2023

BANK OF JAMAICA

Quarterly Monetary Policy Report

February 2023 • Volume 23 • Number 3

Nethersole Place
Kingston
Jamaica

Telephone: (876) 922 0750-9
Fax: (876) 967 4265
Email: library@boj.org.jm
Website: www.boj.org.jm

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 – 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) that is published by the Statistical Institute of Jamaica, is necessary for the achievement of sustained growth and development in Jamaica.

The inflation target was established by the Minister of Finance and the Public Service in consultation with Bank of Jamaica in April 2021.

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 macroeconomic 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 most recent policy decision 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 with the Bank's monetary policy announcements.

Overview

The Jamaican economy continued to recover during the December 2022 quarter, notwithstanding the impact of the ongoing conflict between Russia and Ukraine. In addition, the gross foreign reserves of Bank of Jamaica continued to be strong and the financial system remained sound. As the key external drivers of headline inflation continued to trend downward and the pace of monetary tightening by the United States Federal Reserve Board (Fed) slowed, the Bank announced a conditional pause in its monetary tightening cycle in December 2022.

Annual inflation was 9.4 per cent at December 2022, below the 10.3 per cent at November 2022. The outturn for December 2022 mainly reflected decelerations in Housing, Water, Electricity, Gas & Other Fuels (HWEG), Transport and Food and Non-Alcoholic Beverages (FNB) inflation due to lower oil prices, base effects and a stable exchange rate.[1] The measure of core inflation – that excludes food and fuel prices – declined during the quarter, reflecting a moderation in inflation expectations and the impact of tight monetary policy. Annual inflation is projected to fluctuate within the range of 5.5 to 6.5 per cent over the next eight quarters.

The Jamaican economy is estimated to have grown in the range of 3.0 to 5.0 per cent for the December 2022 quarter, a slower pace relative to the expansion of 5.9 per cent recorded for the September 2022 quarter. There was estimated growth in all industries for the review quarter, with the exception of *Construction.* Real GDP growth for FY2022/23 is projected to moderate within the range 4.0 to 5.5 per cent from 8.2 per cent for FY2021/22. This is above the Bank's previous projection. The risks to the growth forecast are assessed to be skewed to the downside.

The current account of the balance of payments is estimated to have recorded a surplus of 0.0 to 1.0 per cent of GDP for the December 2022 quarter, lower (better) than the outturn for the December 2021 quarter. The improvement in the current account was reflected primarily in the services balance, partially offset by a deterioration in the merchandise trade and the current transfers sub-accounts. The improvement on the services balance was underpinned by higher tourism inflows and lower transportation outflows. The deterioration in the merchandise trade balance was mainly due to an increase in the importation of consumer goods and transport equipment, partially offset by a decline in capital goods, fuel and raw material. The decline in the current transfers sub-account primarily reflect lower net remittance inflows.

Over the next two years, the current account is expected to deteriorate, mainly due to a lower surplus on the services sub-account as well as a higher deficit on the income sub-account, partially offset by improvements on current transfers and merchandise trade balances. The Bank anticipates that the current account deficit (CAD) will range between 0.5 to 3.0 per cent of GDP for FY2022/23 to FY2023/24 and average between 1.0 to 2.0 per cent of GDP over the medium-term. The risks to the projections for the CAD are skewed to the upside. Jamaica's international reserves remained buoyant with gross reserves at end-December 2022 of US$4.5 billion, representing 112.2 per cent of the Assessing Reserve Adequacy metric for FY2022/23.

The Jamaican dollar appreciated by 0.5 per cent for the December 2022 quarter. This compared to a depreciation of 5.3 per cent in the December 2021 quarter. The demand pressures during the quarter were eased by B-FXITT sales amounting to US$150.0 million. These sales were higher than the US$10.0 million sold to the market during the corresponding period of 2021.

Broad money grew at an annual rate of 5.8 per cent at November 2022, a deceleration relative to the growth of 10.1 per cent at September 2022. The expansion in broad money at November 2022 reflected growth of 6.9 per cent in local currency deposits. Private sector credit provided by deposit-taking Institutions (DTIs) recorded an annual growth of 10.9 per cent at November 2022, lower than the growth of 11.2 per cent at September 2022.

The financial system continued to be resilient. DTIs' risk-weighted Capital Adequacy Ratio (CAR) at end-November 2022 was 13.9 per cent, well above the statutory requirement of 10 per cent. Banks also remained liquid, with all licensees reporting Liquidity Coverage Ratios (LCRs) in excess of 100 per cent at end-November 2022. The quality of the DTIs' loan portfolio remained fairly stable with a ratio of non-performing loans (NPLs) to gross loans at November 2022 of 2.6 per cent, lower than the 3.0 per cent recorded a year earlier.

[1] Base effects occur when changes in the CPI in the base month (i.e. the comparable month of the previous year) have a significant impact on the year-over-year/ annual rate of measured inflation.

In December 2022, the MPC announced its decision to pause its policy rate increases and to maintain the policy interest rate effective 21 December 2022. The MPC also decided to continue containing Jamaican dollar liquidity expansion and preserving relative stability in the foreign exchange market. The Bank's decision was based on the incoming data being generally favourable for the inflation outlook. The Bank noted however, that, while interest rates in the money and capital markets had generally increased in line with the policy rate, the response of DTIs in the relation to the interest rates on their products had been slow. Some DTIs had recently adjusted their deposit and lending rates marginally and announced future rate increases. The Bank noted that, in the absence of new shocks, its future monetary policy decisions would depend on the continued pass-through effect of its past policy rate changes on deposit and loan rates in the ensuing months. The decisions would also depend on the MPC seeing more pass-through of international commodity price reductions to domestic prices and on the United States Federal Reserve Board (Fed) not exceeding its stated policy rate increases. The Bank also stated that it would continue to pursue initiatives to address structural impediments to the monetary transmission mechanism.

Contents

1.0	Inflation	1
	Recent Developments	1
	Inflation Outlook	2
	Inflation Risks	3
	Box 1: Businesses' Inflation Expectations Survey	4
2.0	International Economy	6
	Trends in the Global Economy	6
	Trading Partners' Inflation	10
	Trends in Trading Partners' Exchange Rates	10
	Commodity Prices	11
	External Financial Markets	14
	Global Stock Market	14
	Box 2: Economic Growth in Selected Economies	9
3.0	Real Sector	16
	GDP Growth	16
	Aggregate Supply	16
	Labour Market Developments	18
	Real Sector Outlook	19
	Risks	19
	Box 3: Potential Output	20
4.0	Fiscal Accounts	22
	Recent Developments	22
5.0	Balance of Payments	24
	Recent Developments	24
6.0	Monetary Policy & Market Operations	26
	Recent Developments	26
	Liquidity Conditions	26
7.0	Financial Markets	28
	Market Interest Rates	28
	Exchange Rate Developments	29
	Equities Market	29
8.0	Monetary Aggregates	31
	Money	31
	Private Sector Credit	32
	Monetary Projections	32
9.0	Conclusion	34

Additional Tables 35
Glossary 51
List of Boxes 55

ABBREVIATIONS & ACRONYMS

B-FXITT	Bank of Jamaica's Foreign Exchange Intervention & Trading Tool
BOJ	Bank of Jamaica
BOP	Balance of Payments
Brexit	British Exit
bps	Basis points
CAD	Current Account Deficit
CDs	Certificates of Deposit
CDI	Credit Demand Index
CIF	Cost, Insurance and Freight
CPI	Consumer Price Index
CPI-AF	Consumer Price Index without Agriculture and Fuel
CPI-F	Consumer Price Index without Fuel
CPI-FF	Consumer Price Index without Food and Fuel
CSI	Credit Supply Index
CY	Calendar Year
DIJA	The Dow Jones Industrial Average
DTIs	Deposit-taking Institutions
EGOF	Electricity, Gas & Other Fuels
EMBI+	JP Morgan Emerging Market Bond Index
e.o.p	End of Period
EPI	Export Price Index
EFR	Excess Funds Rate
Fed	US Federal Reserve System
FNB	Food & Non-Alcoholic Beverages
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
IPI	Import Price Index
IRC	Interest Rate Corridor
JMD	Jamaica Dollar
JSE	Jamaica Stock Exchange
LHS	Left Hand Side

LME	London Metal 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 Opening Position
o/w	Of which
O/N	Overnight
OMO	Open Market Operations
PMMR	Private Money Market Rates
QoQ	Quarter over Quarter
QPC	Quantitative Performance Criteria
RADA	Rural Agriculture Development Agency
REER	Real Effective Exchange Rate
S&P	Standard & Poor's
SBA	Stand-by Agreement
SCT	Special Consumption Tax
SLF	Standing Liquidity Facility
T-Bill	Treasury Bill
TP	Trading Partners
UR	Unemployment Rate
US	United States
USD	US dollar
WASR	Weighted Average Selling Rate
WTI	West Texas Intermediate

1.0 Inflation

The annual point-to-point inflation rate at December 2022 was 9.4 per cent, which was lower than the outturn of 10.3 per cent at November 2022 but remained above the upper limit of the Bank's inflation target range of 4.0 to 6.0 per cent. The moderation in inflation mainly reflected decelerations in Housing, Water, Electricity, Gas & Other Fuels (HWEG), Transport and Food and Non-Alcoholic Beverages (FNB) inflation due to lower oil prices, base effects and a stable exchange rate.[1]

Inflation is projected to average between 5.5 and 6.5 per cent over the next eight quarters (March 2023 to December 2024), which is lower compared to the previous projection of between 6.0 and 7.0 per cent and to the average inflation rate of 8.3 per cent over the past two years. Inflation is projected to decelerate over the next 9 to 10 months but is expected to continue breaching the upper limit of the Bank's target range until October 2023.

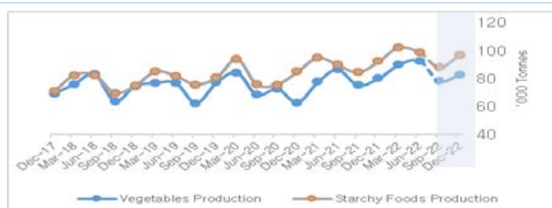
The projected fall in inflation over the period reflects reductions in commodity and shipping prices, moderating inflation expectations and a lower path for the exchange rate. The impact of these downward pressures is likely to be partly offset by increases in selected regulated prices, more stable energy prices and wage related inflation in the context of a closed output gap.

The near-term upside risks to the inflation forecast are elevated. On the upside, a worsening in supply chain disruptions, higher than expected second-round effects from commodity price shocks, stronger than anticipated demand from China influencing grains prices upwards, as well as the adverse impact on commodity prices should the Russia-Ukraine conflict escalate. In addition, labour market shortages carry the potential for future wage adjustments that can put upward pressure on inflation. On the downside, weaker than expected global growth could negatively impact domestic demand. There is also a risk that projected adjustments to administered prices may not materialise.

Recent Developments and Near-term Outlook

The annual point-to-point inflation rate at December 2022 was 9.4 per cent, which was lower than the outturn of 10.3 per cent at November 2022 but remained above the upper limit of the Bank's inflation target range of 4.0 to 6.0 per cent. The moderation in inflation relative to November 2022 mainly reflected decelerations in Housing, Water, Electricity, Gas & Other Fuels (HWEG), Transport and Food and Non-Alcoholic Beverages (FNB) inflation due to lower oil prices, base effects and a stable exchange rate.

Figure 1: Vegetables and Starchy Foods Production (Tonnes)

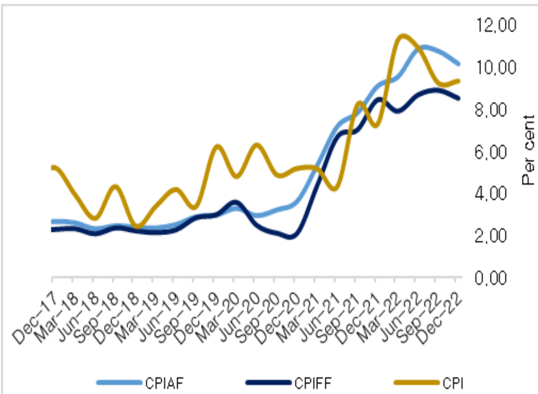


Source: MICAF & BOJ Calculations
The graph represents quarterly supply (in tonnes) for vegetables and selected starches provided by Ministry of Agriculture.

[1] Base effects occur when changes in the CPI in the base month (i.e. the comparable month of the previous year) have a significant impact on the year over year/ annual rate of measured inflation.

The measure of core inflation that excludes food and fuel prices (CPIFF) decreased to 8.5 per cent at December 2022, relative to 8.8 per cent in November 2022. This deceleration mainly reflected moderating inflation expectations and contractionary monetary policy as reflected in the lower path for the exchange rate.[2]

Figure 2: Core Inflation and CPI
(Annual per cent change)



Source: STATIN & BOJ

Inflation Outlook

Inflation is projected to average between 5.5 per cent and 6.5 per cent over the March 2023 to December 2024 quarter (next eight quarters), below the previous eight-quarter projection of 6.0 per cent to 7.0 per cent. Inflation is projected to decelerate over the next 10 months and breach the upper limit of the Bank's target range over this period.

Over the medium term (FY2024/25 – FY2027/28), headline inflation is projected to converge to the mid-point (5.0 per cent) of the Bank's target range, similar to the previous projections (see **Figure 3**).

The main factors underpinning the inflation forecast are as follows:

(i) Inflation expectations, while relatively high, are projected to fall in the context of the Bank's monetary policy actions and moderating commodity prices. In the November 2022 inflation expectations survey, respondents lowered their expectations for inflation 12 months ahead (see **Box 1**).

(ii) The output gap is projected to close gradually over the medium term (see **Real Sector**). Growth in demand is projected to moderate as incomes in Jamaica – and among Jamaica's main trading partners – normalise to pre-COVID-19 levels.

(iii) Moderate inflationary pressures from labour market conditions are anticipated.

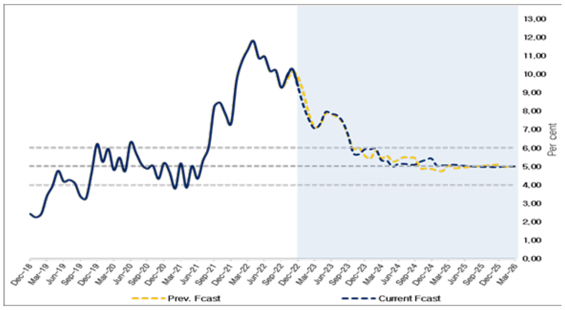
(iv) The inflation forecast assumes increases in selected regulated prices.

(v) Amid expectations for a slowdown in global growth, oil prices are projected to average US$80.80 per barrel for the next eight quarters compared to an average of US$85.58 per barrel in the previous projection. Over the period FY2024/25 to FY2027/28 oil prices are projected to average US$76.40 per barrel, just above the average of US$74.97 per barrel at the previous forecast (see **International Economy**). Freight charges have started to decline to pre-pandemic levels and are projected to fully normalize over the next eight quarters.

(vi) The average price of grains is projected to decline at an average quarter over quarter rate of 1.8 per cent over the next eight quarters (December 2022 to September 2024), relative to the previous forecast of an average quarter over quarter decline of 2.7 per cent (see **International Economy**).

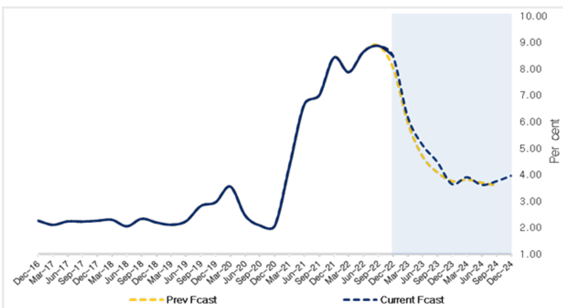
[2] This occurred due to a base effect from the previous year.

Figure 3: Monthly Comparative Headline Inflation Forecasts



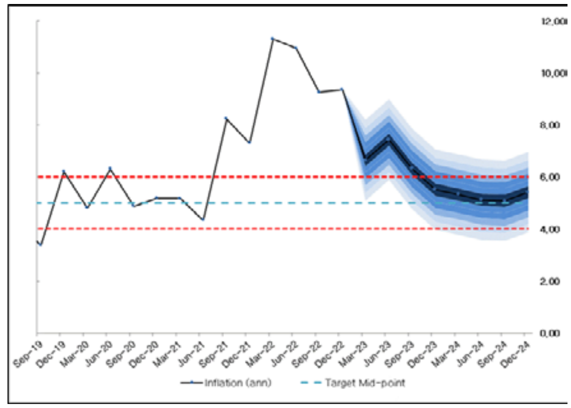
Source: Bank of Jamaica

Figure 4: Comparative Core Inflation Forecasts



Source: Bank of Jamaica

Figure 5: Inflation Fan Chart



Source: Bank of Jamaica

Inflation Risks

The upside risks to the near-term inflation forecast are elevated (see Figure 5). On the upside, the risks include a worsening in supply chain disruptions and higher than projected imported inflation from international commodity prices, specifically grains, which could emanate from stronger than anticipated global growth. Also, labour market shortages carry the potential for future wage adjustments that can put upward pressure on inflation. On the downside, weaker than expected global growth could negatively impact domestic demand. There is also a risk of lower than projected imported inflation from international commodity prices given the headwinds to global growth. There is also a risk of lower than projected adjustments to administered prices (particularly over the next four quarters).

Box 1: Businesses' Inflation Expectations Survey – November 2022

Overview

The Bank's Survey of Businesses' Inflation Expectations (IES) at November 2022 indicated that the one-year ahead inflation expectations continued to be higher than the Bank's inflation target of 4.0 to 6.0 per cent, although, the latest outturn represented further improvement. Perception of inflation control improved relative to the previous survey.

Inflation Expectations

In the November 2022 survey, respondents' expectation of inflation 12 months ahead declined (for the fourth time since March 2021) to 11.5 per cent, relative to the previous outturn of 11.6 per cent. (see Figure 1).

Perception of Inflation Control

The index of businesses perception of inflation control was higher when compared to the October 2022 survey (see Figure 2). This outturn reflected an improvement due to a decline in the proportion of respondents that were "very dissatisfied" with how inflation was being controlled.

Exchange Rate Expectations

In the November 2022 survey, respondents forecasted the exchange rate to depreciate over all three time horizons. The previous survey reported a faster pace of depreciation over all three time horizons (see Table 1).

Interest Rate Expectations

The majority of respondents forecasted the Bank's policy rate, three months ahead, to be marginally higher. The proportion of respondents of this view increased marginally, relative to the previous survey. The 90-day Treasury bill (T-Bill) yield, three months ahead was forecasted to be 7.9 per cent, relative to the 7.8 per cent in the October 2022 survey.

Table 1: Exchange Rate Expectations

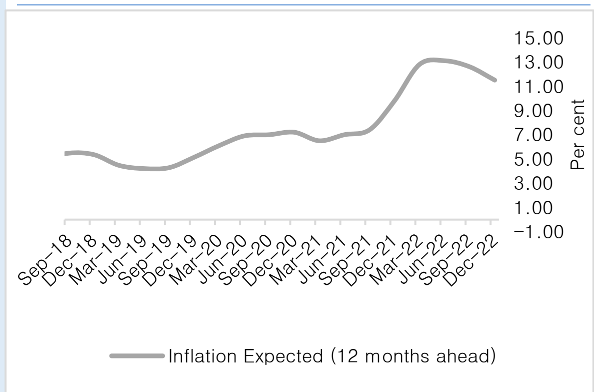
Question: In August 2022, the exchange rate for the Jamaican Dollar (JA$) in respect of the United States Dollar (US$) was $152.53. What do you think the rate will be for the following periods?

	Expected Exchange Rate Depreciation/Appreciation (%)			
Periods Ahead	Aug-22	Sep-22	Oct-22	Nov-22
3-Months	-1.3	0.9	1.4	0.9
6-Months	-0.3	1.5	1.9	1.5
12- Months	0.4	2.1	2.5	2.4

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

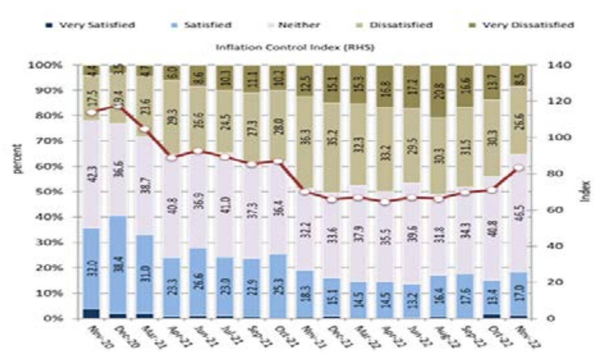
Question: If you expect inflation, what do you expect the rate of inflation to be at December 2022 and over the next 12 months?



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?



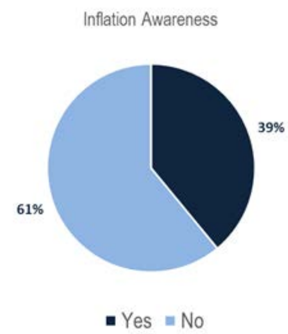
Source: Businesses' Inflation Expectations Survey.
Notes: The Index of Inflation Control is calculated as the number of satisfied respondents minus the number of dissatisfied respondents plus 100

Inflation Target Awareness

Majority of respondents (61%) were not aware of BOJ's inflation target as well as the most recent point-to-point inflation outturn. In particular, most respondents indicated that they weren't aware of the point-to-point inflation rate as at October 2022.

Figure 3: Inflation Target Awareness

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



2.0 International Economy

The global economy is estimated to have expanded by 1.3 per cent for the December 2022 quarter, lower than the estimated expansion in the September 2022 quarter but above the previous forecast.[1] *Global growth is projected to slow from an estimated 2.7 per cent in 2022 to 1.6 per cent in 2023. This outlook reflects the impact tighter monetary conditions imposed by some major central banks as well as the continued impact of the war in Ukraine.*

The US economy is estimated to have grown by 1.5 to 2.5 per cent in 2022, while growth of 0.0 to 1.0 per cent is projected for 2023.

The US Fed increased interest rates by 25 percentage points in February 2023 and indicated that additional rate hikes would be forthcoming. Bank of Jamaica anticipates that the Fed will enact another interest rate increase (25 bps) in March 2023. In this context, yields on Jamaica's sovereign bonds are projected to rise at least through mid-2023, which will support an upward movement in domestic interest rates.

The projection assumes that grains and energy prices will trend lower over the next eight quarters relative to the previous eight quarters, and prices have also been revised downwards, relative to the previous forecast. In particular, WTI oil prices are projected to average US$80.80 per barrel for the next eight quarters compared to an average of US$85.58 per barrel in the previous projection. Grains prices are projected to average US$394.10 per metric tonne for the next eight quarters compared to an average of US$416. 16 per metric tonne in the previous projection. The risks to the forecast for grains prices are skewed to the upside while the risks to energy prices are balanced.

Trends in the Global Economy

The global economy is estimated to have expanded by 1.3 per cent for the December 2022 quarter, lower than the estimated expansion of 3.2 per cent in the September 2022 quarter but above the previous forecast of 0.3 per cent.[2] The estimated higher growth for the December 2022 quarter, relative to the previous projection, reflects better than expected growth in the US.[3]

The Bureau of Economic Analysis' (BEA's) advance estimate indicates that GDP for the December 2022 quarter increased on an annualized basis by 2.9 per cent, following an expansion of 3.2 per cent for the September 2022 quarter. The increase in real GDP for the December quarter primarily reflected an increase in consumer spending, despite the dual headwinds of

[1] A key factor slowing global growth in the December 2022 quarter was the continued tightening of monetary policy, driven by the overshoot of inflation targets. Increased COVID-19 cases associated with the relaxation of COVID-19 restrictions in China have also impacted the Chinese and global economy. Additionally, elevated inflation levels and tight financial conditions weighed on emerging market economies.

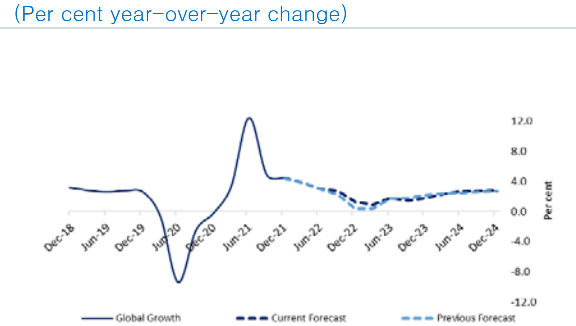
[2] A key factor slowing global growth in the December 2022 quarter was the continued tightening of monetary policy, driven by the overshoot of inflation targets. Increased COVID-19 cases associated with the relaxation of COVID-19 restrictions in China have also impacted the Chinese and global economy. Additionally, elevated inflation levels and tight financial conditions weighed on emerging market economies.

[3] In particular, real consumption growth accelerated during the December 2022 quarter, influenced by developments in October 2022. However, momentum faded later in the quarter despite solid growth in real incomes, helped by the continued decline in energy prices which had a downward pull on inflation. Most of the rise in incomes in October specifically reflected tax rebates paid out by a number of states.

rising interest rates and high inflation.[4, 5] This growth was above the 1.3 per cent anticipated by the Bank.

Global growth is projected to average 2.1 per cent over the next eight quarters (March 2023 to December 2024), above the previous projection of 1.8 per cent (see **Figure 7**). The forecast reflects a slowdown in global growth from 2.7 per cent in 2022 to 1.6 per cent in 2023. This outlook reflects the impact of monetary tightening among the major advanced economies. For the second half of 2023, however, a recovery in global output, supported by further monetary policy easing, is projected. The end of a zero-COVID policy and a renewed focus on pro-growth policies will spur China's economic activity over the near term.

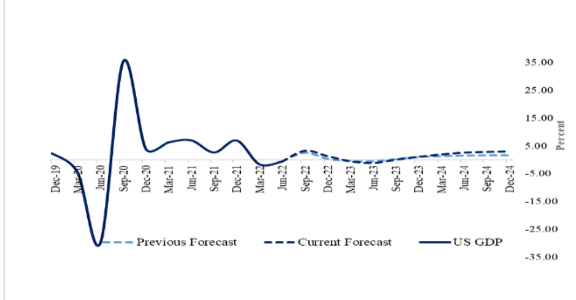
Figure 7: Global Growth Projection*
(Per cent year-over-year change)



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

The Bank projects quarterly output growth in the US to average 1.2 per cent for the March 2023 to December 2024 quarters as tightening monetary and financial conditions reduce growth in demand. This projected growth is above the previous forecast of 0.6 per cent (see **Figure 8**) but slower than the growth in potential GDP. In this context, US economic growth is projected to moderate for 2023 to 0.3 per cent from 2.0 per cent in 2022.

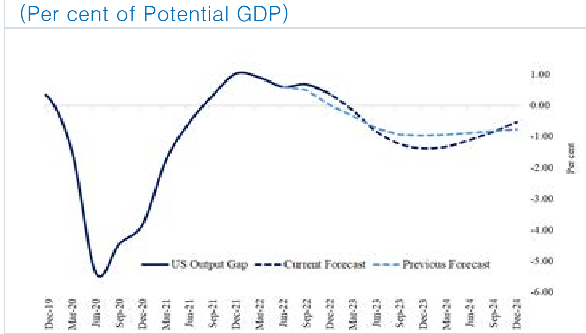
Figure 8: Comparative US GDP Growth Forecast
(Per cent change annualized)



Source: BOJ, CBO

Over the next eight quarters (March 2023 to December 2024), the US output gap is projected to gradually become more negative (worsening demand conditions), reflecting expectations for a slowdown in US economic activity (see **Figure 9**).[6]

Figure 9: US Output Gap
(Per cent of Potential GDP)



Source: BOJ, CBO

Risks

The risks to global growth are skewed to the downside. An escalation of geopolitical tensions could cause new trade disruptions and exacerbate global supply shortages. Downward pressures could also arise from the effect of monetary policies being stronger than anticipated. Climate change also poses significant downside risks to the global economy.

[4] The increase in real GDP reflected increases in investment (private inventory and non-residential), consumer spending and government spending (federal, state and local), that were partly offset by decreases in residential fixed investment and exports. Imports, which are a subtraction in the calculation of GDP, decreased.

[5] The 2.9 per cent annualised rise in GDP for the December 2022 quarter was stronger than the Bank's estimate of 1.3 per cent, mainly due to another positive contribution from net trade – with the surge in exports in the September 2022 quarter being only partly reversed in the December 2022, despite drags from softer global demand and the stronger dollar. However, consumption and investment growth being weaker than estimated, adds to the evidence that the economy was losing considerable momentum going into the March 2023 quarter.

[6] The Bank uses the historical output gap data reported by the US Congressional Budget Office (CBO).

Labour Market

The unemployment rate in the US at December 2022 was 3.5 per cent, below the outturn for November 2022 of 3.6 per cent.[7, 8] This rate was below the Bank's projection of 3.7 per cent and the US Federal Reserve's estimate of the natural rate of unemployment of 4.0 per cent. The US unemployment rate is projected to increase over the next eight quarters.[9, 10]

Table 1: Unemployment/ Job Seeking Rate for Selected Economies (e.o.p Per Cent)

	USA*	Canada*	Euro
Dec-20	6.7	8.8	8.2
Mar-21	6.0	7.5	8.1
Jun-21	5.9	7.8	7.7
Sep-21	4.8	6.9	7.4
Dec-21	3.9	5.9	6.9
Mar-22	3.6	4.3	6.8
Jun-22	3.6	4.9	6.7
Sep-22	3.5	5.2	6.6
Dec-22	3.5	5.0	6.5

Source: Official statistics offices
* The job seeking rate is the percentage of the labour force actively seeking work. The rates in the table for US and Canada represent job seeking rates. Jamaica's job seeking rate was 4.3 per cent as at July 2022.

Monetary Policy

On 01 February 2023, the Federal Open Market Committee (FOMC) increased its target range for the US Fed Funds rate by 25 basis points to 4.50 per cent – 4.75 per cent. This was in line with the Bank's projections. The Bank anticipates that the Fed will further raise interest rates by 25 basis points (bps) in March 2023. It is expected that, if inflation expectations remain anchored and the projected rise in the unemployment rate begins to slow wage growth, the Fed will begin to reduce interest rates by September 2023.[11]

[7] The unemployment rate of 3.5 per cent in December 2022 was in line with pre-pandemic February 2020 levels.

[8] Total nonfarm payroll employment in the US increased by 223,000 in December 2022, following increases of 263,000 in October 2022 and 256,000 in November 2022. Monthly job growth has averaged 375,000 in 2022, compared with 562,000 per month in 2021. Average hourly earnings increased by a slower pace of 0.3 per cent over the month, resulting in the annual rate falling to 4.6 per cent, its lowest since mid-2021, which suggests that labour shortages are easing.

[9] The unemployment rate is projected to end FY2022/23 at 3.7 per cent, 0.1 percentage point above the rate at end-FY2021/22, and end FY2023/24 at 5.1 per cent.

[10] The slowdown in demand is expected to engender an increase in the unemployment rate. Continuing jobless claims in the US, which measure unemployed people who have been receiving unemployment benefits for at least 2 weeks, was approximately 1.63 million in the week ended 31 December 2022, a decline of 3.7 per cent relative to the previous week.

[11] Core price inflation is falling, wage growth is slowing, and the signs are mounting that the economy is on the verge of a recession. The market also agrees now that the Fed should be reducing interest rates later this year, based on the 30-Day federal funds futures and options are traded on the Chicago Mercantile Exchange (CME).

Box 2: Economic Growth in Selected Economies

China

The Chinese economy is estimated to have recorded an expansion of 2.9 per cent for the December 2022 quarter compared to a year ago. This pace was a slowdown relative to the growth of 3.9 per cent in the September 2022 quarter. The slowdown in the December 2022 quarter reflected the impact of renewed waves of coronavirus infections, following relaxation of restrictive measures.

GDP growth in China is projected to average 4.8 cent over the next eight quarters, ranging between 3.1 per cent to 6.3 per cent.[12] This is a marginal upward projection in growth relative to the previous projection of 4.7 per cent and is largely attributable to expectations for an improvement in economic activity in the second half of 2023.

Japan

The Japanese economy is estimated to have expanded by 2.8 per cent for the December 2022 quarter, on a quarterly annualised basis, following a contraction of 0.8 per cent in the September 2022 quarter. The acceleration in growth in the December 2022 quarter was mainly due to an increase in private sector spending and services consumption as well as the relaxation of international travel restrictions in October 2022.

For the next eight quarters, GDP growth in Japan is projected in the range of 0.9 per cent to 1.2 per cent, averaging approximately 1.1 per cent marginally below the previous projection of 1.3 per cent. The outlook partly reflects expectations for high levels of inflation which will slow demand.

Canada

The Canadian economy is estimated to have expanded by 0.6 per cent for the December 2022 quarter on a quarterly annualised basis, compared to an expansion of 2.6 per cent for the September 2022 quarter. The deceleration in growth for the December 2022 quarter was mainly attributable to persistent inflation and, consequently, increases in the central bank's policy rate.

For the next eight quarters, GDP growth in Canada is projected in the range of −0.2 per cent to 1.6 per cent, averaging approximately 0.8 per cent relative to the previous projection of 0.9 per cent. The downward projection in growth is largely attributable to tight monetary conditions and the greater than expected impact on financial conditions.

Euro Area

The Euro Area is estimated to have recorded a contraction of 0.4 in the December 2022 quarter, on a quarterly annualised basis, compared to an expansion of 0.3 per cent in the previous quarter. The contraction in the December 2022 quarter was as a result of persistent level of inflation which resulted in a reduction in demand.

For the next eight quarters, GDP growth in the Euro Area is projected in the range of −0.4 per cent to 0.4 per cent, averaging approximately 0.2 per cent, in line with the previous projection of 0.2 per cent.

United Kingdom (UK)

The UK economy is estimated to have contracted by 0.4 per cent in the December 2022 quarter, on a quarterly annualised basis following a contraction of 0.3 per cent in the previous quarter. The contraction in the December 2022 quarter is largely attributable to a continued high level of inflation resulting in slow demand and rapid monetary tightening.

Growth in the UK economy over the next eight quarters is projected in the range of −0.4 per cent to 0.3 per cent, averaging approximately 0.0 per cent relative to the previous projection of 0.1 per cent. The downward projection reflects expectation for continued price pressures on businesses and households which will reduce demand.

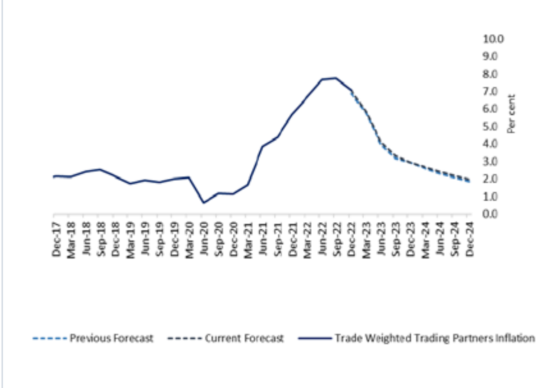
[12] Estimates for China growth represent year-over-year per cent change.

Trading Partners' Inflation

The weighted average of 12-month inflation rates for Jamaica's trading partners' (TPs) at December 2022 is estimated at 6.6 per cent. This represents a moderation relative to 6.9 per cent at November 2022 and is below the Bank's previous forecast of 6.8 per cent. For the US, annual CPI inflation at December 2022 was 6.5 per cent, below the Bank's forecast of 6.9 per cent.[13] The personal consumption expenditures (PCE) price index increased by 5.5 per cent on a year-on-year basis at November 2022.

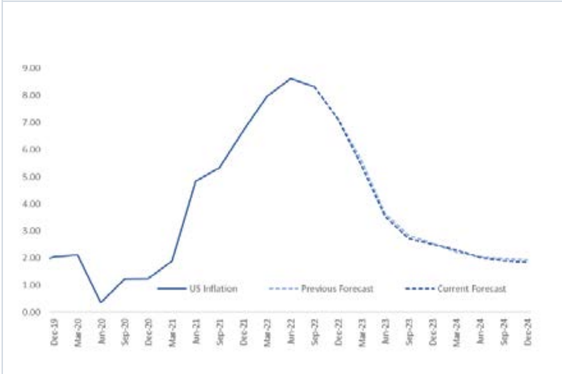
Over the next eight quarters, the Bank projects the inflation rate of Jamaica's main trading partners (TP) to average 3.0 per cent, below the previous forecast of 3.7 per cent (see **Figure 10**).[14] The projection for TP inflation largely reflects the effects of the projected slowdown in global demand, partly offset by the projected increase in commodity prices, particularly fuel. In this regard, the forecast assumes continued moderation in TP inflation. Of note, US inflation is projected to average 2.8 per cent over the next eight quarters, below the previous forecast of 3.5 per cent (see **Figure 11**). TP inflation is expected to continue to slow further for the following eight quarters. As such, slowing demand, easing supply shortages and a slowdown in wage growth will support the continued moderation in inflation.

Figure 10: Trade Weighted Trading Partners' Inflation
(Per cent quarterly YOY change)



Source: Bloomberg

Figure 11: US Inflation
(Per cent quarterly YOY change)



Source: Bloomberg

Trends in Trading Partners' Exchange Rates

During the December 2022 quarter, TP currencies generally depreciated against the US dollar, relative to the September 2022 quarter.[15, 16] The stronger US dollar was supported by increased appetite for safer assets amid expectations for a slowdown in

[13] The annual rate of 6.5 per cent for December 2022 reflected a moderation relative to 7.1 per cent in the previous month. The index for all items less food and energy rose 5.7 per cent over the last 12 months, below the 6.0 per cent recorded in November. The food index increased by 10.1 per cent while the energy index decelerated by 6.1 per cent over the last 12 months.

[14] The inflation rate of Jamaica's main trading partners (TP inflation) for FY2022/23 on average is projected at 7.0 per cent, in line with the previous forecast. TP inflation for FY2023/24 on average is projected at 3.0 per cent.

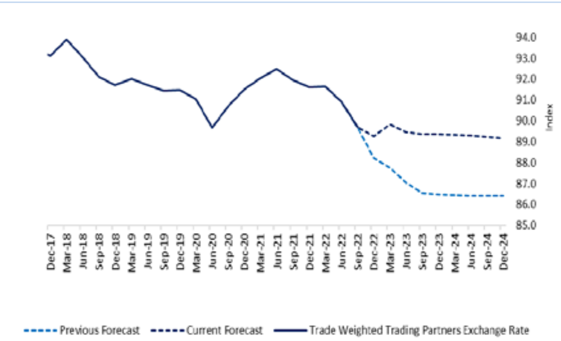
[15] There was an average depreciation of 0.5 per cent in the exchange rate of Jamaica's trading partners vis-à-vis the USD for the December 2022 quarter, following an average depreciation of 1.3 per cent in the September 2022 quarter. This compares to the previous forecast for a depreciation of 1.6 per cent for the review quarter. The exchange rates of Jamaica's trading partners vis-à-vis the USD depreciated, on average, by 2.5 per cent in the December 2022 quarter relative to a year prior.

[16] On a monthly basis, the currencies of Jamaica's major trading partners, on average, depreciated by 0.5 per cent in October 2022 and appreciated by 0.7 per cent and 0.5 per cent in November and December 2022, respectively.

growth due to continued tightening of monetary conditions in the US and other countries.

Bank of Jamaica projects that, over the next eight quarters (March 2023 to December 2024), the currencies of Jamaica's major trading partners will depreciate, on average, against the US dollar (see Figure 12).[17] The US dollar will continue to be positively impacted by the Federal Reserves' programme of monetary tightening as well as investors' need for safe haven asset as the global economy slows.

Figure 12: Trading Partners' Trade Weighted Exchange Rate – vis–à–vis USD, May 2013 =100



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

Commodity Prices

The daily average of West Texas Intermediate crude oil prices for the December 2022 quarter declined by 10.0 per cent, relative to the September 2022 quarter.[18] When compared to the December 2021 quarter, crude oil prices increased by 7.0 per cent. The decline in crude oil prices for the quarter mainly arose from (i) expectations for a further slowdown in global growth, (ii) an acceleration in new coronavirus cases in China and (iii) the appreciation of the US dollar, which reduced investors' appetite for dollar denominated commodities. However, upward price pressures emanated from continued concerns about tight global crude supplies amid (i) OPEC and its allies' decision to restrict crude production, (ii) continued disruptions caused by the war in Ukraine, (iii) the EU and UK ban on seaborne crude from Russia, (iv) a decline in US crude inventories, and (v) reports that oil supply to Hungary and other parts of Eastern and Central Europe via the Druzhba oil pipeline was temporarily suspended by Ukraine.

Oil prices are projected to average US$80.80 per barrel for the next eight quarters compared to an average of US$85.58 per barrel in the previous projection. Abstracting from the March quarter, the forecast trajectory reflects an average quarter–over–quarter increase of 0.3 per cent, compared to the average quarterly decline of 2.6 per cent previously anticipated (see Figure 13). The moderation in prices over the near term reflects expectations for a further slowdown in global growth.

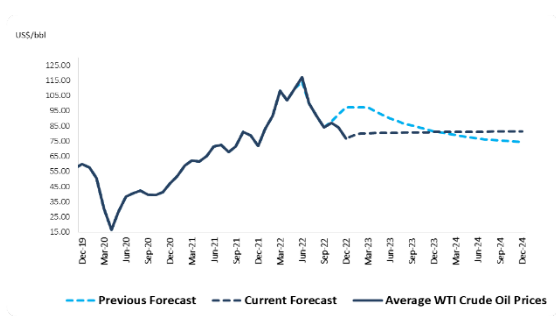
For the March 2023 and June 2023 quarters, crude oil prices are projected to average US$79.70 per barrel (3.5 per cent decline for the quarter) and US$80.40 per barrel (0.9 per cent increase for the quarter), respectively. The projected increase in crude oil prices for the June 2023 quarter is underpinned by expectations for increased oil demand from China amid the end of that country's zero–COVID policy and a renewed focus on growth.[19] However, downward price pressures are expected to emerge from a slowdown in global growth. Additional downward price pressures are

[17] Currencies of Jamaica's main trading partners are expected to depreciate on average by 0.01 per cent against the US dollar.
[18] In the previous projection, the Bank expected the daily average of West Texas Intermediate crude oil prices for the December 2022 quarter to increase by 0.9 per cent, relative to the September 2022 quarter.

19 Transport–related oil demand in China was hard hit by travel restrictions and lockdowns. Therefore, there is scope for an increase in consumption. Though the global slowdown will curb oil demand, a collapse is not expected as consumption is typically fairly income inelastic.

expected from increased production from several non-OPEC countries.[20, 21]

Figure 13: Trend in Average WTI Crude Oil Prices



Sources: Bloomberg, BOJ

For the December 2022 quarter, US LNG prices declined amid an increase in US inventories. Downward price pressures came from continued uncertainty regarding the restart of operations at the Freeport LNG export plant in Texas. However, upward price pressures emerged from (i) higher demand for heating, due to colder than expected temperature, and (ii) increased concerns about a railroad strike that could disrupt coal deliveries and force power generators to burn more gas.[22]

For the March 2023 to December 2024 quarters, US LNG prices, on average, are projected to remain relatively high, but should continue their downward trajectory as factors restricting supply in other countries abate (see **Figure 14**). However, LNG prices are expected to remain elevated in early 2023 amid an increase in demand. Further upward price pressures will occur in 2023 as European LNG importers compete for global LNG supplies in order to rebuild their gas stocks in the absence of Europe's importation of pipeline gas from Russia. However, prices are generally expected to fall lower than previously projected in 2023 as a result of rising US natural gas production and declining consumption in the electric power and industrial sectors. Against this background, the Henry Hub spot price is forecasted to decline to an average of US$4.90 per million British thermal units (MMBtu) and US$4.80 MMBtu in 2023 and 2024 from an average of US$6.51/MMBtu in 2022.

Figure 14: Trend in Average LNG Prices

Sources: Bloomberg, BOJ

The risks to the forecast for oil prices over the next eight quarters are balanced. Downside risks include the possibility of slower global growth. Upward price pressures may arise from the possibility of OPEC member countries restricting oil output more than anticipated. The US and its allies may also impose further economic sanctions on Russia, adding to uncertainties in the global economy. China's oil consumption in 2024 could be higher if there is higher and more sustained economic growth.[23]

The risks to the forecast for LNG prices over the next eight quarters are balanced. Extreme weather events can cause price spikes and volatility. However, expectations for higher production can contribute to further downward pressure on prices in the near term.

[20] According to the US Energy Information Administration (EIA), US oil production is the largest source of production growth in the forecast for non-OPEC countries, however, that growth remains uncertain because of relatively low capital investment from oil producers. Despite relatively low investment, the US EIA expects increases in drilling productivity and associated natural gas takeaway capacity from the Permian region will result in record annual US crude oil production in 2023 and 2024.

[21] Three key factors—Russia's oil production and ability to export petroleum products, several non-OPEC countries' ability to increase oil production, and China's loosening of COVID-related restrictions—could meaningfully affect the oil price outlook.

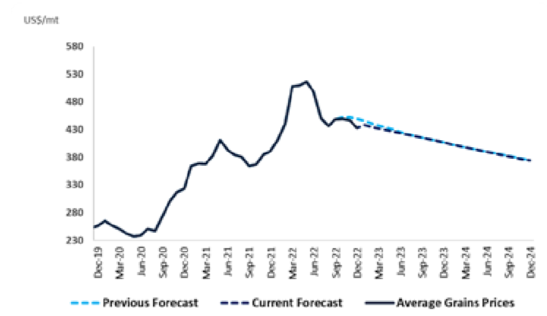
[22] Workers at the largest US rail union voted against a tentative contract deal that was reached in September 2022.

[23] China accounted for about 15.0 per cent of world petroleum consumption in 2022, therefore changes in petroleum consumption in China can have large effects on global oil balances and prices.

Average grains prices for the December 2022 quarter declined by 0.5 per cent, relative to the September 2022 quarter (an increase of 16.3 per cent on an annual basis).[24] The decline over the quarter was associated with lower prices for soybean (4.6 per cent decline for the quarter, 15.9 per cent increase on an annual basis). However, this was partly offset by an increase in the price of corn (4.5 per cent increase for the quarter, 28.4 per cent increase on an annual basis) and wheat (2.9 per cent increase for the quarter, 7.9 per cent increase on an annual basis). The decline in average grains prices was supported by (i) continued concerns about a slowdown in global growth, (ii) an appreciation of the US dollar, and (iii) an extension of the United Nations Black Sea grain export corridor agreement between Russia to mid-March 2023.

The average price of grains is projected to decline at an average quarter over quarter rate of 2.0 per cent over the next eight quarters (March 2023 to December 2024).[25] Prices are projected to decline as a result of expectations for (i) increased global production, (ii) lower input cost, particularly for fertilizer, and (iii) a renewal of the United Nations Black Sea grains export corridor in March 2023. Additional downward price pressures are expected from a deterioration in the macroeconomic outlook and increased investor risk aversion. Of note, the average price of grains over the March 2023 and June 2023 quarters are projected to decline by 1.8 per cent and 2.0 per cent, respectively (see Figure 15). The risks to the forecast for grains prices are skewed to the upside. Upward price pressures may emerge from stronger than anticipated demand from China and higher crude oil prices.

Figure 15: Trend in Average Grains Prices



Sources: Bloomberg, BOJ

Aluminium prices for the December 2022 quarter declined by 0.6 per cent, relative to the September 2022 quarter (a decline of 15.8 per cent on an annual basis).[26] The decline reflected (i) continued concerns about a slowdown in global growth, and (ii) increased production by China.

The average price of aluminium is projected to increase at an average quarter over quarter rate of 1.8 per cent over the next eight quarters (March 2023 to December 2024).[27] Aluminium prices are projected to increase amid government support for the property sector in China (see Figure 16). The risks to the forecast for aluminium prices are assessed as balanced. Additional upward price pressure may emanate from stronger global demand.[28, 29] However, downward price pressures are expected to stem from expectations for increased production in China.

[24] The Bank projected an increase of 1.3 per cent for the December 2022 quarter, relative to the September 2022 quarter.

[25] The previous forecast assumed an average quarter over quarter decline of 2.3 per cent over the period of the December 2022 to September 2024 quarters.

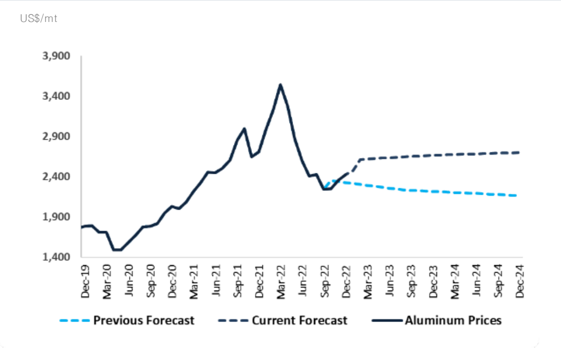
[26] The Bank projected a decline of 0.9 per cent for the December 2022 quarter, relative to the September 2022 quarter.

[27] This compares to an average quarter-over-quarter decline of 1.0 per cent in the previous projection.

[28] This comes at a time of constrained supply of aluminium and low exchange stocks. According to Capital Economics, stocks on the London Metal Exchange (LME) as at January 2023 are 0.6 million, 66.4 per cent below levels at January 2020 and 87.3 per cent below levels at January 2015.

[29] Consensus forecast also reflects optimism about the Chinese government's increased focus on supporting growth, particularly in the property sector. Of note, as at 11 January 2023, Bloomberg's consensus forecast assumed a continued increase in aluminum prices to an average of US$2,771 per metric tonne for the June 2024 quarter, which compares to the Bank's projection of US$2,680 per metric tonne for the respective period.

Figure 16: Trend in Average Aluminium Prices

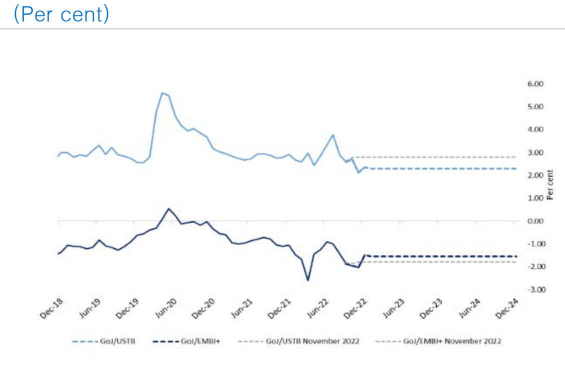


Sources: Bloomberg, BOJ

External Financial Markets

Government of Jamaica's (GOJ) sovereign bond spreads improved over the December 2022 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 declined by 69 bps, when compared to the same measure for the September 2022 quarter, to 239 bps.[30] The spread had been projected to decline by 31 bps (see **Figure 17**).

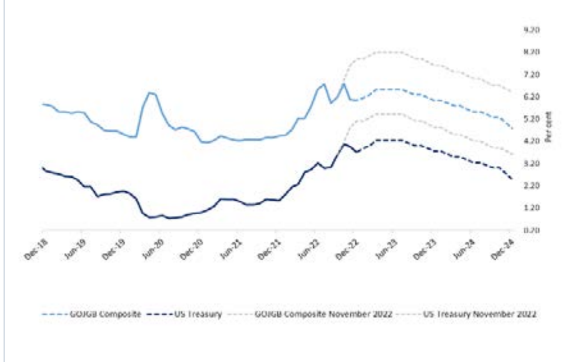
Figure 17: Average International Bond Spreads (Per cent)



Sources: Bloomberg,

There were respective increases of 70 bps, 41 bps and 2 bps in the average yields on US Treasuries, EMBI+ and GOJGBs, respectively (see **Figure 18**).

Figure 18: Average International Bond Yields (Per cent)



Sources: Bloomberg,

Jamaica's sovereign bond yields are projected to rise in the March 2023 quarter through to June 2023 then decline thereafter. In particular, the projected increase in bond yields in the near term is due to expectations that the Fed will raise rates during early 2023.

Global Stock Market

The performances of selected global stock market indices during the December 2022 quarter were strong. Relative to the September 2022 quarter, the Dow Jones Industrial Average (DJIA), S&P 500, Euro First and FTSE increased by 15.4 per cent, 7.1 per cent, 9.2 per cent, and 8.1 per cent, respectively (see **Figure 19**).

US equity indices made significant gains in the December 2022 quarter, with most gains occurring in November 2022. This was supported by a lower than expected inflation reading for October 2022 and indications that the Federal Reserve could slow the pace of its rate increases and subsequently pivot to reduce rates in late 2023. During the quarter, there were strong corporate earnings in most sectors, particularly energy. Equities were also positively impacted by the confirmation that US economic growth increased at an annual rate of 3.2

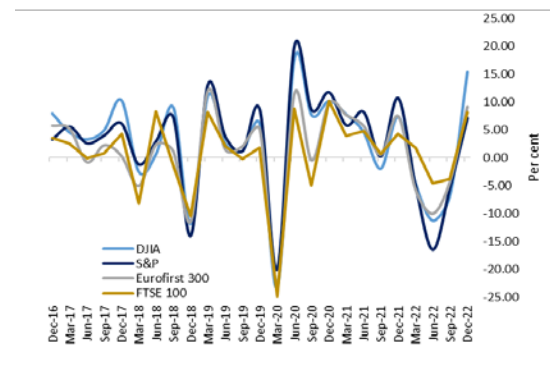
[30] The average of the daily spreads between the indicative yield on GOJGBs and the yield on the EMBI+ improved (declined) by 39 basis points (bps) when compared to the same measure for the September 2022 quarter. Relative to EMBI+, the spread was negative 183 bps..

per cent in the September 2022, in contrast to a decline of 0.6 per cent in the June 2022 quarter. However, downward pressures originated from investors' continued concern about the near-term global economic outlook.

Eurozone and UK equity indices also benefited from anticipation that the US Federal Reserve could be in a position to pivot to reducing interest rates in late 2023. Equity gains in Europe were further supported by hopes that inflation may be peaking in Europe as annual inflation slowed in November 2022 for the first time in 17 months. Additionally, the European Central Bank raised interest rates by 50 bps in December 2022, a slower pace than its previous 75 bps hikes.

UK equities were helped in part by the country emerging from a period of economic instability in the September quarter.[31] The decision by the Bank of England to reduce the pace of interest rate hikes also supported UK equities.

Figure 19: Selected Stock Market Indices
(Quarter-over-Quarter Per cent)



Source: Bloomberg

[31] Markets were volatile in September as the former prime minister and chancellor announced a huge fiscal stimulus, with little detail on how it would be funded. Many of the policies announced were reversed. Subsequently the new chancellor unveiled tax increases, spending cuts, and new fiscal rules in his Autumn Statement as part of an effort to repair the UK's public finances and restore its credibility in international markets.

3.0 Real Sector

The Jamaican economy is estimated to have grown by 3.0 to 5.0 per cent for the December 2022 quarter, above the previous projection of 2.0 to 3.0 per cent. The estimated growth for the December 2022 quarter reflects continued recovery in economic activity from the adverse impact of COVID-19. Real GDP is projected to grow by 4.0 to 5.5 per cent and 1.0 to 3.0 per cent for FY2022/23 and FY2023/24, respectively, reflecting growth for Hotels & Restaurants, Other Services, Transport, Storage & Communication, Agriculture, Forestry & Fishing, Manufacturing and Mining & Quarrying. The projected growth for FY2022/23 is above the previous assessment, primarily reflecting upward revisions to the growth for Hotels & Restaurants and its allied industries, Agriculture, Forestry & Fishing, Manufacturing and Mining & Quarrying.

Over the medium term (FY2024/25 – FY2027/28), GDP growth is projected to range between 1.0 to 2.0 per cent, generally in line with the projection for potential output over the same period. In this regard, inflation is expected to be within the target range over the medium term.

The risks to the forecast for real GDP growth are assessed to be skewed to the downside. External demand could be lower than anticipated while domestic income could be more negatively impacted by inflation.

GDP Growth

The Jamaican economy is estimated to have grown in the range of 3.0 to 5.0 per cent for the December 2022 quarter, above the previous projection of 2.6 per cent. The estimated growth for the December 2022 quarter reflects continued recovery in economic activity from the adverse impact of COVID-19.

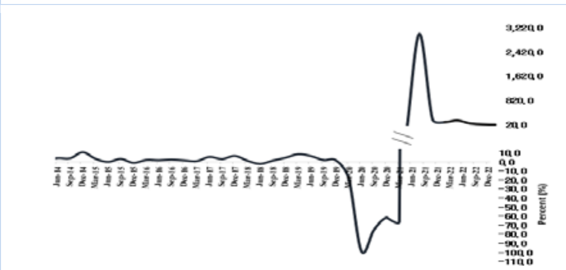
Aggregate Supply

The estimated expansion for the review quarter reflected growth in all industries except *Construction.* The estimated growth mainly reflected increased value added in *Hotels & Restaurants, Transport, Storage & Communication, Other Services, Agriculture, Forestry & Fishing Wholesale & Retail Trade* and *Manufacturing.*

As it relates to *Hotels & Restaurants,* the estimated growth for the December 2022 quarter is predicated on an increase in foreign national arrivals (see Figure 20). The increase in foreign national arrivals largely reflects the addition of flights to Jamaica by carriers relative to the corresponding period in 2021 to meet pent up demand induced by COVID-19, and the easing of that pent up demand by the removal of the DRMA.

For *Transport, Storage & Communication,* the estimated increase for the December 2022 quarter is primarily due to the growth in the number of airport passenger arrivals into Jamaica, as well as an increase in both public passenger and auxiliary transport services.

Figure 20: Trend in Visitor Days (12-Month Per cent change)

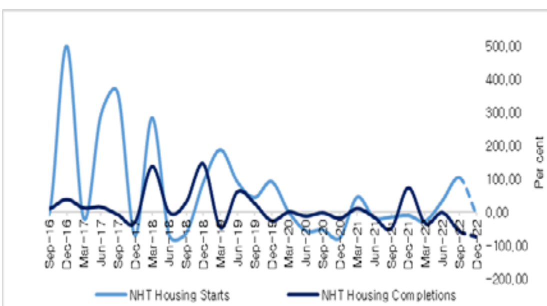


Source: BOJ and Jamaica Tourist Board

Value added for *Agriculture, Forestry & Fishing* is estimated to have grown in the quarter. This improvement represented growth in domestic crop production and animal farming as farmers increased production to meet the higher demand from the tourism industry and other sectors of the domestic economy.

Construction is estimated to have declined for the review quarter. This performance was primarily driven by a contraction in civil engineering works and building construction, in particular, residential construction (see **Figure 21**). In addition, a contraction in construction tax revenue compared to a year ago, particularly retail sale of hardware, construction material paint and glass, supports the assessed decline in the industry.

Figure 21: National Housing Trust Housing Starts & Completion (12-Month Per cent change)



Source: The National Housing Trust

With regard to *Wholesale & Retail Trade*, the estimated increase for the review quarter was mainly driven by higher output levels in Agriculture and Manufacturing.

The expansion in *Manufacturing* for the review quarter reflected growth in the Food, Beverages & Tobacco sub-industry. Food, Beverages & Tobacco is estimated to have grown largely on account of increases in the production of poultry meat, bakery products and beverages (alcoholic and non-alcoholic). The higher production reflected greater demand from the tourism industry, continued improvement in nightlife activities as well as the reopening of schools. Growth in Other Manufacturing represented higher refined petroleum production as well as the increased demand for paper and paper products resulting from the increased entertainment activity.

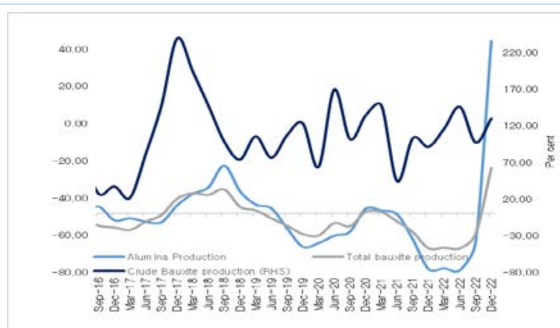
Table 2: Industry Contribution to Growth (December 2022 Quarter)

	Contribution*	Estimated Impact on Growth
GOODS	39.7	6.0 to 7.0
Agriculture, Forestry & Fishing	14.3	7.5 to 8.5
Mining & Quarrying	18.3	110.0 to 111.0
Manufacturing	12.8	6.0 to 7.0
Construction	-5.7	-3.5 to - 2.5
SERVICES	60.3	3.0 to 4.0
Electricity & Water Supply	1.3	1.5 to 2.5
Wholesale & Retail Trade, Repairs & Installation	9.5	2.0 to 3.0
Hotels & Restaurants	23.1	19.0 to 20.0
Transport Storage & Communication	10.2	3.5 to 4.5
Financing & Insurance Services	2.9	0.5 to 1.5
Real Estate, Renting & Business Activities	6.3	2.0 to 3.0
Producers of Government Services	0.3	-0.5 to 0.5
Other Services	8.9	5.5 to 6.5
Financial Intermediation Services Indirectly Measured	2.1	1.5 to 2.5

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

Mining & Quarrying is estimated to have grown for the December 2022 quarter. The estimated growth reflected higher capacity utilisation at the plants due to higher production levels for both alumina and crude bauxite. The better capacity utilisation reflected the resolution of some operational challenges previously experienced at the plants (see **Figure 22**).

Figure 22: Trends in Crude Bauxite, Alumina & Total Bauxite Production (12-Month Per cent Change)



Source: Jamaica Bauxite Institute

Given the above changes, both the tradable and non-tradable industries are estimated to have expanded. The increase in the tradable industry was largely due to improvements in *Hotels & Restaurants, Transport, Storage & Communication, Manufacturing* and *Agriculture*. The growth in the non-tradable industry was mainly attributed to *Wholesale & Retail Trade* and *Other Services.*

Aggregate Demand

From the perspective of aggregate demand, there are also indications of a faster pace of growth for the December 2022 quarter relative to previous projections. This estimated growth reflects improvements in investment, net exports and consumption. The improvement in investment spending is due to higher foreign direct investment, partly offset by lower central government capital expenditure relative to the previous projections. For net exports, the faster pace of improvement is underpinned by higher exports, particularly bauxite and alumina as well as travel inflows. This was partly offset by higher imports, specifically, mining fuel and capital goods (see **Balance of Payments**). [1, 2]

In the context of the continued growth in GDP for the December 2022 quarter, Bank of Jamaica estimates a positive output gap for the quarter, which is above the previous projection for a closed output gap. This estimated output gap is higher than the positive output gap for the September 2022 quarter and the negative output gap for the December 2021 quarter. [3]

Labour Market Developments

Bank of Jamaica's estimated unemployment rate (UR) at October 2022 was at 6.5 per cent, 0.6 percentage points (pps) lower than the rate at October 2021 but 0.5 pps higher than the historic low of 6.0 per cent at the April 2022 survey. The decline in the UR at October 2022 reflected an increase of 2.9 per cent (35,906) in the number of persons employed and a growth of 2.3 per cent (30,227) in the labour force. Notwithstanding the low unemployment rate, the total labour force though improving, remains below the level attained before the pandemic. This is primarily attributed to the number of persons outside the labour force. [4]

Outlook

Real GDP growth is projected to grow at an average rate of 1.5 to 2.5 per cent over the March 2023 to December 2024 quarters. In this context, GDP growth of 4.0 to 5.5 per cent and 1.0 to 3.0 per cent is projected for FY2022/23 and FY2023/24, respectively. The projected growth in the economy largely reflects the normalisation of economic activity, partly offset by weaker external demand (see International Economy).

The strongest expansions are anticipated in *Mining & Quarrying*, *Hotels & Restaurants* and its allied services, *Wholesale & Retail Trade, Agriculture*, *Forestry & Fishing, Manufacturing* and *Electricity & Water Supply.* Growth in *Mining & Quarrying* is underpinned by the expectation for a complete resolution of operational challenges and an improvement in the capacity utilisation at the Windalco and Jamalco alumina plants. For *Hotels & Restaurants* and *Other Services*, the projected

[1] Jamaica has a trade deficit. In this regard, an improvement in the trade deficit is reflected in a smaller negative number. For clarity the growth rates are adjusted by multiplying by −1.

[2] The current estimate for investment spending for the December 2022 quarter reflects growth of 20.2 per cent in real FDI relative to the prior projection for a growth of 12.2 per cent. A slower pace of growth in Central Government spending of 35.9 per cent is projected relative to the previous projection of 72.9 per cent. While slower growth is anticipated in Central Government capital spending, public bodies capital expenditure is anticipated to decline a slower pace of 33.3 per cent relative to previous projections for a decline of 48.7 per cent for the December 2022 quarter.

[3] The output gap is the difference between real GDP and the potential output. Expressed in percentage form, the output gap measures the deviation of real GDP from its potential as a fraction of potential output.

[4] Though improving, the number of persons outside the labour force has not exceeded pre-pandemic level. Of note, there has been a notable downward trend in the number of persons outside the labour force for the last four surveys (October 2021 to July 2022).

growth reflects an expected increase in the number of flights and cruise ships coming into the Island.[5] As it relates to *Transport, Storage & Communication*, growth is premised primarily on an increase in water-based and air-based domestic and international travel. The anticipated increase in *Wholesale & Retail Trade* activities reflects growth in agriculture, manufacturing and construction. For *Agriculture, Forestry & Fishing,* growth represents the anticipated demand from tourism and other sectors of the domestic economy as well as anecdotal information which indicated that the implementation of various Government initiatives, such as land preparation and animal nutrition programmes will positively impact output. In addition, growth in *Manufacturing* is largely predicated on increased food and beverage production in the context of the anticipated improvements in tourism and entertainment. Growth in Electricity & Water Supply primarily reflects the expectation for higher electricity consumption by commercial entities, schools and restaurants & bars due to the resumption of normality in all sectors.

Real GDP growth over the near-term (March 2023 to December 2024 quarters) has been revised upward relative to the previous forecast.[6] This revision mainly reflects higher growth for Hotels *& Restaurants, Other Services, Agriculture, Manufacturing* and *Construction.*

Over the medium term (FY2024/25 – FY2027/28), GDP growth is anticipated to average 1.0 per cent, which is generally in line with the previous projection. In this regard, over the medium term, potential output growth is generally in line with the previous assessment of 1.0 per cent (see **Box 3: Potential Output**).

The forecasted growth over the medium term mainly reflects the rebound of the mining industry. In addition, continued improvement is anticipated for tourism and its allied industries.

Risks

The risks to the projected growth for the Jamaican economy are skewed to the downside. On the downside (that is, slower growth), there is a risk that external demand could be lower than anticipated due to a stronger than expected recession in the US as well as further escalations in the Russia-Ukraine conflict. In addition, elevated external prices could negatively impact domestic income. There is also a risk that domestic demand could be lower due to the high inflationary environment, which dampens real income. On the upside, a stronger programme of private sector-led investments could strengthen growth.

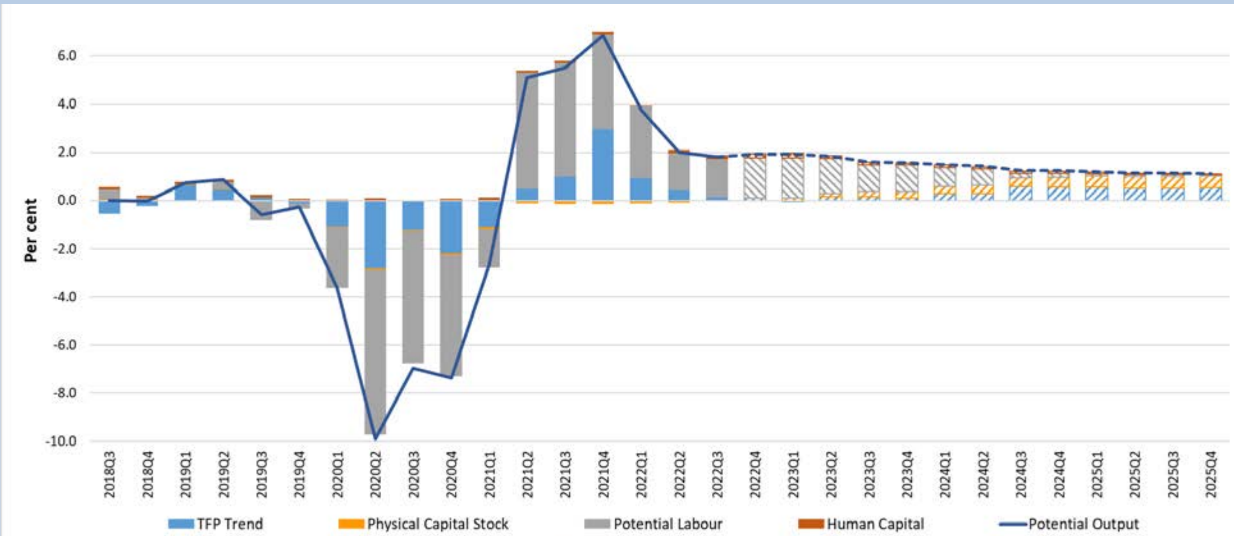
[5] The higher forecast for Tourism and its allied services relative to the previous forecast mainly reflects the base effect from a lower than projected foreign national outturn in 2023.

[6] The previous 8-quarter forecast, which included the December 2022 quarter, was 1.9 per cent. However, the current projection of 1.9 per cent is above the previous 8-quarter forecast of 1.8 per cent for the March 2023 to December 2024 period.

Box 3: Potential Output

Jamaica's potential output is estimated to have increased by 1.9 per cent for the December 2022 quarter, which is below the growth of 6.9 per cent for the December 2021 quarter, but slightly above the growth of 1.8 per cent for the September 2022 quarter (see **Figure 1**).[7]

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



Contributions to Potential Output Growth[8]

The estimated expansion in potential output for the September 2022 quarter reflects increases in potential labour supply, total factor productivity and human capital, partly offset by a reduction in the potential physical capital stock (see **Figure 1**). Potential labour supply is estimated to have grown by 0.9 per cent for the quarter, a slower pace relative to the estimated growth in the June 2022 and September 2021 quarters.[9] Total factor productivity is estimated to have increased by 0.1 per cent for the quarter. The potential capital stock is estimated to have declined by 0.1 per cent, which is a slower pace of contraction relative to the decline recorded for the September 2021 quarter but a faster pace of decline relative to the June 2022 quarter.

Outlook for Potential Output

Potential output is forecasted to increase at an average rate of 1.5 per cent over the March 2023 to December 2024 quarters (near-term) (see **Figure 2**). Potential labour supply, total factor productivity and physical capital stock are the main driving forces in the growth of potential output over the near-term, growing at an average rate of 0.9 per cent, 0.3 per cent and 0.3 per cent, respectively. Potential human capital is also projected to grow at

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

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

[9] Labour market conditions in the economy continue to improve as evidenced by the last 3 labour market surveys (January 2022, April 2022 and July 2022 surveys) as the unemployment rate continues to decline relative to the corresponding quarter in the previous year. As a result, potential labour supply growth for the September 2022 quarter was driven by increases in potential average hours worked, potential labour force participation rate and to a lesser extent potential working age population.

an average rate of 0.1 per cent over the review period.

The anticipated growth in potential labour supply stems from projected increases in the potential average hours worked per person as well as improvements in the potential labour force participation rate. Over the near-term, the growth in potential average hours worked and potential labour force participation are projected to average 0.2 per cent and 0.7 per cent, respectively. These are in line with previous projections.

Over the medium-term, potential output is projected to grow, on average, by 1.0 per cent. Growth in potential output is forecasted to be largely influenced by a faster pace of growth in potential physical capital stock. Growth in total factor productivity, human capital and potential labour supply are broadly in line with previous projections.

4.0 Fiscal Accounts

For the December 2022 quarter, Central Government's operations recorded a fiscal deficit of $2.0 billion (0.1 per cent of GDP), relative to the deficit of $4.5 billion (0.2 per cent of GDP) for the December 2021 quarter. The fiscal outturn for the review period reflected higher Revenue & Grants (in particular tax revenue) partly offset by higher expenditure relative to the corresponding period of 2021. The higher expenditure was reflected mainly in compensation of employees, capital and interest spending.

Recent Developments

For the December 2022 quarter, Central Government's operations recorded a fiscal deficit of $2.0 billion (0.1 per cent of GDP), relative to the deficit of $4.5 billion (0.2 per cent of GDP) for the December 2021 quarter. The fiscal outturn for the review period reflected higher Revenue & Grants (in particular tax revenue) partly offset by higher expenditure relative to the corresponding period of 2021. The higher expenditure was reflected mainly in compensation of employees, capital and interest spending.[1]

The performance of Revenue & Grants for the December 2022 quarter was mainly attributable to higher tax and non-tax revenue. The higher tax revenues emanated from all categories, particularly production and consumption and income & profits.[2]

For the review period, the higher expenditure relative to the December 2021 quarter was largely reflected in compensation of employees, interest payment and capital spending (see **Table 3**). Greater compensation of employees was attributable to the salary compensation review. The higher interest payments and capital spending were due to greater domestic interest payments and faster execution of capital projects, respectively.

The financing requirement for Central Government for the December 2022 quarter was $17.4 billion (0.6 per cent of GDP) reflecting the fiscal deficit of $2.0 billion (0.08 per cent of GDP) and amortisation of $15.4 billion (0.6 per cent of GDP).

Financing during the quarter was sourced from domestic and external loans receipts of $11.4 billion (0.4 per cent of GDP) and $4.8 billion (0.2 per cent of GDP), respectively. Domestic loans reflected Treasury Bill and BIN issuances amounting to $5.4 billion (0.2 per cent of GDP) and $6.0 billion (0.2 per cent of GDP), respectively. External loan receipts amounted to US$30.9 million (0.2 per cent of GDP) from multilateral agencies for investment projects.

Amortisation for the December 2022 quarter mainly reflected external amortisation, which included payments of US$54.6 million (0.3 per cent of GDP) and US$4.4 million (0.1 per cent of GDP) to multilateral and bilateral lending agencies, respectively. In addition, there was a contingency payment of $6.0 million (0.034 per cent of GDP). Domestic amortisation of $5.5 billion (0.2 per cent of GDP) consisted mainly of treasury bill maturity. Against this background, there was a draw-down of $318.3 million (0.0 per cent of GDP) in Central Government bank balances.

[2] The increase in production & consumption was attributable to greater inflows from SCT (local), GCT (local) and education tax reflecting increased economic activity. Higher income & profits was largely driven by the over performance of PAYE and other companies. The increase in PAYE was attributable to salary increases arising from the GOJ's compensation review as well as improved labour market conditions while the increase in other companies' inflows reflected higher profits. Greater tax on interest was mainly attributable to higher interest rates. With regard to higher international trade, GCT (imports), SCT (imports) and custom duty were driven by higher imports.

Table 3: Summary of Fiscal Operations
(per cent of GDP)

	Quarter		
	Dec-22	Dec-21	Diff
Revenue & Grants	**7.2**	**7.0**	**0.2**
o/w Tax Revenue	**6.5**	**6.3**	0.1
Non- Tax Revenue	0.6	0.5	0.1
Grants	0.1	0.1	0.0
Expenditure	**7.2**	**7.2**	**0.1**
Programmes	2.1	3.0	(0.9)
Compensation of Employees	3.5	2.7	0.8
Interest Payment	1.2	1.1	0.1
Capital Expenditure	0.5	0.4	0.1
Fiscal Surplus/Deficit	**(0.1)**	**(0.2)**	**0.1**
Primary Balance	**1.1**	**0.9**	**0.2**
Current Balance	**1.1**	**0.1**	1.0
Total Financing	**0.6**	**1.5**	(0.9)
External Loans	0.2	0.3	(0.1)
Domestic Loans	0.4	1.2	(0.8)
Other Inflows	**0.0**	**0.0**	0.0
Other Outflows	**0.0**	**0.0**	0.0
Amortisation	**0.6**	**1.2**	(0.6)
External	0.4	0.5	(0.1)
Domestic	0.2	0.7	(0.5)
Overall Balance	**(0.0)**	**0.1**	**(0.1)**

Source: Ministry of Finance & the Public Service

5.0 Balance of Payments

For the December 2022 quarter, a current account surplus of the balance of payments (BOP) of US$151.6 million (0.9 per cent of GDP) is estimated, US$249.5 million lower (better) than the outturn for the December 2021 quarter.

The current account deficit (CAD) for FY2022/23 is projected to improve within the range of 0.0 per cent and 1.0 per cent of GDP from a deficit of 1.2 per cent of GDP in FY2021/22. This improvement is mainly based on increased travel related inflows and lower investment income outflows, partly offset by higher imports and lower remittance inflows. The CAD for FY2023/24 is projected to deteriorate within the range of 2.0 per cent to 3.0 per cent of GDP before improving over the medium-term.

Relative to the previous forecast, the projected CAD is higher over the March 2023 to December 2024. This revision is based largely on a lower surplus on the services sub-account as well as a higher deficit on the income sub-account, partially offset by an improvement on current transfers and merchandise trade balance. Over the medium term (FY2024/25 to FY2027/28) the CAD is forecasted to average between 1.0 per cent to 2.0 per cent of GDP, relative to the previous projection of 0.5 per cent to 1.0 per cent of GDP.

The outlook for the gross reserves has improved, relative to the previous projection. This is largely influenced by the outturn for the December 2022 quarter as well as higher than previously projected private capital inflows. Reserves are anticipated to be above the ARA 100% benchmark over the medium term.

The risks to the projections for the CAD are skewed to the upside (higher deficit). The main upside risks to the CAD relate to higher imports associated with infrastructure activities and tourism-related projects, and lower visitor arrivals. The main downside risks (lower deficit) relate to weaker than expected decline in remittance inflows. The risks to reserves are skewed to the upside. The main upside risk stems from the possibility of higher than forecasted private capital inflows.

Recent Developments

For the December 2022 quarter, a current account surplus of US$151.6 million (0.9 per cent of GDP) is estimated, US$249.5 million lower (better) than the outturn for the December 2021 quarter. The improvement in the current account is reflected primarily in the services balance partially offset by a deterioration in the merchandise trade balance and the current transfers sub-account. The improvement on the services balance is underpinned by higher tourism inflows and lower transportation outflows. The merchandise trade balance is estimated to have deteriorated mainly due to an increase in the imports of consumer goods and transport equipment, partially offset by a decline in capital goods, fuel and raw material. The deterioration on the current transfers sub-account primarily reflect lower net remittance inflows.

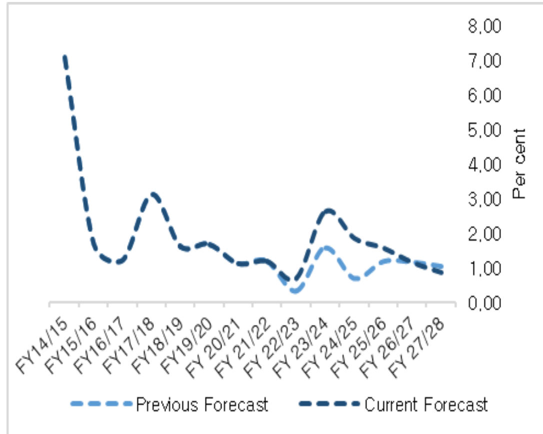
The current account surplus is US$35.5 million higher (better) than the previous projection, underpinned by a lower than projected deficit on the merchandise trade balance of US$45.7 million and a higher than projected surplus on the current transfers of US$27.5 million, partially offset by a lower than projected surplus on the services sub-account of US$26.7 million. For the merchandise trade balance, imports were below projections by US$46.9 million, partially offset by exports which were lower by US$1.3 million. The downward revision to the surplus on the services sub-account mainly reflected higher transportation outflows of US$21.2 million. Current transfers were above previous projections by US$27.5 million underpinned by higher remittance inflows of US$36.3 million.

The current account (CA) is forecasted to be broadly sustainable over the medium term. For FY2022/23, the CA is projected to improve to a deficit of 0.5 to 1.0 per cent of GDP, higher (worse) than the previous projection, but lower (better) than the deficit for FY2021/22.

The CAD is projected to deteriorate, relative to the previous forecast over the medium-term. The CAD is projected to average 1.0 to 2.0 per cent of GDP between FY2024/25 and FY2027/28 (see **Figure 23**). The deterioration in the CA is mainly due to an upward revision to freight charges.[1]

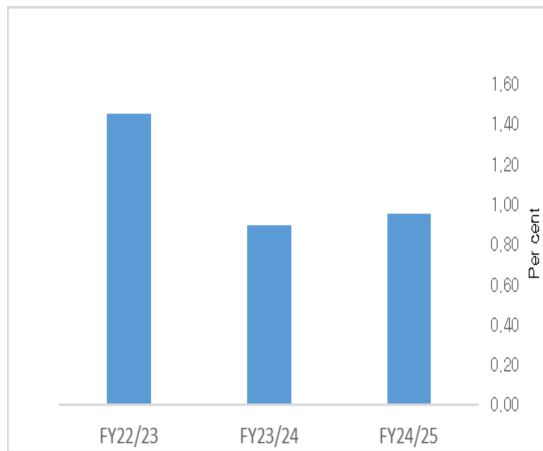
The current account balance, after accounting for FDI-related imports, reflects an average surplus of 1.1 per cent of GDP for the 3-year forecast period of FY2022/23 to FY2024/25 (see **Figure 24**).

Figure 23: Medium-Term CAD Forecast (% GDP)



Source: Bank of Jamaica

Figure 24: Current Account less FDI (% of GDP)



Source: Bank of Jamaica

[1] Imports c.i.f were below projection primarily due to lower import of fuel, raw materials, capital goods and consumer goods of US$47.4 mn, US$0.4 mn, US$0.1 mn, and US$10.8 mn, respectively. This was partially offset by higher transport equipment of US$10.0 mn. Exports were lower than previously projected, primarily due to lower manufacture exports of US$14.2 million, partially offset by higher mining and quarrying exports of US$13.0 million, respectively.

6.0 Monetary Policy & Market Operations

BOJ increased its signal rate on one occasion during the December 2022 quarter by 50 bps, to 7.00 per cent. The Bank also continued to implement other measures to contain Jamaican dollar liquidity expansion. While not targeting any specific level of the exchange rate, Bank of Jamaica continued to ensure that movements in the exchange rate did not further threaten a return to the inflation target. To ensure the orderly functioning of the foreign exchange market during the December 2022 quarter, BOJ provided liquidity amounting to US$150 million via the B-FXITT facility.

Jamaican dollar liquidity tightened during the December 2022 quarter, relative to the preceding quarter arising from GOJ operations.

During the December 2022 quarter, BOJ increased its signal rate on 18 November 2022 by 50 bps to 7.00 per cent.[1]

Liquidity Conditions

Liquidity conditions tightened in the December 2022 quarter, relative to the September 2022 quarter. This was indicated by the maintenance by deposit taking institutions (DTIs) and primary dealers of average current account balances at Bank of Jamaica, of $18.9 billion below the average of $21.3 billion for the preceding quarter.

Relative to forecast, liquidity conditions over the December 2022 quarter were tighter. Deposit taking institution's average current account balances for the quarter were lower than projected by $5.8 billion.[2] The lower than anticipated balances primarily reflected stronger than expected absorption from net GOJ operations, partly offset by stronger than projected injection from BOJ operations.[3] BOJ operations net injected $47.6 billion into the system during the quarter, which was $2.0 billion above projection. Net injection from BOJ operations largely reflected net injection from FX operations of $41.8 billion, which was $13.0 billion above projection mainly due to stronger net PSE purchases.[4] This was partly offset by weaker OMO injections of $8.8 billion due to lower net repo issues and stronger issues of CDs, accompanied by stronger net absorptions from currency issue of $4.1 billion (see **Table 4**).

Bank of Jamaica conducted 13 auctions of 30-day CDs during the review quarter. The average offer size during the December 2022 quarter was $18.2 billion, largely in line with the average of $17.6 billion for the September 2022 quarter. This reflected the continued actions of the central bank to manage liquidity levels in the financial market. Consistent with the monetary policy stance, the average yield on these operations for the review quarter increased to 8.64 per cent, 87 bps above the average for the September 2022 quarter.[5]

Similar to the previous quarter, BOJ did not conduct any 14-day repurchase operation during the December 2022 quarter.

Foreign currency demand during the December 2022 quarter and the associated fluctuations in market conditions necessitated BOJ's foreign

[1] Effective 18 November 2022, the SLF rate increased to 9.0 per cent. The EFR remained inactive given the removal of the limit on the SLF on 18 March 2020.

[2] Average current account balances relate to the average of the daily balances for the quarter.

[3] During the December 2022 quarter, average net absorption of $50.0 billion through GOJ operations was $7.7 billion stronger than projected, reflective of higher revenue receipt.

[4] In particular, absorption via net FX operations was lower than anticipated reflecting lower sales from the PSE facility in the context of the decline in oil prices and stability in the exchange rate.

[5] See Figure 8.1 for end of period rates.

currency sales of US$150.0 million via the B-FXITT facility. While there were repayments of USD CDs, there were no new issues during the review period (see **Table 5**).

Table 4: BOJ Liquidity Facility (J$ Billions)

BOJ Liquidity Flow (J$ Billions)	Actual Jun-22	Actual Sep-22	Projected Average Dec-22	Actual Average Dec-22	Variance Dec-22
Net BOJ Operations (Inject/Absorb)	23.2	46.6	45.6	47.6	2.0
Open Market Operations	-16.8	11.9	14.6	5.8	-8.8
BOJ Repo - (incl. OTROs)	-7.3	1.2	4.4	0.5	-4.0
FR CDs - (incl. 30day CDs)	-23.2	-1.2	1.7	-3.2	-4.9
VR CDs	0.0	0.0	0.0	0.0	0.0
USD Indexed Notes	13.7	11.9	8.5	8.5	0.0
BOJ FX (incl. PSE)	32.3	30.3	28.8	41.8	13.0
BOJ Other	7.7	4.4	2.2	0.0	-2.2
o.w. Currency Issue	5.7	0.2	-3.1	-7.2	-4.1
o.w. Cash Reserve (Com Banks)	-0.7	0.1	-0.6	-0.1	0.6
o.w. other	2.9	4.1	5.8	7.1	1.3
GOJ Operations	-40.5	-57.5	-42.3	-50.0	-7.7
Current A/C (+) = Loosen; (-) = Tighten	-17.3	-10.9	3.3	-2.4	-5.8
Current A/C Balance	32.2	21.3	24.6	18.9	-5.8

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

Table 5: Placements & Maturities of BOJ USD Instruments

Tenor	July - September 2022			October - December 2022		
	Placements (US$MN)	Maturities (US$MN)	Average Rate (%)	Placements (US$MN)	Maturities (US$MN)	Average Rate (%)
5-year	-	0.32	-	-	0.00	-
7-year	-	0.01	-	-	0.79	-
TOTAL	-	0.33	-	0.00	0.79	-

Note: Total outstanding stock of USD CDs as at December 2022 was US$126.3 million
Source: Bank of Jamaica

7.0 Financial Markets

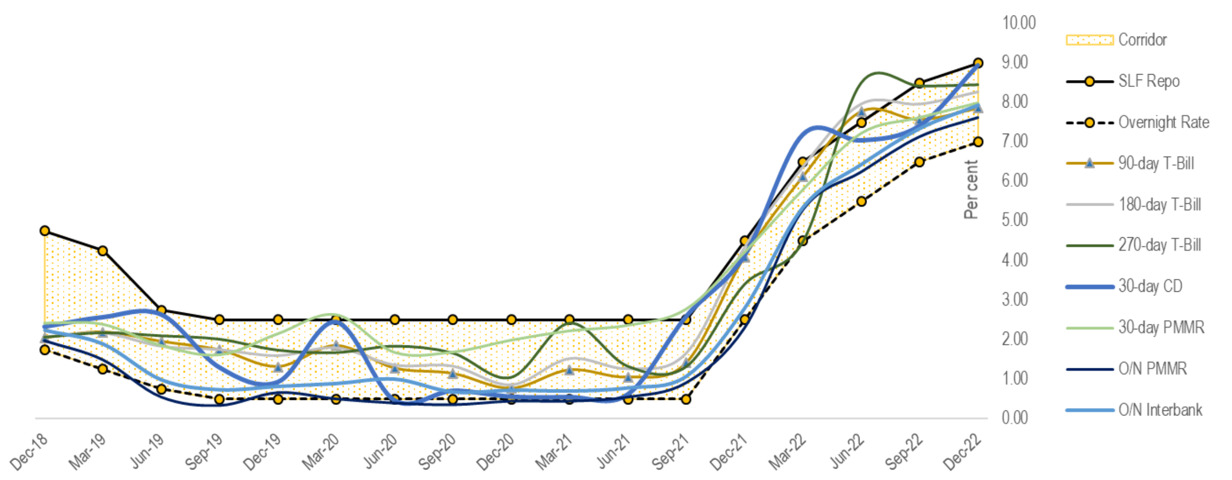
Money market rates increased during the December 2022 quarter, influenced by increases in Bank of Jamaica's policy rate and tightened liquidity. The estimated yield curve on GOJ JMD bonds at end-December 2022 shifted upward, relative to the yield curve at end-September 2022. Sovereign risk and exchange rate risk declined for the December 2022 quarter.

Market Interest Rates

Consistent with the Bank's monetary policy stance, money market rates increased during the December 2022 quarter, relative to the preceding quarter. Compared to the rates at end-September 2022, the overnight (O/N) interbank rate, O/N private money market rate (PMMR) and the 30-day PMMR were higher by 59 bps, 48 bps and 37 bps, respectively. The yields on GOJ 90-day, 180-day, and 270-day Treasury Bills at end-December 2022 were also higher by 29 bps, 31 bps, and 3 bps, respectively, (see **Figures 25**). Higher PMMR rates were influenced by the increase of 50 bps in the policy rate and tighter liquidity conditions during the December 2022 quarter.

.

Figure 25: Money Market Rates (Nominal)[1] (EOP)



	SLF Repo	30-day CD	BOJ O/N Deposit	O/N PMMR	O/N Interbank	30-day PMMR	90-day T-Bill	180-day T-Bill	270-day T-Bill
Jun-21	2.50	0.62	0.50	0.54	0.78	2.38	1.05	1.27	1.32
Sep-21	2.50	2.59	0.50	0.91	1.07	2.78	1.41	1.66	1.31
Dec-21	4.50	4.13	2.50	2.29	2.80	4.22	4.09	4.33	3.39
Mar-22	6.50	7.19	4.50	5.28	5.35	5.80	6.12	6.37	4.47
Jun-22	7.50	7.04	5.50	6.24	6.43	7.23	7.78	7.96	8.50
Sep-22	8.50	7.41	6.50	7.14	7.34	7.63	7.57	7.96	8.42
Dec-22	9.00	8.94	7.00	7.62	7.93	8.00	7.86	8.27	8.45

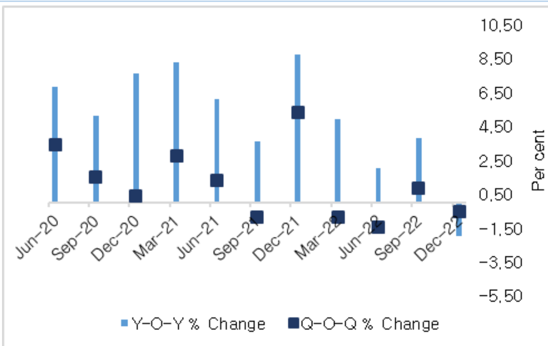
Source: Bank of Jamaica

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

Exchange Rate Developments

The nominal exchange rate depreciated during the review quarter, relative to the previous quarter. The weighted average selling rate of the Jamaica Dollar vis-á-vis the US dollar (WASR) closed the December 2022 quarter at J$152.05 = US$1.00, reflecting an appreciation of 0.5 per cent, relative to the previous quarter and appreciation of 2.0 per cent, relative to end-December 2021.[2]

Figure 26: Movements in WASR

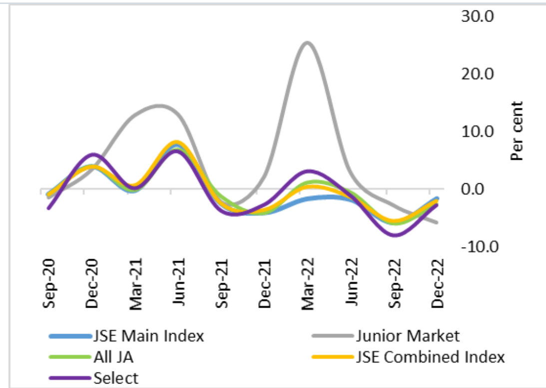


During the latter part of the quarter, there was a moderation in the pace of depreciation in the foreign exchange market. This was underpinned by continued tightening in Jamaica dollar liquidity and B-FXITT sales of US$150.0 million during the quarter.

Equities Market

For the December 2022 quarter, all five of the major Jamaica Stock Exchange (JSE) indices recorded declines which ranged from 1.6 per cent to 5.8 per cent (see **Figure 27**). More specifically, the JSE Main Index declined by 1.6 per cent for the December 2022 quarter, compared to a decline of 5.9 per cent for the previous quarter. Similarly, the Junior Market Index declined by 5.7 per cent for the review quarter, relative to a decline of 2.8 per cent in the previous quarter. The declines in the indices mainly reflected weakened investor confidence which flowed from continued contractionary monetary policy, tough economic climate and fears of a global recession.

Figure 27: Quarterly growth rates of the JSE indices (percentage change)[3]



Source: Jamaica Stock Exchange

The annual performance of the stock market for the year ended December 2022, reflected a decline for all the major JSE indices, except the JSE Junior Market Index. The Junior Market Index recorded growth of 18.4 per cent for the year ended-December 2022, relative to the growth of 28.3 per cent for the previous year. However, the JSE Main Market Index declined by 10.5 per cent for the review year, relative to the growth of 0.6 per cent for the corresponding period of the previous year.

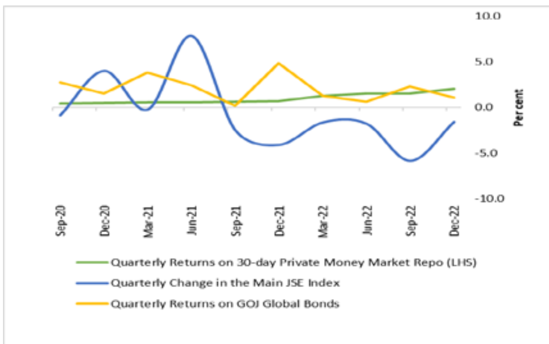
Of note, for the review quarter, foreign currency investments yielded stronger gains in comparison to equity investments. More specifically, foreign currency investments yielded a quarterly return of 1.1 per cent for the December 2022 quarter. Meanwhile the quarterly returns on equity investments were -1.6 per cent for the same period.[4] Furthermore, the average quarterly yield on 30-day private money market instruments increased to 2.1 per cent for the December 2022 quarter, relative to 1.5 per cent for the previous quarter (see **Figure 28**).

[2] The WASR (avg) for the quarter was J$154.07 = US$1.00, reflecting a depreciation of 0.9 per cent, relative to the previous quarter and an appreciation of 0.2 per cent relative to December 2021.

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

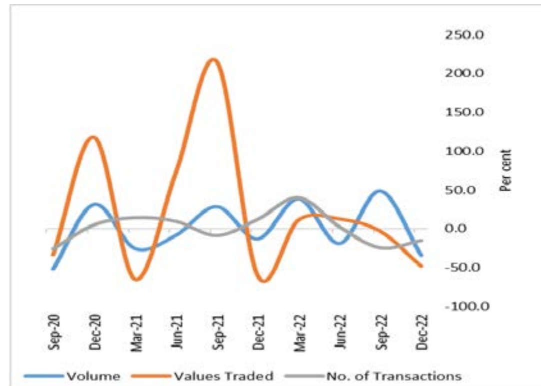
[4] The return on equities is computed as the change in value of the JSE Main Index for the review quarter relative to the previous period. The return on foreign currency investments is computed as the sum of quarterly foreign currency gains (losses) and the average quarterly returns on GOJ global bonds.

Figure 28: Returns from Private Money Market, foreign currency investments and Capital Gains/ (Losses) from JSE Main Index
(Per cent)



Source: Jamaica Stock Exchange and Bloomberg

Figure 29: Quarterly Change in the Monthly Volumes, Values Traded & Number of Transactions (Main JSE Index) (Per cent)



Source: Jamaica Stock Exchange

Market activity indicators for the JSE Main Index declined for the December 2022 quarter. In particular, the volume of stocks traded declined by 33.9 per cent for the December 2022 quarter, relative to an increase of 48.9 per cent in the previous quarter. Meanwhile, the value of stocks traded and the number of transactions declined by 48.4 per cent and 15.1 per cent respectively, for the review quarter. This compares to a decline of 3.4 per cent and 24.6 per cent in the value of stocks traded and the number of transactions recorded, respectively, in the previous quarter. (see **Figure 29**).

The advance-to-decline ratio for the stocks listed on the JSE was 14:29 for the December 2022 quarter, with one stock trading firm. This compares to advance-to-decline ratio of 7:36 with one trading firm for the previous quarter. Of note, stock price appreciation continued to be largely concentrated among the *Financial* and *Other* categories, similar to the previous quarter (see **Tables 6** and **7**).

Table 6: Stock Price Appreciation

Advancing	Per cent
Other	
Palace Amusement	97.0
Wigton Windfarm Limited (WIG)	29.1
Supreme Ventures	9.4
Kingston Properties Limited	5.6
Manufacturing	
Jamaica Broilers Group	6.3
Financial	
Sygnus Credit Investments Limited USD	45.1
Mayberry Investments Limited	7.9
Conglomerates	
Jamaica Producers Group	20.9
Sagicor Group Jamaica	8.6
Insurance	
Guardian Holdings Limited	13.9

Table 7: Stock Price Depreciation

Declining	Per cent
Manufacturing	
Caribbean Producers Jamaica Limited	-13.2
Kingston Wharves	-11.1
Tourism	
Ciboney Group	-9.7
Other	
Pulse Investments	-13.6
Margaritaville (Turks) Limited	-12.5
Financial	
Victoria Mutual Investment	-21.3
JMMB Group Limited	-17.4
Sagicor Select Funds Limited - Financial (SELECTF)	-13.0
National Commercial Bank Jamaica	-11.1
Proven Investments Limited	-9.1

8.0 Monetary Aggregates

Growth in money supply and credit to the private sector was estimated to be higher than the previous projection for the December 2022 quarter. On an annual basis, deposit growth weakened but there was marginally stronger loan growth, in real terms. Regarding the rates on deposits and loans, these rates have not kept pace with the movement in other market rates.

Over the ensuing eight quarters, the average annual growth rate in the money supply and private sector credit are forecasted to be above the previous projection.

Money

The monetary base declined by 9.0 per cent at December 2022 when compared with December 2021. Regarding the sources of the annual change in the monetary base at December 2022, there was a decline of 6.4 per cent in net domestic assets (NDA), supported by a decline of 2.1 per cent in Bank of Jamaica's net international reserves (NIR) (see **Table 8**). Lower net claims on the public sector and higher other operations contributed to the decline in the NDA.[1] The decline in the Jamaica dollar equivalent of the NIR was mainly associated with an appreciation in the exchange rate and to a lesser extent, a decline in the USD value of the NIR. The decline in the value of the NIR stock was influenced by outflows from Government of Jamaica as well as net B-FXITT sales of US$748.0 million, over the year. These outflows were partly offset by inflows through the PSE Facility and from surrenders by Authorised Dealers and Cambios.

Table 8: Bank of Jamaica Accounts

	Stock (J$MN)			Flow (%)	
	Dec-21	Sep-22	Dec-22	Qtr. -o- Qtr.	Y-o-Y
NIR (US$MN)	4,000.8	3,807.30	3,976.2	4.4	-0.6
NIR(J$MN)	616,242.4	578,957.26	603,195.4	4.2	-2.1
- Assets	744,492.1	661,408.44	685,347.3	3.6	-7.9
- Liabilities	-128,249.7	-82,451.18	-82,151.9	-0.4	-35.9
Net Domestic Assets	-276,378.1	-295,955.39	-293,996.2	0.7	-6.4
- Net Claims on Public Sector	141,494.5	103,495.97	114,784.4	10.5	-18.9
- Net Credit to Banks	-81,335.0	-86,021.11	-85,247.8	-0.9	4.8
- Open Market Operations	-119,548.2	-117,518.10	-130,018.1	10.6	8.8
- Other	-216,989.3	-195,912.16	-193,514.7	0.2	-9.4
-o/w USD FR CDs	-9,776.9	5,175.01	4,945.3	2.5	-150.6
Monetary Base	339,864.3	283,001.87	309,199.3	9.3	-9.0
- Currency Issue	226,933.5	206,218.51	233,760.7	13.4	3.0
- Cash Reserve	44,348.1	45,291.63	45,437.4	0.3	2.5
- Current Account	68,582.7	31,491.73	30,001.1	-4.7	-56.3

Source: Bank of Jamaica

M2J expanded by 5.1 per cent at November 2022 largely underpinned by growth of 6.9 per cent in local currency deposits. This represented a decrease in growth relative to the 10.8 per cent recorded at end-September 2022. The moderated growth in deposits was strongly reflected in time,

[1] The annual decline in net claims on the public sector largely reflected an increase in Central Government deposits.

demand, and savings deposits, which grew by 10.5 per cent, 7.6 per cent and 5.6 per cent, respectively, relative to the growth of 18.1 per cent, 11.1 per cent and 8.9 per cent in September 2022.

Table 9: Components of Money Supply (M2*)

	Percentage Change (%)		
	Nov-21	Sep-22	Nov-22
Total Money Supply (M2*)	14.5	11.6	-21.4
Money Supply (M2J)	14.9	10.1	5.8
Money Supply (M1J)	15.9	9.5	5.1
Currency with the public	19.5	7.3	1.7
Demand Deposits	13.4	11.1	7.6
Quasi Money	14.0	10.6	6.6
Savings Deposits	16.0	8.9	5.6
Time Deposits	6.2	18.1	10.5
Foreign Currency Deposits	13.8	14.4	-68.4

Source: Bank of Jamaica

Private Sector Credit

Growth in private sector loans and advances was in line relative to the previous quarter. Loans and advances (including domestic and foreign currency denominated loans) to the non-financial private sector by deposit-taking institutions (DTIs) expanded by 11.8 per cent at November 2022. This was in line with the growth of 11.7 per cent as at September 2022. This translates to an annual increase in real terms. Relative to GDP, the stock of private sector loans at November 2022 was 42.8 per cent, below the ratio of 44.6 per cent a year earlier.

The growth in total loans and advances was underpinned by expansions in loans of 14.0 per cent and 8.8 per cent to individual and the productive sector, respectively. Growth in loans to the productive sector was mainly attributed to increases in loans to the *Mining, Manufacturing, Tourism, Distribution, Professional & Other Services* industries.

Table 10: Select Private Sector Financing Indicators (12-month Percentage Change)

Stock	Nov-21	Sep-22	Nov-22
Total DTI	7.9	11.7	11.8
o.w. to Businesses	6.4	8.6	8.8
o.w. to Consumers	9.1	14.0	14.0
Stock as a % of Annual GDP			
Total DTI	44.6	42.7	42.8
o.w. to Businesses	18.7	17.4	17.5
o.w. to Consumers	25.8	25.3	25.3

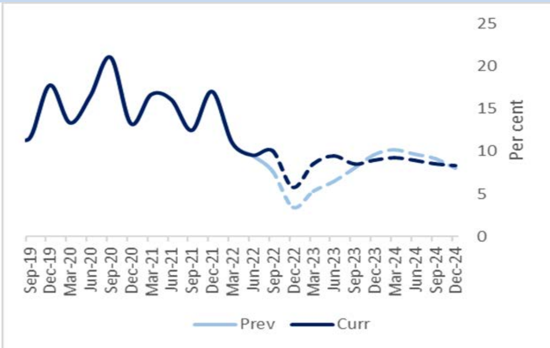
Source: Bank of Jamaica

Monetary Projections

M2J is projected to expand at an average annual rate of 8.8 per cent over the next eight quarters, above the previous projection of 8.3 per cent. The pace of broad money growth is anticipated to reflect expansions primarily in currency in circulation over the near term. The change in the growth projection for broad money reflects the impact of the projected acceleration in economic growth over the forecast period.

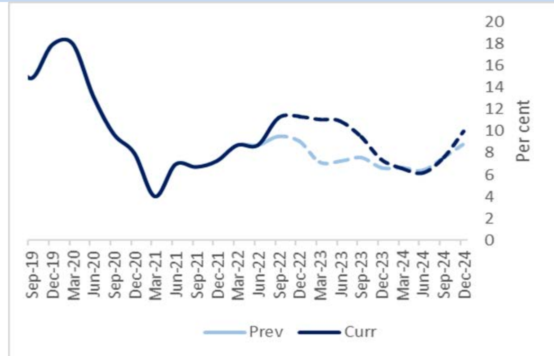
Growth in DTI private sector credit is forecasted to be stronger over the next eight quarters relative to the previous projections. Private sector credit is projected to grow at an average rate of 8.6 per cent up to the December 2024 quarter, compared to the previous forecast for an expansion of 7.2 per cent. The projected annual expansion over the near term reflects a more optimistic economic outlook supported by continued recovery from the impact of the pandemic. The stronger growth, relative to the previous forecast is influenced by the upward revision to GDP growth over the next eight quarters. However, with some lending institutions beginning to pass on the policy rate increases to the price of loans, there is a risk that the pace of loan growth could moderate over the latter part of the forecast horizon.

Figure 30: Annual Growth in M2J



Source: Bank of Jamaica

Figure 31: Private Sector Credit Growth



Source: Bank of Jamaica

9.0 Conclusion

Inflation is projected to average between 5.5 and 6.5 per cent over the next eight quarters (March 2023 quarter to the December 2024 quarter), which is lower when compared to the average inflation rate of 8.3 per cent over the past two years and slightly lower than the previous projection of 6.0 to 7.0 per cent. Inflation is projected to decelerate over the next 9 to 10 months but will continue to breach the upper limit of the Bank's target range until October 2023. This forecast reflects the previous fall in commodity and shipping prices, moderating inflation expectations and a lower path for the exchange rate. The impact of these downward pressures is likely to be partly offset by increases in selected regulated prices, stable but elevated energy prices given the resurgence of growth in China and wage related inflation in the context of a closed output gap. The lower path for inflation for FY2023/24 mainly reflects lower grains and oil prices and a less depreciated exchange rate for FY2023/24.

Real GDP is projected to grow by 4.0 to 5.5 per cent and 1.0 to 3.0 per cent for FY2022/23 and FY2023/24, respectively. The projected growth for FY2022/23 is above the previous assessment. For the medium term (FY2024/25 – FY2027/28), GDP growth is projected to average 1.0 to 2.0 per cent, which is in line with the previous projection. Domestic demand conditions are expected to tighten over the near term against the background of the projections for GDP growth, resulting in the output gap being above potential for most of 2023. Against this background labour market conditions are expected to remain tight. The risks to the forecast for real GDP growth are, however, skewed to the downside.

The current account (CA) of the balance of payments (BOP) for FY2022/23 is projected to improve to a deficit in the range of 0.5 to1.5 per cent of GDP from a deficit of 1.2 per cent of GDP in FY2021/22. This projection is based largely on a lower surplus on the services sub-account as well as a higher deficit on the income sub-account, partially offset by an improvement on the current transfers and merchandise trade balance. Over the medium term (FY2024/25 to FY2027/28) the CAD is forecasted to average 1.0 to 2.0 per cent of GDP, relative to the previous projection of 0.5 to 1.0 per cent of GDP.

BOJ informed in its monetary policy announcement on 18 November 2022, of a further increase in its policy rate to 7.00 per cent per annum. With its latest decision in December 2022, the Bank announced a conditional pause in its policy rate adjustments but maintained the measures to ensure stability in the foreign exchange market and to contain Jamaica dollar liquidity expansion. The Bank also signalled its intention to pursue strategies to strengthen the monetary transmission mechanism. In addition, the MPC noted that it will continue to closely monitor the global and domestic environments for potential risks that could threaten Jamaica's inflation target.

Additional Tables

	Page
1: INFLATION RATES	36
2: ALL JAMAICA INFLATION – Point-to-Point (December 2022)	37
3: BANK OF JAMAICA OPERATING TARGETS	38
4: MONETARY AGGREGATES	38
5: GOJ TREASURY BILL YIELDS	39
6: BANK OF JAMAICA OPEN MARKET INTEREST RATES	40
7: PLACEMENTS AND MATURITIES in BOJ OMO Instruments	41
8: EXTERNAL TRADE – GOODS EXPORTS (f.o.b)	42
9: BALANCE OF PAYMENTS QUARTERLY SUMMARY	43
10: FOREIGN EXCHANGE SELLING RATES	44
11: BANK OF JAMAICA: NET INTERNATIONAL RESERVES	45
12: VALUE ADDED BY INDUSTRY AT CONSTANT (2007) PRICES (% CHANGE)	46
13: USD LONDON INTERBANK OFFER RATE–LIBOR (End- of-Period)	47
14: PRIME LENDING RATES (End-of-Period)	48
15: INTERNATIONAL EXCHANGE RATES	49
16: WORLD COMMODITY PRICES (Period Averages)	50

1: INFLATION RATES

		CPI (Point-to-Point) **	Headline Inflation	Core Inflation*
FY10/11	Jun-10	61.53	13.21	10.99
	Sep-10	62.34	11.26	9.40
	Dec-10	64.38	11.74	8.65
	Mar-11	64.69	7.84	6.57
FY11/12	Jun-11	65.98	7.20	6.67
	Sep-11	67.37	8.07	6.99
	Dec-11	68.25	6.01	6.86
	Mar-12	69.39	7.26	6.97
FY12/13	Jun-12	70.41	6.71	6.91
	Sep-12	71.86	6.65	5.59
	Dec-12	73.71	8.00	5.44
	Mar-13	75.72	9.13	6.30
FY13/14	Jun-13	76.57	8.76	6.26
	Sep-13	79.37	10.46	6.95
	Dec-13	80.70	9.47	7.38
	Mar-14	82.04	8.34	6.54
FY14/15	Jun-14	82.68	7.97	6.10
	Sep-14	86.50	8.99	6.72
	Dec-14	85.83	6.36	5.97
	Mar-15	85.29	3.96	5.51
FY15/16	Jun-15	86.29	4.37	4.81
	Sep-15	88.08	1.82	4.00
	Dec-15	88.97	3.66	3.51
	Mar-16	87.82	2.96	3.04
FY16/17	Jun-16	88.46	2.52	2.76
	Sep-16	89.71	1.86	2.48
	Dec-16	90.50	1.72	2.31
	Mar-17	91.41	4.09	2.27
FY17/18	Jun-17	92.38	4.43	2.42
	Sep-17	93.82	4.58	2.55
	Dec-17	95.24	5.24	2.65
	Mar-18	95.00	3.94	2.58
FY18/19	Jun-18	94.99	2.82	2.29
	Sep-18	97.89	4.33	2.44
	Dec-18	97.56	2.44	2.36
	Mar-19	98.23	3.39	2.33
FY19/20	Jun-19	98.97	4.19	2.50
	Sep-19	101.20	3.39	2.87
	Dec-19	103.63	6.22	2.95
	Mar-20	102.95	5.44	3.27
FY20/21	Jun-20	105.20	6.31	2.92
	Sep-20	106.14	4.88	3.20
	Dec-20	109.01	5.19	3.60
	Mar-21	108.27	5.18	5.30
FY21/22	Jun-21	109.77	4.34	7.17
	Sep-21	114.88	8.23	7.82
	Dec-21	116.98	7.31	9.09
	Mar-22	120.52	11.31	9.53
FY22/23	Jun-22	121.79	10.95	10.85
	Sep-22	125.52	9.26	10.76
	Dec-22	127.93	9.36	10.15

* 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 (December 2022) *

Divisions, Classes and Groups	Weight (%)	Inflation (%)	Weighted Inflation	Contribution
FOOD & NON-ALCOHOLIC BEVERAGES	35.79	13.76	4.92	53.37
Food	33.76	13.82	4.66	50.55
Cereals and cereal products (ND)	6.68	13.99	0.93	10.13
Live animals, meat and other parts of slaughtered land animals (ND)	6.60	14.08	0.93	10.07
Fish and other seafood (ND)	3.59	11.38	0.41	4.43
Milk, other dairy products and eggs (ND)	2.86	12.88	0.37	3.99
Oils and Fats (ND)	0.91	15.66	0.14	1.54
Fruits and nuts (ND)	2.60	8.63	0.22	2.43
Vegetables, tubers, plantains, cooking bananas and pulses (ND)	7.02	17.77	1.25	13.53
Tubers, plantains, cooking bananas and pulses (ND)	2.04	11.40	0.23	2.52
Vegetables	4.98	19.56	0.97	10.56
Sugar, confectionery and desserts (ND)	1.31	11.77	0.15	1.67
Ready-made food and other food products n.e.c. (ND)	2.19	10.89	0.24	2.59
Non-Alcoholic Beverages	2.03	12.72	0.26	2.80
Fruit and Vegetable Juices (ND)	0.66	12.60	0.08	0.90
Coffee, Tea and Cocoa	0.46	12.92	0.06	0.65
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.91	13.10	0.12	1.29
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	1.45	9.95	0.14	1.56
CLOTHING AND FOOTWEAR	2.48	6.26	0.16	1.68
Clothing	1.66	6.40	0.11	1.15
Footwear	0.82	5.95	0.05	0.53
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	17.85	2.85	0.51	5.51
Rentals for Housing	9.09	3.47	0.32	3.42
Maintenance, Repair and Security of the Dwelling	0.67	8.02	0.05	0.59
Water Supply and Miscellaneous Services Related to the Dwelling	2.27	13.95	0.32	3.43
Electricity, Gas and Other Fuels	5.82	0.05	0.00	0.03
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	3.77	9.79	0.37	4.00
Furniture, Furnishings, and Loose Carpets	0.36	4.64	0.02	0.18
Household Textiles	0.22	5.48	0.01	0.13
Household Appliances	0.35	6.10	0.02	0.23
Tools and Equipment for House and Garden	0.15	4.45	0.01	0.07
Goods and Services for Routine Household Maintenance	2.70	11.61	0.31	3.39
HEALTH	2.63	4.16	0.11	1.18
Medicines and Health Products	2.16	3.84	0.08	0.90
Outpatient Care Services	0.30	8.05	0.02	0.26
Other Health Services	0.17	1.25	0.00	0.02
TRANSPORT	11.23	3.74	0.42	4.55
INFORMATION AND COMMUNICATION	4.57	0.27	0.01	0.13
RECREATION, SPORT AND CULTURE	5.02	7.15	0.36	3.89
EDUCATION SERVICES	2.43	8.84	0.22	2.33
RESTAURANTS & ACCOMMODATION SERVICES	6.65	23.89	1.59	17.23
INSURANCE AND FINANCIAL SERVICES	1.13	3.76	0.04	0.46
PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	4.99	7.58	0.38	4.10
ALL DIVISIONS	100.00	9.36	9.23	100.00

3: BANK OF JAMAICA OPERATING TARGETS

	Actual Dec-20	Actual Mar-21	Actual Jun-21	Actual Sep-21	Actual Dec-21	Actual Mar-22	Actual Jun-22	Actual Sep-22	Actual Dec-22
Net International Reserves (US$)	3,126.13	3,319.32	3,388.71	3,964.22	4,000.77	3,675.85	3,804.75	3,807.30	3,976.25
NET INT'L RESERVES (J$)	445,328.1	483,499.7	507,566.6	584,566.63	616,242.37	564,279.73	573,423.61	578,957.26	603,195.44
Assets	581,364.4	618,120.4	641,947.1	713,099.77	744,492.11	663,725.83	661,615.64	661,408.44	685,347.31
Liabilities	136,036.3	134,620.7	134,380.5	128,427.3	-128,249.74	-99,446.11	-88,192.03	-82,451.18	-82,151.87
NET DOMESTIC ASSETS	-162,755.2	-188,136.32	- 208,050.82	-267,249.64	-276,378.11	-296,160.65	-294,497.14	-295,955.39	-293,996.16
-Net Claims on Public Sector	222,068.3	181,996.1	213,236.0	143,591.3	141,473.17	136,05033	128,865.57	103,495.97	114,784.43
-Net Credit to Banks	-69,050.6	-70,829.7	-75,868.7	-77,171.4	-81,335.02	-84,710.58	-85,841.83	-86,021.11	-85,247.82
-Open Market Operations	-124,035.7	-100,734.3	-131,936.0	-134,896.6	-119,548.25	-142,423.26	-147,399.54	-117,518.10	-130,018.10
-Other	-191,737.1	-198,568.4	-213,482.1	-198,772.9	-216,968.01	-205,077.14	-190,121.34	-195,912.16	-193,514.67
MONETARY BASE	282,573.0	295,363.4	299,515.8	317,422.8	339,864.27	268,119.07	278,926.48	283,001.87	309,199.28
- Currency Issue	190,622.7	181,924.1	181,058.4	197,436.1	226,933.52	207,895.60	204,515.25	206,218.51	233,760.72
- Cash Reserve	39,116.5	39,901.1	41,429.1	43,525.4	44,348.06	44,909.59	45,885.45	45,291.63	45,437.41
- Current Account	52,968.4	73,672.2	77,028.3	76,461.3	68,582.69	15,313.88	28,525.77	31,491.79	30,001.15
GROWTH IN MONETARY BASE [F-Y-T-D]	16.8	-	1.4	7.5	15.1	-	4.0	5.6	15.3

4: MONETARY AGGREGATES

		BASE	M1J	M1	M2J	M2	M3J	M3
FY16/17	Mar-17	139,460.80	177,728.24	205,405.77	385,130.22	636,350.53	545,141.71	796,362.01
FY17/18	Jun-17	147,019.31	176,880.50	206,834.55	390,658.46	661,159.67	555,312.55	825,813.77
	Sep-17	154,764.51	183,754.61	213,187.22	425,524.34	699,679.21	601,465.45	875,620.33
	Dec-17	172,290.94	205,967.44	233,487.21	457,905.02	718,529.75	633,487.37	894,112.10
	Mar-18	170,142.28	220,372.56	250,633.11	479,452.65	756,399.23	657,857.33	934,803.92
FY18/19	Jun-18	169,828.80	216,289.92	251,603.73	482,485.41	770,885.09	673,782.30	962,181.99
	Sep-18	177,365.64	230,629.81	266,659.06	496,418.25	804,064.91	693,490.11	1,001,136.77
	Dec-18	202,547.07	251,413.40	283,542.66	524,339.37	818,748.06	731,302.94	1,025,711.62
	Mar-19	214,015.10	249,673.01	285,367.63	542,149.88	844,420.19	753,609.43	1,055.879.73
FY19/20	Jun-19	204,318.65	256,383.63	294,330.41	544,085.24	858,311.49	763,563.05	1,077,789.31
	Sep-19	220,133.35	258,452.00	291,166.83	553,029.15	874,593.99	784,502.64	1,106,067.49
	Dec-19	220,953.60	288,765.41	324,896.57	617,627.36	941,252.00	843,835.41	1,167,460.05
	Mar-20	220,952.59	291,510.62	341,364.49	612,444.99	963,144.91	842,710.44	1,193,410.36
FY20/21	Jun-20	239,267.12	304,413.99	346,525.54	634,039.95	998,227.40	852,992.97	1,217,180.42
	Sep-20	265,854.12	321,603.09	366,833.99	670,333.46	1,055,569.83	889,371.33	1,274,607.69
	Dec-20	282,573.00	341,946.01	382,054.10	699,607.17	1,092,427.28	926,877.37	1,319,697.49
	Mar-21	295,363.42	348,520.04	390,210.97	717,228.90	1,118,874.17	949,719.11	1,351,364.37
FY21/22	Jun-21	299,515.81	354,014.44	406,142.44	735,982.82	1,163,036.18	978,463.19	1,405,516.55
	Sep-21	317,422.82	364,765.50	413,386.24	753,978.91	1,182,807.26	994,201.70	1,423,030.04
	Dec-21	339,864.27	406,708.92	458,639.06	818,963.54	1,276,153.09	1,056,944.42	1,514,133.98
	Mar-22	268,119.07	390,171.16	448,269.27	796,096.93	1,288,243.47	1,032,292.35	1,524,438.89
FY22/23	Jun-22	278,926.48	391,424.80	454,536.66	806,237.99	1,302,293.54	1,042,795.03	1,538,850.58
	Sep-22	283,001.87	399,254.74	462,863.63	829,756.76	1,311,358.70	1,065,630.99	1,556,104.97
	Nov-22	285,765.85	405,542.55	462,863.63	835,806.70	1,311,358.70	1,095,391.94	1,599,013.18

5: GOJ TREASURY BILL YIELDS
(End of Period)

		1-month	3-month	6-month	9-month	12-month
FY13/14	Jun-14	6.80	7.66	8.37	…	…
FY14/15	Sep-14	6.89	7.47	8.00	…	…
	Dec-14	6.38	6.96	7.14	…	…
	Mar-15	6.30	6.73	7.00	…	…
	Jun-15	6.23	6.48	6.63	…	…
FY15/16	Sep-15	6.23	6.20	6.35	…	…
	Dec-15	5.97	5.96	6.04	…	…
	Mar-16	5.38	5.75	5.83	…	…
	Jun-16	5.47	5.86	6.01	…	…
FY16/17	Sept-16	5.84	5.86	5.81	…	…
	Dec-16	5.64	5.68	6.56	…	…
	Mar-17	6.10	6.13	6.32	…	…
	Jun-17	…	5.77	6.13	…	…
FY17/18	Sept-17	…	4.98	5.45	…	…
	Dec-17	…	4.18	4.63	…	…
	Mar-18	…	2.98	3.17	…	…
	Jun-18	…	2.54	2.66	…	…
FY18/19	Sep-18	…	1.71	1.87	…	…
	Dec-18	…	2.05	2.07	…	…
	Mar-19	…	2.19	2.17	…	…
	Jun-19	…	1.95	1.84	…	…
FY19/20	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	…	…

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

		30 days	60 days	90 days	120 days	180 days	270 days	365 days
	Mar-12	6.25	...	...	...	...	...	...
FY12/13	Jun-12	6.25	...	...	...	...	...	...
	Sep-12	6.25	...	...	...	...	...	...
	Dec-12	6.25	...	...	...	...	...	...
	Mar-13	5.75	...	...	...	...	...	...
FY13/14	Jun-13	5.75	...	...	...	...	...	...
	Sep-13	5.75	...	...	...	...	...	...
	Dec-13	5.75	...	...	...	...	...	...
	Mar-14	5.75	...	...	...	...	...	...
FY14/15	Jun-14	5.75	...	...	...	...	...	...
	Sep-14	5.75	...	...	...	...	...	...
	Dec-14	5.75	...	...	...	...	...	...
	Mar-15	5.75	...	...	...	...	...	...
FY15/16	Jun-15	5.50	...	...	...	...	...	...
	Sep-15	5.25	...	...	...	...	...	...
	Dec-15	5.25	...	...	...	...	...	...
	Mar-16	5.25	...	...	...	...	...	...
FY16/17	Jun-16	5.00	...	...	...	...	...	...
	Sep-16	5.00	...	...	...	...	...	...
	Dec-16	5.00	...	...	...	...	...	...
	Mar-17	5.00	...	...	...	...	...	...
FY17/18	Jun-17	4.75	...	...	...	...	...	...
	Sep-17	4.09	...	...	...	...	...	...
	Dec-17	3.80	...	...	...	...	...	...
	Mar-18	2.68	...	...	...	...	...	...
FY18/19	Jun-18	2.31	...	...	...	...	...	...
	Sep-18	1.72	...	...	...	...	...	...
	Dec-18	2.10	...	...	...	...	...	...
	Mar-19	2.19	...	...	...	...	...	...
FY19/20	Jun-19	2.39	...	...	...	...	...	...
	Sep-19	1.48	...	...	...	...	...	...
	Dec-19	0.95	...	...	...	...	...	...
	Mar-20	2.77	...	...	...	...	...	...
FY20/21	Jun-20	0.58	...	...	...	...	...	...
	Sep-20	0.67	...	...	...	...	...	...
	Dec-20	0.55	...	...	...	...	...	...
	Mar-21	1.01	...	...	...	...	...	...
FY20/21	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	...	...	...	...	...	...

7: Placements and Maturities* in BOJ OMO Instruments

	April – June 2022			July - September 2022			October - December 2022		
	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)	Maturities (J$MN)	Placements (J$MN)	Average Yield (%)
30-day CD	201.0	232.5	7.68	249.5	232.0	7.72	217.6	234.6	8.64
272-day VR CD	0	0		0	0		0	0	
365-day VR CD	0	0		0	0		0	0	
548-day VR CD	0	0		0	0		0	0	
729-day VR CD	0	0		0	0		0	0	
272-day FR CD	0	0		0	0		0	0	
365-day FR CD	10.0	0		0	0		4.5	0	
730-day FR CD	0	6	8.17	0	8.0	8.95	0	0	
911-day FR CD	0	0		0	0		0	0	
272-day FR USD IB	0	0		0	0		0	0	
365-day FR USD IB	0	0		0	0		0	0	
540-day FR USD IB	0	0		0	0		0	0	
730-day FR USD IB	3.9	0		19.6	0		0	0	
911-day FR USD IB	0	0		0	0		0	0	
1095-day FR USD IB	11.6	0		0	0		0	0	
Repos	238.1	228.1		299.3	301.0		332.5	332.5	

	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)	Maturities (US$MN)	Placements (US$MN)	Average Yield (%)
1-year FR USD CD	0	0		0	0		0	0	
2-year FR USD CD	0	0		0	0		0	0	
3-year FR USD CD	0	0		0	0		0	0	
4-year FR USD CD	0	0		0	0		0	0	
5-year FR USD CD	0	0		0.32	0		0	0	
7-year FR USD CD	19.37	0		0.01	0		0.79	0	
TOTAL	19.37	0		0.33	0		0.79	0	

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

	Bauxite	Alumina	Sugar	Bananas	Other Traditional	Non-Traditional	Other	Total Goods Exports
FY13/14	125.0	526.0	53.7	0.0	70.9	455.9	260.3	1492.0
Jun-13	31.6	127.0	36.3	0.0	23.5	104.0	62.4	384.8
Sep-13	30.6	117.6	0.0	0.0	18.5	120.3	75.8	362.8
Dec-13	32.8	142.7	0.0	0.0	13.8	118.7	55.4	363.4
Mar-14	30.0	138.7	17.4	0.0	15.1	112.9	66.8	381.0
FY14/15	136.5	522.9	55.5	0.2	65.8	395.6	225.6	1402.2
Jun-14	34.4	108.6	26.5	0.0	21.0	96.1	69.2	355.9
Sep-14	33.4	151.6	11.9	0.1	16.6	99.3	62.1	375.0
Dec-14	33.4	130.4	0.0	0.1	13.6	106.8	49.2	333.5
Mar-15	35.3	132.3	17.1	0.1	14.5	93.4	45.1	337.9
FY15/16	116.4	479.8	36.9	0.3	69.9	317.8	158.3	1178.7
Jun-15	32.0	143.8	23.6	0.1	21.9	80.4	45.2	347.0
Sep-15	33.8	114.5	13.1	0.1	19.2	71.0	31.9	283.6
Dec-15	23.9	116.4	0.2	0.1	13.4	84.2	38.8	277.0
Mar-16	26.6	105.1	0.0	0.1	15.4	82.2	42.3	271.1
FY16/17	80.5	472.3	17.7	0.4	76.9	407.3	191.0	1246.1
Jun-16	26.7	126.6	9.0	0.1	26.9	90.7	55.2	335.3
Sep-16	20.6	102.7	4.8	0.1	20.6	93.0	41.0	282.7
Dec-16	17.9	109.6	0.3	0.1	13.0	108.4	49.9	299.1
Mar-17	15.3	133.4	3.6	0.1	16.5	115.2	44.9	328.9
FY17/18	94.5	641.9	11.3	0.7	65.8	436.1	205.3	1455.6
Jun-17	19.7	128.4	8.8	0.1	18.7	108.8	56.3	340.8
Sep-17	19.4	142.5	1.7	0.1	18.9	95.8	43.8	322.3
Dec-17	29.4	148.2	0.3	0.1	15.1	119.1	46.6	358.8
Mar-18	25.9	222.9	0.5	0.3	13.2	112.3	58.6	433.7
FY18/19	94.7	1136.8	15.8	0.5	68.4	424.8	232.3	1973.2
Jun-18	25.3	300.8	3.9	0.1	19.5	99.0	58.9	507.5
Sep-18	23.2	328.5	11.3	0.1	21.3	100.6	52.5	537.4
Dec-18	25.9	270.0	0.3	0.1	14.0	112.6	59.4	482.3
Mar-19	20.3	237.5	0.4	0.1	13.5	112.6	61.5	445.9
FY19/20+	94.3	573.6	10.2	0.6	81.4	506.9	106.4	1373.4
Jun-19+	26.1	214.6	6.4	0.1	20.8	117.9	50.7	436.6
Sep-19+	22.5	169.4	3.0	0.1	24.0	120.2	46.8	386.0
Dec-19+	21.1	113.0	0.4	0.1	18.2	122.0	44.5	319.4
Mar-20+	18.7	104.3	0.4	0.2	24.6	159.8	44.4	346.6
FY20/21+	87.2	423.5	6.9	0.8	67.3	535.8	81.0	1201.6
Jun-20	27.3	94.0	6.0	0.2	19.3	106.4	7.0	260.2
Sep-20	20.4	108.1	0.0	0.2	31.6	117.4	25.0	302.7
Dec-20	22.2	119.4	0.0	0.2	19.6	128.2	26.1	315.7
Mar-21	17.3	102.1	0.8	0.2	16.9	164.0	51.7	353.1
FY21/22+	46.4	243.2	5.5	0.5	43.1	357.2	68.2	752.0
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
Jun-22	20.9	50.1	3.3	0.3	23.9	208.4	91.3	398.0
Sep-22	17.9	32.9	0.1	0.3	23.9	177.3	155.0	407.0

+ Revised

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

	Dec-19+	Mar-20+	Jun-20+	Sep-20+	Dec-20+	Mar-21+	Jun-21+	Sep-21 +	Dec-21+	Mar-22+	Jun-22+
1. Current Account	-51.3	37.3	-82.7	11.0	-27.0	-50.6	228.7	45.1	-97.9	-333.0	19.6
A. Goods Balance	-1046.0	-853.3	-614.2	-660.0	-821.0	-647.2	-556.6	-577.9	-1043.9	-1153.8	-1194.4
Exports (f.o.b)	335.0	358.2	264.7	306.4	321.2	360.3	422.9	371.5	286.0	340.6	460.5
Imports (f.o.b)	1380.9	1211.6	878.9	966.4	1142.2	1007.5	979.5	949.4	1329.9	1494.3	1654.9
B. Services Balance	426.3	513.4	-77.4	-51.3	-4.5	-61.8	-23.3	-185.1	67.2	249.5	427.6
Transportation	-172.5	-154.4	-119.9	-129.9	-143.9	-307.4	-435.1	-591.8	-391.1	-331.0	-276.1
Travel	854.8	835.1	0.8	141.1	240.9	254.1	478.9	540.4	657.0	721.2	872.5
Other Services	-256.0	-167.3	41.7	-62.5	-101.6	-8.5	-67.1	-133.7	-198.7	-140.7	-168.9
Goods & Services Balance	-619.7	-340.0	-691.6	-711.3	-825.5	-708.9	-579.9	-763.0	-976.7	-904.1	-766.8
C. Income	-45.4	-200.5	-82.0	-142.1	-29.8	-158.2	-104.2	-121.3	-34.9	-228.4	-96.7
Compensation of employees	50.9	7.5	8.9	20.0	45.5	15.3	9.7	28.5	46.5	18.8	16.8
Investment Income	-96.3	-208.0	-90.9	-162.1	-75.3	-173.5	-113.9	-149.9	-81.5	-247.2	-113.6
D. Current Transfers	613.7	577.8	691.0	864.4	828.3	816.6	912.9	929.4	913.8	799.5	883.2
General Government	15.9	43.4	21.7	46.5	37.4	44.0	40.8	53.7	40.5	47.0	41.7
Other Sectors	597.8	534.3	669.3	817.8	790.9	772.5	872.0	875.7	873.3	752.5	841.5
2. Capital & Financial Account	562.6	105.0	175.2	-497.4	942.0	423.4	276.7	-401.1	1572.9	1930.5	977.2
A. Capital Account	-5.0	-9.5	-9.2	-5.8	-6.3	-8.6	-9.2	-5.8	-5.6	-9.2	-7.8
Capital Transfers	-5.0	-9.5	-9.2	-5.8	-6.3	-8.6	-9.2	-5.8	-5.6	-9.2	-7.8
General Government	2.4	0.5	0.8	1.9	1.0	1.4	0.8	1.9	1.8	0.9	2.2
Other Sectors	-7.3	-10.0	-9.9	-7.7	-7.3	-10.0	-9.9	-7.7	-7.3	-10.0	-9.9
Acq/disp of non-produced non- fin assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Financial Account	567.6	114.5	184.4	-491.6	948.3	432.0	285.8	-395.3	1578.5	1035.1	985.0
Direct Investment	-102.0	99.9	89.9	22.1	46.5	22.3	36.7	118.4	86.9	44.5	64.7
Portfolio Investment	260.8	-37.3	-198.2	-311.8	38.1	-268.8	-198.2	-311.8	320.2	-127.1	57.0
Other official investment	1.4	-236.4	-150.0	-76.1	93.7	165.2	-58.6	-76.1	579.2	-11.7	96.0
Other private Investment	471.8	263.9	154.3	96.1	394.1	377.7	217.6	96.1	552.5	434.8	186.5
Reserves	-64.5	24.4	288.4	-222.0	375.9	135.6	288.4	-222.0	39.7	694.5	580.8
Errors & Omissions	-511.3	-142.3	-92.6	486.5	-915.0	-372.8	-505.4	356.1	-1475.0	-692.4	-996.9

+ Revised

10: FOREIGN EXCHANGE SELLING RATES

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

		US$	Can$	GBP £
FY12/13	Sep-12	89.9300	91.4200	145.3900
	Dec-12	92.9800	93.3100	152.6400
	Mar-13	98.8900	97.9900	151.9000
FY13/14	Jun-13	101.3800	96.7000	154.4800
	Sep-13	103.6000	100.7100	167.1600
	Dec-13	106.3800	99.7200	175.8400
	Mar-14	109.5700	98.9300	181.7700
FY14/15	Jun-14	112.2022	103.1802	191.8988
	Sep-14	112.6662	101.0142	180.2393
	Dec-14	114.6607	97.6896	177.6759
	Mar-15	115.0435	90.6202	169.9738
FY15/16	Jun-15	116.9832	93.8399	183.7774
	Sep-15	119.0553	88.6177	180.1478
	Dec-15	120.4150	84.9062	177.1179
	Mar-16	122.0421	92.5223	173.4625
FY16/17	Jun-16	126.3835	97.8795	169.8517
	Sept-16	128.2704	97.3084	166.7776
	Dec-16	128.4404	95.8778	157.4208
	Mar-17	128.6672	97.1686	159.5670
FY17/18	Jun-17	128.6228	99.3865	166.5811
	Sep-17	129.9127	105.0988	173.8791
	Dec-17	125.0004	97.3947	167.0275
	Mar-18	125.9850	97.1994	178.1109
FY18/19	Jun-18	130.3918	100.0079	172.9757
	Sep-18	134.6486	103.7023	178.1844
	Dec-18	127.7162	91.5382	159.0355
	Mar-19	126.4666	95.8862	165.5342
FY19/20	Jun-19	131.0682	101.8648	168.0812
	Sep-19	135.1591	102.3052	166.1363
	Dec-19	132.5690	100.1539	171.6232
	Mar-20	135.3908	95.3267	169.1721
FY20/21	Jun-20	140.0111	105.1658	177.1609
	Sep-20	142.1048	107.7533	185.5508
	Dec-20	142.6493	111.4117	193.6657
	Mar-21	146.5813	120.1525	202.8338
FY21/22	Jun-21	148.5164	122.7285	207.0185
	Sep-21	147.2441	117.6625	202.9298
	Dec-21	155.0878	122.7604	210.1385
	Mar-22	153.7801	123.7584	202.6811
FY22/23	Jun-22	151.5580	118.7574	184.3548
	Sep-22	152.8195	112.9388	168.1380
	Dec-22	152.0521	108.4869	182.0905

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

		(US$MN) Gross Foreign Assets	(US$MN) Gross Foreign Liabilities	(US$MN) International Reserves (Net)	Weeks of Imports Goods	Goods & Services
FY12/13	Dec-13	1,817.60	769.70	1,047.90	17.30	12.80
	Mar-14	2,048.60	745.00	1,303.60	19.10	14.40
FY14/15	Jun-14	2,016.53	640.40	1,376.13	20.19	14.57
	Sep-14	2,715.25	514.68	2,200.57	27.79	19.66
	Dec-14	2,473.01	471.92	2,001.09	26.31	18.41
	Mar-15	2,689.74	396.06	2,293.68	28.61	20.02
FY15/16	Jun-15	2,537.27	420.76	2,116.51	29.00	19.83
	Sep-15	2,890.45	448.57	2,441.88	32.34	22.39
	Dec-15	2,890.45	479.82	2,437.01	34.61	23.45
	Mar-16	2,894.31	478.77	2,415.53	34.38	23.30
FY16/17	Jun-16	2,819.90	554.77	2,265.13	32.66	19.36
	Sep-16	3,056.16	593.15	2,463.01	36.30	24.60
	Dec-16	3,291.47	-572.10	2,719.37	38.40	22.27
	Mar-17	3,323.89	-554.72	2,769.17	38.78	22.49
FY17/18	Jun-17	3,185.65	-568.84	2,616.81	35.44	20.54
	Sep-17	3,714.94	-577.80	3,137.14	40.87	23.70
	Dec-17	3,781.17	-572.88	3,208.29	38.83	22.78
	Mar-18	3,656.91	-582.35	3,074.57	35.83	21.29
FY18/19	Jun-18	3,687.40	-551.91	3,135.49	32.49	19.80
	Sep-18	3,568.84	-542.12	3,026.72	33.14	19.67
	Dec-18	3,532.04	-526.63	3005.41	32.80	19.47
	Mar-19	3,605.18	-520.35	3,084.83	35.54	20.50
FY19/20	Jun-19	3,537.33	-502.02	3,035.31	32.88	22.62
	Sep-19	3,581.92	-483.86	3,098.05	33.45	22.82
	Dec-19	3,631.09	-468.55	3,152.53	33.80	22.94
	Mar-20	3,688.45	-450.78	3,237.67	34.27	23.22
FY20/21	Jun-20	3,905.02	-955.76	2,949.26	56.33	38.15
	Sep-20	3,713.37	-965.88	2,747.49	53.56	36.28
	Dec-20	4,081.09	-954.95	3,126.13	53.95	38.81
	Mar-21	4,243.53	-924.20	3,319.32	53.65	38.71
FY21/22	Jun-21	4,285.89	-897.18	3,388.71	42.42	30.12
	Sep-21	4,834.98	-870.77	3964.22	46.62	33.27
	Dec-21	4833.40	-832.62	4000.77	54.33	33.51
	Mar-22	4323.66	-674.81	3675.85	46.80	29.60
FY22/23	Jun-22	4389.91	-585.17	3804.75	36.11	24.49
	Sep-22	4349.51	-542.21	3807.30	36.32	24.19
	Dec-22	4519.54	-541.54	3978.00	37.47	25.21

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)

	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Total Value Added at Basic Prices	-10.7	-8.3	-6.6	14.2	5.9	6.7	6.4	4.8	5.9
Agriculture, Forestry & Fishing	2.5	-7.2	-1.9	15.0	7.3	13.8	8.4	6.3	17.0
Mining & Quarrying	-20.7	6.3	7.2	-9.2	-29.7	-60.5	-60.0	-62.5	-27.6
Manufacturing	-10.8	-0.4	-1.3	13.0	3.7	-2.2	4.5	5.7	9.6
Food, Beverages & Tobacco	-8.1	-0.7	-2.3	9.9	3.4	2.2	6.8	10.3	12.9
Other Manufacturing	-14.6	-0.0	0.1	17.8	4.3	-7.3	1.3	-0.9	4.6
Construction	7.0	6.3	10.5	17.4	4.4	5.9	3.5	-5.2	3.1
Electricity & Water	-7.0	-9.3	-6.9	4.0	0.6	5.8	1.4	2.0	3.9
Wholesale & Retail Trade; Repairs; Installation Of Machinery	-8.13	-8.8	-5.1	19.3	4.4	10.6	8.8	7.6	5.3
Hotels and Restaurants	-65.2	-53.8	-55.9	334.6	114.6	79.5	107.1	56.0	35.3
Transport, Storage & Communication	-14.8	-10.4	-7.8	13.6	8.8	10.1	8.8	5.7	5.9
Finance & Insurance Services	-5.6	-2.8	-1.1	2.8	3.3	2.7	0.8	1.1	1.0
Real Estate & Business Services	-2.8	-1.3	-1.9	5.2	0.7	2.1	1.1	2.1	2.1
Government Services	0.1	0.2	0.0	0.4	0.4	-0.1	0.4	0.4	3.3
Other Services	-27.0	-21.6	-21.9	23.2	12.2	10.4	12.1	9.8	13.1
Less Financial Intermediation Services Indirectly Measured (FISIM)	3.7	3.9	3.7	3.8	3.6	3.2	4.4	2.0	1.62

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

		1-month	3-month	6-month	12-month
FY11/12	Mar-12	0.2413	0.4682	0.7334	1.0485
FY12/13	Jun-12	0.2458	0.4606	0.7344	1.0680
	Sep-12	0.2143	0.3585	0.6359	0.9730
	Dec-12	0.2087	0.3060	0.5083	0.8435
	Mar-13	0.2037	0.2826	0.4449	0.7315
FY13/14	Jun-13	0.1958	0.2731	0.4144	0.6902
	Sep-13	0.1789	0.2489	0.3685	0.6294
	Dec-13	0.1677	0.2461	0.3480	0.5831
	Mar-14	0.1520	0.2306	0.3289	0.5581
FY14/15	Jun-14	0.1552	0.2307	0.3268	0.5451
	Sep-14	0.1565	0.2351	0.3304	0.5786
	Dec-14	0.1713	0.2556	0.3628	0.6288
	Mar-15	0.1763	0.2708	0.4007	0.6942
FY15/16	Jun-15	0.1865	0.2832	0.4449	0.7715
	Sep-15	0.1930	0.325	0.534	0.8511
	Dec-15	0.4300	0.613	0.846	1.1780
	Mar-16	0.4370	0.6290	0.900	1.2100
FY16/17	Jun-16	0.4650	0.6540	0.9240	1.2300
	Sept-16	0.5311	0.8537	1.2397	1.5518
	Dec-16	0.7717	0.9979	1.3177	1.6857
	Mar-17	0.9828	1.1496	1.4232	1.8018
FY17/18	Jun-17	1.2239	1.2992	1.4477	1.7384
	Sep-17	1.2322	1.3339	1.5060	1.7823
	Dec-17	1.5640	1.6940	1.8370	2.1070
	Mar-18	1.8831	2.3118	2.4524	2.6626
FY18/19	Jun-18	2.0903	2.3358	2.5013	2.7641
	Sep-18	2.2606	2.3984	2.6039	2.9186
	Dec-18+	2.5027	2.8076	2.8756	3.0054
	Mar-19	2.4945	2.5998	2.6595	2.7106
FY19/20	Jun-19	2.3980	2.3199	2.2005	2.1781
	Sep-19	2.0156	2.0851	2.0556	2.0321
	Dec-19	1.7625	1.9083	1.9121	1.9962
	Mar-20	0.9930	1.4510	1.1750	0.9980
FY20/21	Jun-20	0.1623	0.3020	0.3693	0.5458
	Sep-20	0.1483	0.2339	0.2598	0.3601
	Dec-20	0.1439	0.2384	0.2576	0.3419
	Mar-21	0.1111	0.1943	0.2053	0.2831
FY21/22	Jun-21	0.1005	0.1458	0.1595	0.2463
	Sep-21	0.0803	0.1301	0.1585	0.2366
	Dec-21	0.1013	0.2091	0.3388	0.5831
	Mar-22	0.4520	0.9616	1.4699	2.1014
FY22/23	Jun-22	1.7867	2.2851	2.9351	3.6190
	Sep-22	3.1427	3.7547	4.2320	4.7806
	Dec-22	4.3916	4.7673	5.1389	5.4821

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

		EURO-ZONE	UNITED STATES			UNITED KINGDOM
		Repo rate	Fed Funds Rate	Discount Rate	Prime Rate	Repo rate
FY12/13	Jun-12	1.00	0 - 0.25	0.75	3.25	0.50
	Sep-12	0.75	0 - 0.25	0.75	3.25	0.50
	Dec-12	0.75	0 - 0.25	0.75	3.25	0.50
	Mar-13	0.75	0 - 0.25	0.75	3.25	0.50
FY13/14	Jun-13	0.50	0 - 0.25	0.75	3.25	0.50
	Sep-13	0.50	0 - 0.25	0.75	3.25	0.50
	Dec-13	0.25	0 - 0.25	0.75	3.25	0.50
	Mar-14	0.25	0 - 0.25	0.75	3.25	0.50
FY14/15	Jun-14	0.15	0 - 0.25	0.75	3.25	0.50
	Sep-14	0.05	0 - 0.25	0.75	3.25	0.50
	Dec-14	0.05	0 - 0.25	0.75	3.25	0.50
	Mar-15	0.05	0 - 0.25	0.75	3.25	0.50
FY15/16	Jun-15	0.05	0 - 0.25	0.75	3.25	0.50
	Sep-15	0.05	0 - 0.25	0.75	3.25	0.50
	Dec-15	0.05	0 - 0.50	1.00	3.50	0.50
	Mar-16	0.00	0 - 0.50	1.00	3.50	0.50
FY16/17	Jun-16	0.00	0 - 0.50	1.00	3.50	0.50
	Sept-16	0.00	0 – 0.50	1.00	3.50	0.25
	Dec-16	0.00	0 .50– 0.75	1.25	3.75	0.25
	Mar-17	0.00	0.75–1.00	1.50	4.00	0.25
FY17/18	Jun-17	0.00	1.00–1.25	1.75	4.25	0.25
	Sep-17	0.00	1.00–1.25	1.75	4.25	0.25
	Dec-17	0.00	1.25-1.50	2.00	4.50	0.50
	Mar-18	0.00	1.50-1.75	2.25	4.75	0.50
FY18/19	Jun-18	0.00	1.75-2.00	2.50	5.00	0.50
	Sep-18	0.00	2.00-2.25	2.75	5.25	0.75
	Dec-18	0.00	2.25–2.50	3.00	5.50	0.75
	Mar-19	0.00	2.25–2.50	3.00	5.50	0.75
FY19/20	Jun-19	0.00	2.25-2.50	3.00	5.50	0.75
	Sep-19	0.00	1.75-2.00	2.50	5.00	0.75
	Dec-19	0.00	1.5-1.75	2.25	4.75	0.75
	Mar-20	0.00	0-0.25	0.25	3.25	0.10
FY20/21	Jun-20	0.00	0.0-0.25	0.25	3.25	0.10
	Sep-20	0.00	0.0-0.25	0.25	3.25	0.10
	Dec-20	0.00	0.0-0.25	0.25	3.25	0.10
	Mar-21	0.00	0.0-0.25	0.25	3.25	0.10
FY21/22	Jun-21	0.00	0.0-0.25	0.25	3.25	0.10
	Sep-21	0.00	0.0-0.25	0.25	3.25	0.10
	Dec-21	0.00	0.0-0.25	0.25	3.25	0.25
	Mar-22	0.00	0.25-0.50	0.50	3.50	0.75
FY22/23	Jun-22	0.00	1.50-1.75	1.75	4.75	1.25
	Sep-22	1.25	3.00-3.25	3.25	6.25	2.25
	Dec-22	2.50	4.25-4.50	4.50	7.50	3.50

15: INTERNATIONAL EXCHANGE RATES

		Sterling vs. US$	Canadian $ vs. US$	Yen vs. US$	Euro vs. US$
FY12/13	Sep-12	0.6199	0.9837	77.9480	0.7779
	Dec-12	0.6150	0.9949	86.6630	0.7584
	Mar-13	0.6588	1.0156	94.0370	0.7787
FY13/14	Jun-13	0.6575	1.0512	99.1700	0.7687
	Sep-13	0.6181	1.0285	98.3270	0.7389
	Dec-13	0.6034	1.0636	105.2030	0.7258
	Mar-14	0.6012	1.1053	103.0100	0.7259
FY14/15	Jun-14	0.5846	1.0676	101.2900	0.7305
	Sep-14	0.6168	1.1196	109.6491	0.7917
	Dec-14	0.6418	1.1614	119.8035	0.8264
	Mar-15	0.6737	1.2679	119.9472	0.9321
FY15/16	Jun-15	0.6737	1.2483	122.1001	0.8966
	Sep-15	0.6609	1.3394	119.6745	0.8943
	Dec-15	0.6786	1.3837	120.2501	0.9206
	Mar-16	0.6964	1.3004	112.5746	0.8787
FY16/17	Jun-16	0.7513	1.2925	103.1779	0.9004
	Sept-16	0.7709	1.3127	101.3377	0.8901
	Dec-16	0.8104	1.3439	117.0001	0.9508
	Mar-17	0.7968	1.3317	111.3958	0.9388
FY17/18	Jun-17	0.7677	1.2963	112.3469	0.8752
	Sep-17	0.7464	1.2470	112.5239	0.8465
	Dec-17	0.7400	1.2571	112.6888	0.8330
	Mar-18	0.7135	1.2895	106.2812	0.8114
FY18/19	Jun-18+	0.7572	1.3134	110.6929	0.8559
	Sep-18	0.7601	1.3043	111.8443	0.8559
	Dec-18	0.7841	1.3639	109.6131	0.8721
	Mar-19	0.7672	1.3349	110.8525	0.8914
FY19/20	Jun-19	0.7876	1.3094	107.8865	0.8793
	Sep-19	0.8161	1.3224	106.3943	0.9062
	Dec-19	0.7543	1.2990	108.6366	0.8918
	Mar-20	0.8052	1.4067	107.5384	0.9065
FY20/21	Jun-20	0.8064	1.3576	107.9331	0.8902
	Sep-20	0.7740	1.3321	105.4519	0.8532
	Dec-20	0.7315	1.2734	103.3165	0.8186
	Mar-21	0.7255	1.2561	110.7174	0.8525
FY21/22	Jun-21	0.7230	1.2398	111.1111	0.8429
	Sep-21	0.7422	1.2682	111.2718	0.8636
	Dec-21	0.7390	1.2639	115.1145	0.8795
	Mar-22	0.7612	1.2508	121.6989	0.9036
FY22/23	Jun-22	0.8212	1.2873	135.7405	0.9538
	Sep-22	0.8953	1.3829	144.7387	1.0202
	Dec-22	0.8276	1.3554	131.1132	0.9341

16: WORLD COMMODITY PRICES (Period Averages)

		CRUDE OIL PRICES		FOOD	
		North Sea Brent (US$/barrel – f.o.b.)	West Texas Intermediate (US$/barrel – f.o.b.)	Wheat (US$/mt, Average Winter)	Coffee (USc/kg, Arabica brand)
FY11/12	Dec-11	109.29	94.06	265.07	536.18
	Mar-12	118.60	102.94	268.88	486.95
FY12/13	Jun-12	108.86	93.50	260.39	400.35
	Sep-12	109.95	92.22	341.46	399.96
	Dec-12	110.45	88.19	346.48	357.12
	Mar-13	112.91	94.40	309.51	335.49
FY13/14	Jun-13	103.01	94.23	294.50	319.86
	Sep-13	110.10	105.83	281.76	298.23
	Dec-13	109.41	97.48	292.20	276.82
	Mar-14	107.88	98.67	280.67	382.67
FY14/15	Jun-14	109.78	102.98	292.86	467.06
	Sep-14	102.08	97.07	238.17	455.92
	Dec-14	76.01	73.16	248.61	464.59
	Mar-15	53.93	48.63	231.09	389.21
FY15/16	Jun-15	62.10	57.97	210.64	354.39
	Sep-15	50.03	51.52	189.86	336.22
	Dec-15	43.41	42.18	190.10	327.74
	Mar-16	34.36	33.45	190.23	330.86
FY16/17	Jun-16	45.95	45.50	183.79	346.71
	Sept-16	45.80	44.94	156.02	378.80
	Dec-16	50.08	49.29	156.18	385.71
	Mar-17	54.12	51.91	165.66	364.09
FY17/18	Jun-17	50.25	48.28	177.79	329.68
	Sep-17	51.74	48.20	183.94	327.83
	Dec-17	61.47	55.40	177.43	307.79
	Mar-18	66.95	62.87	190.71	301.42
FY18/19	Jun-18	74.49	67.88	210.30	296.87
	Sept-18	75.48	69.50	215.61	277.04
	Dec-18	67.37	58.81	211.01	295.09
	Mar-19	63.27	54.90	212.06	279.84
FY19/20	Jun-19	68.34	59.81	204.21	272.94
	Sept-19	61.86	56.45	195.06	287.03
	Dec-19	62.65	56.96	214.61	311.92
	Mar-20	50.53	46.17	227.33	312.86
FY20/21	Jun-20	31.43	27.85	209.22	327.55
	Sep-20*	42.72	40.93	221.73	350.23
	Dec-20*	44.52	42.66	259.70	337.70
	Mar-21*	60.57	57.85	279.58	358.41
FY21/22	Jun-21*	68.63	66.09	279.93	401.93
	Sep-21*	73.00	70.57	291.80	474.39
	Dec-21*	79.58	77.22	339.47	564.40
	Mar-22	98.96	94.29	391.38	594.78
FY22/23	Jun-22	112.75	108.53	453.79	587.64
	Sep-22	99.23	91.75	355.76	581.81
	Dec-22	88.37	82.59	366.17	487.94

*Revised

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Monetary Base: See Base Money

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

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

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

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

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

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

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

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

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

Quasi-money: Savings Deposits plus Time Deposit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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
Oct – Dec 2021	133	Assessment of Inflation Developments and Monetary Policy Response: Select Economies