

## **Press Release**

### **Jamaica Balance of Payments<sup>1</sup>**

#### **October - December 2012**

- *Provisional data for the December 2012 quarter show that there was a significant improvement in the current account deficit of Jamaica's Balance of Payments relative to the December 2011 quarter. This improvement was reflected in all the sub-accounts, with the exception of the income sub-account. 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 review period.*

#### **October – December 2012**

**The current account recorded a deficit of US\$506.8 million for the period October to December 2012, an improvement of US\$209.2 million relative to the corresponding period in 2011.** This improvement largely reflected a decline in the deficit on the merchandise trade sub-account associated with lower payments for imports as well as increased earnings from exports. The fall in payments for imports mainly returned a reduction of US\$103.5 million in expenditure on fuel, while the growth in exports stemmed from an expansion of US\$112.7 million in earnings from non-traditional exports, particularly chemicals.

Also contributing to the improvement on the current account was an increase of US\$18.9 million in the surplus on the current transfers sub-account, principally reflecting growth of US\$15.1 million in official transfers, in particular cash grants, as well as a US\$1.8 million rise in gross private remittance inflows. There was also an increase in the surplus on the services sub-account, reflecting a reduction in the deficit on 'other services', the impact of which was partly offset by higher transportation outflows and lower receipts from travel. Partly offsetting the impact of these transactions on the current account was an increase of US\$9.4 million in the deficit on the income sub-account which was primarily related to lower compensation of employees as well as higher imputed profit repatriation by the direct investment companies.

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<sup>1</sup> For more details see Balance of Payments Quarterly Statistical Update at [http://www.boj.org.jm/uploads/pdf/bop\\_quarterly/bop\\_quarterly\\_october\\_december2012.pdf](http://www.boj.org.jm/uploads/pdf/bop_quarterly/bop_quarterly_october_december2012.pdf)

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\$132.2 million for the quarter. The Bank's gross reserves at end-December 2012 amounted to US\$1 980.8 million, representing 13.2 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY			
US\$MN			
	Oct-Dec 2011	Oct-Dec 2012	Change
		1/	
<b>1. CURRENT ACCOUNT</b>	-716.0	-506.8	209.2
<b>a. GOODS BALANCE</b>	-1189.9	-996.9	193.0
Exports (f.o.b.)	377.9	457.3	79.4
Imports (f.o.b.)	1567.8	1454.2	-113.6
<b>b. SERVICES BALANCE</b>	106.7	113.5	6.7
Transportation	-168.1	-196.7	-28.6
Travel	421.8	412.2	-9.6
Other Services	-147.0	-102.0	45.0
<b>B. INCOME</b>	-134.7	-144.1	-9.4
Compensation of employees	23.0	16.5	-6.5
Investment Income	-157.7	-160.7	-3.0
<b>C. CURRENT TRANSFERS</b>	501.9	520.8	18.9
Official	30.4	45.5	15.1
Private	471.5	475.2	3.8
<b>2. CAPITAL &amp; FINANCIAL ACCOUNT</b>	716.0	506.8	-209.2
<b>A. CAPITAL ACCOUNT</b>	-0.6	-7.2	-6.6
<b>a. Capital Transfers</b>	-0.6	-7.2	-6.6
Official	8.3	0.2	-8.1
Private	-8.8	-7.3	1.5
<b>b. Acq./disposal of non-prod. non-fin'l assets</b>	0.0	0.0	0.0
<b>B. FINANCIAL ACCOUNT</b>	716.5	514.0	-202.6
Other official investment	142.6	45.3	-97.3
Other private investment 2/	459.5	336.4	-123.1
Reserves	114.5	132.2	
1/ Provisional			
2/ Includes errors & omissions			
BANK OF JAMAICA			
11-Apr-13			