



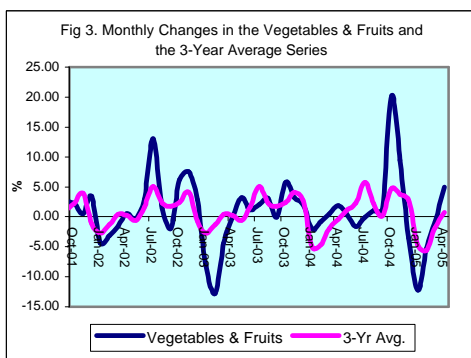
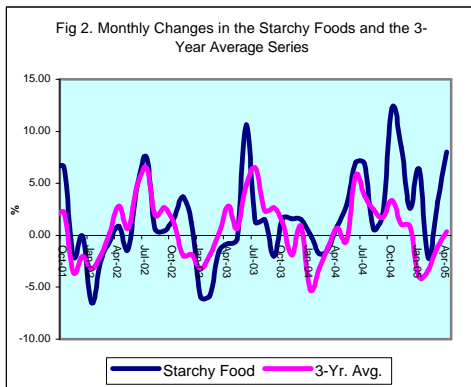
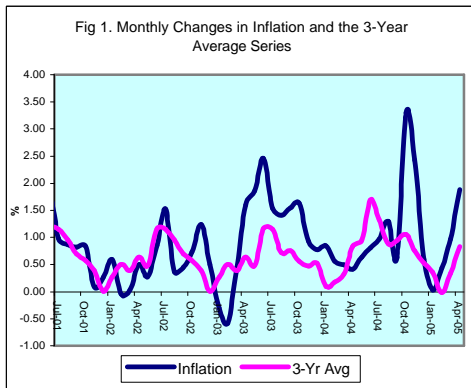
INFLATION REPORT

APRIL 2005



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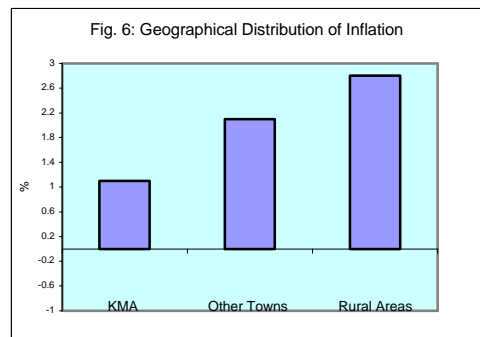
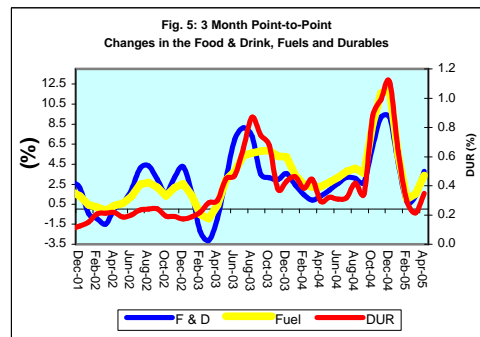
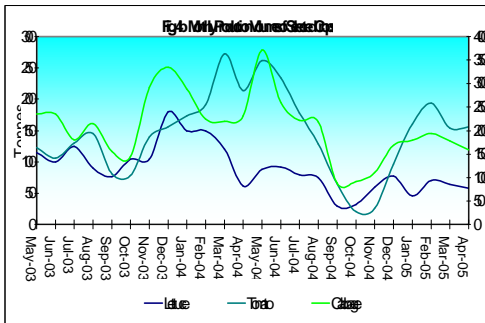
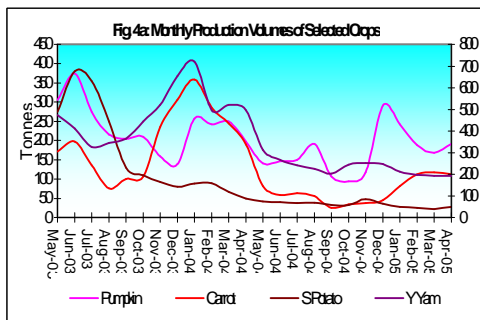
Introduction

1.0 The All Jamaica Consumer Price Index (CPI) increased by 1.9 per cent in April 2005, relative to 1.0 per cent in the previous month. This brought the rate of inflation for the calendar year to date to 3.4 per cent, compared to inflation of 2.3 per cent for the similar period of 2004. The point-to-point inflation rate at April 2005 was 14.9 per cent, relative to 15.4 per cent recorded for the comparable period in the previous year. The mean annual inflation rate was 12.8 per cent, similar to the rate obtained in the previous month and 0.7 percentage point lower than the rate obtained in the same month of 2004 (Table 1A).

2.0 The major influences on the inflation outturn for April emanated from increases in some meat and agricultural prices, domestic household fuel prices and, to a lesser extent, petroleum prices. The increases were largely reflected in *Food & Drink*, *Fuels & Other Household Supplies*, *Transportation* and *Housing & Other Housing Expenses*, which increased by 2.8 per cent, 1.9 per cent, 1.2 per cent and 0.7 per cent, respectively. In this context, these groups respectively contributed 79.7 per cent, 6.2 per cent, 4.5 per cent and 3.3 per cent to the overall inflation (Table 2).

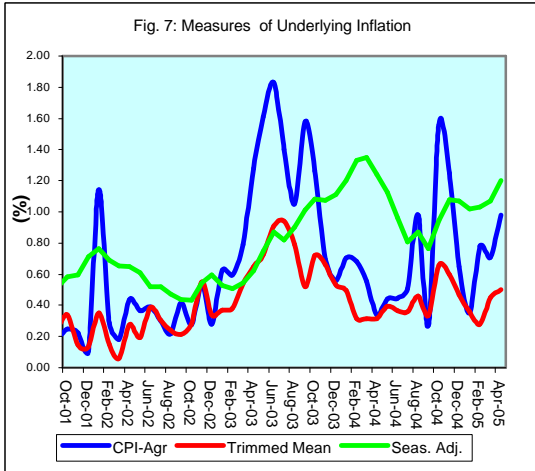
Main Developments in the Basket

3.0 The increase in the sub-index for *Food & Drink* was largely influenced by increases in *Starchy Foods*, *Meat, Poultry & Fish*, and *Vegetables & Fruits*. These groups had respective increases of 8.0 per cent, 2.0 per cent, and 5.0 per cent and contributed 24.3 per cent, 19.2 per cent and 18.8 per cent to the outturn. Within *Starchy Foods*, there were significant increases in the prices of ripe plantain and breadfruit, averaging 11.8 per cent and 11.4 per cent, respectively across regions. Additionally, there were notable increases in the prices of tubers and green bananas. With respect to *Vegetables & Fruits*, there were significant increases in the prices of carrot, cabbage and ackee. The movement in *Meat, Poultry & Fish* was primarily influenced by price increases for beef, mutton and pork. Beef prices have been buoyed by increased demand from the domestic market including the tourism sector.



4.0 With regard to the increase in Fuels & Other Household Supplies, upward adjustment in domestic fuel price was the main factor. The increase in fuels resulted primarily from an average increase of 3.4 per cent in kerosene prices across regions. The primary impetus to prices in *Transportation* emanated from increases in petroleum and motor oil prices. These price movements were related to increases in international oil prices. The West Texas Intermediate (WTI) benchmark, increased by 13.0 per cent in March, relative to the previous month. Other inflationary impulse of note occurred in *Housing & Other Housing Expenses*, where *Other Housing Expenses* increased by 0.7 per cent on average across regions. This was largely due to increases in utilities and the cost of lumber.

5.0 The CPI in the KMA, Other Towns and Rural Areas increased by 1.1 per cent, 2.1 per cent, and 2.8 per cent, respectively. This pattern was mainly reflected in the largest group, *Food & Drink* and, to a smaller extent, in *Fuels & Other Household Supplies*. The increase in *Food & Drink* was 1.7 per cent, 3.1 per cent and 3.9 per cent in the KMA, Other Towns and Rural Areas, respectively. This disparity primarily reflected stronger impulses from *Starchy Foods, Vegetables & Fruits* and *Meat, Poultry & Fish* in the Rural Areas and Other Towns. The smaller rate of increase in the agricultural sub-groups in the KMA could possibly be related to the supplies of products within these sub-groups being supplemented by imports. Within *Fuels & Other Household Supplies*, there was a 0.8 per cent increase in the KMA, compared to increases of 2.2 per cent and 3.2 per cent in the Other Towns and Rural Areas, respectively (see Table 3). The sharper movements in the Other Towns and Rural Areas primarily reflected a 4.2 per cent increase in kerosene prices.



Core Inflation

Trimmed Mean

6.0 The trimmed mean index was estimated to have increased by 0.50 per cent in April, 0.05 percentage point above the change in the previous month (Table 4). The outturn for April 2005 is just above the average of the similar months from 2000 to 2004 of 0.38 per cent. Nonetheless, the point-to-point core inflation rate at April was 5.4 per cent, relative to 7.5 per cent recorded for the comparable period in the previous year. The annual average core inflation rate of 5.6 per cent for the month was 1.6 percentage points below what obtained in the similar period of 2004, and 0.2 percentage point lower than the previous month's rate.

Other Measures of Underlying Inflation

7.0 The measure of underlying inflation that excludes agricultural prices (CPI-A) was 0.98 per cent in April, compared to 0.71 per cent in the previous month. The CPI-A index primarily reflected higher fuel price charges as international crude oil prices strengthened as well as higher meat and dairy prices where the beef industry is presently experiencing a period of intense demand.

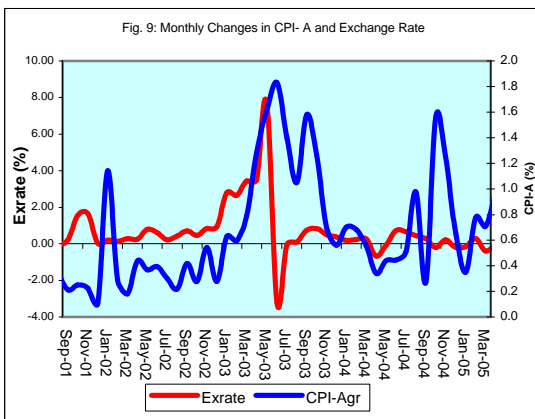
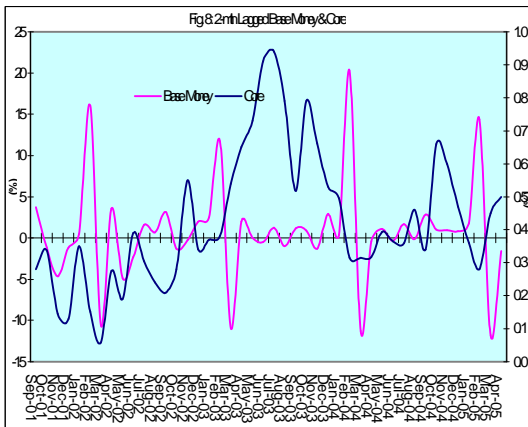


Table 1A
JAMAICA: INFLATION RATES

	1/ C.P.I.	3 Month AVG. C.P.I.	Monthly % change	3 Month * % change	3 Month # % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change	
2001	Jan	1342.9	1345.9	0.02	-0.61	0.04	5.90	8.11	4.77	0.02
	Feb	1358.6	1348.0	1.17	0.46	-0.21	6.72	7.98	6.00	1.19
	Mar	1365.0	1355.5	0.47	1.67	0.50	6.50	7.82	6.50	1.67
	Apr	1370.8	1364.8	0.42	2.08	1.40	5.90	7.51	0.42	2.10
	May	1381.1	1372.3	0.75	1.65	1.80	6.24	7.27	1.18	2.87
	Jun	1404.9	1385.6	1.73	2.93	2.22	7.13	7.14	2.93	4.64
	Jul	1418.7	1401.6	0.98	3.50	2.70	7.15	7.03	3.94	5.67
	Aug	1431.1	1418.3	0.87	3.63	3.35	7.13	6.94	4.85	6.59
	Sep	1442.9	1430.9	0.82	2.70	3.27	6.94	6.78	5.71	7.47
	Oct	1454.9	1443.0	0.83	2.55	2.95	7.68	6.73	6.59	8.36
	Nov	1456.2	1451.3	0.09	1.75	2.33	7.68	6.76	6.68	8.46
	Dec	1460.2	1457.1	0.27	1.20	1.83	8.76	6.99	6.97	8.76
2002	Jan	1468.8	1461.7	0.59	0.96	1.30	9.38	7.28	7.60	0.59
	Feb	1468.0	1465.6	-0.05	0.81	0.99	8.05	7.39	7.55	0.53
	Mar	1468.5	1468.4	0.03	0.57	0.78	7.58	7.48	7.58	0.57
	Apr	1475.9	1470.8	0.50	0.48	0.62	7.67	7.62	0.50	1.08
	May	1480.0	1474.8	0.28	0.82	0.62	7.16	7.69	0.78	1.36
	Jun	1492.8	1482.9	0.86	1.65	0.99	6.25	7.61	1.65	2.23
	Jul	1515.6	1496.1	1.53	2.69	1.72	6.83	7.58	3.21	3.79
	Aug	1521.2	1509.9	0.37	2.79	2.38	6.29	7.51	3.59	4.18
	Sep	1528.0	1521.6	0.45	2.36	2.61	5.90	7.41	4.05	4.64
	Oct	1539.2	1529.5	0.73	1.56	2.23	5.80	7.25	4.82	5.41
	Nov	1558.3	1541.8	1.24	2.44	2.12	7.01	7.20	6.12	6.72
	Dec	1566.1	1554.5	0.50	2.49	2.16	7.25	7.08	6.65	7.25
2003	Jan	1561.3	1561.9	-0.31	1.44	2.12	6.30	6.83	6.32	-0.31
	Feb	1552.2	1559.9	-0.58	-0.39	1.17	5.74	6.64	5.70	-0.89
	Mar	1559.5	1557.7	0.47	-0.42	0.20	6.20	6.52	6.20	-0.42
	Apr	1584.0	1565.2	1.57	1.45	0.21	7.33	6.50	1.57	1.14
	May	1613.4	1585.6	1.86	3.94	1.65	9.01	6.66	3.46	3.02
	Jun	1653.1	1616.8	2.46	6.00	3.80	10.74	7.04	6.00	5.56
	Jul	1678.4	1648.3	1.53	5.96	5.31	10.74	7.38	7.62	7.17
	Aug	1702.0	1677.8	1.41	5.49	5.81	11.88	7.85	9.14	8.68
	Sep	1728.4	1702.9	1.55	4.56	5.33	13.11	8.47	10.83	10.36
	Oct	1756.7	1729.0	1.64	4.67	4.90	14.13	9.17	12.65	12.17
	Nov	1773.0	1752.7	0.93	4.17	4.46	13.78	9.74	13.69	13.21
	Dec	1786.8	1772.2	0.78	3.38	4.07	14.09	10.32	14.58	14.09
2004	Jan	1801.8	1787.2	0.84	2.57	3.36	15.40	11.08	15.54	0.84
	Feb	1811.9	1800.2	0.56	2.19	2.71	16.73	11.99	16.18	1.40
	Mar	1820.8	1811.5	0.49	1.90	2.22	16.76	12.86	16.76	1.90
	Apr	1828.2	1820.3	0.41	1.47	1.85	15.42	13.52	0.41	2.32
	May	1839.9	1829.6	0.64	1.55	1.64	14.04	13.93	1.0	2.97
	Jun	1854.8	1841.0	0.81	1.87	1.63	12.20	14.03	1.87	3.81
	Jul	1872.8	1855.8	0.97	2.44	1.95	11.58	14.08	2.86	4.81
	Aug	1897.3	1875.0	1.31	3.12	2.48	11.47	14.02	4.20	6.18
	Sep	1909.2	1893.1	0.63	2.93	2.83	10.46	13.77	4.86	6.85
	Oct	1972.2	1926.2	3.30	5.31	3.79	12.27	13.61	8.32	10.38
	Nov	2020.0	1967.1	2.42	6.47	4.92	13.93	13.62	10.94	13.05
	Dec	2032.1	2008.1	0.60	6.44	6.07	13.73	13.60	11.60	13.73
2005	Jan	2032.8	2028.3	0.03	3.07	5.30	12.82	13.39	11.64	0.03
	Feb	2041.7	2035.5	0.44	1.07	3.48	12.68	13.07	12.13	0.47
	Mar	2061.6	2045.4	0.97	1.45	1.86	13.22	12.81	13.22	1.45
	Apr	2100.4	2067.9	1.88	3.32	1.95	14.89	12.79	1.88	3.36

1/ January 1988 = 100

* Point to point

Moving average

Source: STATIN

Table 1B
JAMAICA: CPI WITHOUT AGRICULTURE

	1/ CPI-A	3 Month AVG. CPI-A	Monthly % change	3 Month * % change	3 Month # % change	12 Month* % change	12 Month# % change	
2000	Apr	214.3	213.3	0.55	1.54	1.31	6.25	6.06
	May	215.1	214.2	0.36	1.27	1.34	6.15	6.03
	Jun	216.0	215.1	0.41	1.33	1.38	6.17	6.11
	Jul	216.6	215.9	0.28	1.05	1.22	5.71	6.14
	Aug	217.8	216.8	0.56	1.25	1.21	5.10	6.03
	Sep	219.0	217.8	0.59	1.43	1.24	5.19	5.94
	Oct	220.4	219.1	0.64	1.80	1.49	5.64	5.89
	Nov	221.3	220.3	0.38	1.61	1.61	5.44	5.81
	Dec	221.9	221.2	0.26	1.29	1.56	5.34	5.77
2001	Jan	222.7	222.0	0.40	1.04	1.31	5.54	5.76
	Feb	225.0	223.2	1.03	1.70	1.34	5.95	5.70
	Mar	226.9	224.9	0.83	2.28	1.67	6.47	5.74
	Apr	227.8	226.6	0.41	2.29	2.09	6.32	5.75
	May	229.2	228.0	0.58	1.84	2.14	6.55	5.79
	Jun	232.9	230.0	1.61	2.62	2.25	7.83	5.93
	Jul	234.4	232.1	0.66	2.88	2.45	8.24	6.15
	Aug	235.3	234.2	0.37	2.66	2.72	8.04	6.39
	Sep	235.8	235.1	0.21	1.25	2.26	7.64	6.60
	Oct	236.4	235.8	0.25	0.83	1.57	7.22	6.73
	Nov	236.9	236.3	0.22	0.69	0.92	7.06	6.86
	Dec	237.1	236.8	0.11	0.58	0.70	6.89	6.99
2002	Jan	239.9	238.0	1.14	1.48	0.92	7.68	7.16
	Feb	240.5	239.2	0.29	1.54	1.20	6.89	7.24
	Mar	241.0	240.5	0.18	1.62	1.55	6.20	7.21
	Apr	242.0	241.2	0.44	0.91	1.35	6.23	7.20
	May	242.9	242.0	0.37	0.99	1.17	6.00	7.15
	Jun	243.9	242.9	0.39	1.20	1.03	4.73	6.88
	Jul	244.6	243.8	0.30	1.06	1.08	4.35	6.55
	Aug	245.1	244.5	0.22	0.91	1.06	4.19	6.23
	Sep	246.2	245.3	0.42	0.94	0.97	4.41	5.96
	Oct	246.8	246.0	0.28	0.91	0.92	4.43	5.73
	Nov	248.2	247.1	0.54	1.24	1.03	4.76	5.54
	Dec	248.9	248.0	0.28	1.10	1.08	4.94	5.38
2003	Jan	250.4	249.2	0.63	1.45	1.26	4.41	5.11
	Feb	251.9	250.4	0.60	1.51	1.35	4.73	4.94
	Mar	253.9	252.1	0.79	2.02	1.66	5.36	4.87
	Apr	257.1	254.3	1.28	2.68	2.07	6.24	4.88
	May	261.3	257.4	1.61	3.72	2.81	7.56	5.02
	Jun	266.1	261.5	1.83	4.79	3.74	9.10	5.39
	Jul	269.8	265.7	1.40	4.93	4.48	10.30	5.89
	Aug	272.6	269.5	1.05	4.35	4.69	11.22	6.48
	Sep	276.9	273.1	1.58	4.09	4.45	12.51	7.16
	Oct	280.5	276.7	1.26	3.95	4.13	13.62	7.93
	Nov	282.4	279.9	0.70	3.58	3.87	13.79	8.69
	Dec	284.0	282.3	0.56	2.54	3.35	14.11	9.45
2004	Jan	286.0	284.1	0.71	1.97	2.69	14.20	10.27
	Feb	287.9	286.0	0.68	1.96	2.16	14.30	11.06
	Mar	289.5	287.8	0.56	1.95	1.96	14.04	11.78
	Apr	290.5	289.3	0.34	1.58	1.83	12.98	12.34
	May	291.8	290.6	0.44	1.34	1.62	11.68	12.67
	Jun	293.1	291.8	0.44	1.23	1.38	10.16	12.73
	Jul	294.6	293.2	0.51	1.40	1.32	9.18	12.61
	Aug	297.5	295.0	0.98	1.94	1.52	9.10	12.41
	Sep	298.3	296.8	0.27	1.77	1.70	7.70	11.98
	Oct	302.9	299.6	1.56	2.83	2.18	8.01	11.50
	Nov	306.7	302.6	1.25	3.11	2.57	8.61	11.06
	Dec	308.7	306.1	0.65	3.50	3.15	8.71	10.62
2005	Jan	309.8	308.4	0.35	2.27	2.96	8.33	10.14
	Feb	312.2	310.2	0.78	1.79	2.52	8.43	9.67
	Mar	314.4	312.2	0.71	1.85	1.97	8.60	9.24
	Apr	317.5	314.7	0.98	2.48	2.04	9.29	8.96

1/ December 1993 = 100

* Point to point

Moving average

Source: BOJ

Table 2
Component Contribution to Inflation
April 2005

	Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contribution to Inflation
FOOD & DRINK	0.5563	2.8	1.3721	79.7
- Meals Away From Home	0.0741	0.9	0.0635	3.7
- Meat Poultry & Fish	0.1613	2.0	0.3299	19.2
- Dairy Products Oils & Fats	0.0668	1.7	0.1112	6.5
- Baked Products Cereals & Breakfast Drink	0.0864	1.1	0.0968	5.6
- Starchy Foods	0.0525	8.0	0.4191	24.3
- Vegetables & Fruits	0.0650	5.0	0.3231	18.8
- Other Food & Beverages	0.0502	0.6	0.0284	1.7
FUELS & OTHER HOUSEHOLD SUPPLIES	0.0735	1.9	0.1075	6.2
- Household Supplies	0.0482	0.9	0.0424	2.5
- Fuels	0.0253	2.6	0.0651	3.8
HOUSING & OTHER HOUSING EXPENSES	0.0786	0.7	0.0562	3.3
- Rental	0.0209	0.6	0.0133	0.8
- Other Housing Expenses	0.0577	0.7	0.0430	2.5
HOUSEHOLD FURNISHINGS & FURNITURE	0.0283	1.4	0.0348	2.0
- Furniture	0.0068	2.6	0.0180	1.0
- Furnishings	0.0215	0.8	0.0169	1.0
HEALTHCARE & PERSONAL EXPENSES	0.0697	0.5	0.0370	2.2
PERSONAL CLOTHING FOOTWEAR & ACC.	0.0507	0.6	0.0293	1.7
- Clothing Materials	0.0055	0.4	0.0024	0.1
- Readymade Clothing & Accessories	0.0242	0.4	0.0086	0.5
- Footwear	0.0159	1.1	0.0174	1.0
- Making & Repairs	0.0051	0.2	0.0009	0.1
TRANSPORTATION	0.0644	1.2	0.0776	4.5
MISCELLANEOUS EXPENSES	0.0785	0.1	0.0071	0.4
			*	
ALL GROUPS	1.0000	1.88	1.72	100.0

* May differ from the 1.88 reported due to rounding

Table 3
Regional Inflation
April 2005

	KMA	Other Towns	Rural
	(%)	(%)	(%)
FOOD & DRINK	1.7	3.1	3.9
- Meals Away From Home	0.5	1.4	1.1
- Meat Poultry & Fish	1.7	2.8	2.0
- Dairy Products Oils & Fats	1.5	1.1	2.1
- Baked Products Cereals & Breakfast Drink	1.2	1.1	1.1
- Starchy Foods	5.1	6.5	9.8
- Vegetables & Fruits	2.1	8.7	6.2
- Other Food & Beverages	0.4	0.9	0.6
FUELS & OTHER HOUSEHOLD SUPPLIES	0.8	2.2	3.2
- Household Supplies	0.4	1.7	1.1
- Fuels	1.2	2.6	4.6
HOUSING & OTHER HOUSING EXPENSES	0.7	0.9	0.6
- Rental	0.6	0.9	0.9
- Other Housing Expenses	0.8	0.9	0.6
HOUSEHOLD FURNISHINGS & FURNITURE	0.1	2.2	2.1
- Furniture	0.1	3.8	4.1
- Furnishings	0.1	1.4	1.1
HEALTHCARE & PERSONAL EXPENSES	0.4	0.9	0.5
PERSONAL CLOTHING FOOTWEAR & ACC.	0.4	0.4	0.9
- Clothing Materials	0.0	0.9	0.8
- Readymade Clothing & Accessories	0.8	0.2	0.0
- Footwear	0.1	0.4	2.5
- Making & Repairs	0.0	0.9	0.0
TRANSPORTATION	0.9	2.0	1.2
MISCELLANEOUS EXPENSES	0.1	0.1	0.1
ALL GROUPS	1.1	2.1	2.8

Table 4
Inflation: Headline & Core

	Monthly		Fiscal Year to Date		12-Mth Core	
	Actual	Core	Actual	Core	Pt to Pt	Average
2001/02						
Apr	0.42	0.14	0.42	0.14	4.04	4.18
May	0.75	0.50	1.18	0.65	4.29	4.17
Jun	1.73	0.35	2.93	1.00	4.30	4.17
Jul	0.98	0.44	3.94	1.44	4.46	4.22
Aug	0.87	0.39	4.85	1.84	4.33	4.26
Sep	0.82	0.28	5.71	2.12	4.18	4.26
Oct	0.83	0.34	6.59	2.46	4.15	4.25
Nov	0.09	0.15	6.68	2.61	4.01	4.23
Dec	0.27	0.13	6.97	2.75	3.98	4.23
Jan	0.59	0.35	7.60	3.11	4.22	4.24
Feb	-0.05	0.15	7.55	3.26	3.49	4.15
Mar	0.03	0.06	7.58	3.32	3.32	4.06
2002/03						
Apr	0.50	0.28	0.50	0.28	3.46	4.01
May	0.28	0.19	0.78	0.47	3.14	3.91
Jun	0.86	0.39	1.65	0.86	3.18	3.82
Jul	1.53	0.30	3.21	1.16	3.04	3.70
Aug	0.37	0.24	3.59	1.41	2.89	3.58
Sep	0.45	0.21	4.05	1.62	2.82	3.47
Oct	0.73	0.28	4.82	1.90	2.76	3.35
Nov	1.24	0.55	6.12	2.47	3.18	3.29
Dec	0.50	0.34	6.65	2.82	3.39	3.24
Jan	-0.31	0.37	6.32	3.20	3.41	3.17
Feb	-0.58	0.38	5.70	3.59	3.65	3.19
Mar	0.47	0.54	6.20	4.15	4.15	3.26
2003/04						
Apr	1.57	0.65	1.57	0.65	4.54	3.35
May	1.86	0.73	3.46	1.38	5.09	3.51
Jun	2.46	0.91	6.00	2.30	5.64	3.72
Jul	1.53	0.94	7.62	3.27	6.31	3.99
Aug	1.41	0.79	9.14	4.08	6.90	4.33
Sep	1.55	0.52	10.83	4.62	7.22	4.70
Oct	1.64	0.79	12.65	5.45	7.77	5.12
Nov	0.93	0.66	13.69	6.14	7.89	5.51
Dec	0.78	0.53	14.58	6.70	8.09	5.90
Jan	0.84	0.50	15.54	7.23	8.22	6.30
Feb	0.56	0.32	16.18	7.57	8.15	6.68
Mar	0.49	0.32	16.76	7.91	7.91	6.99
2004/05						
Apr	0.41	0.32	0.41	0.32	7.55	7.24
May	0.64	0.39	1.05	0.71	7.20	7.41
Jun	0.81	0.36	1.87	1.08	6.62	7.48
Jul	0.97	0.36	2.86	1.44	6.00	7.45
Aug	1.31	0.46	4.20	1.91	5.66	7.34
Sep	0.63	0.34	4.86	2.25	5.46	7.19
Oct	3.30	0.66	8.32	2.93	5.33	6.98
Nov	2.42	0.60	10.94	3.54	5.26	6.76
Dec	0.60	0.47	11.60	4.03	5.20	6.52
Jan	0.03	0.36	11.64	4.41	5.07	6.26
Feb	0.44	0.28	12.13	4.70	5.03	6.00
Mar	0.97	0.45	13.22	5.17	5.17	5.78
2005/06						
Apr	1.88	0.50	1.88	5.70	5.37	5.60

Table 5

Decomposition of Inflation Out-turn January - April 2005		
	(%) FYTD Inflation	Contribution
<u>Non-Core Shocks</u>	1.7	51.8%
<i>Food & Drink</i>	2.0	58.1%
Meat, Poultry & Fish	0.8	22.7%
Starchy Foods	0.3	9.2%
Vegetables & Fruits	0.9	26.3%
<i>Household Supplies</i>	0.2	6.4%
<i>Other Housing Expenses</i>	0.3	10.3%
<i>Other</i>	-0.8	-23.0%
<u>Core</u>	<u>1.6</u>	<u>48.2%</u>
<u>TOTAL</u>	<u>3.4</u>	<u>100.0%</u>