

Press Release
Jamaica Balance of Payments¹
July – September 2013

- Provisional data for the September 2013 quarter show that there was a significant improvement in the current account deficit of Jamaica's Balance of Payments, relative to the deficit in the similar quarter of 2012. The outturn in the review quarter reflected improvements on all sub-accounts. Net private and official capital inflows were insufficient to finance the deficits on the current and capital accounts for the September 2013 quarter. As a result, there was a decline in the NIR of the Bank of Jamaica for the period.*

July – September 2013

The current account recorded a deficit of US\$408.9 million for the period July to September 2013, an improvement of US\$202.2 million relative to the corresponding period in 2012. This outturn reflected improvements on all sub-accounts but was primarily evident in a decline of US\$145.5 million in the deficit on the merchandise trade sub-account, associated with a contraction of US\$196.9 million in imports as there was a reduction of US\$51.5 million in exports. The decline in imports mainly reflected reductions of US\$131.8 million and US\$72.9 million in expenditure on chemicals and mineral fuels, respectively. For exports, the fall was mainly due to lower earnings from chemicals, in particular, ethanol.

For the review quarter, there was a decline of US\$8.0 million in the deficit on the income sub-account which stemmed mainly from a decrease of US\$20.3 million in investment income outflows. The decline in investment income outflows was largely related to lower imputed profit remittances of direct investment companies. With regard to the services sub-account, there was an increase of US\$4.7 million in the surplus due principally to a decline in transportation charges as a result of the lower imports. The surplus on the current transfers sub-account increased by US\$44.1 million reflecting growth of 6.2 per cent in gross remittance inflows.

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

With respect to financing 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\$93.0 million for the quarter. The Bank's gross reserves at end-September 2013 amounted to US\$1 713.5 million. This represented 11.9 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY			
US\$MN			
	1/		
	Jul-Sep	Jul-Sep	
	2012	2013	Change
1. CURRENT ACCOUNT	-611.2	-408.9	202.2
a. GOODS BALANCE	-1121.3	-975.8	145.5
Exports (f.o.b.)	416.5	365.1	-51.5
Imports (f.o.b.)	1537.8	1340.9	-196.9
b. SERVICES BALANCE	122.0	126.7	4.7
Transportation	-207.0	-188.9	18.0
Travel	433.5	423.9	-9.6
Other Services	-104.5	-108.2	-3.7
B. INCOME	-111.3	-103.4	8.0
Compensation of employees	18.8	6.4	-12.4
Investment Income	-130.1	-109.8	20.3
C. CURRENT TRANSFERS	499.4	543.5	44.1
Official	43.1	59.0	15.8
Private	456.3	484.6	28.3
2. CAPITAL & FINANCIAL ACCOUNT	611.2	408.9	-202.2
A. CAPITAL ACCOUNT	-5.0	-11.7	-6.7
a. Capital Transfers	-5.0	-11.7	-6.7
Official	2.7	0.5	-2.2
Private	-7.7	-12.2	-4.5
b. Acq./disposal of non-prod. non-fin'l assets	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	616.2	420.7	-195.5
Other Official Investment	-40.8	-14.0	26.9
Other Private Investment (incl. Errors & Omissions)	374.4	341.6	-32.8
Reserves	282.6	93.0	
1/ Provisional			
BANK OF JAMAICA			
9-Jan-14			