

17 August 2015

**Bank of Jamaica Reduces Benchmark Interest Rate**

Bank of Jamaica announces that with effect from 18 August 2015, the rate offered on its benchmark 30-day Certificate of Deposit will be reduced to 5.25 per cent from 5.50 per cent.

Macroeconomic vulnerabilities continue to be reduced in the context of the strong implementation of reforms under the Economic Reform Programme. Annual inflation is expected to be within the 5.5 per cent to 7.5 per cent target range by the end of the fiscal year and is projected to decline in the medium term. This assessment is supported by continuation of low international oil prices, a post-drought recovery in agriculture output and continued reduction in inflation expectations. In addition, the current account of the balance of payments is improving, net international reserves are rising, the Government’s debt ratios have improved markedly, and the Government has demonstrated commitment to a strong fiscal stance.

The rates applicable to the Bank’s lending facilities that are linked to this policy rate will correspondingly fall by 25 basis points.