

SELECTED ECONOMIC INDICATORS

Figure 1

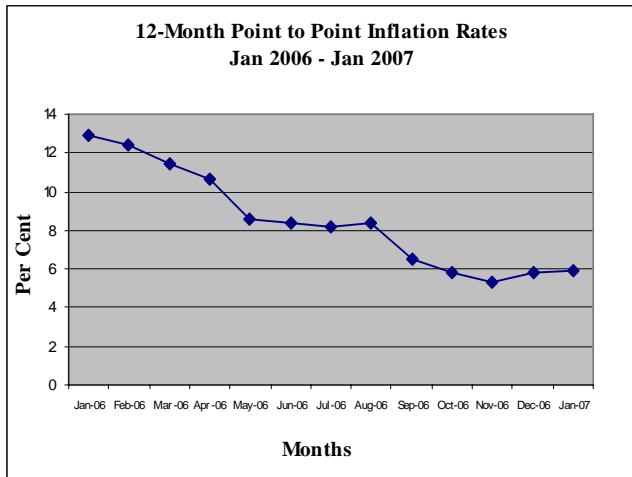


Figure 2

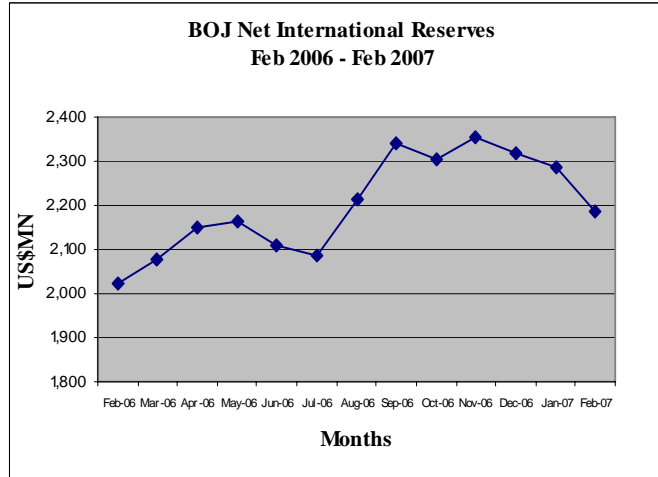


Figure 3

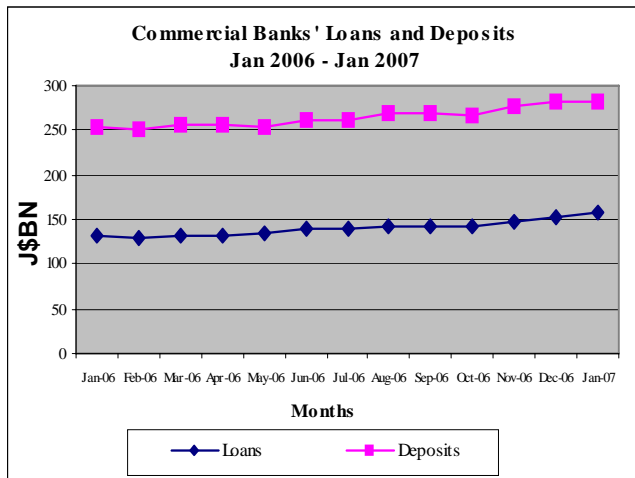


Figure 4

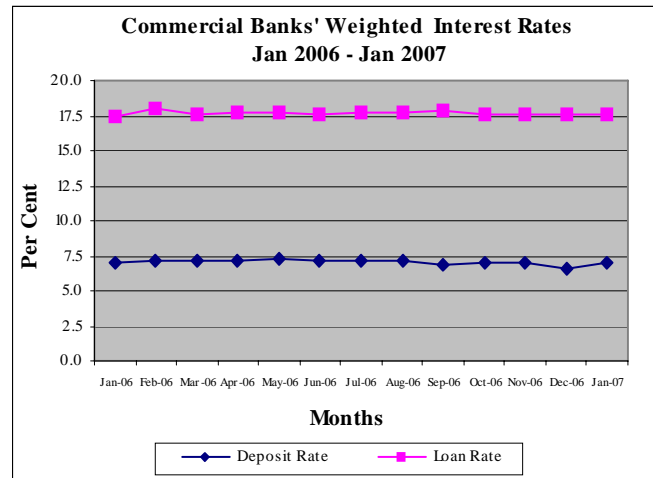


Figure 5

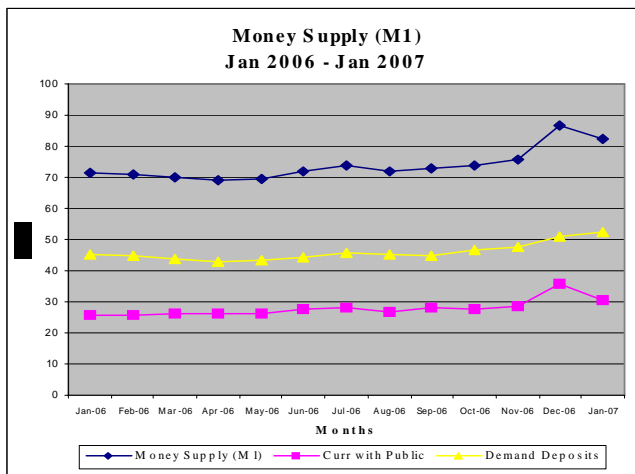
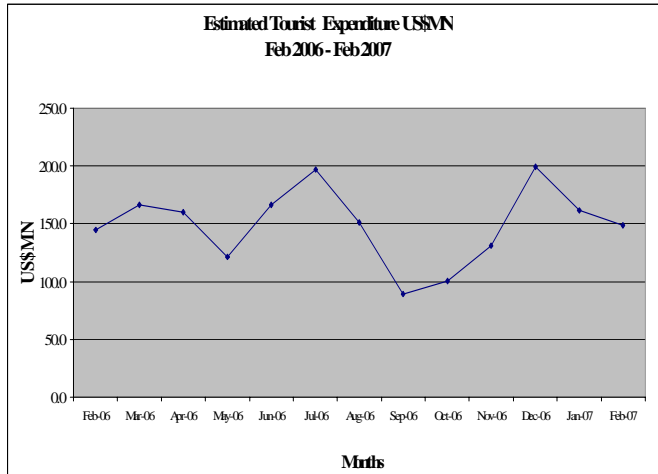


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
Local and Foreign Currency	Jan 2006	Dec 2006	Jan 2007	Change p.a.
Money Supply (M1).....	<u>71,223.98</u>	<u>86,885.53</u>	<u>82,486.03</u>	<u>15.81</u>
(a) Currency with the Public.....	25,770.87	35,780.82	30,236.93	17.33
(b) Demand Deposits (adj.)***.....	45,453.11	51,104.71	52,249.10	14.95
Quasi-Money.....	<u>155,791.89</u>	<u>169,527.33</u>	<u>171,414.95</u>	<u>10.03</u>
(a) Time.....	40,160.47	40,827.70	41,036.17	2.18
(b) Savings.....	115,631.42	128,699.63	130,378.78	12.75
Money Supply (M2).....	<u>227,015.87</u>	<u>256,412.86</u>	<u>253,900.98</u>	<u>11.84</u>
Domestic Credit (net).....	<u>232,346.84</u>	<u>238,143.01</u>	<u>247,361.67</u>	<u>6.46</u>
Local Currency	Jan 2006	Dec 2006	Jan 2007	
Money Supply (M1).....	<u>60,448.38</u>	<u>77,621.55</u>	<u>72,207.67</u>	<u>19.45</u>
(a) Currency with the Public.....	25,770.87	35,780.82	30,236.93	17.33
(b) Demand Deposits (adj.)***.....	34,677.51	41,840.73	41,970.74	21.03
Quasi-Money.....	<u>92,610.67</u>	<u>103,612.75</u>	<u>103,351.19</u>	<u>11.60</u>
(a) Time.....	22,161.83	22,982.20	23,417.23	5.66
(b) Savings.....	70,448.84	80,630.55	79,933.96	13.46
Money Supply (M2).....	<u>153,059.05</u>	<u>181,234.30</u>	<u>175,558.86</u>	<u>14.70</u>
Domestic Credit (net).....	<u>188,026.11</u>	<u>194,479.70</u>	<u>197,370.50</u>	<u>4.97</u>
	Feb 2006	Jan 2007	Feb 2007	
Base Money.....	<u>43,684.83</u>	<u>50,992.80</u>	<u>51,967.28</u>	<u>18.96</u>
II. COMMERCIAL BANKS (J\$mn.)	Jan 2006	Dec 2006	Jan 2007	
Assets & Liabilities (J\$mn.)**.....	<u>372,295.36</u>	<u>429,969.20</u>	<u>429,362.72</u>	<u>15.33</u>
Loans**.....	<u>131,476.00</u>	<u>153,449.18*</u>	<u>156,568.33*</u>	<u>19.09</u>
Agriculture.....	1,756.09	2,298.39	1,982.70	12.90
Manufacturing.....	4,987.95	5,865.31	5,673.29	13.74
Construction & Land Development.....	5,758.77	8,045.54	8,358.22	45.14
Mining.....	255.43	643.47	622.67	143.77
Tourism.....	24,030.27	24,282.30	24,290.30	1.08
Transport, Storage & Communication.....	5,191.00	3,705.75	3,949.01	-23.93
Consumer-Oriented.....	57,884.20	78,759.48	82,612.68	42.72
Government Services.....	30,039.76	27,937.18	27,346.80	-8.96
Other.....	1,572.53	1,911.76	1,732.66	10.18
	Jan 2006	Dec 2006	Jan 2007	
DEPOSITS.....	<u>252,215.27</u>	<u>282,925.53</u>	<u>281,182.41</u>	<u>11.49</u>
Private Sector (including overseas residents).....	<u>220,929.79</u>	<u>239,734.73</u>	<u>244,134.70</u>	<u>10.50</u>
Time.....	51,934.47	52,636.08	53,119.99	2.28
Savings.....	123,495.49	136,858.85	138,694.70	12.31
Demand.....	45,499.83	50,239.80	52,320.01	14.99
Government.....	<u>16,643.29</u>	<u>19,295.29</u>	<u>17,314.17</u>	<u>4.03</u>
Time.....	844.15	756.65	830.79	-1.58
Savings.....	1,520.54	2,024.22	2,028.04	33.38
Demand.....	14,278.60	16,514.42	14,455.34	1.24
Public Entities.....	<u>8,591.01</u>	<u>16,875.76</u>	<u>12,246.95</u>	<u>42.56</u>
Time.....	3,562.76	12,025.84	5,995.00	68.27
Savings.....	3,130.15	2,889.24	4,071.27	30.07
Demand.....	1,898.10	1,960.68	2,180.68	14.89

* Provisional

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

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

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Jan 2006	Dec 2006	Jan 2007	Change p.a.
Spec. & O. F. Insts.....	6,051.18	7,019.77	7,486.59	23.72
Time.....	1,576.41	1,485.09	1,546.43	-1.90
Savings.....	672.96	916.90	1,007.74	49.75
Demand.....	3,801.81	4,617.78	4,932.42	29.74
	Feb 2006	Jan 2007	Feb 2007	
Current Account Balances with BOJ (J\$mn).....	120.63	296.84	201.32	
LIQUIDITY (Average) %	Jan 2006	Dec 2006	Jan 2007	
Actual Liquid Assets Ratio.....	39.85	42.27	39.61	
Cash.....	3.10	3.68	2.79	
Deposits with B.O.J.....	9.54	9.54	9.55	
Treasury Bills.....	0.62	0.83	0.75	
Local Registered Stocks.....	2.24	0.47	0.56	
Other.....	24.35	27.75	25.96	
Statutory Requirement.....	23.00	23.00	23.00	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Feb 2006	Jan 2007	Feb 2007	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	2.50-14.10	2.50-14.10	2.50-14.10	
9-12 months.....	3.00-14.30	3.00-14.30	3.00-14.30	
Call Deposits.....	4.00-15.00	4.00-15.00	4.00-15.00	
Average Savings Deposits	5.30	5.07	5.07	
Average Loan Rate.....	21.84	21.90	21.90	
Average Inter-bank Rate	11.23	8.36	8.82	
	Jan 2006	Dec 2006	Jan 2007	
Weighted Fixed Deposits Rate.....	7.06	6.60	6.94	
Weighted Loan Rate.....	17.50	17.59	17.51	
G.O.J. Treasury Bills (Weighted Average) Yield	Mar 2006	Feb 2007	Mar 2007	
2 Months:.....	-	-	-	
3 Months:.....	13.16	11.78	11.55	
6 Months:.....	13.18	11.94	11.65	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
	Feb 2006	Jan 2007	Feb 2007	
BOJ Open Market Rates (%) *				
30-Day	12.60	11.65	11.65	
60-Day	12.70	11.70	11.70	
90-Day	12.75	11.80	11.80	
120-Day	12.85	11.85	11.85	
180-Day	13.00	12.00	12.00	
270-Day	13.25	-	-	
365-Day	13.60	-	-	
COMMERCIAL BANKS (Foreign Currency)	Feb 2006	Jan 2007	Feb 2007	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	0.25-5.00	0.25-4.85	0.25-4.85	
3-6 months.....	0.25-5.50	0.25-5.35	0.25-5.35	
6-12 months.....	0.25-6.00	0.25-5.85	0.25-5.85	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	0.50-5.75	0.50-5.60	0.50-5.60	
3-6 months.....	0.50-6.25	0.50-6.10	0.50-6.10	
6-12 months.....	0.50-6.75	0.50-6.60	0.50-6.60	
Average Loan Rates	11.95	11.95	11.95	
Average Savings	2.60	2.63	2.63	

+ Revised

* As at Tuesday 18 April 2006, no placements will be accepted for the 270- and 365- day tenors until further advised.

				%
IV. SECURITIES (J\$m.) (outstanding balances)	Jan 2006	Dec 2006	Jan 2007	Change p.a.
GOJ Local Registered Stock.....	235,632.66	229,978.28	229,978.28	-2.40
	Feb 2006	Jan 2007	Feb 2007	
BOJ Open Market Operations 1/.....	149,774.00	151,824.54	153,179.91	2.27
GOJ Treasury Bills.....	3,600.00	4,200.00	4,200.00	16.67
V. INSTALMENT CREDIT (J\$m.) (Banks & Near-Banks)	Jan 2006	Dec 2006	Jan 2007	
Total Credit Outstanding.....	14,396.53	20,318.84	20,693.51	43.74
New Business.....	1,261.20	241.18	339.45	-73.09
VI. NEAR-BANKS (J\$m.) (Merchant Banks, Trust Com. & Finance Houses)	Jan 2006	Dec 2006	Jan 2007	
Assets/Liabilities.....	44,678.53	45,957.04	46,082.97	3.14
Loans Outstanding.....	8,448.87	11,146.74	11,341.66	34.24
Total Deposits.....	12,456.88	14,016.97	14,227.14	14.21
Loans.....	8,448.87	11,146.74	11,341.66	34.24
Agriculture.....	929.09	1,037.01	1,036.72	11.58
Manufacturing.....	490.13	423.54	445.64	-9.08
Construction & Land Development.....	1,225.72	1,663.88	1,816.38	48.19
Mining, Quarrying & Processing.....	26.13	19.90	19.13	-26.79
Tourism.....	855.09	995.79	869.77	1.72
Transport, Storage & Communication.....	367.33	609.19	609.72	65.99
Consumer Oriented.....	3,824.62	5,910.50	5,878.24	53.69
Government Services.....	469.17	359.97	547.71	16.74
Other.....	261.59	126.96	118.35	-54.76
	Jan 2006	Dec 2006	Jan 2007	
Liquid Assets Ratio (average) %.....	40.80	33.60	35.00	
Statutory Requirement.....	23.00	23.00	23.00	
VII. BUILDING SOCIETIES (J\$m.) (members & associate members)	Jan 2006	Dec 2006	Jan 2007	
Assets/Liabilities.....	90,809.46	106,219.22	106,936.47	17.87
Loan Balances.....	37,290.90	44,035.69	44,795.48	20.12
Savings Funds.....	64,807.47	73,585.05	74,150.53	14.42
VIII. INFLATION	Jan 2006	Dec 2006	Jan 2007	
Consumer Price Index (Jan. 1988 = 100).....	2,295.7	2,425.9	2,432.9	5.98
Monthly Rate (%).....	0.1	0.5	0.3	
Calendar Year to Date (%).....	0.1	5.8	0.3	
Fiscal Year to Date (%).....	11.4	5.6	5.9	
IX. ACTUAL PRODUCTION ('000)	Jan 2006	Dec 2006	Jan 2007	
Bauxite (tonnes).....	349.04	380.54	381.35	9.26
Alumina (tonnes).....	348.91	338.60	349.87	0.28
Sugar (tonnes).....	26.84	2.35	-	-
Banana Exports (tonnes).....	2.21	2.38	1.61	-27.15
X. STOCK MARKET ACTIVITIES	Feb 2006	Jan 2007	Feb 2007	
Index**.....	96,845.29	101,718.82	92,949.46	-4.02
Volume Traded (mn.)***.....	121.36	249.81	162.02	33.50
Ordinary Shares.....	121.18	134.95	161.70	33.44
Block Transactions.....	0.18	114.86	0.32	77.78

1/ As at May 2005 the Bank of Jamaica no longer issues Reverse Repurchases

- No Production

** As at end of month

*** Monthly values

	Feb 2006	Jan 2007	Feb 2007	% Change p.a.
X. STOCK MARKET ACTIVITIES (cont'd)				
Value of Stocks Traded (J\$mn.)***	1,672.70	2,448.43	2,055.42	22.88
Ordinary Shares	1,672.44	1,490.24	2,055.08	22.88
Block Transactions	0.26	958.19	0.34	30.77
Advance/Decline Ratio**	11/21	14/23	8/27	
XI. EXTERNAL TRADE (US\$mn.)	Jan-Nov 2005	Jan-Nov 2006*		Change
1. EXPORTS				
(a) Major Traditional Exports	<u>1,004.49</u>	<u>1,148.55</u>		<u>144.06</u>
Bauxite	88.16	103.73		15.57
Alumina	835.77	942.73		106.96
Sugar	76.81	89.69		12.89
Bananas	3.75	12.40		8.65
(b) Other Traditional Exports	56.88	77.32		20.44
(c) Non-Traditional Exports	305.59	550.60		245.02
(d) Re-exports	27.59	32.06		4.46
General Merchandise Exports	<u>1,394.55</u>	<u>1,808.53</u>		<u>413.98</u>
(e) Freezone Exports	53.31	50.02		-3.29
(f) Goods Procured in Ports	69.65	73.04		3.39
Total Goods Exports	<u>1,517.51</u>	<u>1,931.59</u>		<u>414.08</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food	545.61	570.95		25.33
(b) Beverage & Tobacco	50.20	63.46		13.26
(c) Crude Material	71.09	76.33		5.25
(d) Mineral Fuel	1,265.93	1,629.57		363.64
(e) Animal & Vegetable Oil	25.39	22.71		-2.67
(f) Chemicals	499.69	639.60		139.92
(g) Manufactured Goods	593.82	642.19		48.37
(h) Machinery & Transportation	790.44	1,041.85		251.41
(i) Miscellaneous Manufactured Goods	429.92	460.76		30.83
(j) Miscellaneous Commodities	62.33	69.40		7.07
General Merchandise Imports	<u>4,334.42</u>	<u>5,216.82</u>		<u>882.40</u>
Freezone Imports	14.79	17.42		2.63
Goods Procured in Ports	101.97	107.09		5.12
Total Goods Imports	<u>4,451.18</u>	<u>5,341.33</u>		<u>890.15</u>
Trade Balance	<u>-2,933.67</u>	<u>-3,409.74</u>		<u>-351.55</u>
XII. TOURISM	Feb 2006	Feb 2007		% Change
Tourist Arrivals ('000)	<u>256.48</u>	<u>256.08</u>		<u>-0.16</u>
Stop Overs	138.43	132.95		-3.96
Foreign Nationals	132.71	127.54		-3.90
Non-Resident Jamaicans	5.72	5.41		-5.42
Cruise	118.05	123.13		4.30
Armed Forces	-	-		-
Estimated Expenditure (US\$mn.)	<u>150.9</u>	<u>148.8</u>		<u>-1.39</u>
XIII. BALANCE OF PAYMENTS (US\$mn.)				
<i>Balance of Payments (Calendar)</i>	Jan-Nov 2005	Jan-Nov 2006*		Change
1. Current Account	<u>-1,055.8</u>	<u>-1,115.1</u>		<u>-59.3</u>
A. Goods balance	<u>-2,368.4</u>	<u>-2,741.8</u>		<u>-373.3</u>
Exports (f.o.b.)	1,517.5	1,931.7		414.2
Imports (f.o.b.)	3,885.9	4,673.5		787.6
B. Service Balance	<u>499.3</u>	<u>679.2</u>		<u>179.9</u>
Transportation	-256.4	-307.4		-51.0
Travel	1,132.8	1,426.5		293.7
Other Services	-377.1	-439.9		-62.8

* Provisional

** As at last trading day of month

*** Monthly values

<i>Balance of Payments (Calendar) (Cont'd)</i>		Jan-Nov 2005	Jan-Nov 2006*	Change
C. Income		<u>-601.8</u>	<u>-603.0</u>	<u>-1.2</u>
Compensation of Employees.....		82.5	91.8	9.3
Investment Income.....		-684.3	-694.8	-10.5
D. Current Transfers		<u>1,415.1</u>	<u>1,550.5</u>	<u>135.4</u>
Official.....		125.4	117.4	-8.0
Private.....		1,289.7	1,433.1	143.4
2. Capital and Financial Account		<u>1,055.8</u>	<u>1,115.1</u>	<u>59.3</u>
A. Capital Account		<u>-2.6</u>	<u>1.0</u>	<u>3.6</u>
Capital Transfers.....		<u>-2.6</u>	<u>1.0</u>	<u>3.6</u>
Official.....		0.3	3.8	3.5
Private.....		-2.9	-2.8	0.1
Acq./Disp. of non-produced non-fin. assets....		0.0	0.0	0.0
B. Financial Account		<u>1,058.4</u>	<u>1,114.1</u>	<u>55.7</u>
Other Official Investment.....		409.8	544.5	134.7
Other Private Investment.....		833.9	835.4	-48.5
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-235.3</u>	<u>-265.8</u>	
		Apr-Nov	Apr-Nov*	
<i>Balance of Payments (Fiscal)</i>		2005/2006	2006/2007	
1. Current Account		<u>-887.1</u>	<u>-859.6</u>	<u>27.5</u>
A. Goods balance		<u>-1,767.2</u>	<u>-2,005.9</u>	<u>-238.7</u>
Exports (f.o.b.).....		1,136.3	1,406.2	269.9
Imports (f.o.b.).....		2,903.5	3,412.1	508.6
B. Service Balance		<u>298.5</u>	<u>435.9</u>	<u>137.4</u>
Transportation.....		-210.3	-245.2	-34.9
Travel.....		780.6	998.3	217.7
Other Services.....		-271.8	-317.2	-45.4
C. Income		<u>-437.7</u>	<u>-433.2</u>	<u>4.5</u>
Compensation of Employees.....		74.0	82.7	8.7
Investment Income.....		-511.7	-515.9	-4.2
D. Current Transfers		<u>1,019.3</u>	<u>1,143.6</u>	<u>124.3</u>
Official.....		83.0	81.6	-1.4
Private.....		936.3	1,062.0	125.7
2. Capital and Financial Account		<u>887.1</u>	<u>859.6</u>	<u>-27.5</u>
A. Capital Account		<u>-1.7</u>	<u>2.8</u>	<u>4.5</u>
Capital Transfers.....		<u>-1.7</u>	<u>2.8</u>	<u>4.5</u>
Official.....		0.2	3.8	3.6
Private.....		-1.9	-1.0	0.9
Acq./Disp. of non-produced non-fin. assets		0.0	0.0	0.0
B. Financial Account		<u>888.8</u>	<u>856.8</u>	<u>-32.0</u>
Other Official Investment.....		396.4	561.5	165.1
Other Private Investment.....		684.6	570.3	-114.3
<i>(incl. errors & omissions)</i>				
Reserves.....		<u>-192.2</u>	<u>-275.0</u>	

* Provisional

	Feb 2006	Jan 2007	Feb 2007	% Change p.a.
XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)				
BOJ Net International Reserves (US\$mn.).....	<u>2,024.24</u>	<u>2,288.39</u>	<u>2,185.56</u>	<u>7.97</u>
Gross Foreign Assets.....	<u>2,327.51</u>	<u>2,357.23</u>	<u>2,217.86</u>	<u>-4.71</u>
Gross Foreign Liabilities.....	<u>303.27</u>	<u>68.84</u>	<u>32.30</u>	<u>-89.35</u>
Estimated Gross Reserves in Weeks of Imports.....	<u>27.72</u>	<u>24.22</u>	<u>22.79</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>19.71</u>	<u>17.47</u>	<u>16.44</u>	
XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.) *	Feb 2006	Jan 2007	Feb 2007	
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	879.19	1,142.80	917.23	4.33
Foreign Exchange Sales (spot).....	876.16	1,102.84	929.19	6.05
Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	Jan 2006	Dec 2006	Jan 2007	
Commercial Banks Balances.....	<u>1,509.16</u>	<u>1,598.03</u>	<u>1,592.94</u>	<u>5.55</u>
"A" Accounts 1/.....	169.10	142.94	140.75	-16.77
"B" Accounts	0.00	0.00	0.00	-
Other.....	1,340.06	1,455.09	1,452.19	8.37
F.I.As Balance.....	<u>163.97</u>	<u>173.54</u>	<u>174.61</u>	<u>6.49</u>
"A" Accounts 1/.....	109.81	105.49	108.72	-0.99
"B" Accounts	0.05	0.26	0.25	400.00
Other.....	54.11	67.79	65.64	21.31
Building Societies Balances.....	<u>355.46</u>	<u>413.80</u>	<u>415.52</u>	<u>16.90</u>
"A" Accounts 1/.....	207.83	257.12	258.33	24.30
"B" Accounts	65.53	66.97	66.53	1.53
Other	82.10	89.71	90.66	10.43
Total Foreign Currency Deposits (US\$mn.).....	<u>2,028.59</u>	<u>2,185.37</u>	<u>2,183.07</u>	<u>7.62</u>
Total Foreign Currency Loans (US\$mn.).....	<u>927.46</u>	<u>1,033.61</u>	<u>1,076.50</u>	<u>16.07</u>
Commercial Banks.....	835.00	916.12	956.14	14.51
F.I.As	82.70	101.56	103.39	25.02
Building Societies.....	9.76	15.93	16.97	73.87

* Foreign Currency balances represent the US dollar equivalent of the value of total transactions in major international currencies.
1/ 'A' Accounts are tax free Foreign Currency Accounts Held by non-residents

	Feb 2006	Jan 2007	Feb 2007
London Interbank Offer Rate (LIBOR) Eurodollars (%)			
3 months.....	4.76	3.78	3.85
6 months.....	4.92	3.92	3.97
U.S. Prime Rate (end of period) (%).....	7.50	8.25	8.25
Selling Exchange Rates (end period)	Feb 2006	Jan 2007	Feb 2007
US\$1.00 = J\$.....	65.36	67.55	67.55
Can. \$1.00 = J\$.....	57.33	57.53	58.18
U.K. Pound = J\$.....	114.06	131.73	132.26
Euro = J\$**.....	77.94	87.53	89.47
Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	10.37	10.72	10.84
Bdos. \$1 = J\$.....	32.68	33.78	33.77
Guy. \$1 = J\$.....	0.33	0.34	0.34
E.C. \$1 = J\$.....	24.21	25.03	25.02

*** Indicative Rates*

INFLATION DECEMBER 2006

The All Jamaica Consumer Price Index (CPI) increased by 0.5 per cent in December 2006, relative to a decline of 0.2 in the previous month and an increase of 0.1 per cent in December 2005. This outturn resulted in inflation of 5.6 per cent for the first nine months of FY 2006/07, 5.7 percentage points below the outturn for the similar interval in FY 2005/06. The inflation rate for calendar year 2006 was 5.8 per cent, which was below the 12.9 per cent recorded in 2005. The mean annual inflation rate was 8.6 per cent, which represented a reduction over the 15.3 per cent realized one year ago.

One of the main factors underpinning upward price movements continued to be supply constraints in the domestic cattle and fishing industries. The influence of developments in the domestic agricultural commodities market was also important but mixed. The increased prices of beef and fish continued to reflect tightness in supplies of these items. In addition, the scarcity of some vegetables as well as the increased demand brought about by the holidays resulted in price increases for some vegetables. On the other hand, ample supplies of starchy foods resulted in the continuance of widespread price reductions for these commodities.

All subcategories of the CPI rose in December. The most influential increases were recorded in *Food & Drink*, *Fuels & Other Household Supplies* and *Healthcare & Personal Expenses*. *Food & Drink* increased by 0.6 per cent while each of the other two subcategories increased by 0.5 per cent. These subcategories together accounted for approximately 85.5 per cent of the overall outturn.

The increase in the *Food & Drink* subcategory was influenced by expansions in the *Meat, Poultry & Fish* and the *Vegetables & Fruits* sub-groups. The former increased by 1.2 per cent due to a rise in the prices of beef, fish, pork and canned meats. For the calendar year the average increase in this sub-group was 1.0 per cent and largely reflected the continued disjuncture between supply and demand in the beef and fish industries. Further, there were increases in the price of beef on the international market in the last two quarters of 2006. The *Vegetables & Fruits* index moved sharply upward during December and accounted for more than half of the month's inflation. This mainly related to a sharp decline in the production volumes of tomato as well as the seasonal return of avocado to the market at higher prices.

With regard to *Fuels & Other Household Supplies*, the 0.5 per cent increase principally emanated from the *Household Supplies* sub-groups. This largely reflected some pressures associated with higher demand for household items due to the holidays. Also, as this sub-group contains items with a high import content it is posited that the mild instability in exchange rate market earlier in the quarter affected some of its components. The *Fuels* sub-group was also affected by holiday demand as the principal factor underlying the movement was an increase in the price of charcoal. This could also have been related to increased demand from purveyors of jerked foods.

The increase of 0.5 per cent in the *Healthcare & Personal Expenses* sub-index was due mainly to increases in the *Healthcare* sub-component. The expansion in *Healthcare* was a result of increases in the fees of medical practitioners and the cost of prescriptions and tonics. The increase in the index of *Personal Expenses* was associated with greater demand for personal care in the holiday season.

The CPI for the Other Towns and Rural Areas increased by 0.4 per cent and 0.2 per cent, while that for the KMA increased 0.8 per cent (see Table 3). This pattern was mainly reflected in *Food & Drink* and *Transportation*. The low outturn in the *Food & Drink* index in the Rural Areas was driven by declines in *Starchy Foods* and *Other Food & Beverages* and by the lowest outturn in *Vegetables & Fruits* across the regions. The deflation in *Transportation* was influenced by the decline in petrol prices in the Rural Areas as there was an average expansion of approximately 8.0 per cent in the other two areas.

8.0 The trimmed mean index increased by 0.28 per cent in December, 0.13 percentage point above the change in the previous month (Table 4). The outturn for December 2006 brought the annual point to point core inflation to 3.4 per cent, which, with the exception of November 2006, was the lowest level attained in nearly four years. The annual average core inflation rate of 4.2 per cent for the month was 1.4 percentage points below what obtained in the similar period of 2005 and 0.1 percentage point lower than the previous month's rate. Core inflation continued to reflect a declining trend consistent with the management of monetary policy. Annual average core inflation has trended down steadily since the peak of 7.5 per cent in June 2004.

9.0 The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.47 per cent in December, compared to 0.29 per cent in the previous month.

Annual point to point movement in the index was 7.1 per cent compared to 11.8 per cent at the similar position last year. For the fiscal year to date, CPI-A was 4.8 per cent relative to 9.8 per cent for the corresponding period last FY (**Table 1B**). This primarily reflected lower fuel price charges as international crude oil prices weakened. Additionally, there were lower impulses due to exchange rate changes as the foreign exchange market exhibited greater stability during the reporting fiscal period.

Table 1

JAMAICA: INFLATION RATES

	1/ C.P.I.	3 Month AVG. C.P.I.	Monthly % change	3 Month* % change	3 Month # % change	12 Month* % change	12 Month # % change
2002							
Jan	1,468.8	1,461.7	0.59	0.96	1.30	9.38	7.28
Feb	1,468.0	1,465.6	-0.05	0.81	0.99	8.05	7.39
Mar	1,468.5	1,468.4	0.03	0.57	0.78	7.58	7.48
Apr	1,475.9	1,470.8	0.50	0.48	0.62	7.67	7.62
May	1,480.0	1,474.8	0.28	0.82	0.62	7.16	7.69
Jun	1,492.8	1,482.9	0.86	1.65	0.99	6.25	7.61
Jul	1,515.6	1,496.1	1.53	2.69	1.72	6.83	7.58
Aug	1,521.2	1,509.9	0.37	2.79	2.38	6.29	7.51
Sept	1,528.0	1,521.6	0.45	2.36	2.61	5.90	7.41
Oct	1,539.2	1,529.5	0.73	1.56	2.23	5.80	7.25
Nov	1,558.3	1,541.8	1.24	2.44	2.12	7.01	7.20
Dec	1,566.1	1,554.5	0.50	2.49	2.16	7.25	7.08
2003							
Jan	1,561.3	1,561.9	-0.31	1.44	2.12	6.30	6.83
Feb	1,552.2	1,559.9	-0.58	-0.39	1.17	5.74	6.64
Mar	1,559.5	1,557.7	0.47	-0.42	0.20	6.20	6.52
Apr	1,584.0	1,565.2	1.57	1.45	0.21	7.33	6.50
May	1,613.4	1,585.6	1.86	3.94	1.65	9.01	6.66
Jun	1,653.1	1,616.8	2.46	6.00	3.80	10.74	7.04
Jul	1,678.4	1,648.3	1.53	5.96	5.31	10.74	7.38
Aug	1,702.0	1,677.8	1.41	5.49	5.81	11.88	7.85
Sept	1,728.4	1,702.9	1.55	4.56	5.33	13.11	8.47
Oct	1,756.7	1,729.0	1.64	4.67	4.90	14.13	9.17
Nov	1,773.0	1,752.7	0.93	4.17	4.46	13.78	9.74
Dec	1,786.8	1,772.2	0.78	3.38	4.07	14.09	10.32
2004							
Jan	1,801.8	1,787.2	0.84	2.57	3.36	15.40	11.08
Feb	1,811.9	1,800.2	0.56	2.19	2.71	16.73	11.99
Mar	1,820.8	1,811.5	0.49	1.90	2.22	16.76	12.86
Apr	1,828.2	1,820.3	0.41	1.47	1.85	15.42	13.52
May	1,839.9	1,829.6	0.64	1.55	1.64	14.04	13.93
Jun	1,854.8	1,841.0	0.81	1.87	1.63	12.20	14.03
Jul	1,854.8	1,855.8	0.97	2.44	1.95	11.58	14.08
Aug	1,897.3	1,875.0	1.31	3.12	2.48	11.47	14.02
Sept	1,909.2	1,893.1	0.63	2.93	2.83	10.46	13.77
Oct	1,972.2	1,926.2	3.30	5.31	3.79	12.27	13.61
Nov	2,020.0	1,967.1	2.42	6.47	4.92	13.93	13.62
Dec	2,032.1	2,008.1	0.60	6.44	6.07	13.73	13.60
2005							
Jan	2,032.8	2,028.3	0.03	3.07	5.30	12.82	13.39
Feb	2,041.7	2,035.5	0.44	1.07	3.48	12.68	13.07
Mar	2,061.5	2,045.4	0.97	1.45	1.86	13.22	12.81
Apr	2,100.4	2,067.9	1.88	3.32	1.95	14.89	12.79
May	2,147.1	2,103.0	2.23	5.17	3.32	16.70	13.04
Jun	2,178.9	2,142.2	1.48	5.69	4.73	17.48	13.49
Jul	2,213.3	2,179.8	1.58	5.38	5.41	18.18	14.04
Aug	2,214.7	2,202.4	0.06	3.15	4.72	16.73	14.48
Sept	2,272.4	2,233.5	2.61	4.29	4.26	19.03	15.19
Oct	2,285.7	2,257.7	0.59	3.27	3.57	15.90	15.48
Nov	2,292.3	2,283.5	0.29	3.50	3.69	13.48	15.42
Dec	2,293.8	2,290.7	0.07	0.94	2.56	12.88	15.33
2006							
Jan	2,295.7	2,294.0	0.08	0.44	1.61	12.94	15.31
Feb	2,295.3	2,295.0	-0.02	0.13	0.50	12.42	15.26
Mar	2,297.1	2,296.1	0.08	0.14	0.24	11.43	15.08
Apr	2,323.3	2,305.2	1.14	1.20	0.49	10.62	14.70
May	2,332.6	2,317.6	0.40	1.63	0.99	8.64	14.00
Jun	2,362.3	2,339.4	1.27	2.84	1.89	8.42	13.24
Jul	2,394.5	2,363.1	1.36	3.06	2.51	8.19	12.41
Aug	2,401.9	2,386.2	0.31	2.97	2.96	8.45	11.73
Sept	2,419.8	2,405.4	0.75	2.43	2.82	6.49	10.71
Oct	2,417.9	2,413.2	-0.08	0.98	2.12	5.78	9.87
Nov	2,413.5	2,417.0	-0.18	0.48	1.29	5.29	9.18
Dec	2,425.9	2,419.1	0.51	0.25	0.57	5.76	8.59

1/ January 1998 = 100

Moving average

* Point to point

Source: STATIN

Table 2
COMPONENT CONTRIBUTION TO INFLATION
December 2006

	Weight in the CPI	Monthly Inflation (%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	0.6	0.4937	74.2
Meals away from home	0.0741	0.3	0.0252	3.8
Meat, Poultry & Fish	0.1613	1.2	0.1870	28.1
Dairy Products Oils & Fats	0.0668	0.5	0.0317	4.8
Baked Products, Cereals & Breakfast Drink	0.0864	0.5	0.0448	6.7
Starchy Foods	0.0525	-3.0	-0.1567	-23.5
Vegetables & Fruits	0.0650	5.4	-0.3541	53.2
Other Food & Beverages	0.0502	0.2	0.0076	1.1
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	0.5	0.0386	5.8
Household Supplies	0.0482	0.6	0.0277	4.2
Fuels	0.0253	0.4	0.0109	1.6
HOUSING & OTHER HOUSING EXPENSES	0.0786	0.3	-0.0226	3.4
Rental	0.0209	0.0	0.0000	0.0
Other Housing Expenses	0.0577	0.4	-0.0226	3.4
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	0.9	0.0213	3.2
Furniture	0.0068	2.1	0.0141	2.1
Furnishings	0.0215	0.3	0.0072	1.1
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0367	5.5
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.0507	0.2	0.0097	1.5
Clothing Materials	0.0055	0.0	0.0000	0.0
Readymade Clothing & Accessories	0.0242	0.3	0.0064	1.0
Footwear	0.0159	0.2	0.0026	0.4
Making & Repairs	0.0051	0.1	0.0007	0.1
TRANSPORTATION	0.0644	0.4	-0.0233	3.5
MISCELLANEOUS EXPENSES	0.0785	0.3	0.0196	3.0
ALL GROUPS	1.0000	0.51	0.67	100.0

Table 3
REGIONAL INFLATION
December 2006

	KMA (%)	Other Towns (%)	Rural (%)
FOOD & DRINK	1.4	0.3	0.1
Meals away from home	0.2	0.6	0.4
Meat Poultry & Fish	0.9	1.0	1.5
Dairy Products Oils & Fats	0.2	0.5	0.7
Baked Products Cereals & Breakfast Drink	0.5	0.3	0.6
Starchy Foods	2.0	-6.2	-4.0
Vegetables & Fruits	7.6	6.6	2.6
Other Food & Beverages	0.5	0.2	-0.2
FUELS & OTHER HOUSEHOLD SUPPLIES	0.4	1.2	0.2
Household Supplies	0.7	0.4	0.5
Fuels	0.2	1.7	0.0
HOUSING & OTHER HOUSING EXPENSES	0.2	0.4	0.6
Rental	0.0	0.0	0.0
Other Housing Expenses	0.3	0.4	0.6
HOUSEHOLD FURNISHINGS & FURNITURE	0.1	1.7	1.3
Furniture	0.0	3.7	3.4
Furnishings	0.2	0.7	0.2
HEALTHCARE & PERSONAL EXPENSES	0.3	0.9	0.6
PERSONAL CLOTHING FOOTWEAR & ACCESSORIES	0.1	0.3	0.3
Clothing Materials	0.0	0.0	0.0
Readymade Clothing & Accessories	0.1	0.4	0.3
Footwear	0.0	0.0	0.4
Making & Repairs	0.0	0.7	0.0
TRANSPORTATION	0.7	0.3	-0.2
MISCELLANEOUS EXPENSES	0.1	0.1	0.8
ALL GROUPS	0.8	0.4	0.2

Table 4
INFLATION: ACTUAL & CORE

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
June	2.46	0.91	6.00	2.30	5.64	3.72
July	1.53	0.94	7.62	3.27	6.31	3.99
Aug	1.41	0.79	9.14	4.08	6.90	4.33
Sept	1.55	0.52	10.83	4.62	7.22	4.70
Oct	1.64	0.79	12.65	5.45	7.77	5.12
Nov	0.93	0.66	13.69	6.14	7.89	5.51
Dec	0.78	0.53	14.58	6.70	8.09	5.90
Jan	0.84	0.50	15.54	7.23	8.22	6.30
Feb	0.56	0.32	16.18	7.57	8.15	6.68
Mar	0.49	0.32	16.76	7.91	7.91	6.99
2004/05						
Apr	0.41	0.32	0.41	0.32	7.55	7.24
May	0.64	0.39	1.05	0.71	7.20	7.41
June	0.81	0.36	1.87	1.08	6.62	7.48
July	0.97	0.36	2.86	1.44	6.00	7.45
Aug	1.31	0.46	4.20	1.91	5.66	7.34
Sept	0.63	0.34	4.86	2.25	5.46	7.19
Oct	3.30	0.66	8.32	2.93	5.33	6.98
Nov	2.42	0.60	10.94	3.54	5.26	6.76
Dec	0.60	0.47	11.60	4.03	5.20	6.52
Jan	0.03	0.36	11.64	4.41	5.07	6.26
Feb	0.44	0.28	12.13	4.70	5.03	6.00
Mar	0.97	0.45	13.22	5.17	5.17	5.78
2005/06						
Apr	1.88	0.50	1.88	0.50	5.37	5.60
May	2.23	0.56	4.16	1.07	5.55	5.47
June	1.48	0.58	5.69	1.66	5.78	5.40
July	1.58	0.58	7.36	2.25	6.01	5.41
Aug	0.06	0.44	7.43	2.71	6.00	5.44
Sept	2.61	0.40	10.23	3.12	6.06	5.49
Oct	0.59	0.37	10.87	3.49	5.75	5.52
Nov	0.29	0.34	11.19	3.85	5.48	5.54
Dec	0.07	0.24	11.27	4.10	5.24	5.54
Jan	0.08	0.27	11.36	4.37	5.14	5.55
Feb	-0.02	0.29	11.34	4.68	5.15	5.56
Mar	0.08	0.26	11.43	4.95	4.95	5.54
2006/07						
Apr	1.14	0.31	1.14	0.31	4.75	5.48
May	0.40	0.29	1.55	0.60	4.46	5.39
June	1.27	0.28	2.84	0.87	4.14	5.25
July	1.36	0.33	4.24	1.21	3.88	5.07
Aug	0.31	0.22	4.56	1.43	3.65	4.88
Sept	0.75	0.52	5.34	1.96	3.78	4.69
Oct	-0.08	0.12	5.26	2.08	3.52	4.50
Nov	-0.18	0.15	5.07	2.23	3.32	4.32
Dec	0.51	0.28	5.61	2.52	3.36	4.16

JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
DECEMBER 2006

December 2006

Provisional data indicate that the current account improved significantly in December 2006 to a surplus of US\$39.4 million, compared with a deficit of US\$22.9 million in December 2005 (see **Table**). **This improvement stemmed from strong growth in exports, reflecting respective expansions of US\$23.4 million (64.8 per cent) and US\$12.4 million (14.6 per cent)** in earnings from non-traditional exports (including waste & scrap metals and ethanol) and alumina exports. Partly offsetting the growth in exports was an increase of US\$8.0 million in spending on imports. Expansions of US\$12.7 million, US\$9.9 million and US\$8.7 million in payments for fuel, manufactured goods and machinery and transport equipment respectively, were partially counteracted by declines of US\$14.8 million and US\$11.5 million in spending on chemicals and food imports.

There were increases in net inflows from travel and current transfers in the review month. The travel sub-sector benefitted from an increase of 18.9 per cent in cruise visitor arrivals, while the higher surplus on the current transfers account stemmed from an increase of US\$11.5 million in net inflows to the private sector. Partly offsetting the impact of the improvement on the other sub-accounts was a higher deficit on the income account. This deterioration on the income account was due to an expansion in the imputed profit remittances of the direct investment companies.

Within the capital and financial accounts, net official investment inflows were insufficient to finance net private investment outflows and the deficit on the current account. As a result, the NIR of the Bank of Jamaica declined by US\$35.4 million for the month.

January – December 2006

For the period January – December 2006, the current account deficit was estimated at US\$1 096.9 million, which was US\$18.2 million higher than the deficit for the comparable period in 2005. This deterioration was largely attributed to an increase in the deficit on the goods account, reflecting growth in imports of fuel, machinery & transportation equipment and chemicals. The effect of this expansion was partly offset by increased earnings from exports, particularly higher receipts from refined fuel, waste & scrap metal and ethanol.

Partly offsetting the impact of the deterioration on the goods account were higher surpluses on the services and current transfers accounts. The higher surplus on the services account was influenced by respective increases of 17.7 per cent and 13.5 per cent in cruise passenger and stopover arrivals. This was supported by an average increase of 8.5 per cent in the estimated daily expenditure per stopover visitor. An expansion of 9.2 per cent in gross private remittance inflows was responsible for the growth in current transfers.

Within the capital and financial accounts, net official and private investment inflows were more than sufficient to finance the deficit on the current account. In this context, there was a build-up of US\$230.1 million in the NIR over the period. At end-December 2006, the gross reserves stood at US\$2 399.2 million, representing 17.9 weeks of projected imports of goods and services.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Dec	Dec^{2/}		Jan-Dec	Jan-Dec^{2/}	
	2005	2006	Change	2005	2006	Change
1. CURRENT ACCOUNT	-22.9	39.4	62.3	-1,078.7	-1,096.9	-18.2
A. GOODS and SERVICES	-112.1	-58.9	-53.2	-1,981.2	-2,142.8	161.6
a. GOODS BALANCE	-212.9	-182.9	30.0	-2,581.3	-2,944.9	-363.6
Exports (f.o.b.)	146.8	184.8	38.0	1,664.3	2,117.3	453.0
Imports (f.o.b.)	359.7	367.7	8.0	4,245.6	5,062.2	816.6
b. SERVICES BALANCE	100.8	124.0	23.2	600.1	802.1	202.0
Transportation	-17.4	-14.0	3.4	-273.8	-322.3	-48.4
Travel	162.9	187.1	24.2	1,295.7	1,613.4	317.7
Other Services	-44.7	-49.1	-4.4	-421.8	-489.1	-67.3
B. INCOME	-74.1	-77.9	-3.8	-675.9	-680.7	-4.8
Compensation of employees	6.0	9.2	3.2	88.5	101.0	12.5
Investment Income	-80.1	-87.1	-7.0	-764.4	-781.7	-17.3
C. CURRENT TRANSFERS	163.3	176.3	13.0	1,578.4	1,726.5	148.1
Official	11.6	13.0	1.4	137.0	130.1	-6.9
Private	151.7	163.2	11.5	1,441.4	1,596.4	155.0
2. CAPITAL & FINANCIAL ACCOUNT	22.9	-39.4	62.3	1,078.7	1,096.9	18.2
A. CAPITAL ACCOUNT	-0.1	0.5	0.6	-2.7	1.5	4.2
a. Capital Transfers	-0.1	0.5	0.6	-2.7	1.5	4.2
Official	0.0	0.2	0.2	0.3	4.1	3.8
Private	-0.1	0.3	0.4	-3.0	-2.6	0.4
b. Acq/disposal of non-prod. Non-fin'l assets	0.0	0.0	0.0	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	23.0	-39.9	-62.9	1,081.4	1,095.5	14.1
Other official investment	-13.2	33.3	46.5	396.6	578.0	181.4
Other private investment ^{3/}	29.8	-108.6	-138.4	913.7	747.6	-166.1
Change in Reserves (minus = increase)	6.4	35.4		-228.9	-230.1	

2/ Provisional

3/ Includes errors & omissions