

Bank of Jamaica

Quarterly Monetary Policy Report

AUGUST 2025 | VOLUME 26 | NO. 1



20
25



© 2025 Bank of Jamaica
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](https://twitter.com/CentralBankJA)
YouTube: [@CentralBankJamaica](https://www.youtube.com/CentralBankJamaica)
Facebook: www.facebook.com/CentralBankJA

ISSN 0799 1037

Printed in Jamaica

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.

This page was intentionally left blank

Overview

In the June 2025 quarter, the economic outlook continued to be clouded by uncertainties in the global environment. The US continues to reset its relationships with its trading partners and tighten its immigration policies. These developments may slow the pace of economic activity and could stimulate inflationary pressures in the US. In this context, the US Fed maintained its policy rate in July 2025 at the range of 4.25 to 4.50 per cent. With the expectation of a slowing in output, the Fed is expected to reduce interest rates towards the end of 2025 and thereafter continue to guide interest rates towards its neutral level.

Jamaica's annual inflation at June 2025 was 3.8 per cent, below the Bank's target range of 4.0 per cent to 6.0 per cent and lower than the outturn of 5.0 per cent at March 2025. The deceleration in inflation at June 2025 relative to March 2025 was broad based but primarily reflected lower agricultural inflation as well as lower energy-related inflation. The measure of core inflation that excludes the prices of agricultural food items, as well as fuel and transport prices from the annual change in the CPI (CPIAF), also decreased, albeit marginally to 4.3 per cent at June 2025 relative to 4.4 per cent at March 2025.

The Bank projects that the first-round impact of the increase in US tariffs on domestic inflation will be marginal. The marginally higher domestic prices from this impact peaks in the December 2025 quarter, and gradually moderates thereafter. Headline inflation is projected to average 4.7 per cent over the next eight quarters (September 2025 to June 2027 quarters), relative to 5.4 per cent over the previous eight quarters. The risks to the inflation forecast are skewed to the upside. Higher inflation could stem from a sharper-than-anticipated increase in the tariff faced by the US trading partners, resulting in higher imported inflation and inflation expectations. In addition, inflation could be higher than projected if there is a further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could, however, result from lower-than-projected international commodity prices as well as weaker demand conditions.

With regard to the domestic economy, remittance inflows for May 2025 continued to grow while tourism arrivals improved in the June 2025 quarter. In addition, there was an estimated increase in domestic crop production for the June 2025 quarter, consequent on favourable weather conditions. However, the production of bauxite and alumina declined in the June 2025 quarter due to ongoing challenges at the respective plants. In this regard, real GDP is estimated to have expanded within the range of 1.0 to 2.0 per cent in the June 2025 quarter, relative to the growth of 1.1 per cent recorded for the March 2025 quarter. The main industries that expanded were Accommodation & Food Service Activities, Transport & Storage and Agriculture, Forestry & Fishing as well as Manufacturing.

For FY2025/26, real GDP is projected to grow within the range of 1.0 to 3.0 per cent, reflecting a recovery over the adverse weather conditions in 2024. The estimated growth largely reflects recovery in Agriculture, Forestry & Fishing, Mining & Quarrying and Accommodation & Food Service Activities. For FY2026/27 and FY2027/28, real GDP is forecast to expand within the range of 1.0 to 2.0 per cent. The risks to the forecast for real GDP growth over the near-term are assessed to be on the downside, largely reflecting the possibility of weaker external demand.

The current account (CA) of the BOP for the June 2025 quarter is estimated to have moderated to a surplus of 0.3 per cent of GDP, relative to a surplus of 0.7 per cent for the June 2024 quarter. This estimated moderation largely reflects a deterioration in the merchandise trade deficit due to higher domestic demand and a moderation in the surplus on the services balance due to increases in freight costs.

The current account surplus is projected to fall to an average within the range of 0.5 to 1.5 per cent of GDP for FY2025/26 and FY2026/27, relative to 2.5 per cent of GDP in FY2024/25. The fall in the surplus for FY2025/26 largely reflects a deterioration in the merchandise trade deficit due to higher imports from growth in domestic

income/demand and a recovery of the construction and mining sectors. This is partly offset by lower fuel imports due to lower fuel prices.

For the June 2025 quarter, the Jamaican dollar depreciated by 1.3 per cent, relative to end-March 2025. The depreciation in the exchange rate during the June 2025 quarter was particularly noticeable in the months of April and May 2025, primarily due to the impact of continued global uncertainty, the movement of the rate through a psychological threshold and a narrowing of the gap between domestic market interest rates and those in external markets. These demand pressures were attenuated by sales of US\$345.0 million via the Bank of Jamaica Foreign Exchange Intervention Trading Tool (B-FXITT) for the June 2025 quarter, higher than the US\$230.0 million recorded in the March 2025 quarter.

The financial system continued to be stable. Deposit-taking institutions' (DTIs') risk-weighted Capital Adequacy Ratio (CAR) at end-June 2025 was 14.6 per cent, compared to 14.8 per cent at end-March 2025, remaining 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-June 2025. The quality of the DTIs' loan portfolio remained fairly stable with a ratio of non-performing loans (NPLs) to gross loans at June 2025 of 2.7 per cent, up marginally from 2.5 per cent at March 2025.

On 30 June 2025, the Bank, through its Monetary Policy Committee (MPC), determined that its policy stance continued to be appropriate to support inflation remaining within the target range over the next two years. This view was in the context of continued uncertainty around global trade policy and the path of interest rates in the major developed markets, as well as recent geopolitical developments that had shifted inflation risks to the upside. The Committee, therefore, unanimously agreed to (i) hold the policy rate (the rate offered to deposit-taking institutions (DTIs) on overnight placements with BOJ) at 5.75 per cent per annum and (ii) continue taking measures to preserve relative stability in the foreign exchange market.

The MPC reaffirmed its commitment to maintaining low and stable inflation and will deploy the tools necessary to preserve stability. To this end, the Committee will continue to monitor the incoming data and adjust its policy accordingly.

Contents

1.0	International Economy	1
	Trends in the Global Economy	2
	Trading Partners' Inflation	3
	Trends in Trading Partners' Exchange Rates	5
	Commodity Prices	6
	External Financial Markets	8
	Global Stock Market	8
	Box 1: Economic Growth in Selected Economies	4
2.0	Inflation	10
	Recent Developments and Near-term Outlook	10
	Inflation Outlook	11
	Inflation Risks	12
	Box 2: Businesses' Inflation Expectations Survey	13
3.0	Real Sector	15
	GDP Growth	15
	Aggregate Demand	16
	Real Sector Outlook	17
	Risks	17
4.0	Balance of Payments	18
	Recent Developments	18
5.0	Fiscal Accounts	20
	Recent Developments	20
6.0	Monetary Policy & Market Operations	21
	Monetary Policy	21
	Liquidity Conditions	21
7.0	Financial Markets	23
	Market Interest Rates	23
	Exchange Rate Developments	24
	Equities Market	24
8.0	Monetary Aggregates	27
	Money	27
	Private Sector Credit	28
	Monetary Projections	28
9.0	Conclusion	29

Additional Tables	30
Glossary	46
List of Boxes	50

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 International Economy

With continued ambiguity around the United States' tariff structure, global economic uncertainties persisted in the September 2025 quarter. The US has continued to reset its trading relationships, tighten its immigration policies as well as finalise a new fiscal package for FY2025/26. Based on the existing tariffs, the Bank estimates that the effective tariff rate for the US increased by 9.0 percentage points at September 2025 to 10.4 per cent relative to end-2024. This increase is estimated to materially add to inflation in the US.

The US economy grew on average by 1.2 per cent in the first half of 2025 amid a contraction in the March 2025 quarter and a rebound in the June 2025 quarter. The US labour market remained strong, albeit with nascent signs of weakening.

US economic growth is projected to slow to a range of 1.0 to 2.0 per cent in 2025 relative to 2.8 per cent in 2024. This outlook is supported by moderate domestic demand due to tariff-related price increases as well as uncertainty surrounding the evolving impact of US trade policies. For 2026, US growth is forecast to remain stable in a range of 1.0 to 2.0 per cent as inflation remains above the Fed's long-run target of 2.0 per cent. This outlook reflects an upward revision relative to the previous forecast due to a revised view about the start of monetary policy easing in 2025. The risks to US GDP growth are skewed to the downside. On the downside, trade disruptions could further retard growth prospects in the US. On the upside, stronger than projected consumption spending could support greater growth.

Oil prices declined in the June 2025 quarter and are projected to fall further for FY2025/26 and FY2026/27. LNG prices are however projected to increase, in FY2025/26 and FY2026/27, relative to the previous fiscal year. This outlook reflects increased demand for US exports as European LNG prices continue to be impacted by the war between Ukraine and Russia. Average grain prices for FY2025/26 and FY2026/27 are projected to decline relative to the previous year. The risks to the forecast for oil prices are skewed to the upside while risks to grains prices are skewed to the downside.

Inflation in the US accelerated by 0.3 pp to 2.7 per cent at June 2025 relative to March 2025. US inflation is projected to accelerate further in the September 2025 quarter and remain elevated until the June 2026 quarter due to the continued effects of the tariffs. Thereafter, inflation is projected to moderate gradually towards the US Federal Reserve's (Fed) inflation target. The projected average inflation rate for 2025 of 2.8 per cent is below the previous forecast of 3.3 per cent. The risk to US inflation is skewed to the upside amid continued uncertainty surrounding US trade policies.

The US Fed maintained its policy rate in the range of 4.25 – 4.50 per cent in July 2025. In the context of projected increases in the US unemployment rate, Bank of Jamaica anticipates that the Fed will begin to reduce rates in the December 2025 quarter.

Trends in the Global Economy

Policy announcements in the US continue to result in global economic uncertainty. With the existing tariffs, the Bank estimates that the effective tariff rate for the US increased by 9.0 percentage points to 10.4 per cent as at September 2025, relative to end-2024. The increase in the tariff rate, relative to December 2024 is estimated to add 0.90 percentage point to US annual inflation rate.

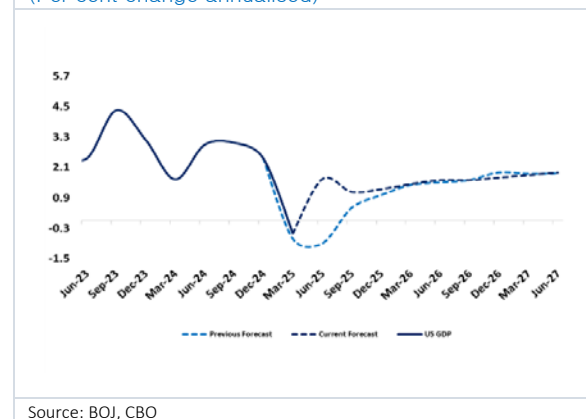
The US economy grew on average by 1.2 per cent in the first half of 2025 amid a contraction in the March 2025 quarter and a rebound in the June 2025 quarter. The weakness in the US economy in the first half of the year follows a decline in durable goods consumption in the March quarter amid adverse weather-related issues as well as an increase in imports amid the impact of the tariffs. However, consumption increased and imports normalised in the June 2025 quarter.

The Bureau of Economic Analysis' (BEA's) advance estimate indicates that US GDP for the June 2025 quarter increased on an annualized basis by 3.0 per cent, above the previous projection for a contraction (0.7 per cent) and above the contraction in growth for the March 2025 quarter (0.5 per cent). The increase for the quarter primarily reflected a fall in imports, as well as an increase in consumer spending.¹ This was partly offset by decreases in investment and exports.²

The Bank projects US GDP to grow by 1.0 to 2.0 per cent for 2025, lower than the growth of 2.8 per cent in 2024. The moderation in growth is supported by elevated interest rates and inflation as well as the continued uncertainty surrounding US trade policies. The forecast assumes that the US economy will expand by 0.5 to 1.5 per cent in the September 2025 quarter amid a continued normalisation in imports and an increase in consumption

expenditure. Growth in economic activity for 2026 is forecast to increase in the range of 1.0 to 2.0 per cent, relative to 2025.

Figure 1: Comparative US GDP Growth Forecast
(Per cent change annualised)



The projections for US GDP growth for 2025 and 2026 are higher than the previous projection (see **Figure 1**).³ The higher growth forecast is influenced by a revised view about the start of monetary policy easing in 2025 due to a revised outlook for the US unemployment rate.

Risks

The risk to US GDP is assessed to the downside. On the downside, trade disruptions could further retard growth prospects in the US. On the upside, stronger than projected consumption spending could support greater growth.

Labour Market

The US labour market remained strong, albeit with nascent signs of weakening. The unemployment rate of 4.1 per cent at June 2025 remained in line with the rate at December 2024. Notably total US employment increased by 1.7 million workers in

¹ The growth in consumer spending reflected increases in both the goods and services component, relative to the March 2025 quarter. In particular, the goods sub-component grew by 2.2 per cent relative to 0.1 per cent in the March 2025 quarter. The services sub-component increased by 1.1 per cent, relative to 0.6 per cent in the March 2025 quarter. Within goods, there were increases in both durable and nondurable goods. For services, the leading

contributors were health care, food services & accommodations, and financial services & insurance.

² The decline in investment was due to a fall in inventory levels of US\$26 billion as well as a contraction of 4.6 per cent in residential investment.

³ The previous projection assumed economic growth of 0.8 per cent and 1.1 per cent for 2025 and 2026, respectively.

June 2025 relative to December 2024. This was supported by an increase in non-farm payroll employment, which was due to an increase in state government and healthcare employment. Notably, employment in federal government continued to decline in the first half of the year due to efficiency measures under the Department of Government Efficiency (DOGE). US farm employment also moderated possibly reflecting the current immigration policies in the US. This outturn was 0.1 pp below both the Bank's projection and the Fed's estimate of the natural rate of unemployment. The US unemployment rate is projected to increase marginally through to September 2026, partly reflecting the impact of DOGE related federal worker terminations as well as increases in farm unemployment due to the US immigration policies.⁴ Further, muted growth in employment in 2025 and 2026 will weigh on hiring.

Monetary Policy

On 30 July 2025, the Federal Open Market Committee (FOMC) maintained its target range for the US Fed Funds rate in the range of 4.25 per cent – 4.50 per cent.⁵ The Fed is projected to reduce rates by 25 basis points in the December 2025 quarter and by 100 bps in 2026.⁶ Nominal interest rates in the US are projected to approach the long-run neutral level of 3.00 per cent by March 2027.⁷

Given the risks to the inflation outlook, the risks to the forecast for the Fed's policy rate are skewed to the upside.

⁴ Cumulatively from January 2025 to June 2025, federal government employment declined by 69,000. The severance period and deferred resignation scheme for federal workers affected by DOGE will expire on 30 September 2025.

⁵ The updated policy guidance at the July 2025 meeting states that "uncertainty about the economic outlook remains elevated". Further, despite the 3.0% increase in US GDP in Q2 2025, the statement noted that "recent indicators suggest that growth of economic activity moderated in the first half of the year", while "inflation remains somewhat elevated." The statement also reiterated that the "unemployment rate remains low, and labour market conditions remain solid".

⁶ The previous forecast project that the Fed would maintain rates for the remainder of 2025 and reduce rates by 100 basis points in 2026.

⁷ The Fed's long-run average neutral rate is 3.0 per cent as noted in their projection released on 18 June 2025.

Trading Partners' Inflation

The weighted average of the 12-month inflation rates for Jamaica's main trading partners' (TPs) at June 2025 is estimated at 2.4 per cent. This is above the outturn for May 2025 of 2.2 per cent but below the Bank's previous forecast of 3.1 per cent. For the US, inflation accelerated by 0.3 pp to 2.7 per cent at June 2025 relative to March 2025, due largely to an acceleration in prices for new vehicles, used cars & trucks and utilities. Notably, the Bank estimates that the higher tariffs contributed 0.1 pp to US inflation in June 2025. This was evident in price increases for goods such as apparel, household furnishing & supplies and recreation goods.⁸ Core inflation also accelerated by 0.1 pp to 2.9 per cent in June 2025 relative to March 2025. The personal consumption expenditures (PCE) price index for the US grew by 2.6 per cent on a year-on-year basis at June 2025, 0.2 pp higher than the rate at March 2025.⁹

Over the next eight quarters, the Bank projects the inflation rate of Jamaica's main trading partners (TP) to average 2.3 per cent relative to 2.7 for the previous eight quarters. TP inflation remains elevated through to the December 2025 quarter and thereafter moderates, amid a slowdown in oil and grains prices. The projected TP inflation rate is, on average, lower than previously anticipated due to lower inflation expectations (see **Figure 3**).¹⁰

Inflation in the US is projected to trend above 3.0 per cent until the June 2026 quarter, reflecting the effects of tariffs and moderate gradually thereafter towards the US Fed's inflation target.

⁸ The CPI index for all items less food and energy increased by 0.1 pp to 2.9 per cent over the last 12 months. Indexes that increased over the month include household furnishings and operations, medical care, recreation, apparel, and personal care. The food and shelter index increased by 3.0 per cent and 3.8 per cent, respectively over the last year.

⁹ On a monthly basis, headline PCE inflation and core PCE inflation increased by 0.3 per cent in June 2025. This is relative to respective increases of 0.2 per cent for both indicators in the previous month. Core PCE inflation remain relatively unchanged at 2.8 per cent on an annual basis in June 2025 relative to May 2025.

¹⁰ Prior, TP inflation was forecast to average 2.4 per cent over the ensuing eight quarters. In FY2025/26, TP inflation is projected at 2.4 per cent, lower than the previous forecast of 2.7 per cent. For FY2026/27, TP inflation is projected at 2.2 per cent.

Box 1: Economic Growth in Selected Economies***China***

The Chinese economy expanded by 4.9 per cent for the June 2025 quarter, higher than the growth of 4.7 per cent at the June 2024 quarter.¹¹

Economic activity in the June 2025 quarter was driven by an expansion in the trade surplus underpinned by an increase in export demand from trading partners outside of the US and a decline in imports in the quarter.¹² Further, consumer spending continues to benefit from previously imposed fiscal stimulus.¹³

GDP growth in China is projected to range between 4.0 per cent to 4.4 per cent over the next eight quarters. This forecast is marginally lower than the previous projection.

Japan

The Japanese economy is estimated to grow by 0.3 per cent for the June 2025 quarter, following a decline of 0.2 per cent in the March 2025 quarter. Growth in the June 2025 quarter emanated from a decline in imports, tempered by a decline in exports.¹⁴

For the next eight quarters, GDP growth in Japan is projected in the range of 0.3 per cent to 0.8 per cent, marginally below the previous projection.

Canada

The Canadian economy is estimated to contract by 0.5 per cent for the June 2025 quarter, relative to growth of 2.2 per cent in the March 2025 quarter. The decline over the quarter was primarily driven by a deterioration in the manufacturing sector, amid the adverse impact of US trade policies.¹²

For the next eight quarters, GDP growth in Canada is projected in the range 0.0 and 2.0 per cent.

Euro Area

The Euro Area is estimated to remain flat for the June 2025 quarter relative to an expansion of 2.5 per cent in the previous quarter. The slowdown in the June 2025 quarter occurred amid a decline in exports.

For the next eight quarters, GDP growth in the Euro Area is projected to average 1.3 per cent, which is marginally below the previous projection for an average growth of 1.4 per cent.

United Kingdom (UK)

Growth in the UK is estimated to have moderated by 0.8 per cent in the June 2025 quarter relative to an increase of 2.9 per cent in the March 2025 quarter. The June 2025 quarter benefitted from higher consumer spending which was partly offset by lower investment.

Growth in the UK economy over the next eight quarters is projected in the range of 0.8 per cent to 1.6 per cent

¹¹ Estimates for China growth represents year-over-year per cent change.

¹² In April 2025 and May 2025, exports increased by 8.1% and 4.8% respectively, relative to 12 months earlier, led by increased shipments to Southeast Asian, European Union and African countries. While imports decline by 0.2% and 3.4% for April and May 2025, respectively, relative to 12 months earlier, led by a decline in imports from the US amid the impact of tariffs.

¹³ China's retail sales increased by 5.1% and 6.4% for April and May 2025, respectively, relative to 12 months earlier. In March 2025, China announced the issuance of 1.3 trillion yuan (US\$179 billion) (up from \$1 trillion in 2024) in ultra-long special treasury bonds targeted at boosting consumption via subsidy programmes and plans to raise 500 billion yuan to re-capitalize major state banks.

¹⁴ On 04 June 2025, the US administration increased the tariff on steel and aluminium imports from 25% to 50%.

Without the effect of tariffs, inflation in the US would have averaged 2.3 per cent for the remainder of 2025 (see **Figure 5**). This is supported by moderating commodity prices, in particular oil and grains. With the tariff, average inflation is forecast at 3.0 per cent for the same period.

The projected average inflation rate for 2025 of 2.7 per cent is below the previous forecast of 3.3 per cent amid lower inflation expectations (see **Figure 4**).

Figure 3: Trade Weighted Trading Partners' Inflation
(Per cent quarterly YOY change)

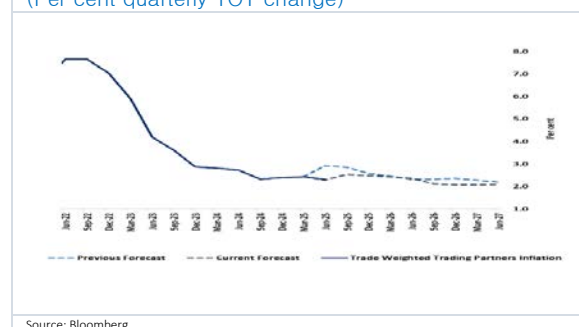


Figure 4: US Inflation
(Per cent quarterly YOY change)

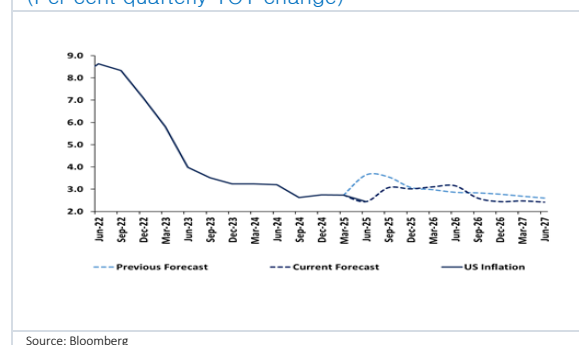
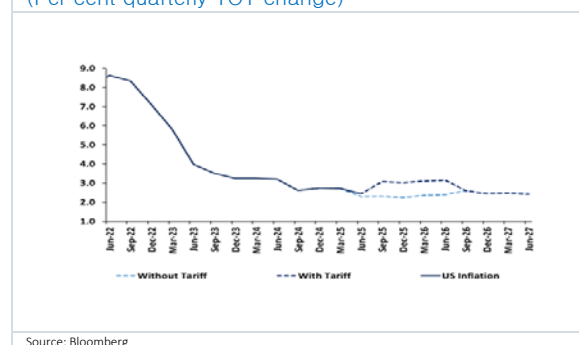


Figure 5: US Inflation – Tariff Impact
(Per cent quarterly YOY change)

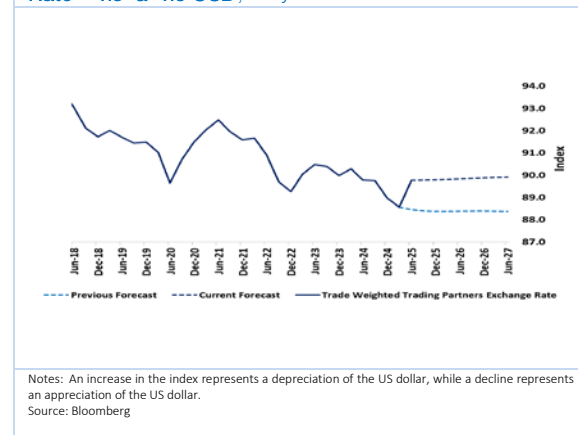


Trends in Trading Partners' Exchange Rates

During the June 2025 quarter, the US dollar depreciated against TP currencies, relative to the March 2025 quarter. The weakness in the US dollar for the quarter was supported by concerns about rising fiscal deficits supported by Moody's downgrade to the US credit rating. The weakness in the dollar was also supported by uncertainty arising from US trade tensions among its main trading partners.

Bank of Jamaica projects that, over the next eight quarters (September 2025 to June 2027), the US dollar, on average, will remain relatively unchanged against the currencies of Jamaica's major trading partners (see **Figure 6**). Notwithstanding, the US dollar will trend above the previous forecast, signalling a weaker dollar than previously anticipated. The US dollar will continue to be impacted by uncertainty surrounding the evolving impact of US trade and fiscal policies.

Figure 6: Trading Partners' Trade Weighted Exchange Rate – vis-à-vis USD, May 2013 = 100



Commodity Prices

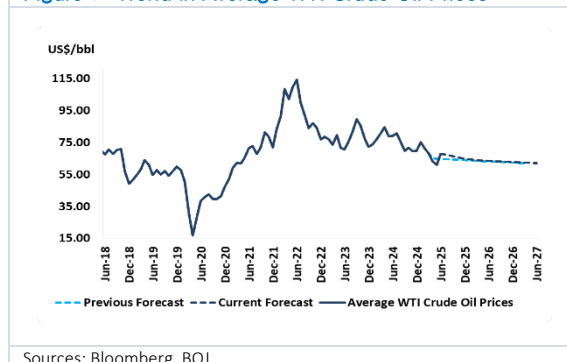
Oil prices declined by 10.5 per cent in the June 2025 quarter relative to the March 2025 quarter.¹⁵ ¹⁶ Downward price pressures largely emanated from an increase in OPEC+ production and concerns about global demand amid the imposition of trade barriers.¹⁷ On average, relative to the June 2024 quarter, crude oil prices declined by 20.7 per cent.

Oil prices are projected to average US\$63.78 per barrel (p/b) for the next eight quarters. The forecast trajectory reflects an average quarter-over-quarter decline of 0.3 per cent (see **Figure 7**). The projected decline over the next eight quarters reflects an increase in global production as OPEC+ and non-OPEC nations continue to increase production, the former strategy aimed at increasing market share.¹⁸ The forecast also reflects the impact of weak growth in global demand, relative to supply.

In this context, average oil prices are projected to decline by 12.6 per cent to US\$65.04 per barrel for FY2025/26, relative to FY2024/25. For FY2026/27, oil prices are forecast to decline by 3.2 per cent to average US\$62.98 per barrel, relative to the previous fiscal year.

Oil prices are projected to trend broadly in line with the previous forecast.

Figure 7: Trend in Average WTI Crude Oil Prices



For the June 2025 quarter, US LNG prices declined by 9.2 per cent, relative to the March 2025 quarter.¹⁹ This decline reflected an increase in US natural gas inventory due to maintenance outages at major export plants and weak demand from China.²⁰

For the September 2025 to June 2027 quarters, US LNG prices, on average, are projected to increase gradually (see **Figure 8**). Upward pressures on LNG prices over the near-term will generally reflect the impact of greater external demand from Europe due to the higher price in that market attributed to the conflict between Russia and Ukraine.^{21,22}

¹⁵ Notwithstanding, although prices declined in April and May 2025, prices increased in June 2025 amid concerns about global supply due to increased geopolitical conflict between Israel and Iran. Though prices increased for the month on average, the premium on prices caused by the escalation of the conflict subsided towards the end of the month amid a ceasefire deal that was agreed upon by both countries, on 24 June 2025.

¹⁶ In the previous projection, the Bank expected the daily average of West Texas Intermediate crude oil prices for the June 2025 quarter to decline by 9.4 per cent, relative to the March 2025 quarter.

¹⁷ Saudi Arabia, Russia, Iraq, the UAE, Kuwait, Kazakhstan, Algeria, and Oman agreed to a cumulative increase in oil production of 960,000 barrels per day throughout the quarter.

¹⁸ On 05 July 2025 OPEC announced plans to increase production by 548,000 b/d in August 2025. This supported a cumulative increase in production of 1.92 million b/d since the group began its increase in April 2025. According to the EIA, global oil inventories will increase by an average of 0.9 million b/d in the

second half of 2025. Oil inventories will accumulate at an average of 1.1 million b/d in 2026. The EIA notes that countries outside of OPEC+, including Canada, Brazil and Guyana will also help to drive production growth.

¹⁹ The previous projection assumed an increase of 1.5 per cent in prices for the June 2025 quarter.

²⁰ At the end of the June 2025 quarter, natural gas inventories were approximately 76% higher than at the end of the March 2025 quarter. On average US natural gas inventories increased by 5.4% in the June 2025 quarter relative to the March 2025 quarter.

²¹ On average, for the June 2025 quarter, the spread between the European LNG prices and US LNG prices was US\$8.38 per million BTU.

²² There is strong demand for US LNG in the international market due to its relatively cheaper price when compared to the price for European LNG. Consequently, it is anticipated that US LNG exports will rise as export capacity expands.

Figure 8: Trend in Average LNG Prices²³

The risks to the forecast for oil prices over the next eight quarters are skewed to the upside. Upside risks may emanate from the intensification of geopolitical conflict in the Middle East and Europe. Downside risks may emanate from higher than anticipated production from OPEC+.

The risks to the forecast for LNG prices over the next eight quarters are skewed to the upside. The upside risk emanates from the intensification of geopolitical conflict in the Middle East and Europe.

Average grains prices for the June 2025 quarter declined by 2.3 per cent, relative to the March 2025 quarter (a decline of 9.1 per cent on an annual basis).²⁴ The decline in the June 2025 quarter was associated with lower prices for wheat (6.2 per cent decline for the quarter, 10.0 per cent decline on an annual basis) and corn (4.3 per cent decline for the quarter, 5.7 per cent increase on an annual basis), partly offset by an increase in soybean prices (1.1 per cent increase for the quarter, 14.5 per cent decline on an annual basis). The decline in average grains prices over the quarter reflected a fall in demand for US grains, as well as a fall in oil prices, which reduced production cost.

²³ Forecast for LNG prices are from US Energy Information Administration (EIA) as at 03 July 2024.

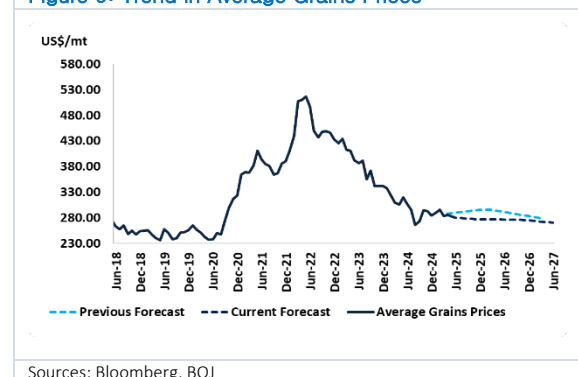
²⁴ The Bank previously projected an increase of 0.1 per cent for the June 2025 quarter, relative to the March 2025 quarter.

²⁵ The previous forecast assumed that on average grains prices would decline by 0.6 per cent over the September 2025 to June 2027 quarters.

²⁶ The Bank previously projected a decline of 2.4 per cent for the June 2025 quarter, relative to the March 2025 quarter.

The average price of grains is projected to decline at a quarter over quarter rate of 0.5 per cent over the next two years (September 2025 to June 2027) (see **Figure 9**).²⁵ The projection is supported by an anticipated increase in production and a decline in crude oil prices. Average grains prices are forecast to trend marginally lower than the previous projection supported by an increase in soybean and wheat inventories in 2025 and 2026. However, corn prices are expected to rise as inventories are projected to be lower over the period. The risks to the forecast for grains prices are balanced.

Figure 9: Trend in Average Grains Prices



Aluminium prices declined by 6.3 per cent for the June 2025 quarter, relative to the March 2025 quarter (a decline of 3.8 per cent on an annual basis).²⁶ The decline largely reflected the fall in oil prices, pessimism surrounding global demand and improved supply following an increase in China's aluminium output during the quarter.

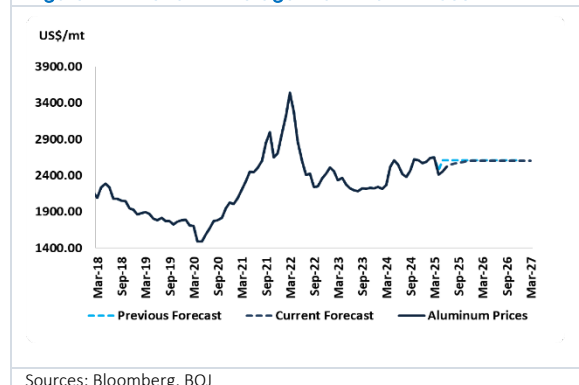
Aluminium prices are projected to increase, on average, over the next eight quarters (September 2025 to June 2027) (see **Figure 10**). Upward price pressures are projected to emanate from tighter inventories in the US amid the imposition of tariffs on US aluminium imports.²⁷ Further, weakness in the US dollar will support the increase in prices.²⁸

²⁷ US tariffs on aluminium imports raise costs and reduce supply to the US, causing elevated US domestic prices and premiums. This regional tightening creates a price gap that influences global LME aluminium pricing, often pushing LME prices higher indirectly through trade flow shifts and market premiums. Tariffs, by tightening US supply and raising US premiums, also create trading and arbitrage opportunities that can support LME price strength.

²⁸ Added supplies from China is not expected given that production is near its capacity.

The risks to the forecast for aluminium prices are assessed to the downside. Global trade barriers could lead to a weaker impact on demand than anticipated.

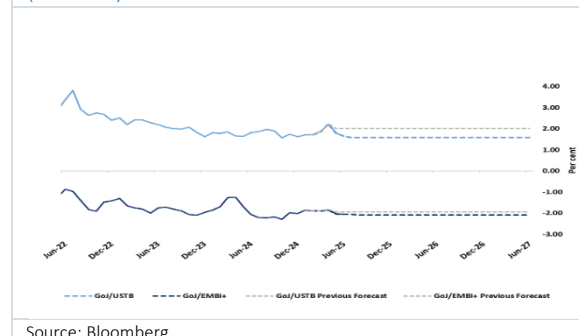
Figure 10: Trend in Average Aluminium Prices



External Financial Markets

The spread between GOJ and US sovereign bonds deteriorated in the June 2025 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 increased (deteriorated) by 20 bps to 1.9 pp, when compared to the same measure for the March quarter.^{29,30} The spread was projected to increase by 39 bps (see Figure 11).

Figure 11: Average International Bond Spreads (Per cent)

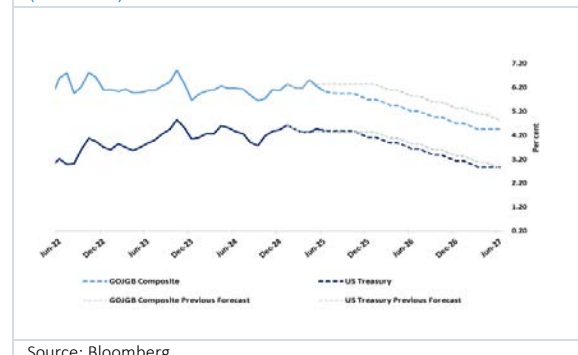


²⁹The increase in the spread between GOJ and US sovereign bonds occurred amid a decline in the yield on US treasuries and an increase in the yield on GOJGBs for the quarter. The decline in US treasuries occurred in June 2025 amid data showing signs of a slowdown in US economic activity, such as the downward revision to US GDP, an increase in jobless claims and weakness in home sales. Further, the escalation in the Israel–Iran conflict and fears of broader regional instability prompted a flight to safety. However,

For the June 2025 quarter, there were average increases of 8 bps and 14 bps on GOJGB yields and EMBI+, while the US treasury yields declined by 12 bps relative to the March 2025 quarter. The decline in US treasury yields largely occurred in the month of June and reflected increased demand for safe haven assets amid an escalation in geopolitics in the Middle East and a general expectation for Fed rate reductions amid economic data depicting weakness in demand. (see Figure 12).

Over the near-term, In the context of projected increases in the unemployment rate, interest rates in the US are projected to normalise towards the long-run neutral rate of 2.75 per cent to 3.00 per cent. The Bank projects that US Fed rates will continue to moderate through to March 2027.

Figure 12: Average International Bond Yields (Per cent)



Supported by the Fed's rate reductions, Jamaica's sovereign bond yields are also projected to moderate through to March 2027 and remain relatively stable thereafter.

Global Stock Market

The performances of selected global stock market indices during the June 2025 quarter were positive. Relative to the March 2025 quarter, the S&P 500,

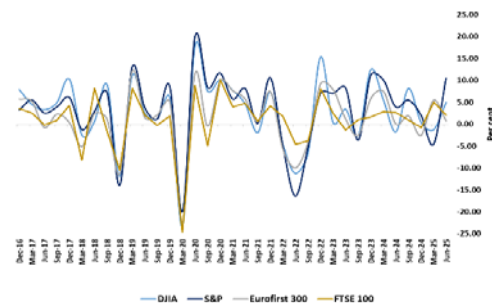
this decline was partly offset by an increase in May 2025 following the downgrade in US credit rating supported by concerns about an increase in the US federal deficit.

³⁰ The average of the daily spreads between the indicative yield on GOJGBs and the yield on the EMBI+ improved (declined) by 5 basis points (bps) when compared to the same measure for the March 2025 quarter. Relative to EMBI+, the spread was negative 198 pps, on average.

the Dow Jones Industrial Average, the Euro First and FTSE increased by 10.6 per cent, 5.0 per cent, 0.8 per cent and 2.1 per cent, respectively (see **Figure 13**).

The positive performance of selected US equity indices was mainly driven by easing global trade tensions following the postponement of higher tariffs on the US's major trading partners in April and May 2025 and the successful culmination of trade negotiations over the quarter.

Figure 13: Selected Stock Market Indices
(Quarter-over-Quarter Per cent)



Source: Bloomberg

2.0 Inflation

Jamaica's annual point-to-point headline inflation rate at June 2025 was 3.8 per cent, lower than the outturn of 5.0 per cent at March 2025. Similarly, core inflation (CPIAF) at June 2025 was lower, albeit marginally, relative to March 2025. The fall in headline inflation was broad based, but primarily reflected a slower pace of increase in agricultural food prices (particularly vegetable prices) in the context of favourable weather. Of note, the impact on energy-related inflation of a reduction in General Consumption Tax (GCT) rates on residential electricity consumption also contributed to the moderation. Inflation expectations remained generally stable over the year to June 2025.

The Bank projects that the first-round impact of the US tariff wall will be marginal. In this context, the average inflation rate over the next two years (September 2025 to June 2027) is projected to fall to 4.7 per cent, relative to 5.4 per cent over the previous eight quarters.

The projected reduction in average inflation occurs in a context of a projected deceleration in imported inflation (particularly grains and oil) and stable inflation expectations. Notably, agricultural prices are forecast to remain elevated over the next two years, reflecting the impact of climate change on domestic crop production. Core inflation is projected to decelerate to an average of 4.5 per cent over the near-term, compared with 4.8 per cent over the past two years.

The projected headline inflation rate for the next eight quarters is broadly in line when compared with the Bank's previous forecast.

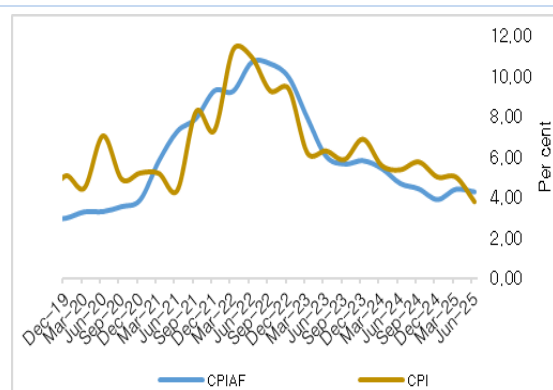
The risks to the inflation forecast are skewed to the upside. Higher inflation could stem from a sharper-than-anticipated increase in the tariff faced by the US trading partners, resulting in higher imported inflation and inflation expectations. In addition, inflation could be higher than projected if there is a further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could, however, result from lower-than-projected international commodity prices as well as weaker demand conditions.

Recent Developments and Near-term Outlook

The annual point-to-point inflation rate at June 2025 was 3.8 per cent, below the Bank's target range of 4.0 per cent to 6.0 per cent and lower than the outturn of 5.0 per cent at March 2025. The deceleration in inflation at June 2025 relative to March 2025 was broad based, but primarily reflected lower agricultural inflation as well as lower energy-related inflation. The former was due to improved domestic agricultural supplies following adverse weather conditions in 2024. The lower energy-related inflation was due to a reduction in

GCT rates on residential electricity consumption. In addition, transport-related inflation was lower due to the trend reduction in crude oil prices. The measure of core inflation that excludes the prices of agricultural food items, as well as fuel and transport prices from the annual change in the CPI (CPIAF), decreased, albeit marginally to 4.3 per cent at June 2025 relative to 4.4 per cent at March 2025 (see **Figure 14**).

Figure 14: Core Inflation and CPI
(Annual per cent change)



Source: STATIN & BOJ

Inflation Outlook

The Bank projects that the first-round impact of the increase in US tariffs will be marginal. The marginally higher domestic prices from this impact peaks in December 2025 quarter, and gradually moderates thereafter. Headline inflation is projected to average 4.7 per cent over the next eight quarters (September 2025 to June 2027 quarters), relative to 5.4 per cent over the previous eight. Similarly, CPIAF is projected to average 4.5 per cent over the period, lower when compared to the average of 4.8 per cent over the previous two years (see **Figure 15**).

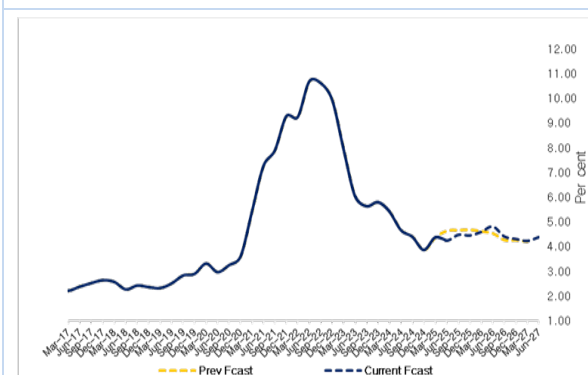
The reduction in average inflation occurs in a context of a projected deceleration in imported inflation (particularly grains and oil) and stable inflation expectations. Notably, agricultural inflation is forecast to remain elevated over the next two years, albeit marginally lower relative to the prior two years. This reflects the impact of climate change on domestic crop production. Core inflation is projected to decelerate to an average of 4.5 per cent over the near-term, compared with 4.8 per cent over the past two years.

The projected eight-quarter average inflation rate of 4.7 per cent is broadly in-line with the previous projection of 4.6 per cent.

The main factors underpinning the inflation forecast are as follows:

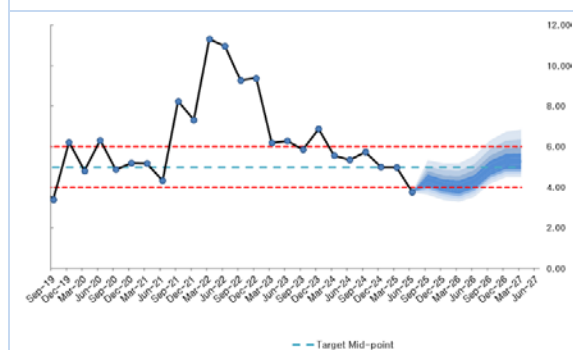
- (i) In the June 2025 Survey of Businesses' Inflation Expectations, respondents' expectations for inflation 12-month ahead decreased to 7.1 per cent from 7.2 per cent in the May 2025 survey (see **Box 1**). This outturn is consistent with the Bank's monetary policy posture as well as the projected reversal in agriculture prices and the trend reduction in inflation.
- (ii) The output gap for the Jamaican economy is projected to be positive in the September 2025 quarter and for the remainder of the near-term. Thereafter, the output gap is forecast to close by the June 2029 quarter, primarily reflecting expansionary fiscal conditions (see **Real Sector**).
- (iii) Demand conditions in the US (proxied by the output gap) is projected to grow slowly over the September and December 2025 quarters (see **International Economy**).
- (iv) Oil prices are projected to decline at an average quarter-over-quarter rate of 0.3 per cent. US LNG prices are however projected to gradually increase over the period (see **International Economy**).
- (v) Average freight prices increased by 42.7 per cent at June 2025 relative to a decline of 35.5 per cent at March 2025.

Figure 15: Comparative Core Inflation Forecasts (CPIAF)



Source: Bank of Jamaica

Figure 16: Inflation Fan Chart



Source: Bank of Jamaica

Inflation Risks

The risks to the inflation forecast are skewed to the upside (see **Figure 16**). Higher inflation could stem from a sharper-than-anticipated increase in the tariff faced by the trading partners of the US, resulting in higher imported inflation and inflation expectations. In addition, inflation could be higher than projected if there is a further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could, however, result from lower-than-projected international commodity prices as well as weaker demand conditions.

Box 1: Businesses' Inflation Expectations Survey – June 2025

Overview

The Bank's Survey of Businesses' Inflation Expectations (IES) at June 2025 indicated 12-month ahead inflation expectations of 7.1 per cent. Businesses' perception of inflation control decreased marginally relative to the previous survey. The majority of respondents continued to be unaware of the most recent annual point-to-point inflation rate.

Inflation Expectations

In the June 2025 survey, respondents' expectation of inflation 12-month ahead was 7.1 per cent relative to 7.2 per cent in the May 2025 survey. Businesses forecasted an annual point-to-point inflation rate for December 2025 of 6.3 per cent, which is higher than the annual point-to-point rate of 3.8 per cent at June 2025 (see **Figure 1**).

Perception of Inflation Control

The index of businesses' perception of inflation control decreased marginally when compared to the May 2025 survey (see **Figure 2**). This reflected an increase in the number of respondents who were "dissatisfied". This was coupled with a decline in the number of respondents who were "very satisfied".

Exchange Rate Expectations

In the June 2025 survey, respondents forecasted the exchange rate to depreciate over all three-time horizons at a faster pace 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. However, the proportion of respondents who were of this view decreased, relative to the previous survey. The 90-day Treasury bill (T-Bill) yield, 3-month ahead was forecasted to be 6.3 per cent, higher than the previous survey result of 6.2 per cent.

Table 1: Exchange Rate Expectations

Question: In April 2025, the exchange rate for the Jamaican Dollar (J\$) in respect of the United States Dollar (US\$) was \$158.77. What do you think the rate will be for the following periods?

Periods Ahead	Expected Exchange Rate Depreciation/Appreciation (%)			
	Jan-25	Mar-25	May-25	Jun-25
3-Months	-0.3	0.4	1.0	1.2
6-Months	0.0	0.7	1.4	1.9
12-Months	0.8	1.1	2.0	2.5

Source: Businesses' Inflation Expectations Survey.

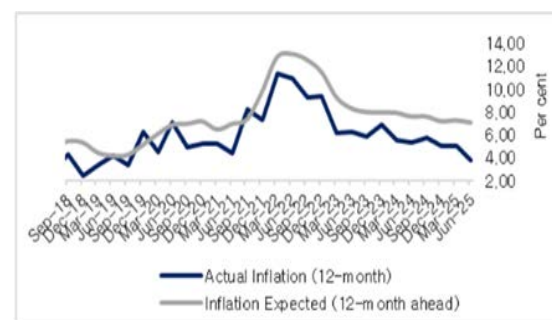
Note: The responses have been converted to percentage change.

(-) indicates an appreciation of the exchange rate

(+) indicates a depreciation of the exchange rate

Figure 1: Expected 12-Month Ahead Inflation

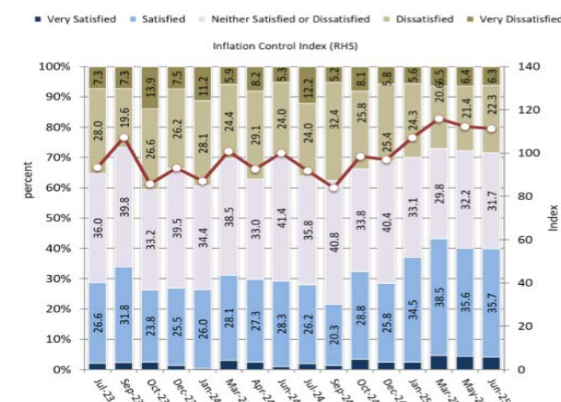
Question: If you expect inflation, what do you expect the rate of inflation to be at December 2025 and over the next 12 months?



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 aware of BOJ's inflation target (60 per cent). However, most respondents (51 per cent) indicated that they weren't aware of the point-to-point inflation rate at April 2025.

Figure 3: Inflation Target Awareness

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



3.0 Real Sector

High frequency indicators suggest that, so far, domestic economic conditions have remained broadly stable, despite US economic policy changes. Remittance inflows for May 2025 continued to grow while tourism arrivals improved in the June 2025 quarter. In addition, there was an estimated increase in domestic crop production for the June 2025 quarter, consequent on favourable weather conditions. However, the production of bauxite and alumina declined in the June 2025 quarter due to ongoing challenges at the plants. In this regard, real GDP is estimated to have expanded by 1.0 to 2.0 per cent in the June 2025 quarter.

For FY2025/26, real GDP is projected to increase in the range of 1.0 to 3.0 per cent, largely reflecting a recovery in economic activities in Agriculture, Forestry & Fishing, Mining & Quarrying, Construction and Accommodation & Food Service Activities following the impact of Hurricane Beryl. For FY2026/27 and FY2027/28, real GDP is forecast to expand by 1.0 to 2.0 per cent, respectively. The forecast growth for FY2026/27 largely reflects a normalization in economy activity. Over the medium-term (FY2027/28 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent.

The projected GDP growth over the near-term, on average is marginally higher relative to the previous forecast primarily reflecting greater external demand. Over the medium-term, the projected growth is unchanged relative to the Bank's previous projection.

The risks to the forecast for real GDP growth are skewed to the downside, reflecting the possibility of weaker external demand. Higher growth could, however, result from a higher than projected increase in manufacturing exports, given Jamaica's nearshore advantage amid the ongoing global trade tensions. In addition, mining exports could be higher due to greater demand from the plant's sole purchaser in the US, as the US Administration seeks to keep the Gramercy plant open in light of global trade tensions.

GDP Growth

High frequency indicators suggest that, so far, domestic economic conditions have remained broadly stable despite US economic policy changes. Remittance inflows for May 2025 continued to grow while tourism arrivals improved in the June 2025 quarter. In addition, there was an estimated increase in domestic crop production for the June 2025 quarter consequent on favourable weather conditions. However, the production of bauxite and alumina declined in the June 2025 quarter due to ongoing challenges at the respective plants.

In this regard, real GDP is estimated to have expanded by 1.0 to 2.0 per cent in the June 2025 quarter.

The Jamaican economy is estimated to have grown at a year-over-year rate of 1.0 to 2.0 per cent for the June 2025 quarter, relative to the growth of 1.1 per cent recorded for the March 2025 quarter. All industries are estimated to have grown during the quarter with the exception of *Mining & Quarrying*. The main industries that expanded were *Accommodation & Food Service Activities*, *Transport & Storage* and *Agriculture, Forestry & Fishing* as well as *Manufacturing*.

For *Agriculture, Forestry & Fishing*, the expansion was underpinned by an increase in agricultural crop production due to favourable weather conditions. However, the growth was tempered by ongoing challenges in egg farming and a slower recovery in bananas.

For *Accommodation & Food Service Activities*, the growth is underpinned by higher demand for tourism services as indicated by the growth in foreign national arrivals and average length of stay during the period (see **Figure 17**). The expansion in foreign national arrivals also buoyed the growth in the tourism related industries.

As it relates to *Transport & Storage*, the growth is predicated on higher traffic at the Island's airports partly offset by a reduction in domestic cargo movement.

For *Manufacturing*, the growth in the industry is predicated on an increase in the production of food, beverages and tobacco as well as refined petroleum products during the quarter. The latter increase is attributed to a normalization in output following the closure of the main refinery in April 2024 due to a fire at the facility.

Figure 17: Trends in Visitor Days (12-Month Percent Change)

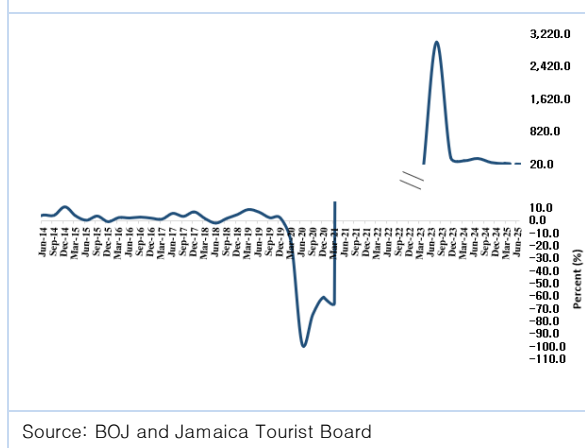


Table 1: Industry Contribution to Growth (June 2025 Quarter)

	Contribution*	Estimated Impact on Growth
GOODS	18.3	0.5 to 1.5
Agriculture, Forestry & Fishing	10.1	1.0 to 2.0
Mining & Quarrying	-5.1	-5.0 to -4.0
Manufacturing	8.9	1.0 to 2.0
Construction	4.3	0.5 to 1.5
SERVICES	81.7	1.0 to 2.0
Electricity, Water Supply & Waste Management	2.2	0.5 to 1.5
Wholesale & Retail Trade, Repairs & Installation	2.7	-0.5 to 1.0
Accommodation & Food Service Activities	13.8	3.0 to 4.0
Transport & Storage	11.6	2.5 to 3.5
Information & Communication	10.6	3.0 to 4.0
Financing & Insurance Services	9.1	1.0 to 2.0
Real Estate, Renting & Business Activities	11.6	1.0 to 2.0
Public Administration & Defense	7.6	1.0 to 2.0
Education, Health & Other Services	12.6	1.0 to 2.0

* 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 June 2025 quarter primarily reflects an expansion in investment, partly offset by a deterioration in net exports and a decline in consumption. The expansion in investment was largely inferred from an estimated increase in foreign direct investment flows as well as real government spending on infrastructure by public bodies. The deterioration in net exports reflected an increase in imports, due primarily to higher fuel volumes. The higher imports were exacerbated by lower exports, in particular alumina.¹ For consumption, the estimated contraction reflected moderation in consumer demand due to a fall in purchasing power.

¹ The decline in alumina reflected lower production at the refinery plants due to operational issues.

Outlook

Real GDP is projected to grow at an average rate of 1.6 per cent, over the September 2025 to June 2027 quarters. In this context, real GDP for FY2025/26 is projected to expand by 1.0 to 3.0 per cent and grow by 1.0 to 2.0 per cent in FY2026/27. The growth in FY2025/26 reflects a rebound in economic activities from the adverse impact of weather conditions in the previous fiscal year.

The strongest sectoral expansions over the period are anticipated for *Mining & Quarrying*, *Agriculture, Forestry & Fishing* and *Electricity, Water & Waste Management*. With regard to *Mining & Quarrying*, the expansion reflects increased capacity utilization at plants as previous operational challenges are resolved as well as increased production at the sole bauxite plant. The latter is anticipated given the expected re-start of shipments to the plant's sole refinery customer in the US.² The expansion in *Agriculture, Forestry & Fishing* is underpinned by full recovery of crop production from the adverse impact of weather conditions in 2024. The growth in *Electricity, Water & Waste Management* is predicated on growth in electricity consumption due to increased economic activity.

Real GDP growth over the near-term (September 2025 quarter to June 2027 quarter) is higher relative

to the previous forecast. This primarily reflects stronger growth in *Accommodation & Food Service Activities* as well as other tourism related industries. The higher growth was partly offset by a weaker growth in *Agriculture, Forestry & Fishing* due to a slower pace of recovery in bananas.

Over the medium-term (FY2027/28 – 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 flat 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, largely reflecting the possibility of weaker external demand. Higher growth could, however, result from a higher than projected increase in exports, given Jamaica's nearshore advantage amid the ongoing global trade tensions. In addition, mining exports could be higher due to greater demand from the plant's sole purchaser in the US, as the US Administration seeks to keep the Gramercy plant open in light of global trade tensions.

² The US Administration is attempting to keep the its Gramercy plant in Louisiana open to safe guard the US mineral needs on the heels of a tariff war with trading partners.

4.0 Balance of Payments

The current account (CA) of the BOP for the June 2025 quarter is estimated to have moderated to a surplus of 0.3 per cent of GDP, relative to a surplus of 0.7 per cent for the June 2024 quarter. This moderation largely reflects a deterioration in the merchandise trade deficit due to higher domestic demand and a fall in the surplus on the services account due to increases in freight costs.

The current account surplus is projected to fall to an average within the range of 0.5 to 1.5 per cent of GDP for FY2025/26 and FY2026/27 relative to 2.5 per cent of GDP in FY2024/25. The fall in the surplus for FY2025/26 largely reflects a deterioration in the merchandise trade deficit due to higher imports and a recovery of the construction and mining sectors. This is partly offset by lower fuel imports due to lower fuel prices.

Relative to the previous forecast, the CA surplus is, on average, higher (better), underpinned primarily by improvements in travel and remittance inflows. Consequently, the gross reserves are also projected to be higher than previously projected.

The risks to the external accounts are skewed to the downside. The main downside risks relate to lower remittance and travel inflows associated with lower growth in source market countries. In addition, net private capital flows could be lower than projected. On the upside, the current account surplus could be higher than projected due to greater manufactured and mining exports related to benefits from nearshoring that could arise in the context of the US trade policy stance.

Recent Developments

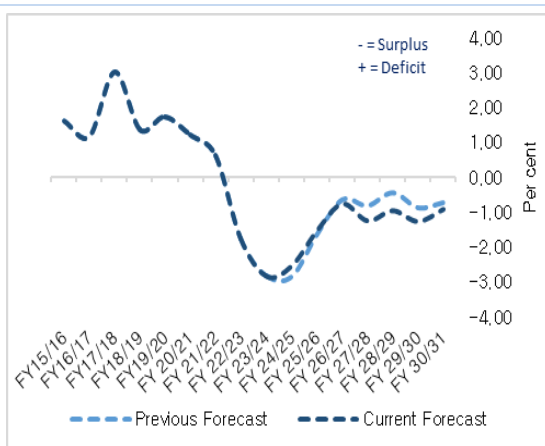
For the June 2025 quarter, the surplus on the current account (CA) of the BOP is estimated to have moderated to US\$77.4 million (0.3 per cent of GDP) when compared to the surplus of US\$148 million (0.7 per cent of GDP) for the June 2024 quarter. The fall in the CA surplus is underpinned by a deterioration in the merchandise trade deficit, a moderation in the surplus on the services balance, partially offset by improvements in the current transfers surplus and a lower deficit on the income sub-accounts. The merchandise trade balance deteriorated largely due to raw materials imports stemming from higher volumes. For the services balance, the moderation largely reflects an increase in transportation outflows due to higher freight costs. The improvement in current transfers is largely attributable to an increase in remittance inflows.

Relative to previous projections, the current account surplus for the June 2025 quarter is higher (better) by US\$37.6 million.

The current account (CA) is projected to be sustainable over the near and medium terms. For FY2025/26 to FY2026/27, the CA is projected to reflect an average surplus within the of 0.5 to 1.5 per cent of GDP, a moderation relative to the estimated surplus of 2.5 per cent of GDP for FY2024/25. The projection is marginally lower than the previous forecast.

Over the medium-term, the CA balance is projected to be higher relative to the previous forecast surplus. During FY2027/28 to FY2029/30, the CA balance is projected to range between a surplus of 0.5 to 1.5 per cent of GDP (see **Figure 18**).

Figure 18: Medium-Term CAD Forecast (% GDP)



Source: Bank of Jamaica

Figure 19: Current Account less FDI (% of GDP)



Source: Bank of Jamaica

The current account balance, after accounting for FDI-related imports, reflects an average surplus of 4.3 per cent of GDP over the period FY2025/26 to FY2027/28 (see **Figure 19**).

5.0 Fiscal Accounts

For the June 2025 quarter, Central Government operations recorded a fiscal deficit of 1.0 per cent of GDP (\$38.2 billion), relative to the deficit of 0.8 per cent of GDP (\$26.4 billion) for the June 2024 quarter. The outturn for the review period reflected higher expenditure as well as lower revenue & grants (in particular tax revenues) relative to the corresponding period of 2024. The higher expenditure was reflected mainly in compensation of employees and programmes.

Recent Developments

For the June 2025 quarter, Central Government operations recorded a fiscal deficit of 1.0 per cent of GDP (\$38.2 billion), relative to the deficit of 0.8 per cent of GDP (\$26.4 billion) for the June 2024 quarter. The outturn for the review period reflected higher expenditure as well as lower revenue & grants (in particular tax revenues) relative to the corresponding period of 2024.

The higher expenditure for the review period, relative to the June 2024 quarter, was largely reflected in programmes and compensation of employees. The latter increase was due to the payment of incentive awards (via increment payments) earned by staff that were delayed while the Government conducted the public sector compensation review over the period FY 2022/23 to FY2024/25 (see **Table 2**).

The lower Revenue & Grants for the June 2025 quarter was mainly reflected in the Income & Profit category.

The financing requirement for Central Government for the June 2025 quarter was \$103.0 billion (2.8 per cent of GDP) reflecting the fiscal deficit of \$40.6 billion (1.1 per cent of GDP) and amortisation of \$62.4 billion (1.7 per cent of GDP).

Financing during the quarter was sourced from domestic and external sources amounting to \$52.6 billion (1.4 per cent of GDP) and \$3.2 billion (0.1 per cent of GDP), respectively. External loan receipts amounted to US\$20.0 million (0.1 per cent of GDP) reflecting loans from multilateral agencies.

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

	Quarter		
	Jun-25	Jun-24	Diff
Revenue & Grants	6.2	6.4	(0.2)
o/w Tax Revenue	5.7	6.0	(0.3)
Non- Tax Revenue	0.5	0.4	0.1
Grants	0.0	0.0	(0.0)
Expenditure	7.2	7.2	0.0
Programmes	2.6	2.5	0.1
Compensation of Employees	3.4	3.2	0.3
Interest Payment	1.0	1.1	(0.1)
Capital Expenditure	0.2	0.4	(0.2)
Fiscal Surplus/Deficit	(1.0)	(0.8)	(0.3)
Primary Balance	(0.0)	0.4	(0.4)
Current Balance	1.0	(0.4)	1.4
Total Financing	1.5	0.7	0.8
External Loans	0.1	0.1	(0.1)
Domestic Loans	1.4	0.6	0.8
Other Inflows	0.0	0.1	(0.1)
Other Outflows	0.0	0.0	0.0
Amortisation	1.7	0.9	0.8
External	0.5	0.6	(0.0)
Domestic	1.1	0.3	0.8
Overall Balance	(1.2)	(0.8)	(0.3)

Source: Ministry of Finance & the Public Service

Amortisation for the June 2025 quarter primarily reflected domestic amortisation, which included the maturity of Fixed Rate Benchmark Investment Note due 2025 of \$37.9 billion (1.0 per cent of GDP) and Treasury bill maturities of \$4.9 billion (0.1 per cent of GDP). External amortisation consisted of US\$114.5 million (0.5 per cent of GDP) and US\$2.7 million (0.0 per cent of GDP) to multilateral and bilateral lending agencies. Against this background, there was a draw-down of \$45.8 billion (1.2 per cent of GDP) in Central Government bank balances.

6.0 Monetary Policy & Market Operations

Bank of Jamaica reduced its signal rate by 25 basis points to 5.75 per cent during the June 2025 quarter. 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 deviation from the inflation target.

Jamaica Dollar liquidity marginally increased during the June 2025 quarter, relative to the preceding quarter, reflecting a net injection through BOJ operations, partly offset by a net absorption from GOJ operations.

Monetary Policy

Bank of Jamaica reduced its signal rate by 25 basis points to 5.75 per cent during the June 2025 quarter. 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 deviation of inflation from the target.

yield on the 14-day repos decreased by 162 bps to 6.02 per cent for the review quarter.

Liquidity Conditions

Liquidity marginally increased during the June 2025 quarter, relative to the March 2025 quarter. Deposit-taking institutions (DTIs) and primary dealers maintained average current account balances of \$65.8 billion at Bank of Jamaica for the June 2025 quarter, relative to the average balances of \$63.5 billion held at the preceding quarter. The higher liquidity level reflected net injection of \$61.3 billion from BOJ operations emanating mainly from net foreign currency purchases and net open market operations. This was partly offset by net absorption from GOJ operations of \$59.0 billion (see **Table 3**).

Bank of Jamaica conducted 13 auctions of 30-day CDs during the review quarter. The average offer size during the quarter was \$28.5 billion, same as the average for the March 2025 quarter. However, the average yield on the 30-day CDs for the review quarter decreased by 28 bps to 5.75 per cent, reflective of slightly looser liquidity conditions, on average.

Bank of Jamaica conducted thirteen 14-day repo auctions during the review quarter for the provision of Jamaica Dollar liquidity to DTIs. Of the 13 auctions, there were allocations at 11 with an average allocated size of \$0.92 billion. The average

Table 3: BOJ Liquidity Facility (J\$ Billions)

BOJ Liquidity Flow (J\$ Billions)	Actual	Actual	Projected Average	Actual Average	Variance
	Dec-24	Mar-25	Jun-25	Jun-25	Jun-25 to Mar-25
Net BOJ Operations (Inject/Absorb)	-11.9	50.1	69.9	61.3	11.1
Open Market Operations	-27.7	11.1	16.8	8.7	-2.4
BOJ Repo – (incl. OTROs)	-0.4	1.9	0.1	0.1	-1.8
FR CDs – (incl. 30day CDs)	-15.8	12.4	16.3	9.3	-3.1
VR CDs	0.0	0.0	0.0	0.0	0.0
USD Indexed Notes	-11.5	-3.2	0.4	-0.6	2.5
BOJ FX (incl. PSE)	18.7	46.6	58.1	56.2	9.6
BOJ Other	-2.9	-7.6	-5.0	-3.6	4.0
o.w. Currency Issue	-7.5	-9.2	1.6	2.9	12.0
o.w. Cash Reserve (Com Banks)	-2.1	-1.7	-1.8	-2.2	-0.5
o.w. GOJ Securities	0.0	0.0	0.0	0.0	0.0
o.w. other	6.6	3.2	-4.9	-4.4	-7.6
GOJ Operations	9.6	-39.9	-59.6	-59.0	-19.1
Current A/C (+) = Loosen; (-) = Tighten	-2.4	10.2	10.3	2.2	-7.9
Current A/C Balance	53.4	63.5	73.8	65.8	2.2

Notes: (+) = Inject; (-) = Absorb

Source: Bank of Jamaica

In the context of intermittent instability in the foreign exchange market during the June 2025 quarter, BOJ sold US\$345.0 million to the market via its B-FXITT facility. The intervention sales occurred in all three

months of the quarter. Notwithstanding the gross sales, the Bank net purchased US\$200.6 million during the June 2025 quarter.

7.0 Financial Markets

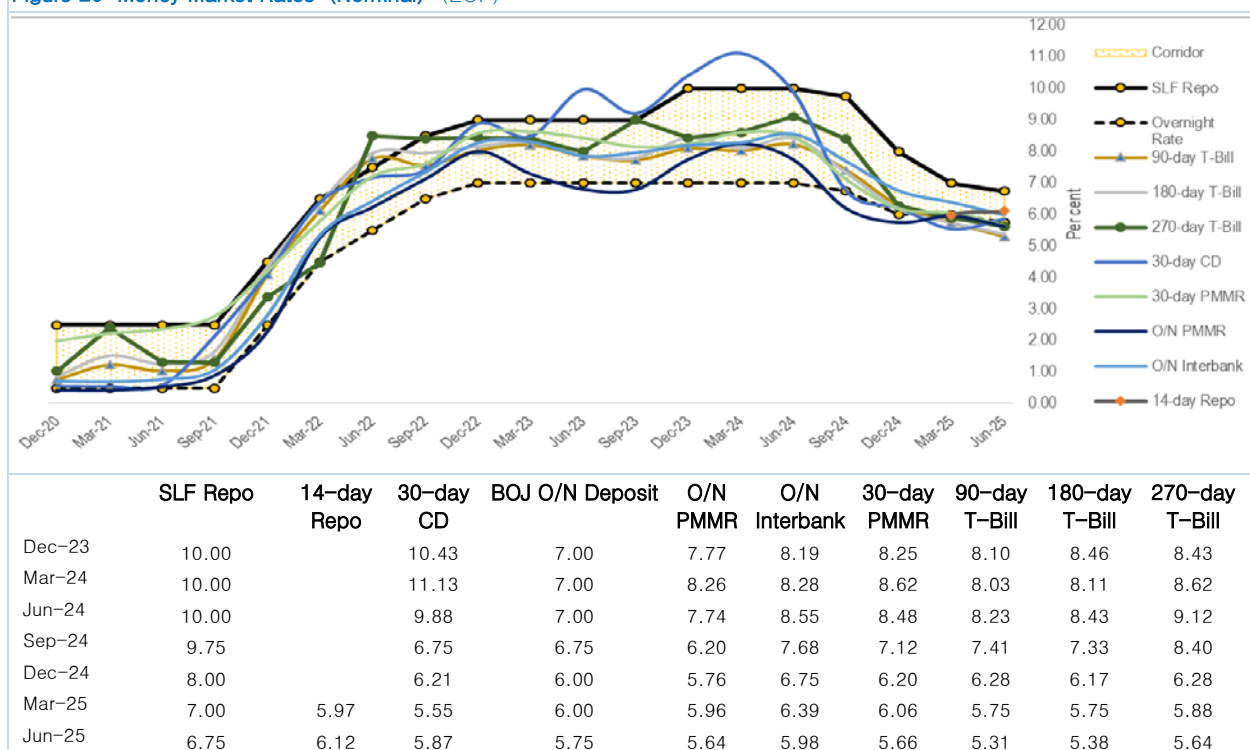
Yields on GOJ Treasury bills and private money market rate declined during the June 2025 quarter. The estimated yield curve on GOJ JMD bonds at end-June 2025 increased at the shorter end and declined at the longer end of the entire curve, relative to the yield curve at end-March 2025. Estimated exchange risk increased while sovereign risk declined for the June 2025 quarter.

Market Interest Rates

Money market rates declined during the June 2025 quarter. When compared to the rates at end-March 2025, O/N interbank private money market rate (PMMR), 30-day PMMR, and O/N PMMR were lower by 41 bps, 40 bps and 32 bps, respectively, while

the 30-day CD rate and 14-day repo rate increased by 32 bps and 15 bps, respectively (see **Figure 20**). The yields also declined on the GOJ Treasury bills.¹ The general decline in the market rates was influenced by increased liquidity conditions.²

Figure 20: Money Market Rates (Nominal)³ (EOP)



Source: Bank of Jamaica

¹ At end-June 2025, the yields on GOJ 90-day, 180-day and 270-day Treasury bills were lower by 44 bps, 37 bps and 24 bps, respectively, relative to the same yields at end-March 2025.

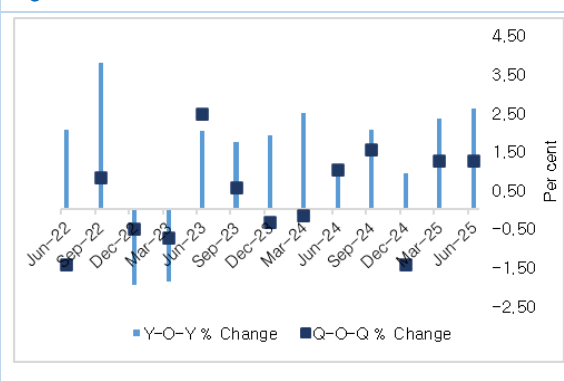
² The increase in the 30-day CD rate and 14-day repo rate occurred in a context of efforts by market participants to manage JMD liquidity to facilitate end-of-period tax payments, and the auctioning of BOJ 4.25% USD Index Note 2029A.

³ 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 depreciated during the June 2025 quarter. The weighted average selling rate (WASR) of the Jamaica Dollar vis-à-vis the US dollar closed the June 2025 quarter at J\$160.36 = US\$1.00, reflecting a depreciation of 1.3 per cent, relative to end-March 2025 and a depreciation of 2.6 per cent, relative to end-June 2024.⁴

Figure 21: Movements in WASR



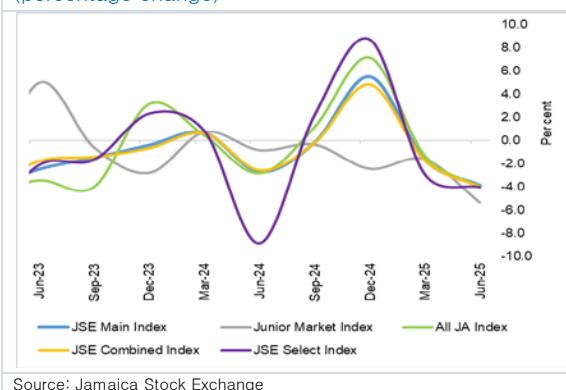
The depreciation in the exchange rate during the review quarter was particularly noticeable in the months of April and May 2025. This was underpinned by continued global uncertainty, the movement of the rate through a psychological threshold and a narrowing of the gap between domestic market interest rates and those in external markets. These demand pressures were attenuated by B-FXITT sales of US\$345.0 million for the quarter.

Equities Market

The domestic equities market contracted during the June 2025 quarter relative to the March 2025 quarter, the 2nd consecutive quarterly decline. The fall in the major Jamaica Stock Exchange indices

ranged between 1.8 per cent and 5.4 per cent relative to a range of 1.3 per cent and 2.9 per cent for the March 2025 quarter. More specifically, the JSE Main Index and JSE Combined Index declined by 3.9 per cent and 4.0 per cent, respectively, for the June 2025 quarter, compared to declines of 1.7 per cent for both indices in the March 2025 quarter (see **Figure 22**).⁵ The Junior Market index, which measures the performance of smaller emerging companies, declined by 5.4 per cent for the review period, following a contraction of 1.6 per cent in the previous quarter.

Figure 22: Quarterly growth rates of the JSE indices (percentage change)



Source: Jamaica Stock Exchange

The annual point-to-point performance of the stock market for the year ended June 2025 also showed declines across most major indices with the exception of the JSE All Jamaican Composite Index and the JSE Select Index. Notably, the JSE Main and Junior Market Indices fell by 0.5 per cent and 9.5 per cent, respectively, compared to declines of 3.9 per cent and 3.5 per cent for the same period in 2024.⁶

The subdued performance of the equities market continues to reflect shifting investor preferences, driven by continued global economic uncertainty.⁷

⁴ The average WASR for the June 2025 quarter was J\$159.67 = US\$1.00, reflecting an average depreciation of 1.2 per cent, relative to the March 2025 quarter and an average depreciation of 2.0 per cent relative to the June 2024 quarter.

⁵ For the June 2025 quarter, the JSE Select Index and the JSE All Jamaican Composite both recorded declines of 4.0 per cent while the JSE Cross Listed Index recorded a decline of 1.8 per cent.

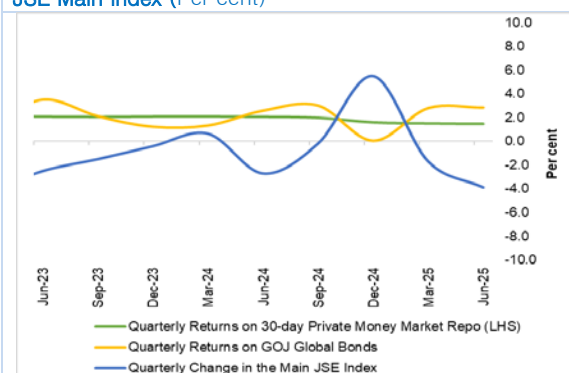
⁶ The JSE Cross Listed Index and the JSE Combined Index recorded declines of 11.0 per cent and 1.3 per cent for the year ended-June 2025, respectively, compared to declines of 13.0 per cent and 4.0 per cent for the year ended-June 2024. Meanwhile,

the JSE All Jamaican Composite and Select Indices grew by 2.7 and 3.5 per cent for the year ended June 2025, respectively compared to declines of 3.4 and 7.6 for the year-ended June 2024.

⁷ During the review period, international markets experienced heightened volatility, driven by geopolitical tensions in Eastern Europe and the Middle East, as well as ongoing trade disputes. The latter was intensified by the announcement of new U.S. tariffs and subsequent retaliatory measures by affected countries.

Furthermore, for the review quarter, foreign currency investments, proxied by GOJ Global Bonds, yielded higher returns relative to domestic currency denominated equity investments. Specifically, foreign currency investments yielded a quarterly return of 2.8 per cent, compared to a return of -3.9 per cent for equities in the June 2025 quarter.⁸ In contrast, private money market instruments recorded a relatively stable average quarterly yield of 1.5 per cent in the June 2025 quarter (see Figure 23).

Figure 23: Returns from Private Money Market, foreign currency investments and Capital Gains/ (Losses) from JSE Main Index (Per cent)



Source: Jamaica Stock Exchange and Bloomberg

Key market activity indicators for the JSE Main Index displayed mixed results for the June 2025 quarter. In particular, during the June 2025 quarter, the volumes traded increased by 15.5 per cent, while the values traded and the number of transactions declined by 62.5 per cent and 19.6 per cent. This outcome compares to increases of 4.5, 5.9 and 13.1 per cent in volume traded, values traded and the number of transactions, respectively for the previous quarter March 2025 (see Figure 22).

These factors contributed to increased global economic uncertainty and dampened investor sentiment.

⁸ The return on equities is computed as the change in value of the JSE Main Index for the review quarter relative to the previous

Figure 24: Quarterly Change in the Monthly Volumes, Values Traded & Number of Transactions (Main JSE Index) (Per cent)



Source: Jamaica Stock Exchange

Table 4: Stock Price Appreciation

Advancing	Per cent
Financial	
Mayberry Group Limited	9.8
Sygnus Credit Investments Limited	6.5
Retail	
Carreras Limited	9.3
Manufacturing	
Kingston Wharves	10.9
Insurance	
Key Insurance Company Limited	3.3
Guardian Holdings Limited	2.4
Other	
Eppley Caribbean Property Fund Limited	11.7
Pulse Investments	11.2
Palace Amusement	7.9
138 Student Living Jamaica Limited	4.2

Table 5: Stock Price Depreciation

Declining	Per cent
Financial	
National Commercial Bank Jamaica	-14.7
Sygnus Real Estate Finance Limited	-11.0
Proven Investments Limited	-9.1
Manufacturing	
Lasco Distributors Limited	-21.1
Berger Paints (Jamaica)	-17.6
A.S Bryden & Sons Holdings Limited	-13.4
Lasco Manufacturing Limited	-12.8
Jamaica Broilers Group	-8.9
Other	
Stanley Motta Limited	-11.6
Conglomerates	
Pan Jamaica Group Limited	-9.0

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 decline in stock market performance was also reflected in the advance-to-decline ratio for the stocks listed on the JSE, which moved to 13:36, with three holding firm for the June 2025 quarter, from 23:28 with one holding firm for the previous quarter. Of note, stock price appreciation was

largely concentrated among the *Financial* and *Other* categories for the quarter ended June 2025. On the other hand, the *Manufacturing* sector accounted for the majority of the declining stocks over the review period (see **Tables 4** and **5**).

8.0 Monetary Aggregates

The monetary base increased by 9.1 per cent at June 2025 when compared to June 2024. Regarding the sources of the annual change in the monetary base at June 2025, there was an increase of 15.5 per cent in Bank of Jamaica's net international reserves (NIR), partly offset by a decline of 20.6 per cent in Net Domestic Assets.

Money

The monetary base increased by 9.1 per cent at June 2025 when compared to June 2024. Regarding the sources of the annual change in the monetary base, there was an increase of 15.5 per cent in the Jamaica Dollar equivalent of Bank of Jamaica's net international reserves (NIR), partly offset by a decline of 20.6 per cent in Net Domestic Assets (see **Table 6**). The growth in the NIR was associated with an increase in the USD value of the NIR stock supported by 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, partly offset by outflows from Government of Jamaica as well as net B-FXITT sales of US\$1 201.8 billion over the year. For the NDA, the decline was largely influenced by an increase in net Credit to Banks, Other operations via the increase in the current accounts of financial institutions other than commercial banks and other revaluation reflecting the depreciation in the exchange rate, and Open Market Operations (OMOs). The decline in the NDA components were offset by an increase in net Claims on the Public Sector.

Table 6: Bank of Jamaica Accounts

	Stock (J\$MN)			Flow (%)	
	Jun-24	Mar-24	Jun-25	Qtr. -o- Qtr.	Y-o-Y
NIR (US\$MN)	5,185.2	5,785.6	5,835.6	0.9	12.5
NIR(J\$MN)	809,724.9	910,983.4	935,256.4	2.7	15.5
– Assets	821,660.9	917,402.0	939,933.6	2.5	14.4
– Liabilities	–11,936.0	–6,418.6	–4,677.2	–27.1	–60.8
Net Domestic Assets	–450,369.3	–490,153.7	–543,221.7	–10.8	–20.6
– Net Claims on Public Sector	111,749.8	93,510.5	133,053.35	44.2	20.7
– Net Credit to Banks	–98,143.9	–98,230.2	–103,416.0	5.3	5.4
– Open Market Operations	–266,071.2	–255,087.1	–331,680.3	30.0	24.7
– Other	–197,904.1	–230,346.9	–241,178.8	5.5	22.8
–o/w USD FR CDs	20,808.9	0.0	0.0	0.0!	–100.0
Monetary Base	359,355.5	420,829.8	392,034.7	–6.8	9.1
– Currency Issue	254,262.5	270,394.1	267,523.1	–1.1	5.2
– Cash Reserve	66,794.1	72,196.7	74,903.1	3.7	12.1
– Current Account	38,298.9	78,239.0	49,608.4	–36.6	29.5

Source: Bank of Jamaica

M2J expanded by 11.1 per cent at end-May 2025, above the expansion of 8.8 per cent at end-March 2025. Growth in broad money was underpinned by increases local currency deposits and currency in circulation. Currency in circulation grew by

13.4 per cent compared to the growth of 7.6 per cent recorded at end-March 2025. The continued growth in deposits was reflected in savings, time, and demand deposits, which grew by 12.0 per cent, 11.3 per cent, and 7.0 per cent, respectively. This

compares to the growth of 9.2 per cent, 11.9 per cent and 6.4 per cent in savings, time, and demand deposits, respectively, as at March 2025 (see **Table 7**).

Table 7: Components of Money Supply (M2*)			
	Percentage Change (%)		
	May-24	Mar-25	May-25
Total Money Supply (M2*)	8.1	7.8	9.1
Money Supply (M2J)	10.8	8.8	11.1
Money Supply (M1J)	8.4	7.7	9.7
Currency with the public	10.3	9.4	13.4
Demand Deposits	7.1	6.4	7.0
Quasi Money	13.1	9.7	12.4
Savings Deposits	20.7	9.2	12.7
Time Deposits	-8.3	11.9	11.3
Foreign Currency Deposits	3.3	5.9	5.4

Source: Bank of Jamaica

Private Sector Credit

The stock of private sector loans and advances (including domestic and foreign currency denominated loans) grew by 6.8 per cent at end-May 2025, in line with the growth of 6.7 per cent as end-March 2025. Relative to GDP, the stock of private sector loans and advances at end-May 2025 was 43.6 per cent, above the ratio of 41.6 per cent a year earlier.

The growth in total loans and advances was underpinned by expansions of 6.2 per cent and 7.9 per cent in loans to the consumers and productive sector, respectively. Growth in loans to the productive sector was mainly attributed to the

Professional & Other services, Entertainment, Distribution, Agriculture and Manufacturing sectors.

Table 8: Select Private Sector Financing Indicators (12-month Percentage Change)

<i>Stock</i>	May-24	Mar-25	May-25
Total DTI	10.2	6.7	6.8
<i>o.w. to Businesses</i>	7.9	4.4	7.9
<i>o.w. to Consumers</i>	11.8	8.3	6.2
Stock as a % of Annual GDP			
Total DTI	41.6	43.0	43.6
<i>o.w. to Businesses</i>	16.6	17.2	17.6
<i>o.w. to Consumers</i>	24.9	25.7	26.0

Source: Bank of Jamaica

Monetary Projections

Broad money is projected to expand at an average annual rate of 8.4 per cent over the next eight quarters, in line with the previous projection of 9.9 per cent. The projected expansion in broad money reflects expansions in currency in circulation and local currency deposits reflective of the anticipated expansion in economic activity over the next eight quarters.

Growth in DTI private sector credit is forecasted to be slightly below the previous projections over the next eight quarters. Private sector credit is projected to grow at an average rate of 7.9 per cent up to the June 2027 quarter, compared to the previous forecast for an expansion of 8.3 per cent. The expected expansion in credit is primarily driven by economic activity, supported by the real decline in new loan disbursements.

9.0 Conclusion

The Bank projects that the first-round impact of the US tariff wall will be marginal. In this context, the average inflation rate over the next two years (September 2025 to June 2027) is projected to fall to 4.7 per cent, relative to 5.4 per cent over the previous eight quarters. Inflation is projected to generally remain within the Bank's target range over the period, with the exception of a few months in 2025 and 2026. The projected reduction in average inflation occurs in a context of a projected deceleration in imported inflation (particularly grains and oil) and stable inflation expectations. Notably, agricultural inflation is forecast to remain elevated over the next two years, albeit marginally lower relative to the prior two years. This reflects the impact of climate change on domestic crop production. Core inflation is projected to decelerate to an average of 4.5 per cent over the near-term, compared with 4.8 per cent over the past two years.

With regard to the domestic economy, remittance inflows for May 2025 continued to grow while tourism arrivals improved in the June 2025 quarter. For FY2025/26, real GDP is projected to increase by 1.0 to 3.0 per cent, largely reflecting a recovery in economic activities in Agriculture, Forestry & Fishing, Mining & Quarrying, Construction and Accommodation & Food Service Activities following the impact of Hurricane Beryl.

For FY2026/27 and FY2027/28, real GDP is forecast to expand by 1.0 per to 2.0 per cent. The forecast growth for FY2026/27 largely reflects a normalization in economy activity.

Over the medium-term (FY2027/28 – FY2029/30), GDP is projected to grow by 1.0 to 2.0 per cent.

The risks to the forecast for real GDP growth are skewed to the downside, reflecting the possibility of weaker external demand. Higher growth could, however, result from a higher than projected increase in manufacturing exports, given Jamaica's

nearshore advantage amid the ongoing global trade tensions. In addition, mining exports could be higher due to greater demand from the plant's sole purchaser in the US, as the US Administration seeks to keep the Gramercy plant open in light of global trade tensions.

The current account surplus is projected to fall to an average in the range of 0.5 to 1.5 per cent of GDP for FY2025/26 and FY2026/27 relative to 2.5 per cent of GDP in FY2024/25. The fall in the surplus for FY2025/26 largely reflects a deterioration in the merchandise trade deficit due to higher imports from growth in domestic income/demand and a recovery of the construction and mining sectors. This is partly offset by lower fuel imports due to lower fuel prices. Over the medium-term, the CA balance is forecast to reflect an annual average surplus in the range of 0.5 to 1.5 per cent of GDP. The gross reserves are projected to remain above the ARA 100% benchmark over the medium-term.

The risks to the inflation forecast are skewed to the upside. Higher inflation could stem from a sharper-than-anticipated increase in the tariff faced by trading partners of the US, resulting in higher imported inflation and inflation expectations. In addition, inflation could be higher than projected if there is a further escalation in geopolitical tensions, which could negatively impact international supply chains. Lower inflation could, however, result from lower-than-projected international commodity prices as well as weaker demand conditions.

On 30 June 2025, the Monetary Policy Committee (MPC) decided to (i) hold the policy rate at 5.75 per cent per annum and (ii) continue taking measures to preserve relative stability in the foreign exchange market. The MPC reaffirmed its commitment to maintaining low and stable inflation and will deploy the tools necessary to preserve stability. To this end, the Committee will continue to monitor the incoming data and adjust its policy accordingly.

Additional Tables

	Page
1: INFLATION RATES	31
2: ALL JAMAICA INFLATION – Point-to-Point	32
3: BANK OF JAMAICA OPERATING TARGETS	33
4: MONETARY AGGREGATES	33
5: GOJ TREASURY BILL YIELDS	34
6: BANK OF JAMAICA OPEN MARKET INTEREST RATES	35
7: PLACEMENTS AND MATURITIES in BOJ OMO Instruments	36
8: EXTERNAL TRADE – GOODS EXPORTS (f.o.b)	37
9: BALANCE OF PAYMENTS QUARTERLY SUMMARY	38
10: FOREIGN EXCHANGE SELLING RATES	39
11: BANK OF JAMAICA: NET INTERNATIONAL RESERVES	40
12: VALUE ADDED BY INDUSTRY AT CONSTANT (2007) PRICES (% CHANGE)	41
13: USD LONDON INTERBANK OFFER RATE–LIBOR (End– of–Period)	42
14: PRIME LENDING RATES (End–of–Period)	43
15: INTERNATIONAL EXCHANGE RATES	44
16: WORLD COMMODITY PRICES (Period Averages)	45

1: INFLATION RATES

		CPI (Point-to-Point) **	Headline Inflation	Core Inflation*
FY12/13	Jun-12	70.41	6.71	6.90
	Sep-12	71.86	6.65	5.58
	Dec-12	73.71	8.00	5.43
	Mar-13	75.72	9.13	6.29
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	3.20
	Sep-20	106.14	4.88	3.44
	Dec-20	109.01	5.19	3.78
	Mar-21	108.27	5.18	5.30
FY21/22	Jun-21	109.77	4.34	7.27
	Sep-21	114.88	8.23	7.91
	Dec-21	116.98	7.31	9.29
	Mar-22	120.52	11.31	9.50
FY22/23	Jun-22	121.79	10.95	10.76
	Sep-22	125.52	9.26	10.70
	Dec-22	127.93	9.36	10.02
	Mar-23	127.97	6.19	7.77
FY23/24	Jun-23	129.45	6.29	6.05
	Sep-23	132.88	5.86	5.73
	Dec-23	136.72	6.87	5.81
	Mar-24	135.09	5.56	5.43
FY24/25	Jun-24	136.38	5.35	4.68
	Sep-24	140.50	5.74	4.41
	Dec-24	143.55	4.99	3.88
	Mar-25	141.83	4.99	4.39
FY25/26	Jun-25	14151	3.76	4.26

* 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 (June 2025) *

Divisions, Classes and Groups	Weight (%)	Inflation (%)	Weighted Inflation	Contribution
FOOD & NON-ALCOHOLIC BEVERAGES	35.28	4.69	1.65	46.62
Food	33.28	4.75	1.58	44.60
Cereals and cereal products (ND)	6.59	4.21	0.28	7.82
Live animals, meat and other parts of slaughtered land animals (ND)	6.51	5.69	0.37	10.44
Fish and other seafood (ND)	3.54	6.46	0.23	6.45
Milk, other dairy products and eggs (ND)	2.82	4.26	0.12	3.38
Oils and Fats (ND)	0.90	4.05	0.04	1.03
Fruits and nuts (ND)	2.56	14.07	0.36	10.15
Vegetables, tubers, plantains, cooking bananas and pulses (ND)	6.92	1.03	0.07	2.01
Tubers, plantains, cooking bananas and pulses (ND)	2.01	12.41	0.25	7.03
Vegetables	4.91	-4.26	-0.21	-5.89
Sugar, confectionery and desserts (ND)	1.29	5.43	0.07	1.98
Ready-made food and other food products n.e.c. (ND)	2.16	3.10	0.07	1.88
Non-Alcoholic Beverages	2.00	3.56	0.07	2.01
Fruit and Vegetable Juices (ND)	0.65	3.55	0.02	0.65
Coffee, Tea and Cocoa	0.45	3.39	0.02	0.43
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.91	3.72	0.03	0.96
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	1.43	4.29	0.06	1.73
CLOTHING AND FOOTWEAR	2.45	3.35	0.08	2.31
Clothing	1.64	3.74	0.06	1.73
Footwear	0.81	2.53	0.02	0.58
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	19.01	4.61	0.88	24.72
Rentals for Housing	10.37	7.03	0.73	20.56
Maintenance, Repair and Security of the Dwelling	0.66	4.32	0.03	0.80
Water Supply and Miscellaneous Services Related to the Dwelling	2.24	4.59	0.10	2.90
Electricity, Gas and Other Fuels	5.74	1.10	0.06	1.78
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	3.72	3.39	0.13	3.56
Furniture, Furnishings, and Loose Carpets	0.35	2.20	0.01	0.22
Household Textiles	0.22	2.72	0.01	0.17
Household Appliances	0.35	2.13	0.01	0.21
Tools and Equipment for House and Garden	0.15	1.10	0.00	0.05
Goods and Services for Routine Household Maintenance	2.65	3.82	0.10	2.86
HEALTH	2.59	4.63	0.12	3.38
Medicines and Health Products	2.12	4.70	0.10	2.81
Outpatient Care Services	0.30	5.76	0.02	0.49
Other Health Services	0.17	1.22	0.00	0.06
TRANSPORT	11.07	-0.27	-0.03	-0.85
INFORMATION AND COMMUNICATION	4.51	-7.09	-0.32	-9.01
RECREATION, SPORT AND CULTURE	4.95	3.40	0.17	4.75
EDUCATION SERVICES	2.40	9.81	0.24	6.64
RESTAURANTS & ACCOMMODATION SERVICES	6.56	6.12	0.40	11.32
INSURANCE AND FINANCIAL SERVICES	1.11	0.00	0.00	0.00
PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	4.92	3.49	0.17	4.84
ALL DIVISIONS	100.00	3.76	3.55	100.00

3: BANK OF JAMAICA OPERATING TARGETS

	Actual Jun-23	Actual Sep-23	Actual Dec-23	Actual Mar-24	Actual Jun-24	Actual Sep-24	Actual Dec-24	Actual Mar-25	Actual Jun-25
Net International Reserves (US\$)	4,283.50	4,758.53	4,758.27	5,137.29	5,185.16	5,200.53	5,583.71	5,785.63	5,835.60
NET INT'L RESERVES (J\$)	660,497.90	737,928.70	734,722.11	790,658.03	809,724.87	821,672.30	868,069.97	910,983.43	935,256.40
Assets	738,098.10	758,093.84	751,769.34	805,196.60	821,660.90	832,608.05	875,725.70	917,402.04	939,933.62
Liabilities	-77,600.20	-20,165.14	-17,047.22	-14,538.56	-11,936.02	-10,935.74	-7,655.73	-6,418.60	-4,677.22
NET DOMESTIC ASSETS	-333,376.50	-395,364.02	-362,937.57	-441,107.04	-450,369.35	-440,277.84	-422,727.39	-490,153.65	-543,221.71
-Net Claims on Public Sector	157,000.30	105,826.57	132,276.48	78,145.04	111,749.85	157,599.27	178,762.05	93,510.52	134,883.99
-Net Credit to Banks	-95,288.40	-94,948.05	-92,847.78	-93,955.51	-98,143.89	-97,912.77	-95,078.71	-98,230.17	-103,415.95
-Open Market Operations	-191,738.40	-200,737.50	-202,965.95	-239,984.07	-266,071.24	-267,571.24	-286,237.09	-255,087.09	-331,680.28
-Other	-203,350.0	-205,505.03	-199,400.32	-185,312.49	-197,904.07	-232,393.10	-220,173.65	-230,346.92	-243,009.47
MONETARY BASE	327,121.40	342,564.68	371,784.55	349,551.00	359,355.52	381,394.46	445,342.58	420,829.78	392,034.69
- Currency Issue	250,673.80	253,448.05	277,440.09	257,312.95	254,262.52	256,742.62	286,058.71	270,394.10	267,523.13
- Cash Reserve	60,724.40	62,462.58	64,147.93	65,628.33	66,794.10	69,025.31	70,602.94	72,196.72	74,903.11
- Current Account	15,723.20	26,654.06	30,196.53	26,609.72	38,298.90	55,626.53	88,680.93	78,238.96	49,608.44
GROWTH IN MONETARY BASE [F-Y-T-D]	-3.4	1.1	9.8	-	2.8	9.1	27.4	-	-6.8

4: MONETARY AGGREGATES

		BASE	M1J	M1	M2J	M2
FY20/21	Jun-20	239,267.12	304,413.99	346,525.54	634,039.95	998,227.40
	Sep-20	265,854.12	321,603.09	366,833.99	670,333.46	1,055,569.83
	Dec-20	282,573.00	341,946.01	382,054.10	699,607.17	1,092,427.28
	Mar-21	295,363.42	348,520.04	390,210.97	717,228.90	1,118,874.17
FY21/22	Jun-21	299,515.81	354,014.44	406,142.44	735,982.82	1,163,036.18
	Sep-21	317,422.82	364,765.50	413,386.24	753,978.91	1,182,807.26
	Dec-21	339,864.27	406,708.92	458,639.06	818,963.54	1,276,153.09
	Mar-22	268,119.07	390,171.16	448,269.27	796,096.93	1,288,243.47
FY22/23	Jun-22	278,926.48	391,424.80	454,536.66	806,237.99	1,302,293.54
	Sep-22	283,001.87	399,254.74	462,863.63	829,756.76	1,311,358.70
	Dec-22	309,199.28	430,073.61	492,538.25	873,718.70	1,369,647.42
	Mar-23	338,738.43	433,068.16	491,676.32	893,429.05	1,394,825.28
FY23/24	Jun-23	327,121.38	449,812.65	511,275.70	931,293.37	1,438,711.16
	Sep-23	342,564.68	460,793.59	522,036.15	948,668.62	1,454,544.72
	Dec-23	371,784.55	497,665.07	557,168.97	1,004,486.05	1,513,138.70
	Mar-24	349,551.00	483,686.52	540,221.89	1,010,735.39	1,528,079.03
FY24/25	Jun-24	378,290.11	490,042.87	544,802.05	1,028,743.52	1,554,786.77
	Sep-24	381,394.46	494,957.98	549,338.25	1,043,926.38	1,568,650.88
	Dec-24	445,342.58	527,156.76	583,097.51	1,092,833.30	1,620,520.16
	Mar-25	420,829.78	518,839.42	578,659.23	1,096,893.01	1,644,831.26
FY25/26	May-25	409,043.07	529,269.97	593,245.76	1,126,950.79	1,689,544.24

5: GOJ TREASURY BILL YIELDS
(End of Period)

		1-month	3-month	6-month
FY17/18	Jun-17	...	5.77	6.13
	Sep-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
FY24/25	Jun-24	...	8.23	8.43
	Sep-24	...	7.41	7.33
	Dec-24	...	6.28	6.17
	Mar-25	...	5.75	5.75
FY25/26	Jun-25	...	5.31	5.38

6: BANK OF JAMAICA OPEN MARKET INTEREST RATES

(End of Period)

		30 days
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
FY24/25	Jun-24	9.84
	Sep-24	6.76
	Dec-24	6.58
	Mar-25	5.82
FY25/26	Jun-25	5.79

7: Placements and Maturities* in BOJ OMO Instruments

	October - December 2024			January – March 2025			April – June 2025		
	Maturities	Placements	Average	Maturities	Placements	Average	Maturities	Placements	Average
	(J\$MN)	(J\$MN)	Yield (%)	(J\$BN)	(J\$BN)	Yield (%)	(J\$BN)	(J\$BN)	Yield (%)
30-day CD	423.0	433.0	6.75	422.0	370.0	6.02	303.0	370.0	5.75
272-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
365-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
548-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
729-day VR CD	0.0	0.0		0.0	0.0		0.0	0.0	
272-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
365-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
510-day FR CD	19.5	0.0		0.0	0.0		0.0	0.0	
730-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
767-day FR CD	0.0	0.0		0.0	0.0		0.0	20.0	6.46
789-day FR CD				0.0	30.0	6.24	0.0	0.0	
911-day FR CD	0.0	0.0		0.0	0.0		0.0	0.0	
272-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
365-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
540-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
730-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
791-day FR USD IB	0.0	15.9	5.14	0.0	0.0		0.0	0.0	
911-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
1095-day FR USD IB	0.0	0.0		0.0	0.0		0.0	0.0	
1369-day FR USD IB	0.0	0.0					0.0	9.3	5.86
Repos	3.0	0.0		18.0	23.2		13.3	11.6	
	Maturities	Placements	Average	Maturities	Placements	Average	Maturities	Placements	Average
	(US\$MN)	(US\$MN)	Yield (%)	(US\$MN)	(US\$MN)	Yield (%)	(US\$MN)	(US\$MN)	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	0	0		0	0		0	0	
TOTAL	0	0		0	0		0	0	

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

	Bauxite	Alumina	Sugar	Bananas	Other Traditional	Non-Traditional	Other	Total Goods Exports
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	397.5
Sep-22	17.6	33.6	0.1	0.3	24.2	177.1	155.0	407.9
Dec-22	20.2	109.6	0.1	0.2	23.0	182.9	237.3	573.4
Mar-23	15.0	91.3	0.1	0.3	29.7	187.9	141.8	464.4
FY23/24+	52.3	381.2	4.2	0.9	84.8	475.8	338.1	1774.1
Jun-23	20.7	131.4	0.1	0.3	32.0	148.7	130.1	463.4
Sep-23	16.8	134.6	3.8	0.3	30.9	173.2	85.7	445.3
Dec-23	14.8	115.2	0.3	0.3	21.6	153.9	122.3	428.4
Mar-24	15.7	132.7	0.7	0.3	20.4	204.3	62.8	437.0
FY24/25+	27.7	314.7	5.0	0.3	50.1	294.4	88.1	780.0
Jun-24	15.9	168.2	1.2	0.3	26.9	141.1	51.9	405.0
Sep-24	11.8	146.5	3.8	0.0	23.2	153.3	36.2	375.0
Dec-24	12.1	235.4	0.8	0.1	20.2	177.0	27.1	473.0
Mar-25	29.0	186.7	0.7	0.3	24.4	162.1	37.5	441.0

+ Revised

9: BALANCE OF PAYMENTS QUARTERLY SUMMARY

(US\$MN)

	Mar-23+	Jun-23+	Sep-23+	Dec-23+	Mar-24+	Jun-24+	Sep-24+	Dec-24+	Mar-25+
1. Current Account	189.0	234.1	-94.2	256.4	228.9	148.0	19.4	282.5	223.6
A. Goods Balance	-1094.9	-1044.8	-1202.1	-1056.4	-1092.6	-1054.7	-1099.1	-953.0	-1097.5
Exports (f.o.b)	527.4	505.2	493.5	477.3	492.9	451.7	415.1	508.0	485.2
Imports (f.o.b)	1622.3	1550.0	1695.6	-1533.7	1585.5	1506.4	1514.2	1460.9	1582.6
B. Services Balance	589.1	451.1	320.6	447.9	628.5	405.2	314.2	450.7	606.3
Transportation	-304.7	-322.1	-360.4	-331.6	-301.9	-336.0	-342.2	-331.3	-346.5
Travel	1109.4	960.7	900.1	1041.8	1157.4	942.9	862.9	1050.8	1199.5
Other Services	-215.6	-187.5	-219.1	-262.2	-227.0	-201.7	-206.5	-268.8	-246.8
Goods & Services Balance	-505.8	-593.7	-881.5	-608.5	-464.1	-649.6	-784.8	-502.3	-491.2
C. Income	-126.8	-38.0	-118.0	8.6	-123.3	-77.2	-83.1	-66.2	-125.8
Compensation of employees	17.1	18.0	36.8	47.0	25.0	15.2	38.6	44.1	23.0
Investment Income	-143.9	-56.0	-154.8	-38.4	-148.2	-92.4	-121.7	-110.2	-148.9
D. Current Transfers	821.5	865.8	905.3	856.2	816.3	874.8	887.3	851.0	840.6
General Government	46.0	44.4	49.0	38.5	45.1	46.8	42.8	32.6	46.4
Other Sectors	775.6	821.4	856.4	817.7	771.2	827.9	844.6	818.4	794.2
2. Capital & Financial Account	292.0	156.1	377.2	-171.7	458.2	21.2	72.2	-365.0	765.0
A. Capital Account	-9.4	-5.3	-3.2	-0.7	-1.2	-6.8	0.2	-6.6	-9.1
Capital Transfers	-9.4	-5.3	-3.2	-0.7	-1.2	-6.8	0.2	-6.6	-9.1
General Government	0.6	4.6	6.0	6.6	8.8	3.1	9.4	0.8	0.9
Other Sectors	-10.0	-9.9	-9.2	-7.3	-10.0	-9.9	-9.2	-7.3	-10.0
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
B. Financial Account	301.4	161.5	380.5	-171.0	459.3	28.0	72.0	-358.5	774.1
Direct Investment	124.2	110.0	93.2	53.1	36.7	34.7	45.3	47.6	101.6
Portfolio Investment	-129.5	203.9	73.0	-92.2	149.2	154.1	277.5	-0.4	108.1
Other official investment	-6.2	-104.5	-104.0	-272.9	-62.1	-97.0	-284.5	-220.2	120.5
Other private Investment	315.3	19.6	47.0	101.5	692.0	-52.0	34.6	157.8	625.9
Reserves	-2.3	-67.5	271.4	39.5	-356.4	-11.8	-0.9	-343.2	-182.0
Errors & Omissions	-481.0	-390.2	-283.1	-84.7	-687.1	-169.2	-91.5	82.5	-988.5

+ Revised

10: FOREIGN EXCHANGE SELLING RATES

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

		US\$	Can\$	GBP £
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
FY24/25	Jun-24	156.2963	115.4780	202.2002
	Sep-24	158.7016	118.1011	211.7197
	Dec-24	156.4159	109.3987	194.1489
	Mar-25	158.3553	110.3959	203.3983
FY25/26	Jun-25	160.3634	119.3670	218.9945

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

		(US\$MN)	(US\$MN)	(US\$MN)	Weeks of Imports	
		Gross Foreign Assets	Gross Foreign Liabilities	International Reserves (Net)	Goods	Goods & Services
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	3,005.41	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	3,964.22	46.62	33.27
	Dec-21	4,833.40	-832.62	4,000.77	54.33	33.51
	Mar-22	4,323.66	-674.81	3,675.85	46.80	29.60
FY22/23	Jun-22	4,389.91	-585.17	3,804.75	36.11	24.49
	Sep-22	4,349.51	-542.21	3,807.30	36.32	24.19
	Dec-22	4,517.79	-541.54	3,976.25	37.46	25.20
	Mar-23	4,684.57	-532.21	4,152.36	38.84	26.13
FY23/24	Jun-23	4,786.72	-503.25	4,283.47	38.75	26.46
	Sep-23	4,846.60	-130.03	4,716.57	37.40	25.59
	Dec-23	4,858.54	-110.41	4,748.14	34.90	23.94
	Mar-24	5,231.75	-94.46	5,137.29	39.40	26.40
FY24/25	Jun-24	5,261.51	-76.43	5,185.08	38.61	26.40
	Sep-24	5,269.75	-69.21	5,200.54	38.52	26.25
	Dec-24	5,632.92	-49.24	5,583.68	44.78	29.35
	Mar-25	5,826.21	-40.76	5,785.45	48.05	30.76
FY25/26	Jun-25	5,864.78	-29.18	5,835.60	48.57	30.46

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)

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Total Value Added at Basic Prices	4.2	2.3	2.3	1.7	1.0	0.2	-3.3	-0.8
Agriculture, Forestry & Fishing	-7.1	-8.1	-10.0	2.6	7.5	3.4	-12.5	-10.6
Mining & Quarrying	114.1	164.2	103.1	21.5	18.7	4.0	-17.4	-2.3
Manufacturing	3.7	3.1	2.1	0.3	-0.8	-1.8	-4.0	-0.5
<i>Food, Beverages & Tobacco</i>	7.2	4.6	0.9	5.4	-3.0	4.1	-2.7	0.8
<i>Other Manufacturing</i>	-1.2	0.7	4.0	-5.9	-0.7	-2.2	-6.0	-2.1
Construction	-4.2	-0.7	0.7	-3.8	-3.7	-1.6	-3.3	-2.7
Electricity & Water	0.7	6.2	6.7	5.2	6.5	2.3	-5.8	-1.4
Wholesale & Retail Trade; Repairs; Installation of Machinery	2.8	-0.1	0.4	1.0	-2.2	-0.5	-3.0	0.2
Hotels and Restaurants	29.7	7.8	8.4	8.3	6.9	1.0	-4.8	-0.3
Transport, Storage & Communication	7.1	5.6	5.9	2.1	3.5	0.7	2.5	1.8
Finance & Insurance Services	1.9	2.1	1.5	3.6	2.2	2.4	0.8	0.5
Real Estate & Business Services	2.3	1.8	0.9	1.3	0.1	-1.5	-1.9	-0.3
Government Services	-0.3	-0.2	-0.9	-0.4	-0.5	-1.4	-0.6	0.8
Other Services	12.6	2.2	5.8	1.1	1.8	0.1	-6.5	0.2
Less Financial Intermediation Services Indirectly Measured (FISIM)	3.9	3.5	3.1	3.7	2.2	3.7	1.4	0.9

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

		1-month	3-month	6-month	12-month
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
FY24/25	Jun-24	5.4517	5.5862	5.6830	6.0414
	Sep-24	4.9602	4.8537	4.6821	6.0414
	Dec-24	4.9602	4.8537	4.66821	6.0414
	Mar-25	4.9602	4.8537	4.6821	6.0414
FY25/26	Jun-25	4.9602	4.8537	4.6821	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
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
FY24/25	Jun-24	4.25	5.25-5.50	5.50	8.50	5.25
	Sep-24	3.65	4.75-5.00	5.00	8.00	5.00
	Dec-24	3.15	4.25-4.50	4.50	7.50	4.75
	Mar-25	2.65	4.25-4.50	4.50	7.50	4.50
FY25/26	Jun-25	2.5	4.25-4.50	4.50	7.50	4.25

15: INTERNATIONAL EXCHANGE RATES

		Sterling vs. US\$	Canadian \$ vs. US\$	Yen vs. US\$	Euro vs. US\$
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
FY24/25	Jun-24	0.7908	1.3680	160.8752	0.9334
	Sep-24	0.7477	1.3524	143.6369	0.8981
	Dec-24	0.7990	1.4384	157.2080	0.9658
	Mar-25	0.7741	1.4388	149.9700	0.9246
FY25/26	Jun-25	0.7282	1.3607	144.0300	0.8484

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 (US\$/kg, Arabica brand)
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	Jun-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
FY24/25	Jun-24	84.87	80.65	256.48	527.79
	Sep-24	80.15	75.21	237.44	585.22
	Dec-24	74.63	70.26	245.24	679.82
	Mar-25	75.65	71.40	245.95	859.45
FY25/26	Jun-25	67.80	63.90	230.80	847.10

*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 ($0.01\% = 1\text{bp}$). 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 referring to the United Kingdom (UK) leaving the European Union (EU) it combines the words British and exit. The referendum 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 institutions ("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.

List of Boxes

QMPR ISSUE		LIST OF BOXES
Oct – Dec 2000	1	Sovereign Credit Ratings & Outlook
	2	E-Gate & The Foreign Exchange Market
	3	The International Oil Market: Recent Developments and Outlook
	4	Jamaica's IMF Staff Monitored Programme (SMP)
Jan – Mar 2001	5	Core Inflation in Jamaica – Concept & Measurement
	6	Highlights of the IMF 2001 Article IV Consultation
Apr – Jun 2001	7	Jamaica's Banking Sector Recovery – An Overview
	8	Jamaica's Sovereign Credit Ratings – An Update
	9	Highlights of the IMF's May 2001 Article IV Consultation
Jul – Sep 2001	10	Innovations in Jamaica's Payment System
	11	Expanding the Role of Equity Finance in Jamaica: Some Perspectives
	12	The US Economy: Recent Trends and Prospects
Oct – Dec 2001	13	The Performance of Remittances in the Jamaican Economy: 1997 – 2001
	14	Tourism and the Jamaican Economy: Pre & Post 11 September 2001
	15	World Trade Organization (WTO): Outcome of the Fourth Ministerial Conference in Doha. Qatar and the Possible Implications for Jamaica
Jan – Mar 2002	16	Commercial Bank Probability: January to December 2001
	17	Regional Disparities in Jamaica's Inflation – 1997/98 to 2001/02
	18	The Argentina Debt Crisis & Implications for Jamaica
	19	General Data Dissemination Standards
Apr – Jun 2002	20	The Automated Clearing House: Implications for the Payment System
	21	Macroeconomic Implications of Cross Border Capital Flows: Some Scenarios
	22	Performance of Remittances in the Latin American and Caribbean Region – 1997 to 2001
Jul – Sep 2002	23	Building Societies' New Mortgage Loans: July 2001 – June 2002
	24	An Overview of the CARICOM Single Market and Economy (CSME)
Oct – Dec 2002	25	The Profitability of the Banking System: 1991 – 2002
	26	Interest Rates Spreads in Jamaica: 1995 – 2002
	27	Implications of the International Accounting Standards (IAS) for Financial Systems and Financial Stability
Jan – Mar 2003	28	Opportunities for Savings and Investments in Jamaica: Financial Intermediaries and Financial Instruments
	29	The CPI and the GDP Deflator: Concepts and Applications
Apr – Jun 2003	30	The Concept and Measurement of External Competitiveness
	31	Exchange Rate Pass-Through in the Jamaican Economy
Jul – Sep 2003	32	The International Investment Position
	33	The Fifth WTO Ministerial Conference: Implications for Future Trading Negotiations
Oct – Dec 2003	34	The Monetary Policy Committees: International Precedents and Macroeconomic Context
	35	Macroeconomic Determinants of Nominal Interest Rate
Jan – Mar 2004	36	Recent Trends and Prospects in the Balance of Payments
	37	The Exchange Rate Regime and Monetary Policy
Apr – Jun 2004	38	Preserving Financial Stability
	39	Financial Sector Assessment Programme
	40	Jamaica's Current Relationship with the IMF
Jul – Sep 2004	41	Recent Developments in Crude Oil Prices
	42	Implications of Higher Crude Oil Prices for the Balance of Payments and Inflation
Oct – Dec 2004	43	Recent Trends in Foreign Direct Investment

	44	Exploring the Jamaican Foreign Exchange Market Dynamics: 2001 – 2004 (Special Feature)
Jan – Mar 2005	45	The BOJ Macroeconomic Stress Testing Programme and Financial Stability
	46	Issues of Foreign Reserve Adequacy
Apr – Jun 2005	47	Credit Bureaux and Financial Market Efficiency
	48	Trends in Labour Productivity
Jul – Sep 2005	49	Inflation in Selected Caribbean Countries
	50	International Developments (Special Feature)
Oct – Dec 2005	51	Payment Systems Reform
Jan – Mar 2006	52	The IMF's Code of Good Practices on Transparency on Monetary policy: A Summary of the IMF's Assessment Report on Jamaica
Apr – Jun 2006	53	Trends in Private Sector Credit: FY2001/02 to FY2005/06
	54	Exploring the Interest Rate Differential between Jamaica Dollar and US Dollar Denominated Assets: Jan 2001 – June 2006
	55	Jamaica Labour Market: Trends and Key Indicators – 1996 to 2005
Jul – Sep 2006	56	Labour Market Update – June 2006
	57	The Special (Upper Income) Consumer Price Index
	58	Jamaica Interim Staff Report Under Intensified Surveillance: Executive Summary
Oct – Dec 2006	59	Factors Influencing the Demand for Currency Issued by the BOJ & the Impact of Currency Demand on the Balance Sheet of Financial Institutions
Jan – Mar 2007	60	Jamaica's Financial Programme
	61	Inflation Expectation Survey
	62	The Producer's Price Index
Apr – Jun 2007	63	Measuring Core Inflation: Emerging Issues
Jul – Sep 2007	64	The Turbulence in the US Subprime Mortgage Market
	65	The Revised Consumer Price Index
Oct – Dec 2007	66	Trends in Jamaica's Fuel Demand
	67	Trends in Inflation
	68	The EU-CARIFORUM Economic Partnership Agreement
Jan – Mar 2008	69	Impact of a Potential US Recession on the Jamaican Economy
	70	Recent Trends in International Commodity Prices
Apr – Jun 2008	71	Global Monetary Policy Response to Spiralling Commodity Prices
Jan – Mar 2009	72	BOJ's Monetary Policy Response to the Global Financial Crisis
	73	The Transmission of Monetary Policy in Jamaica
	74	Monetary Policy, Economic Growth and Inflation
Apr – Jun 2009	75	The International Monetary Fund (IMF) and Jamaica's Experience with the IMF
Jul – Sep 2009	76	Fiscal Responsibility Frameworks/Fiscal Rules
Oct – Dec 2009	77	Bank of Jamaica Liquidity Support to the Government: November 2009 – January 2010
	78	The Dynamics of Jamaica's Interest Rate
	79	Jamaica's Medium-Term Economic & Financial Programme: FY2009/10 – FY2013/14
Jan – Mar 2010	80	Jamaica's Inflation: How Much is Enough?
	81	The Jamaica Debt Exchange
Apr – Jun 2010	82	Exchange Rates and External Price Competitiveness
	83	Adequacy of the BOJ's Gross International Reserves
Jul – Sep 2010	84	Preserving Financial Stability (revisited)
	85	Credit Bureaux and the Efficiency of Credit Markets (updated)
Oct – Dec 2010	86	An Inflation Targeting Framework for Jamaica
Jan – Mar 2011	87	The Middle East and North Africa (MENA) Crisis and its Implication for the Jamaican Economy
Apr – Jun 2011	88	Evolution of the European Debt Crisis & its Impact on Jamaica
Jul – Sep 2011	89	Electronic Small-Value Retail Payments: Recent Trends and the Relationship with Economic Growth
Oct – Dec 2011	90	Productivity and Growth
Jan – Mar 2012	91	External Competitiveness in Jamaica
Apr – Jun 2012	92	The Importance of Managing Inflation Expectations

Jul – Sep 2012	93	A Preliminary Assessment of the Impact of Hurricane Sandy on Prices – Results from a Field Survey
Oct – Dec 2012	94	Fiscal Expenditure Multipliers and Economic Growth
Jan – Mar 2013	95	Jamaica’s Medium–Term Economic & Financial Programme: FY2013/14 – FY2017/18
Apr – Jun 2013	96	The Evolution of the Jamaica Dollar Liquidity and its Impact on Money Market Rates: January to June 2013
	97	Recent Trends and Developments in Remittances
Jan – Mar 2014	98	The Bank of Jamaica’s Quarterly Credit Conditions Survey (recurrent)
Apr – Jun 2014	99	Jamaica’s Macroeconomic Programme under the EFF (recurrent)
	100	Monetary Policy Transmission Mechanism (recurrent)
Jul – Sept 2014	101	Changes to the Liquidity Management Framework for Deposit-taking Institutions
Oct – Dec 2014	102	Recent Developments in Crude Oil Prices
Jan – Mar 2014	103	An Examination of Current Account Financing from the BPM6 Perspective
Jul – Sept 2015	104	Inflation Differential
	105	Trends in selected measures of Labour Productivity
Oct – Dec 2015	106	Impact of Increases in the Federal Funds Rate on the Jamaican Economy
	107	A technical examination of the recent stock market appreciation
Jan – Mar 2016	108	Macroeconomic Model (MonMod) Component Contribution to Inflation (recurrent)
	109	Businesses’ Inflation Expectations Survey (recurrent)
Apr – Jun 2016	110	Implication of “Brexit on the Jamaican Economy”
	111	Corporate Securities
Jul – Sep 2016	112	Strengthening Monetary Transmission, Fine-tuning BOJ Interest Rate Corridor
	113	Developments and Trends in Credit Reporting in Jamaica
Oct – Dec 2016	114	Recent Developments and Prospects for the International Oil Market
	115	Jamaica’s Macroeconomic Programme under the new SBA (recurrent)
Jan – Mar 2017	116	A Review of the Performance of Government of Jamaica Global Bonds
	117	BOJ Signals Upgrade of FX Market Operations
Apr – Jun 2017	118	BOJ’s New Foreign Exchange Intervention & Trading Tool
	119	Analysis of the improving Trend in DTIs’ Non-Performing Loans for the Five Years ended December 2016
Oct – Dec 2017	120	Global Economic Growth in Selected Economies
Apr – Jun 2018	121	Why Inflation was Lower than Target
	122	Moody’s Investors Service Rating Action
Oct – Dec 2018	123	Recent Developments and Prospects for the International Oil Market
	124	Economic Growth in Selected Economies (recurrent)
	125	Credit Conditions Survey (recurrent)
Apr – Jun 2019	126	The impact of Jamaica’s transition to LNG on electricity rates
Jan – Mar 2020	127	Assessment of the COVID-19 Epidemiological Curve
Apr – Jun 2020	128	The New Consumer Price Index
	129	COVID-19 Developments
Jul – Sep 2020	130	The Impact of Regulated Price Increases on Inflation
Oct – Dec 2020	131	Quarterly Non-Cash Means of Payment Assessment (recurrent)
Apr – Jun 2021	132	Potential Output (recurrent)
Oct – Dec 2021	133	Assessment of Inflation Developments and Monetary Policy Response: Select Economies
Jan – Mar 2023	134	Resilience and Sustainability Fund and the IMF NIR Targets (recurrent)

Bank of Jamaica

Quarterly Monetary Policy Report

© 2025 Bank of Jamaica. Quarterly Monetary Policy Report. Nethersole Place | Kingston | Jamaica