BANK OF JAMAICA

News Release
14 October 2015

Jamaica Balance of Payments[1]
April – June 2015

- *Provisional data for the June 2015 quarter show that there was a significant improvement on the current account deficit of the Balance of Payments relative to the corresponding quarter of 2014. The outturn reflected improvements on all sub-accounts except the Income sub-account which was almost unchanged. Net private and official capital inflows were, however, insufficient to finance the deficits on the current and capital accounts. As a result, there was a drawdown in the NIR of the Bank of Jamaica for the period.*

The current account recorded a deficit of US$85.5 million for the period April to June 2015, an improvement of US$185.3 million relative to the corresponding period in 2014. This outturn primarily reflected a reduction of US$80.0 million in the deficit on the merchandise trade sub-account largely associated with a decline of US$132.9 million in imports, the impact of which was partially offset by a reduction of US$52.9 million in exports. The reduction in payments for imports mainly reflected lower expenditure for fuel and raw materials, partly offset by increases in consumer and capital goods imports. The decline in exports mainly reflected lower earnings from non-traditional exports and sugar. Notwithstanding the overall fall in exports, there were higher earnings from alumina exports for the quarter.

With regard to the services sub-account, the surplus increased by US$65.2 million, reflecting improvements in travel, transportation and other services. The improvement in travel inflows reflected growth of 1.1 per cent in stop-over visitor arrivals as well as increases in the average daily expenditure and length of stay of visitors. Regarding transportation, there was a decline in freight payments associated with the reduction in imports while the improvement in other services was due principally to reduced payments for insurance services. Within the current transfers sub-account, the increased surplus

[1] For more details see Balance of Payments Preliminary Quarterly Report at http://www.boj.org.jm/uploads/news/bop_report_june_2015.pdf

mainly reflected growth of 4.6 per cent in gross private remittance inflows. There was a marginal increase in the deficit on the income sub-account stemming primarily from a reduction in inflows associated with compensation of employees.

For the review quarter, net private and official capital inflows were insufficient to finance the deficits on the current and capital accounts. Consequently, the NIR of the Bank of Jamaica declined by US$177.2 million for the quarter. The Bank's gross reserves at end-June 2015 amounted to US$2 116.5 million, representing 19.7 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY

US$MN

	1/ Apr-Jun 2014	2/ Apr-Jun 2015	Change
1. CURRENT ACCOUNT	-270.8	-85.5	185.3
a. GOODS BALANCE	-912.0	-832.0	80.0
Exports (f.o.b.)	370.3	317.4	-52.9
Imports (f.o.b.)	1282.3	1149.4	-132.9
b. SERVICES BALANCE	158.9	224.1	65.2
Transportation	-163.0	-146.5	16.5
Travel	504.9	524.7	19.7
Other Services	-183.1	-154.1	29.0
GOODS & SERVICES BALANCE	-753.1	-608.0	145.1
c. INCOME	-79.0	-79.2	-0.2
Compensation of employees	5.3	4.9	-0.4
Investment Income	-84.3	-84.1	0.2
d. CURRENT TRANSFERS	561.3	601.7	40.4
Official	45.5	54.2	8.7
Private	515.8	547.5	31.7
2. CAPITAL & FINANCIAL ACCOUNT	270.8	85.5	-185.3
A. CAPITAL ACCOUNT	-6.9	-5.5	1.4
a. Capital Transfers	-6.9	-5.5	1.4
Official	1.4	2.8	1.4
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	277.7	91.0	-186.7
Other Official Investment	170.9	-255.9	-426.8
Other Private Investment (incl. Errors & Omissions)	179.3	169.7	-9.5
Reserves	-72.5	177.2	

1/ Revised

2/ Provisional

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