

News Release
19 December 2016

- Provisional data for the June 2016 quarter show that the current account of the Balance of Payments registered a deficit of US\$29.8 million. This outturn reflects a significant improvement relative to the corresponding quarter of 2015 and was underpinned by improvements on all sub-accounts with the exception of the Income sub-account. In a context of net private and official investment outflows, there was a decline in the NIR of the Bank of Jamaica for the quarter.*

Preliminary Balance of Payments data indicate that the current account recorded a deficit of US\$29.8 million for the June 2016 quarter, an improvement of US\$98.7 million relative to the corresponding period in 2015. This estimated improvement primarily reflected a reduction in the deficit on the Goods sub-account and an increase in the surplus on the Services sub-account, particularly due to travel.

Regarding the Goods sub-account, the deficit fell by US\$100.6 million, largely reflecting a decline of US\$102.7 million in imports, the impact of which was partially offset by a reduction of US\$2.1 million in exports. The reduction in payments for imports largely reflected lower expenditure on consumer goods and fuel imports, partly offset by higher raw materials and capital goods imports. The decline in goods exports mainly reflected lower earnings from mining exports.

The performance of travel reflected an increase of 1.5 per cent in stop-over arrivals as well as respective increases of 2.9 per cent and 0.4 per cent in the estimated average daily expenditure and length of stay of visitors. Of note, an improvement was also recorded within the Current Transfers sub-account mainly reflecting an increase of 3.8 per cent in remittances. The deficit on the Income sub-account, however, increased by US\$60.4 million. This was related to increased outflows from portfolio investments.

¹ For more details see Balance of Payments Preliminary Quarterly Report at http://www.boj.org.jm/uploads/news/bop_report_june_2016.pdf

With respect to financing for the June 2016 quarter, there were private and official outflows. In this context, the NIR of the Bank of Jamaica fell by US\$150.4 million for the period. Consequently, the Bank's gross reserves at end-June 2016 amounted to US\$2 819.9 million representing 22.1 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY			
US\$MN			
	1/ Apr-Jun 2015	2/ Apr-Jun 2016	Change
1. CURRENT ACCOUNT	- 128.5	- 29.8	98.7
a. GOODS BALANCE	- 823.8	- 723.2	100.6
Exports (f.o.b.)	344.4	342.3	- 2.1
Imports (f.o.b.)	1 168.2	1 065.5	- 102.7
b. SERVICES BALANCE	247.0	282.3	35.4
Transportation	- 146.0	- 144.8	1.2
Travel	529.3	558.7	29.3
Other Services	- 136.4	- 131.5	4.8
GOODS & SERVICES BALANCE	- 576.8	- 440.9	136.0
c. INCOME	- 144.6	- 204.9	- 60.4
Compensation of employees	5.6	4.5	- 1.1
Investment Income	- 150.1	- 209.4	- 59.3
d. CURRENT TRANSFERS	592.9	616.0	23.2
Official	45.5	47.2	1.7
Private	547.4	568.8	21.4
2. CAPITAL & FINANCIAL ACCOUNT	128.5	29.8	- 98.7
A. CAPITAL ACCOUNT	- 5.5	- 8.3	- 2.8
a. Capital Transfers	- 5.5	- 8.3	- 2.8
Official	2.8	0.0	- 2.8
Private	- 8.3	- 8.3	0.0
b. Acq./disposal of non-prod. non-fin'l assets	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	134.1	38.1	- 95.9
Other Official Investment	- 279.0	- 38.5	240.5
Other Private Investment (incl. Errors & Omissions)	235.9	- 73.8	- 309.7
Reserves	177.2	150.4	
1/ Revised			
2/ Provisional			
BANK OF JAMAICA			