

**News Release**  
**11 June 2006**

### **Jamaica Balance of Payments (January 2006)<sup>1</sup>**

- *The Jamaican current account deficit improved in January 2006 compared with January 2005. This improvement stemmed from increases in the surpluses on the services and current transfers sub-accounts, which were complemented by declines in the deficits on the trade and income sub-accounts.*
- *In the capital and financial account, net proceeds from private and official transactions were more than sufficient to offset the deficits on the current and capital accounts. In this context, the net international reserves (NIR) increased by US\$6.1 million during the month.*

#### **January 2006**

**The current account deficit improved by US\$56.6 million in January 2006 compared with the deficit in January 2005 (see Table). For the first time since February 2004, this improvement was reflected in all the sub-accounts.**

There was a fall of US\$20.0 million in the merchandise trade deficit, which largely reflected increases of US\$21.8MN and US\$12.2 million in earnings from sugar and non-traditional exports, respectively. Higher earnings from non-traditional exports reflected the normalisation of mineral fuel exports, given that the Petrojam refinery had been closed in January 2005.

Within the services account, an improvement of US\$13.9 million in the surplus on the travel sub-account was due to respective increases of 11.9 per cent and 20.1 per cent in stopover and cruise passenger arrivals. The performance of stopover arrivals reflected the impact of ongoing advertising in the sector as well as the deployment of additional airlift and rooms in the industry.

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<sup>1</sup> See Balance of Payments Monthly Statistical Update for more details at:  
[http://www.boj.org.jm/publications\\_home.php](http://www.boj.org.jm/publications_home.php)

The reduction in net investment income outflows was associated with lower imputed profits in the mining sector for the month, given a fall in alumina exports.

Within the capital and financial account, net private and official investment inflows were more than sufficient to finance the deficits on the current and capital accounts. As a result, the NIR of the Bank of Jamaica increased by US\$6.1 million for the month. At the end of January, the gross reserves stood at US\$2 161.2 million, representing 16.6 weeks of projected imports of goods and services.

**BALANCE OF PAYMENTS SUMMARY**

US\$MN

	Jan 2005	Jan <sup>1/</sup> 2006	Change
<b>1. CURRENT ACCOUNT</b>	<b>-82.4</b>	<b>-25.8</b>	<b>56.6</b>
<b>A. GOODS and SERVICES</b>	<b>-153.1</b>	<b>-116.1</b>	<b>37.0</b>
<b>a. GOODS BALANCE</b>	<b>-215.8</b>	<b>-195.8</b>	<b>20.0</b>
Exports (f.o.b.)	118.6	142.8	24.2
Imports (f.o.b.)	334.4	338.6	4.2
<b>b. SERVICES BALANCE</b>	<b>62.7</b>	<b>79.7</b>	<b>17.0</b>
Transportation	-14.6	-9.3	5.3
Travel	109.0	122.9	13.9
Other Services	-31.7	-33.9	-2.2
<b>B. INCOME</b>	<b>-57.0</b>	<b>-38.7</b>	<b>18.3</b>
Compensation of employees	2.9	0.3	-2.6
Investment Income	-59.9	-39.0	20.9
<b>C. CURRENT TRANSFERS</b>	<b>127.7</b>	<b>129.0</b>	<b>1.3</b>
Official	11.8	9.1	-2.7
Private	115.9	119.9	4.0
<b>2. CAPITAL &amp; FINANCIAL ACCOUNT</b>	<b>82.4</b>	<b>25.8</b>	<b>-56.6</b>
<b>A. CAPITAL ACCOUNT</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-0.1</b>
<b>a. Capital Transfers</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-0.1</b>
Official	0.0	0.0	0.0
Private	-1.2	-1.3	-0.1
<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>83.6</b>	<b>27.1</b>	<b>-56.5</b>
Other official investment	-18.2	4.5	22.7
Other private investment 2/	90.9	28.7	-62.2
Reserves	10.9	-6.1	
1/ Provisional			
2/ Includes errors & omissions			