



Jamaica Balance of Payments¹ **April – June 2012**

- *Provisional data for the June 2012 quarter show that there was an improvement in the current account deficit of Jamaica's Balance of Payments relative to the deficit in the similar quarter of 2011. This outturn reflected improvements on all sub-accounts. Net private and official capital inflows were insufficient to finance the deficits on the current and capital accounts. As a result, there was a decline in the NIR of the Bank of Jamaica for the period.*

April – June 2012

The current account recorded a deficit of US\$377.7 million for the period April to June 2012, an improvement of US\$93.1 million relative to the corresponding period in 2011. This improvement mainly reflected a decline of US\$69.0 million in the deficit on the *income* sub-account which stemmed primarily from lower imputed profit remittances of direct investment companies as well as lower interest payments on external debt by the government. Also contributing to the improvement on the current account was an increase of US\$16.8 million in the surplus on the *current transfers* sub-account, reflecting growth of 2.8 per cent in gross private remittance inflows. There was also a marginal increase in the surplus on the *services* sub-account associated with respective expansions of 7.0 per cent and 5.1 per cent in cruise passenger and stopover visitor arrivals.

With regard to the merchandise trade sub-account, there was a marginal reduction of US\$0.2 million in the deficit. This reduction was primarily associated with a decline in imports of US\$38.5 million which outweighed a reduction in exports. The reduction in imports mainly reflected lower payments for chemicals and mineral fuel while the fall in exports was primarily due to a reduction in earnings from crude materials (particularly alumina).²

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

² All categories of imports declined with the exception of food, beverages & tobacco, miscellaneous manufactured goods, miscellaneous commodities and Free zone imports

For the review period, net private and official capital inflows were insufficient to finance the deficits on the current and capital accounts. In this context, the NIR of the Bank of Jamaica declined by US\$236.7 million for the quarter. The Bank's gross reserves at end-June 2012 amounted to US\$2 385.1 million, representing 15.9 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY			
US\$MN			
	Apr-Jun	Apr-Jun	
	2011	2012	Change
1. CURRENT ACCOUNT	-470.8	-377.7	93.1
a. GOODS BALANCE	-980.5	-980.3	0.2
Exports (f.o.b.)	461.6	423.3	-38.3
Imports (f.o.b.)	1442.1	1403.6	-38.5
b. SERVICES BALANCE	173.2	180.4	7.2
Transportation	-133.6	-139.4	-5.7
Travel	455.1	470.2	15.1
Other Services	-148.2	-150.4	-2.2
B. INCOME	-159.1	-90.1	69.0
Compensation of employees	1.8	2.3	0.6
Investment Income	-160.9	-92.5	68.4
C. CURRENT TRANSFERS	495.5	512.4	16.8
Official	33.0	35.2	2.2
Private	462.5	477.1	14.6
2. CAPITAL & FINANCIAL ACCOUNT	470.8	377.7	-93.1
A. CAPITAL ACCOUNT	-4.5	-8.4	-3.9
a. Capital Transfers	-4.5	-8.4	-3.9
Official	5.4	1.5	-3.9
Private	-10.0	-10.0	0.0
b. Acq./disposal of non-prod. non-fin'l assets	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	475.3	386.1	-89.2
Other official investment	-297.3	120.7	418.0
Other private investment 2/	486.8	28.7	-457.9
Reserves	286.0	236.7	
1/ Provisional			
2/ Includes errors & omissions			
BANK OF JAMAICA			