

Jamaica Balance of Payments¹
April – June 2014

- Provisional data for the June 2014 quarter show that there was a marginal deterioration in the current account deficit of Jamaica's Balance of Payments relative to the corresponding quarter of 2013. The outturn for the review quarter reflected deteriorations on the goods and services sub-accounts, the impact of which was partly offset by improvements on the income and current transfers sub-accounts. Net private and official capital inflows were more than sufficient to finance the deficits on the current and capital accounts. As a result, there was an increase in the NIR of the Bank of Jamaica for the period.*

April – June 2014

The current account recorded a deficit of US\$296.5 million for the period April to June 2014, an increase of US\$7.5 million relative to the deficit for the corresponding period in 2013. This outturn primarily reflected an increase of US\$75.5 million in the deficit on the merchandise trade sub-account, largely associated with an expansion of US\$44.1 million in imports as well as a decline of US\$31.4 million in exports. The increase in payments for imports mainly reflected higher expenditure for raw materials and consumer goods while the fall in exports was due to lower earnings from alumina and sugar. For the review quarter, there was also a decline of US\$8.2 million in the surplus on the services sub-account which was due principally to payments related to insurance and construction services, the impact of which was partly offset by an expansion in travel inflows emanating from growth of 2.9 per cent in stop-over visitor arrivals.

A decline of US\$54.5 million in the deficit on the income sub-account and an increase of US\$21.7 million in the surplus on the current transfers sub-account tempered the deterioration in the current account. The decline in the deficit on the income sub-account stemmed mainly from a reduction in portfolio outflows while the outturn on the current transfers sub-account reflected growth of 2.4 per cent in gross private remittance inflows.

¹ For more details see Balance of Payments Quarterly Statistical Update at http://www.boj.org.jm/publications_home.php

With respect to financing for the review period, net private and official capital inflows were more than sufficient to finance the deficits on the current and capital accounts. In this context, the NIR of the Bank of Jamaica increased by US\$72.5 million for the quarter. The Bank's gross reserves at end-June 2014 amounted to US\$2 016.5 million representing 14.5 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY			
US\$MN			
	1/ Apr-Jun 2013	2/ Apr-Jun 2014	Change
1. CURRENT ACCOUNT	-289.0	-296.5	-7.5
a. GOODS BALANCE	-882.8	-958.3	-75.5
Exports (f.o.b.)	379.7	348.3	-31.4
Imports (f.o.b.)	1262.5	1306.6	44.1
b. SERVICES BALANCE	161.9	153.7	-8.2
Transportation	-150.2	-165.4	-15.1
Travel	468.4	503.9	35.5
Other Services	-156.3	-184.9	-28.6
c. INCOME	-112.8	-58.4	54.5
Compensation of employees	0.5	-0.8	-1.3
Investment Income	-113.3	-57.6	55.7
d. CURRENT TRANSFERS	544.7	566.5	21.7
Official	45.7	46.6	0.9
Private	499.0	519.9	20.9
2. CAPITAL & FINANCIAL ACCOUNT	289.0	296.5	7.5
A. CAPITAL ACCOUNT	-5.3	-6.9	-1.7
a. Capital Transfers	-5.3	-6.9	-1.7
Official	3.1	1.4	-1.7
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	294.3	303.5	9.2
Other Official Investment	180.8	109.5	-71.3
Other Private Investment (incl. Errors & Omissions)	232.5	266.5	34.0
Reserves	-119.0	-72.5	
1/ Revised			
2/ Provisional			
BANK OF JAMAICA			