



Jamaica Balance of Payments¹ **July – September 2014**

- Provisional data for the September 2014 quarter show that there was an improvement 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 improvements on the Current Transfers and Services sub-accounts, the impact of which was partly offset by deteriorations on the income and goods 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 a sharp increase in the NIR of the Bank of Jamaica for the period.*

July – September 2014

The current account recorded a deficit of US\$324.3 million for the period July to September 2014, representing an improvement of US\$1.9 million relative to the corresponding period in 2013. This outturn reflected expansions of US\$36.8 million and US\$25.9 million on the Current Transfers and Services sub-accounts, respectively, the impact of which was partly offset by increases in the deficits on the Income and Goods sub-accounts. The expansion in the Current Transfers sub-account reflected growth of 7.3 per cent in private transfer inflows in addition to an increase of 2.6 per cent in general government inflows. With regard to the improvement in the surplus on the Services sub-account, this principally reflected an expansion in travel inflows, emanating from growth of 4.9 per cent in stop-over visitor arrivals, the impact of which was partly offset by payments related to insurance, construction and other business services.

There was an increase of US\$51.3 million in the deficit on the Income sub-account mainly reflecting higher imputed profit repatriation by direct investment companies. The deficit on the Goods sub-account increased by US\$9.5 million largely stemming from an

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

expansion of US\$20.0 million in imports the impact of which was partly offset by an increase of US\$10.6 million in exports. The increase in payments for imports mainly reflected higher expenditure for fuel in the mining sector as well as growth in raw materials and capital goods imports, the impact of which was partly offset by lower expenditure for consumer goods. With respect to the rise in exports, this reflected higher earnings from alumina and sugar. Overall, exports of goods and services increased by US\$53.7 million (5.5 per cent) for the review quarter.

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. This primarily reflected the Government of Jamaica's successful US\$800.0 million Eurobond issuance on 01 July 2014. In this context, the NIR of the Bank of Jamaica increased by US\$824.4 million for the quarter. The Bank's gross reserves at end-September 2014 amounted to US\$2 715.3 million representing 20.2 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY

US\$MN

	1/ Jul-Sep 2013	2/ Jul-Sep 2014	Change
1. CURRENT ACCOUNT	-326.2	-324.3	1.9
a. GOODS BALANCE	-922.0	-931.5	-9.5
Exports (f.o.b.)	362.8	373.4	10.6
Imports (f.o.b.)	1284.8	1304.9	20.0
b. SERVICES BALANCE	95.9	121.7	25.9
Transportation	-167.7	-167.3	0.3
Travel	419.2	464.3	45.1
Other Services	-155.7	-175.3	-19.6
c. INCOME	-43.4	-94.7	-51.3
Compensation of employees	15.3	9.5	-5.8
Investment Income	-58.8	-104.3	-45.5
d. CURRENT TRANSFERS	543.3	580.1	36.8
Official	57.9	59.4	1.5
Private	485.4	520.7	35.3
2. CAPITAL & FINANCIAL ACCOUNT	326.2	324.3	-1.9
A. CAPITAL ACCOUNT	-7.2	-6.1	1.1
a. Capital Transfers	-7.2	-6.1	1.1
Official	0.5	1.5	1.1
Private	-7.6	-7.6	0.0
b. Acq./disposal of non-prod. non-fin'l assets	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	333.4	330.4	-3.0
Other Official Investment	77.4	841.6	764.1
Other Private Investment (incl. Errors & Omissions)	162.9	313.3	150.4
Reserves	93.1	-824.4	

1/ Revised

2/ Provisional

BANK OF JAMAICA