



## NEWS RELEASE 15 April 2016

### Jamaica Balance of Payments<sup>1</sup> October – December 2015

- Provisional data for the December 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. Net private and official capital inflows were marginally lower than the deficits on the current and capital account. As a result, there was a small decline in the NIR of the Bank of Jamaica for the period.*

The current account recorded a deficit of US\$72.9 million for the period October to December 2015, an improvement of US\$294.7 million relative to the corresponding period in 2014. This estimated outturn primarily reflected a reduction of US\$227.5 million in the deficit on the merchandise trade sub-account largely associated with a decline of US\$267.4 million in imports, the impact of which was partially offset by a reduction of US\$39.9 million in exports. The reduction in payments for imports largely reflected lower expenditure on fuel, consumer goods and capital goods, partly offset by higher raw materials imports. The decline in goods exports mainly reflected lower earnings from non-traditional exports and bauxite, partly offset by higher earnings from alumina.

With regard to the income sub-account, the deficit fell by US\$50.3 million. This was related to a decline in investment income outflows and increased inflows from compensation of employees. The decline in investment income outflows was due primarily to lower profit repatriation by direct investment companies. With regard to the

---

<sup>1</sup> For more details see Balance of Payments Preliminary Quarterly Report at [http://www.boj.org.jm/uploads/news/bop\\_report\\_december\\_2015.pdf](http://www.boj.org.jm/uploads/news/bop_report_december_2015.pdf)

services sub-account, the surplus increased by US\$10.3 million reflecting an improvement in transportation partly offset by a deterioration on other services. The lower payments for transportation relate to lower freight charges associated with the decline in imports while the deterioration on other services relates to higher payments for construction services. Travel was largely unchanged for the period. Within the current transfers sub-account, the increased surplus mainly reflected growth of 3.1 per cent in gross private remittance inflows, partly offset by a decline in government grants.

With respect to financing for the review period, net private and official capital inflows were marginally below the deficit on the current and capital accounts. In this context, the NIR of the Bank of Jamaica fell by US\$4.9 million for the quarter to end the year at US\$2 437.0 million. The Bank's gross reserves at end-2015 amounted to US\$2 913.8 million representing 23.5 weeks of projected goods and services imports.

**BALANCE OF PAYMENTS SUMMARY**

**US\$MN**

	1/	2/	
	Oct-Dec	Oct-Dec	
	2014	2015	Change
<b>1. CURRENT ACCOUNT</b>	<b>- 367.6</b>	<b>- 72.9</b>	<b>294.7</b>
<b>a. GOODS BALANCE</b>	<b>- 988.7</b>	<b>- 761.1</b>	<b>227.5</b>
Exports (f.o.b.)	333.5	293.6	- 39.9
Imports (f.o.b.)	1 322.2	1 054.7	- 267.4
<b>b. SERVICES BALANCE</b>	<b>133.3</b>	<b>143.6</b>	<b>10.3</b>
Transportation	- 163.3	- 143.8	19.5
Travel	499.9	500.9	0.9
Other Services	- 203.4	- 213.4	- 10.1
<b>GOODS &amp; SERVICES BALANCE</b>	<b>- 855.4</b>	<b>- 617.5</b>	<b>237.8</b>
<b>c. INCOME</b>	<b>- 102.3</b>	<b>- 52.0</b>	<b>50.3</b>
Compensation of employees	34.5	50.1	15.5
Investment Income	- 136.8	- 102.0	34.8
<b>d. CURRENT TRANSFERS</b>	<b>590.1</b>	<b>596.6</b>	<b>6.6</b>
Official	52.8	43.7	- 9.1
Private	537.3	552.9	15.7
<b>2. CAPITAL &amp; FINANCIAL ACCOUNT</b>	<b>367.6</b>	<b>72.9</b>	<b>- 294.7</b>
<b>A. CAPITAL ACCOUNT</b>	<b>- 6.7</b>	<b>- 7.2</b>	<b>- 0.6</b>
<b>a. Capital Transfers</b>	<b>- 6.7</b>	<b>- 7.2</b>	<b>- 0.6</b>
Official	0.6	0.0	- 0.6
Private	- 7.2	- 7.2	0.0
<b>b. Acq./disposal of non-prod. non-fin'l assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>B. FINANCIAL ACCOUNT</b>	<b>374.3</b>	<b>80.1</b>	<b>- 294.2</b>
Other Official Investment	- 284.5	- 13.1	271.4
Other Private Investment (incl. Errors & Omissions)	459.4	88.4	- 371.0
Reserves	199.5	4.9	

1/ Revised

2/ Provisional

BANK OF JAMAICA