	0.9062
	Dec-19	0.7543	1.2990	108.6366	0.8918
	Mar-20	0.8052	1.4067	107.5384	0.9065
FY20/21	Jun-20	0.8064	1.3576	107.9331	0.8902
	Sep-20	0.7740	1.3321	105.4519	0.8532
	Dec-20	0.7315	1.2734	103.3165	0.8186
	Mar-21	0.7255	1.2561	110.7174	0.8525
FY21/22	Jun-21	0.7230	1.2398	111.1111	0.8429
	Sep-21	0.7422	1.2682	111.2718	0.8636
	Dec-21	0.7390	1.2639	115.1145	0.8795
	Mar-22	0.7612	1.2508	121.6989	0.9036
FY22/23	Jun-22	0.8212	1.2873	135.7405	0.9538
	Sep-22	0.8953	1.3829	144.7387	1.0202
	Dec-22	0.8276	1.3554	131.1132	0.9341
	Mar-23	0.8106	1.3517	132.8551	0.9226
FY23/24	Jun-23	0.7872	1.3242	144.3001	0.9167
	Sep-23	0.8197	1.3578	149.3652	0.9458
	Dec-23	0.7855	1.3243	141.0437	0.9059
	Mar-24	0.7922	1.3539	151.3546	0.9268

16: WORLD COMMODITY PRICES (Period Averages)

		CRUDE OIL PRICES		FOOD	
		North Sea Brent (US$/barrel – f.o.b.)	West Texas Intermediate (US$/barrel – f.o.b.)	Wheat (US$/mt, Average Winter)	Coffee (USc/kg, Arabica brand)
FY13/14	Jun-13	103.01	94.23	294.50	319.86
	Sep-13	110.10	105.83	281.76	298.23
	Dec-13	109.41	97.48	292.20	276.82
	Mar-14	107.88	98.67	280.67	382.67
FY14/15	Jun-14	109.78	102.98	292.86	467.06
	Sep-14	102.08	97.07	238.17	455.92
	Dec-14	76.01	73.16	248.61	464.59
	Mar-15	53.93	48.63	231.09	389.21
FY15/16	Jun-15	62.10	57.97	210.64	354.39
	Sep-15	50.03	51.52	189.86	336.22
	Dec-15	43.41	42.18	190.10	327.74
	Mar-16	34.36	33.45	190.23	330.86
FY16/17	Jun-16	45.95	45.50	183.79	346.71
	Sept-16	45.80	44.94	156.02	378.80
	Dec-16	50.08	49.29	156.18	385.71
	Mar-17	54.12	51.91	165.66	364.09
FY17/18	Jun-17	50.25	48.28	177.79	329.68
	Sep-17	51.74	48.20	183.94	327.83
	Dec-17	61.47	55.40	177.43	307.79
	Mar-18	66.95	62.87	190.71	301.42
FY18/19	Jun-18	74.49	67.88	210.30	296.87
	Sept-18	75.48	69.50	215.61	277.04
	Dec-18	67.37	58.81	211.01	295.09
	Mar-19	63.27	54.90	212.06	279.84
FY19/20	Jun-19	68.34	59.81	204.21	272.94
	Sept-19	61.86	56.45	195.06	287.03
	Dec-19	62.65	56.96	214.61	311.92
	Mar-20	50.53	46.17	227.33	312.86
FY20/21	Jun-20	31.43	27.85	209.22	327.55
	Sep-20*	42.72	40.93	221.73	350.23
	Dec-20*	44.52	42.66	259.70	337.70
	Mar-21*	60.57	57.85	279.58	358.41
FY21/22	Jun-21*	68.63	66.09	279.93	401.93
	Sep-21*	73.00	70.57	291.80	474.39
	Dec-21*	79.58	77.22	339.47	564.40
	Mar-22	98.96	94.29	391.38	594.78
FY22/23	Jun-22	112.75	108.53	453.79	587.64
	Sep-22	99.23	91.75	355.76	581.81
	Dec-22	88.37	82.59	366.17	487.94
	Mar-23	81.44	76.18	343.04	484.00
FY23/24	June-23	78.23	73.84	314.35	482.67
	Sep-23	86.75	82.10	281.20	414.28
	Dec-23	84.03	78.34	267.58	434.71
	Mar-24	83.15	76.99	259.96	456.03

*Revised

Glossary

Amortization: The repayment of a loan in installments over an agreed period of time.

Base Money: The sum of notes and coins held by the public and the cash reserves of commercial banks (including both their holding of cash and their deposits at the central bank). The monetary base is the operating target used in the BOJ monetary policy framework and can be controlled through open market operations. Changes in the monetary base emanate from sources within the net domestic assets (NDA) as well as the net international reserves (NIR).

Basis Point (bp): This is a unit of percentage measure which is equal to one hundredth of one percent (0.01% = 1bp). Basis points is commonly used when discussing interest rates and fixed income securities.

Bond Market: The domestic bond market primarily captures debt instruments offered by the Central Government to fund its budgetary needs.

Brexit: Brexit has become the abbreviated way of refering to the United Kingdon (UK) leaving the European Union (EU) it combines the words British and exit. The referndum where citizens of the UK voted to exit the EU took place on the June 23, 2016.

Cash Reserve Requirement: The requirement by law that a percentage of deposit liabilities of deposit-taking institutions must be held as interest free deposits at the Central Bank.

Core Inflation: Also called Underlying Inflation. It is that part of overall inflation that can be attributed to changes in base money. Central Banks typically try to control core inflation because there are some parts of inflation that are outside of their control. One example of this is the effect of changes in oil prices.

Credit: Loans extended by banks, building societies and other financial institutions.

Currency Issue: refers to Jamaican notes and coins in the hands of the public (currency in circulation) in addition to notes and coins held by financial institutions in their vaults (vault cash). Bank of Jamaica redeems (buys) or issues (sells) notes and coins to financial institutions when institutions have a demand for cash. The difference between currency issued and that which is redeemed during a period of time is referred to as net currency issue.

Exchange rate (nominal): The number of units of one currency offered in exchange for another. For example a Jamaica dollar/ United States dollar exchange rate of 'forty two dollars to one' indicates that forty-two Jamaican dollars are needed to obtain one United States dollar.

Exchange rate pass-through: The effect of exchange rate changes on one or more of the following: import and export prices, consumer prices, investments and trade volumes.

Export Price Index: The export price index (EPI) is a weighted index of the prices of goods and services sold by residents of a country to foreign buyers.

Foreign exchange cash demand/supply: The amount of foreign exchange purchased by market participants from the authorized dealers and cambios, while cash supply/inflows is the amount sold to the Bank of Jamaica, authorized dealers and cambios by market participants, private institutions and multilateral agencies.

Financial Programme: An integrated system of macroeconomic accounts and behavioural relationships defining the set of monetary, fiscal and exchange rate policy measures designed to achieve specified macroeconomic targets.

Financial Asset: An instrument issued by an institution (e.g. BOJ) that provides economic benefits, by (1) generating interest income or net profits and (2) acting as a store of value. These benefits are created through a formal/informal borrowing/lending relationship. Most common types of financial assets are money and credit.

Fiscal deficit: The excess of the Government's expenditure over its revenue for a given period of time.

Fiscal Year: The twelve months beginning in April. Thus fiscal year 2000/2001 refers to the period April 2000 to March 2001.

Government Securities: Debt instruments issued by the Ministry of Finance either to bridge timing gaps between revenue and expenditure or to cover any excess of expenditure over revenue. These securities include short-term instruments such as Treasury Bills and more long-term ones like Local Registered Stock, or Debentures.

Gross Domestic Product (GDP): This is the total value of all goods and services produced within an economy over a particular time period –either a year or three months.

Import Price Index: The import price index (IPI) is a weighted index of the prices of goods and services purchased by residents of a country from foreign sellers.

Inflation: refers to the change in the general price level. In Jamaica, this is defined as the change in the Consumer Price Index (CPI) calculated and published by the Statistical Institute of Jamaica.

Intermediate Target: An intermediate target of policy. e.g. the money supply or the exchange rate, has three main characteristics. It is not directly determined by the Central Bank, it responds, however, to a stimulus that the Central Bank can vary, and its behaviour should be closely related to the ultimate target-inflation.

Jamaica Central Securities Depository (JCSD): The Principal function of the JCSD is to provide for relatively risk-free settlement of share transactions. It accomplishes this by employing an electronic, book-entry system for registering changes of ownership of securities which eliminates the need for physical certificates. The JCSD also provides vaulting facilities for the safekeeping of certificates.

JSE Indices: The JSE Index comprises all Ordinary Companies on the Main Market. The JSE Combined Index comprises all Ordinary Companies on the Main Market and Junior Market. The JSE All Jamaican Composite Index comprises of only Jamaican Companies on the Main Market. The JSE Select Index comprises the JSE's 15 most liquid Securities on the Main Market. The JSE Cross Listed Index is comprised of only foreign companies on the Main Market. The Junior Index comprises all Ordinary Companies on the Junior Stock Market.

Liquid Asset: An asset is considered liquid if it can be easily and with little or no loss converted to cash. The liquid assets of commercial banks in Jamaica include notes and coins, short-term deposits at the Bank of Jamaica, GOJ Treasury Bills, Local Registered Stock maturing within 270 days and any GOJ security designated by the Ministry of Finance.

Money: Anything that is generally accepted in exchange for goods and services and for the payment of debt. (e.g. example, notes and coins.). Hence money is said to be a medium of exchange. Money also serves as a means of storing wealth as well as a standard of and unit of accounting for financial values and flows.

Money Multiplier: This defines the relationship between the monetary base (M0) and the money supply and is usually calculated as the ratio of M3 to M0. It measures the maximum amount of money that can be created by the banking system given the provision of an additional dollar to the system by the central bank. The money multiplier implies that when the central bank conducts monetary policy in such a way as to increase the monetary base, the overall expansion in the money supply is a multiple of this initial increase. This is also true if the central bank reduces the monetary base.

Money Supply: This is the stock of instruments or assets formally designated as money in a particular economy. There are alternative measures of money supply both within and between countries. In Jamaica, the measurements of money that are calculated and published are:

M1: Notes and coins in circulation + Demand Deposits
M2: M1+ Time and savings deposits
M3: M2 + Other Deposits.

A 'J' indicates that the components are Jamaican dollar liabilities only and an '*' indicates that the components also include foreign currency liabilities of the banking system.

Monetary Base: See Base Money

Monetary policy framework: This defines the transmission process through which policy actions taken by the Central Bank make an impact on the final target – inflation. The components of a monetary policy framework are policy instruments, operating targets, intermediate targets, and the ultimate goal/objective.

Monetary Policy Instruments: These are instruments used by the Central Bank to influence the money supply and credit. They include open market operations and the reserve requirement ratio.

Net Domestic Assets: The difference between the monetary base and the NIR. It is comprised of the Bank's net claims on the public sector, mainly Central Government, open market operations liabilities and net claims on commercial banks and other financial institutions.

Open Market Operations (OMO): Money market trading between the Bank of Jamaica and authorized dealers with the intention of influencing money and credit in the financial system. OMO involves outright sale or purchase of GOJ securities from the stock of securities held by BOJ, and/or repurchase and reverse repurchase transactions.

Operating Rate: The percentage of total production capacity of some entity, such as a country or a company that is being utilized at a given time.

Operating Target: An operating target of policy e.g. the monetary base and interest rates, is influenced directly by the Central Bank and is adjusted by the Bank in order to bring about the desired impact on its policy target.

Primary Dealer (PD): The set of intermediaries through which BOJ conducts open market operations. In developed country markets, PD's underwrite government issues as well as participate in block transactions with the central bank.

Public Sector Entities (PSE) Foreign Exchange Facility: A foreign exchange surrender facility for public sector entities which seeks to centralize foreign currency demand. Under this facility Commercial Banks, Authorized Dealers and Cambios agreed to surrender amounts in addition to the pre-existing requirements.

Quasi-Fiscal Costs: The cost to the central bank of sterilizing the liquidity effects of capital inflows.

Quasi-money: Savings Deposits plus Time Deposit.

Real Appreciation: An increase in the volume of foreign goods that can be bought with a unit of domestic currency; alternatively it is a decrease in the volume of domestic goods that can be purchased with a unit of foreign currency. Thus, a real appreciation makes exports less attractive and imports relatively cheaper. This may ensue from a nominal appreciation, which is the rise in the unit price of the currency, or a greater increase in domestic prices relative to foreign prices, or both.

Real Exchange Rate: The price of one country's currency in terms of another, adjusted for the inflation differential between the countries.

Real interest rate: This represents the rate of return on assets after accounting for the effects of inflation on the purchasing power of the return. It is calculated by adjusting the nominal interest rate by the inflation rate.

Repurchase Agreement (repo): The purchase of a security from a primary dealer who agrees to repurchase the same at a specified rate and an agreed future date.

Reserve Requirement: refers to the portion of deposit liabilities that financial institutions may not lend and have to retain either as liquid assets or on deposit at the Bank of Jamaica.

Reverse Repurchase Agreements: An agreement whereby the Central Bank sells a security that it owns and agrees to buy back same at a specified rate at an agreed future date.

Securities: Legal documents giving entitlement to property ownership, or claim on income e.g. bonds and stocks.

Signal Rate: Effective 1 July 2017, the Bank of Jamaica policy rate is the interest rate paid on overnight deposits held by deposit-taking iinstitutions ("DTIs") at Bank of Jamaica.

Special Drawing Right: The SDR is an interest-bearing international reserve asset created by the IMF to supplement the official reserves of member countries.

Statutory Cash Reserves: That portion of deposit liabilities of deposit-taking institution, which by a statutorily based stipulation, must be held as interest-free deposits at the Central Bank.

Sterilization: The use of open market operations to prevent intervention in the foreign exchange market from changing the monetary base. With sterilization, any purchase of foreign exchange is accompanied by an equal-value sale of domestic bonds and vice versa.

Time deposit: A bank account based on a contractual arrangement between the deposit taking institution and the depositor where both parties agree to a pre-determined interest rate and maturity date, on which deposits earn interest and premature withdrawals from which require advance notice.

Terms of Trade: An index of the ratio of export prices to the index of import prices. An improvement in the terms of trade follows if export prices rise more quickly than import prices.

Tourism Implicit Price Index: a measure of prices in the tourism industry as reflected by average daily expenditure per tourist.

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