



THE BALANCE OF PAYMENTS

Preliminary QUARTERLY REPORT December 2016

**International Accounts Unit
Economic Information & Publications Department
RESEARCH AND ECONOMIC PROGRAMMING DIVISION**

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Preliminary QUARTERLY REPORT December 2016

International Accounts Section
Economic Information & Publications Department
RESEARCH AND ECONOMIC PROGRAMMING DIVISION
BANK OF JAMAICA
P.O. BOX 621
Kingston, Jamaica

ISSN 07993293

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Kingston, Jamaica, W.I.
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ISSN 0799-3293

Printed in Jamaica

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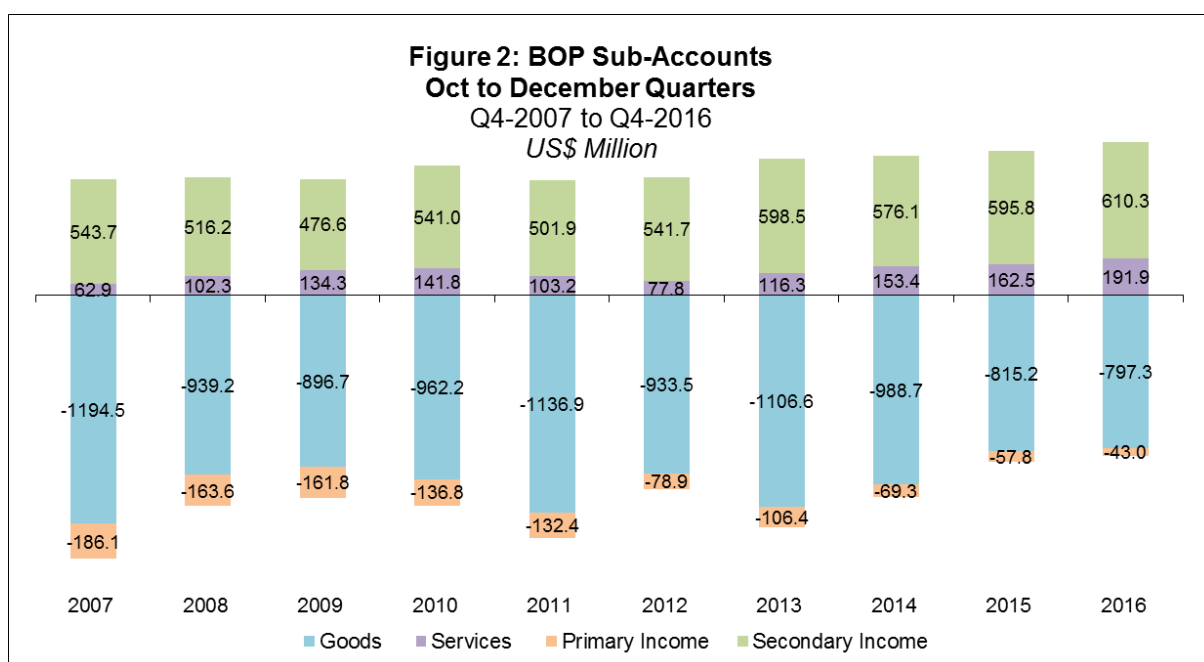
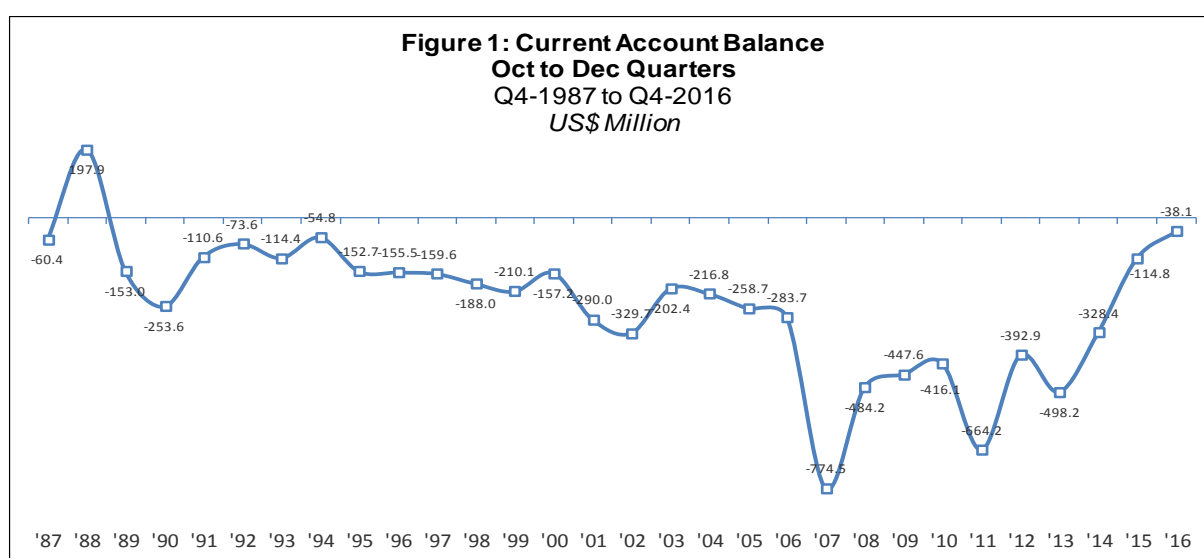
Table 1: Review Quarter

Balance of Payments (US\$MN)	2015:Q3 Oct-Dec	2016:Q3 Oct-Dec/	Change
Current Account Balance	-114.8	-38.1	76.7
<i>Credits</i>	1,791.2	1,874.2	83.0
<i>Debits</i>	1,905.9	1,912.3	6.3
Goods & Services	-652.8	-605.4	47.4
<i>Exports</i>	1,021.1	1,083.6	62.5
<i>Imports</i>	1,673.8	1,689.0	15.2
Goods	-815.2	-797.3	18.0
<i>Exports</i>	277.0	302.5	25.5
<i>Imports</i>	1,092.3	1,099.8	7.5
Services	162.5	191.9	29.4
<i>Credits</i>	744.0	781.1	37.1
<i>Debits</i>	581.6	589.2	7.7
Primary Income	-57.8	-43.0	14.8
<i>Credits</i>	111.1	116.7	5.6
<i>Debits</i>	169.0	159.8	-9.2
Secondary Income	595.8	610.3	14.5
<i>Credits</i>	659.0	673.8	14.8
<i>Debits</i>	63.1	63.5	0.4
Capital Account	5.0	12.2	7.3
<i>Credits</i>	5.0	12.2	7.3
<i>Debits</i>	0.0	0.0	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	-109.8	-25.9	83.9
Financial Account			
Net lending (+) / net borrowing (-) (balance from financial account)	-254.9	-266.1	-11.3
Direct Investment	-229.6	-136.4	93.2
<i>Net acquisition of financial assets</i>	0.8	12.2	11.3
<i>Net incurrence of liabilities</i>	230.4	148.6	-81.9
Portfolio Investments	18.5	135.6	117.0
<i>Net acquisition of financial assets</i>	-75.0	-2.0	73.1
<i>Net incurrence of liabilities</i>	-93.6	-137.5	-43.9
Financial derivatives	-1.2	1.6	2.7
<i>Net acquisition of financial assets</i>	-1.3	-2.1	-0.8
<i>Net incurrence of liabilities</i>	-0.1	-3.7	-3.6
Other Investments	-66.3	-502.2	-435.9
<i>Net acquisition of financial assets</i>	-28.7	-405.3	-376.6
<i>Net incurrence of liabilities</i>	37.6	96.9	59.3
Reserve Assets	23.6	235.3	
Net Errors and Omissions	-145.1	-240.3	
1/ Provisional			
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Economic Information & Publications Dept.			
March 2017			

For more information on the terminologies of the above Balance of Payment Manual 6th edition (BPM6) presentation format, please refer to the Glossary and Appendix A of this publication.

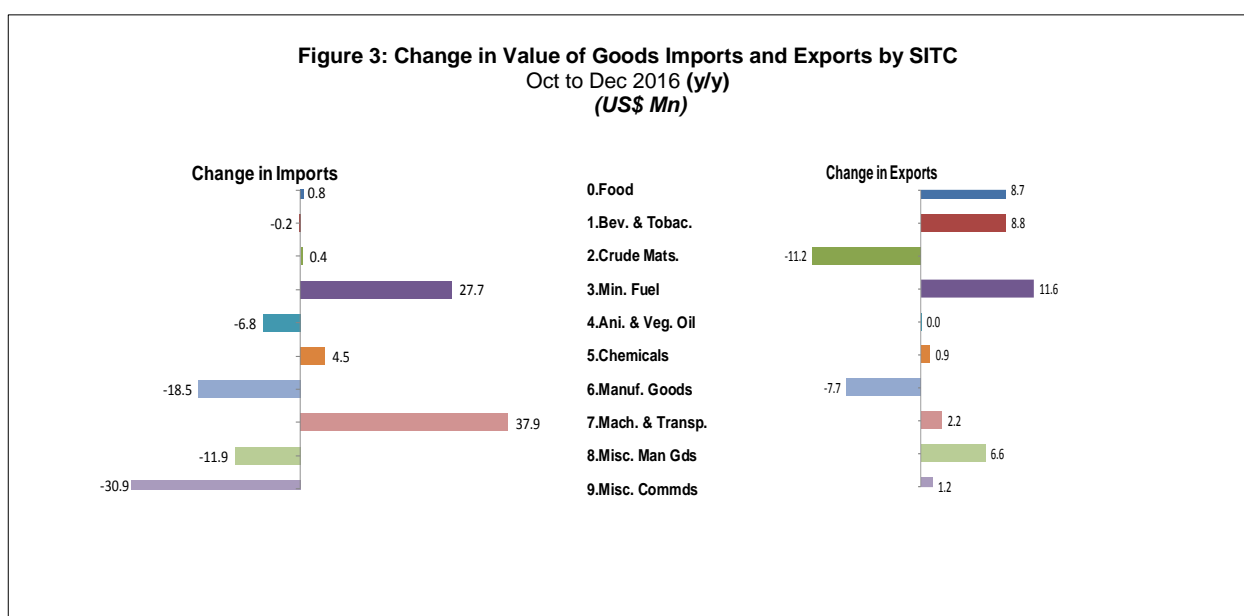
I. QUARTER REVIEW: December 2016

Jamaica recorded a preliminary current account deficit of **US\$38.1** (or **0.3 per cent of GDP**) for the December 2016 quarter, relative to a deficit of **US\$114.8 million** for the corresponding quarter of 2015. This estimated outturn represents a **US\$76.7 million** improvement in the current account balance. The outturn for the review quarter continues the upward trend seen since the corresponding period in 2013 (**Figure 1**). The improved current account balance for the review period stemmed from improvements in all Sub-accounts (**Figure 2**).



Goods

The Goods sub-account improved by **US\$18.0 million** or **2.2 per cent** to **US\$797.3 million** largely reflecting an improvement in exports by **US\$25.5 million** or **9.2 per cent** relative to the previous December quarter, which was partially offset by an increase in imports of **US\$7.5 million** or **0.7 per cent**. The increase in exports of goods largely reflected higher receipts for Mineral Fuel, Food and Beverages & Tobacco of **US\$11.6 million** or **63.7 per cent**, **US\$ 8.7** or **20.2 per cent** and **US\$ 8.8** or **50.8 per cent**, respectively. However there was a decline in the exports of Crude Materials, which fell by **US\$11.2 million** or **7.7 per cent** (**Figure 3**). The increase in imports mainly reflected higher importation of Machinery & Transport Goods which increased by **US\$37.9 million**. This increase was partially offset by lower expenditure on Miscellaneous Commodities and Manufactured Goods, which declined by **US\$30.9 million** and **US\$18.5 million**, respectively.

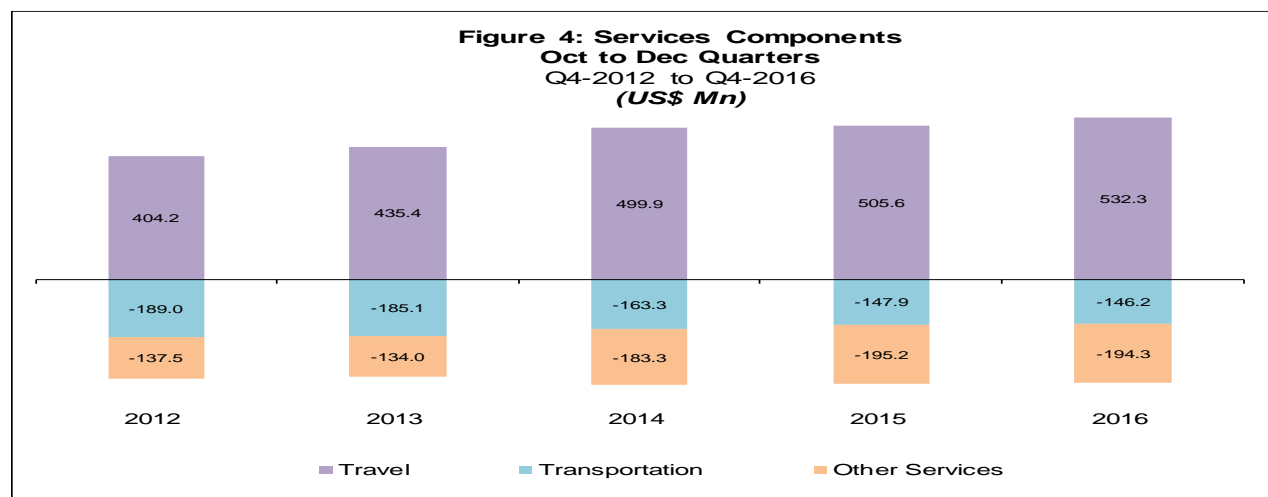


Source: STATIN

Services

The increased surplus on the services sub-account of **US\$29.4 million** to **US\$191.9 million** relative to the comparable period last year was largely driven by greater travel flows of **US\$532.3 million** (**Figure 4**), which grew by **US\$26.7 million** or **5.3 per cent**. The growth in Travel flows reflected a growth in tourist expenditure by **US\$49.1 million** or **6.7 per cent** coupled with a **2.9 per cent** increase in long stay tourist arrivals for the quarter.

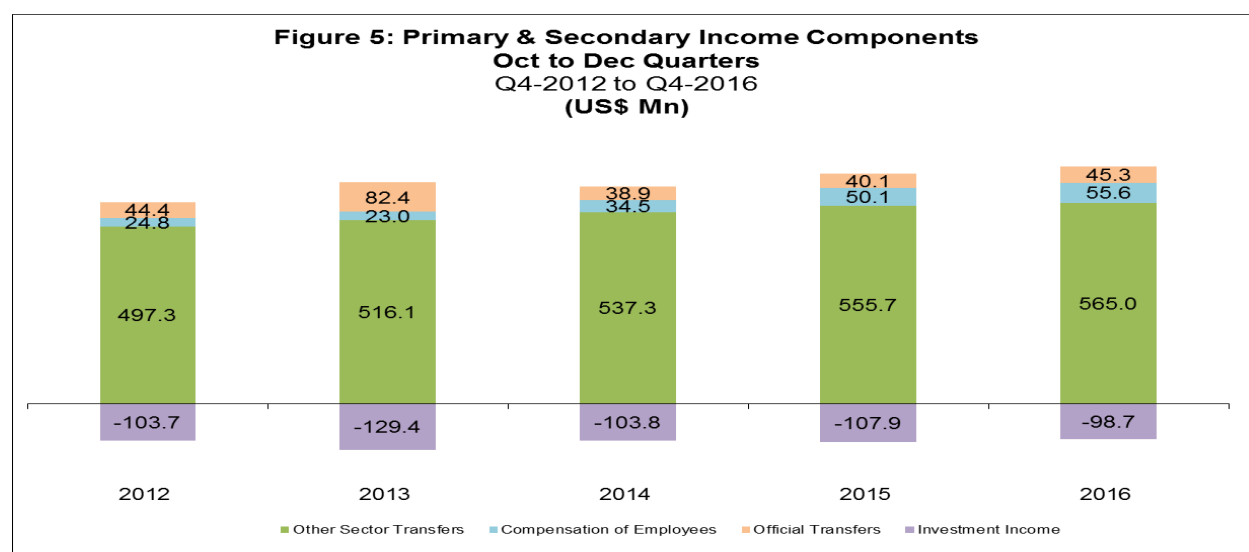
There was also a lower deficit on the transportation subaccount by **US\$1.8 million** which reflected smaller payments for insurance and freight costs associated with the lower imports (See **Table 2**).



Primary & Secondary Income

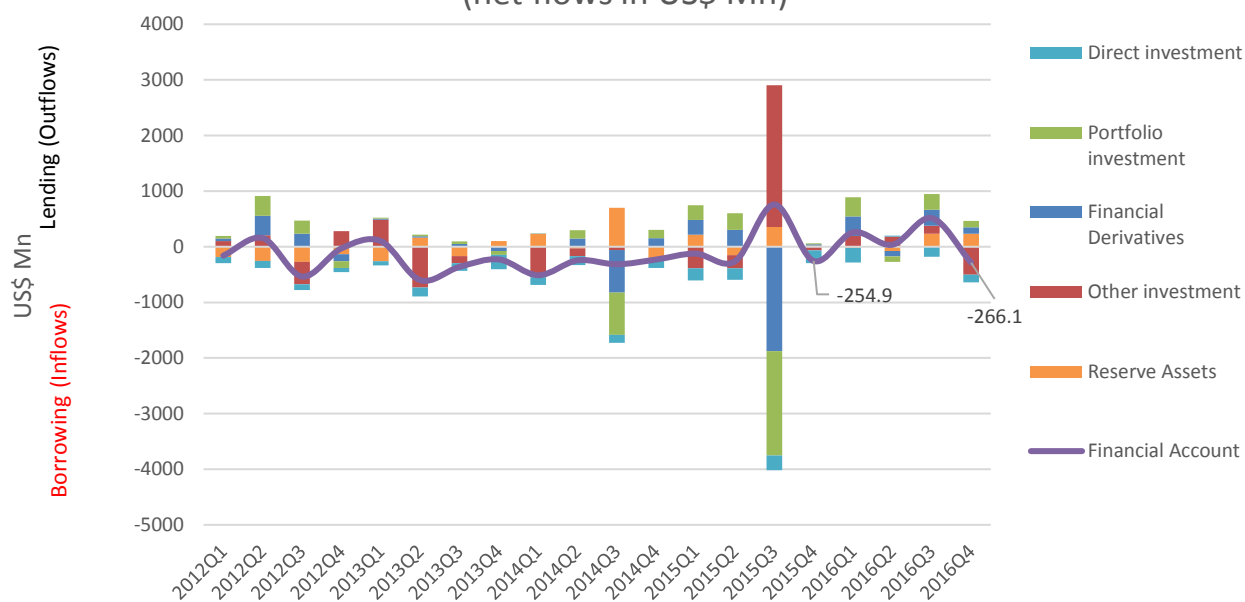
The Secondary Income account improved by **US\$14.5 million** to **US\$610.3 million** reflecting higher private transfers associated with an increase in remittance inflows of **US\$9.6 million** or **1.7 per cent** for the quarter. The balance on the Primary Income sub-account improved by **US\$14.8 million** or **25.6 per cent**, this was largely driven by an improvement in net investment income of **US\$9.2 million**.

The Current Account deficit, albeit partially offset by a small surplus on the Capital account of **US\$12.2 million** for the quarter, resulted in a net borrowing balance on the Current and Capital Account of **US\$25.9 million**. This reflected an improvement compared to the net borrowing balance of **US\$109.8 million** recorded for the corresponding quarter of 2015.



Financial Account

Figure 16: Financial Account Components
(net flows in US\$ Mn)



The financial account recorded a net borrowing balance of **US\$266.1 million** for the review quarter, compared to the net borrowing balance of **US\$254.9 million** for the corresponding quarter in 2015. This was primarily influenced by an increase in the net borrowing position of Other Investments to **US\$502.2 million** which was influenced by an increase in loan liabilities of **US\$84.8 million** by Jamaican residents from their non-resident counterparts. Additionally, there was a net drawdown of currency and deposits by residents of **US\$383.9 million** for the quarter. The December 2016 quarter was however characterized by marginally lower Direct Investment liabilities of **US\$148.6 million** which resulted in an overall net borrowing balance on Direct Investments of **US\$136.4 million**. Of note for the quarter was the net acquisition of Direct Investment Assets by residents of **US\$12.2 million**. Residents also acquired more Portfolio Investments as there was a reduction in portfolio investment liabilities of **US\$22.5 million**.

As a result of these transactions, there was a build-up in Gross Reserves held abroad by **US\$235.3 million** for the December 2016 quarter (**Table 2**).

Table 2: Quarterly Summary by Fiscal Year

BALANCE OF PAYMENTS OF JAMAICA: SUMMARY	2014Q4	2015Q1	FY 2014/15	2015Q2	2015Q3	2015Q4	2016Q1	FY 2015/16	2016Q2	2016Q3	2016Q4
A. Current account	-328.4	-9.3	-967.3	-121.0	-185.1	-114.8	139.8	-281.0	-28.4	-176.3	-38.1
Goods and services	-835.3	-436.3	-2851.6	-569.3	-638.2	-652.8	-259.5	-2119.7	-439.4	-618.2	-605.4
Goods	-988.7	-766.7	-3641.2	-816.5	-796.1	-815.2	-649.7	-3077.5	-717.7	-809.0	-797.3
Exports	333.5	347.3	1411.6	347.0	283.6	277.0	271.7	1179.3	335.2	285.5	302.5
Imports	1322.2	1114.0	5052.8	1163.5	1079.6	1092.3	921.4	4256.8	1053.0	1094.4	1099.8
Services	153.4	330.4	789.6	247.3	157.9	162.5	390.2	957.8	278.3	190.8	191.9
Transport	-163.3	-140.0	-635.4	-145.8	-139.6	-147.9	-141.6	-574.8	-141.7	-142.0	-146.2
Travel	499.9	642.3	2104.7	529.3	488.8	505.6	679.8	2203.6	558.7	514.2	532.3
Construction	-15.1	-19.2	-63.5	-19.4	-30.4	-22.5	-12.0	-84.3	-19.8	-36.4	-26.4
Insurance and pension services	-49.8	-33.1	-181.9	-13.0	-55.1	-48.6	-27.8	-144.5	-11.9	-36.3	-41.1
Financial services	-7.2	-7.8	-29.1	-7.7	-7.7	-7.6	-7.7	-30.7	-7.6	-7.6	-7.5
Charges for the use of intellectual property n.i.e.	-12.5	-9.6	-44.7	-11.0	-11.6	-13.0	-9.5	-45.1	-11.3	-11.6	-13.0
Telecommunications, computer, and information services	-3.8	19.6	41.9	11.0	15.1	-3.8	24.8	47.0	11.0	15.1	-3.8
Other business services	-99.8	-135.1	-435.1	-107.1	-105.3	-104.5	-129.0	-445.8	-109.9	-108.3	-107.3
Personal, cultural, and recreational services	12.2	20.6	62.7	18.8	11.1	12.2	20.6	62.7	18.8	11.1	12.2
Government goods and services n.i.e.	-7.4	-7.5	-30.1	-7.9	-7.4	-7.4	-7.5	-30.2	-7.9	-7.4	-7.4
Primary income	-69.3	-108.7	-345.0	-144.6	-128.9	-57.8	-158.4	-489.7	-203.4	-165.1	-43.0
Compensation of employees	34.5	10.7	68.4	5.6	14.6	50.1	4.8	75.0	4.5	14.4	55.6
Investment income	-103.8	-119.3	-413.4	-150.1	-143.5	-107.9	-163.2	-564.7	-207.9	-179.5	-98.7
Other primary income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Secondary income	576.1	535.7	2229.3	592.9	582.0	595.8	557.8	2328.4	614.4	607.0	610.3
General government	38.9	34.4	150.3	45.5	45.5	40.1	51.2	182.3	45.6	43.3	45.3
Financial corporations, nonfinancial corporations, households, and NPISHs	537.3	501.3	2079.0	547.4	536.4	555.7	506.6	2146.1	568.8	563.7	565.0
o.w. Personal transfers	495.8	470.9	1938.0	514.6	496.2	511.5	476.1	1998.4	536.0	523.4	520.7
Other current transfers	41.4	30.4	141.0	32.7	40.2	44.2	30.5	147.7	32.8	40.3	44.3
Capital account	5.5	9.3	17.7	2.8	1449.7	5.0	0.1	1457.5	1.6	12.0	12.2
Capital transfers	5.5	9.3	17.7	2.8	1449.7	5.0	0.1	1457.5	1.6	12.0	12.2
A. Current & Capital Account Balance	-322.9	0.0	-949.6	-118.2	1264.6	-109.8	139.9	1176.6	-26.8	-164.3	-25.9
B. Financial Account Balance	-229.3	-123.3	-912.2	-262.4	759.5	-254.9	260.2	502.4	35.9	509.2	-266.1
Direct investment	-141.9	-215.9	-661.4	-207.8	-267.3	-229.6	-262.9	-967.6	17.6	-182.4	-136.4
Portfolio investment	145.4	266.3	-202.9	302.6	-1876.3	18.5	347.9	-1207.3	-97.6	277.8	135.6
Financial derivatives	-1.6	-2.0	-118.9	28.8	0.8	-1.2	-0.5	27.9	6.4	34.7	1.6
Other investment	10.1	-387.5	-570.2	-233.5	2549.2	-66.3	195.5	2444.9	184.0	142.8	-502.2
Reserve assets	-241.4	215.9	641.1	-152.5	353.2	23.6	-19.8	204.6	-74.4	236.3	235.3
Net errors and omissions (B minus A)	93.5	-123.3	37.3	-144.3	-505.0	-145.1	120.2	-674.2	62.8	673.6	-240.3
Memo Items:											
Gross Reserves (Stock) e.o.p	2473.9	2689.7	2689.7	2537.3	2890.5	2914.1	2894.3	2894.3	2819.9	3056.2	3291.5
Weeks of Goods & Services Imports	17.3	19.2	19.2	18.6	22.0	22.9	23.5	23.5	23.3	25.1	27.0

See Appendix B for an equivalent table as a percentage of Gross Domestic Production (GDP).

Fiscal Year to December: April-Dec 2016/17

Table 3: Fiscal Year to December

Balance of Payments (USSMN)	2015/16 Apr-Dec	2016/17 Apr-Dec/	Change
Current Account Balance	-420.8	-242.9	178.0
<i>Credits</i>	5,311.1	5,498.1	187.0
<i>Debits</i>	5,731.9	5,740.9	9.1
Goods & Services	-1,860.2	-1,663.0	197.2
<i>Exports</i>	3,111.2	3,232.9	121.7
<i>Imports</i>	4,971.4	4,895.9	-75.5
Goods	-2,427.8	-2,324.0	103.9
<i>Exports</i>	907.6	923.2	15.6
<i>Imports</i>	3,335.4	3,247.2	-88.3
Services	567.7	661.0	93.3
<i>Credits</i>	2,203.7	2,309.7	106.1
<i>Debits</i>	1,636.0	1,648.8	12.8
Primary Income	-331.3	-411.6	-80.3
<i>Credits</i>	250.5	256.1	5.6
<i>Debits</i>	581.8	667.7	85.9
Secondary Income	1,770.7	1,831.7	61.0
<i>Credits</i>	1,949.3	2,009.0	59.7
<i>Debits</i>	178.6	177.3	-1.3
Capital Account	1457.4	25.8	-1431.6
<i>Credits</i>	1,457.4	25.8	-1,431.6
<i>Debits</i>	0.0	0.0	0.0
Net lending (+)/ net borrowing (-) (balance from current and capital account)	1,036.6	-217.0	-1,253.7
Financial Account			
Net lending (+) / net borrowing (-) (balance from	242.2	279.0	36.8
Direct Investment	-704.7	-301.2	403.5
<i>Net acquisition of financial assets</i>	5.3	222.8	217.5
<i>Net incurrence of liabilities</i>	710.0	524.0	-186.0
Portfolio Investments	-1,555.2	315.8	1,870.9
<i>Net acquisition of financial assets</i>	105.7	390.3	284.5
<i>Net incurrence of liabilities</i>	1,660.9	74.5	-1,586.4
Financial derivatives	28.4	42.7	14.3
<i>Net acquisition of financial assets</i>	18.5	16.2	-2.3
<i>Net incurrence of liabilities</i>	-9.9	-26.5	-16.6
Other Investments	2,249.3	-175.5	-2,424.8
<i>Net acquisition of financial assets</i>	-225.3	-161.0	64.3
<i>Net incurrence of liabilities</i>	-2,474.6	14.5	2,489.1
Reserve Assets	224.3	397.2	
Net Errors and Omissions	-794.4	496.0	
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FISCAL YEAR REVIEW: April-December 2016/17

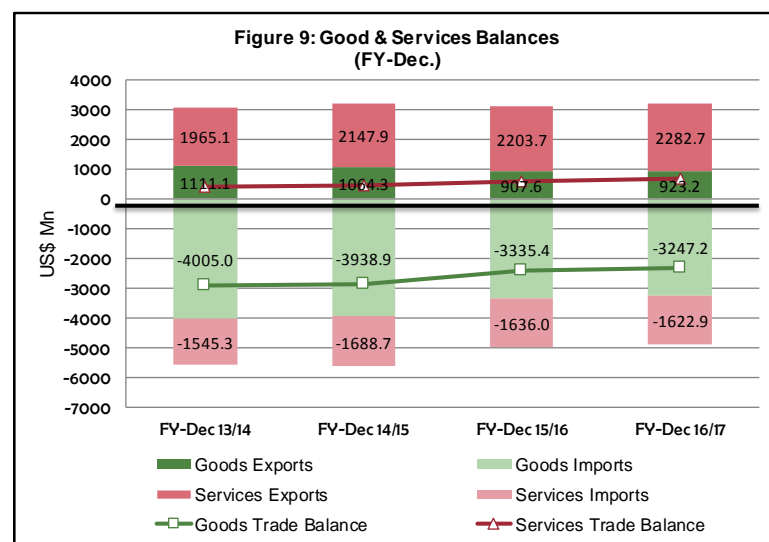
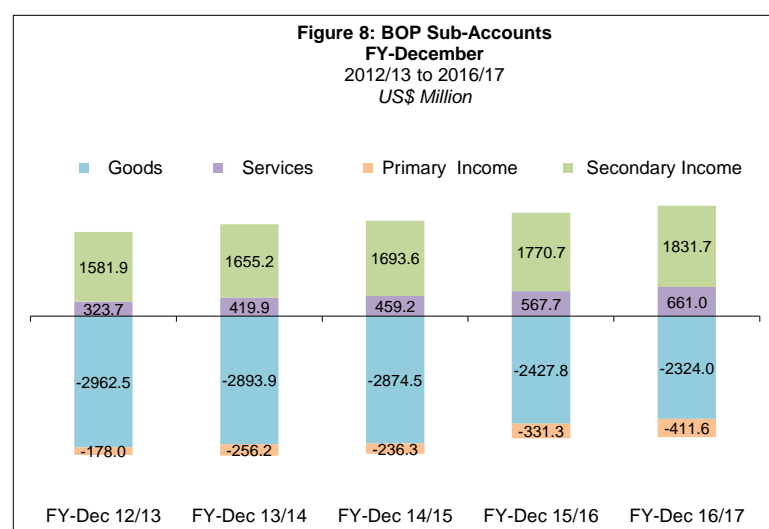
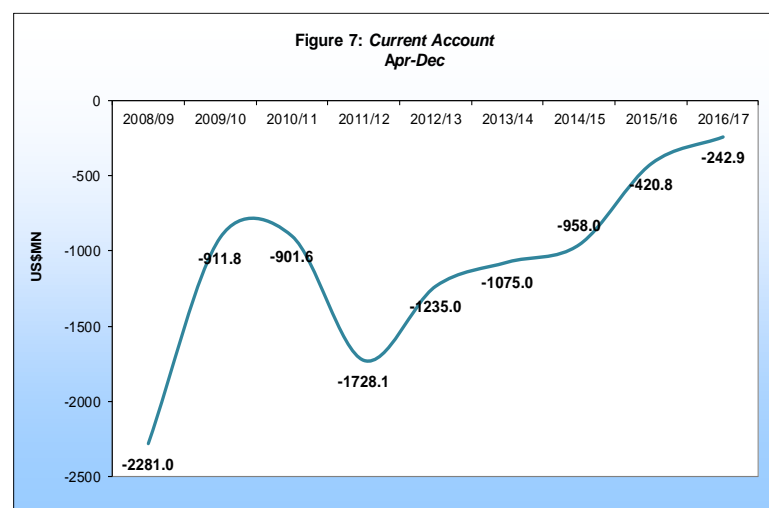
Overview

The current account balance for FY-to-December 2016/17 improved by **US\$178.0 million** to a deficit of **US\$242.9 million (1.7 per cent of GDP)**, relative to the previous FY-December period (**Figure 7**). This represents a continuation of the improvements observed for the previous four corresponding periods. The improved outturn emanated from all sub-accounts, except the primary income sub-account (**Figure 8**). The goods & services and secondary income sub-accounts improved by **US\$197.2 million** and **US\$61.0 million**, respectively, while the primary income sub-account reflected a deterioration of **US\$80.3 million** (**Table 3**).

The improvement in the combined goods and services balance of **US\$197.2 million**, or **10.6 per cent**, reflected a fall in goods & services imports primarily reflecting lower mineral fuel prices (**Figure 9**). The improvement in services exports was caused by the improvement in travel flows as a result of the growth in earnings from tourism.

Goods

The deficit on the goods sub-account contracted to **US\$2 324.0 million** relative to



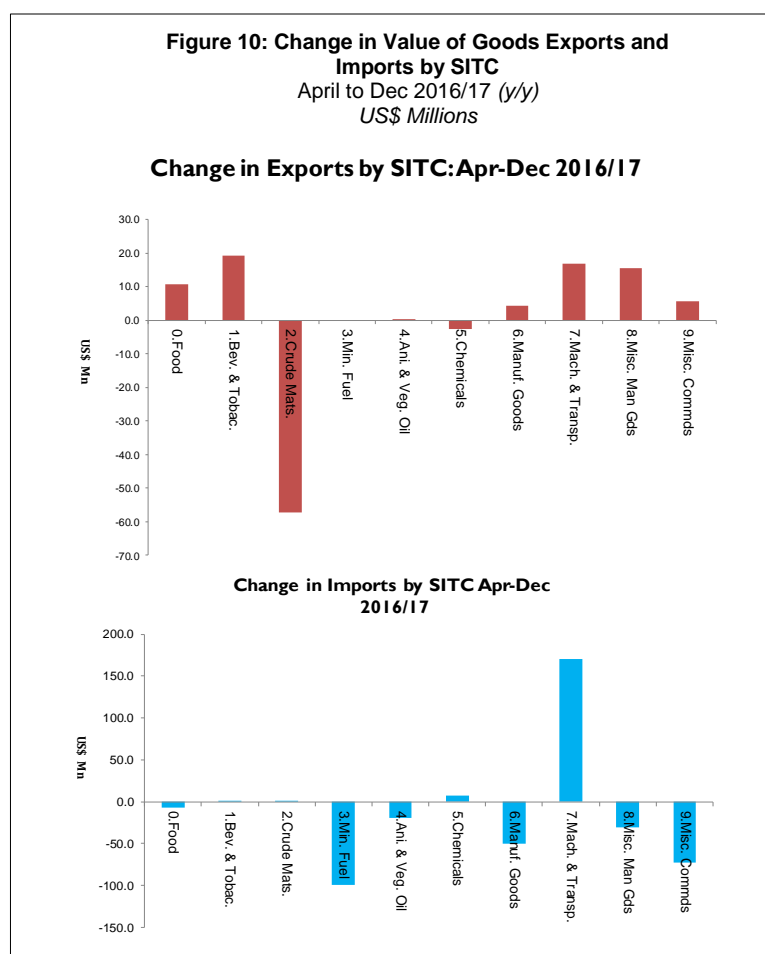
the previous period which had a larger deficit of **US\$2 427.8 million**.

Exports of goods increased by **US\$15.6 million** to **US\$923.2 million**, primarily as a result of an increase in exports of Beverages and Tobacco, Machinery and Transport and Misc. Manufactured Goods of **US\$19.3 million**, **US\$16.8 million** and **US\$15.6 million**, respectively. This was partially offset by a significant decline in Crude Material exports of **US\$57.4 million** (Figure 10).

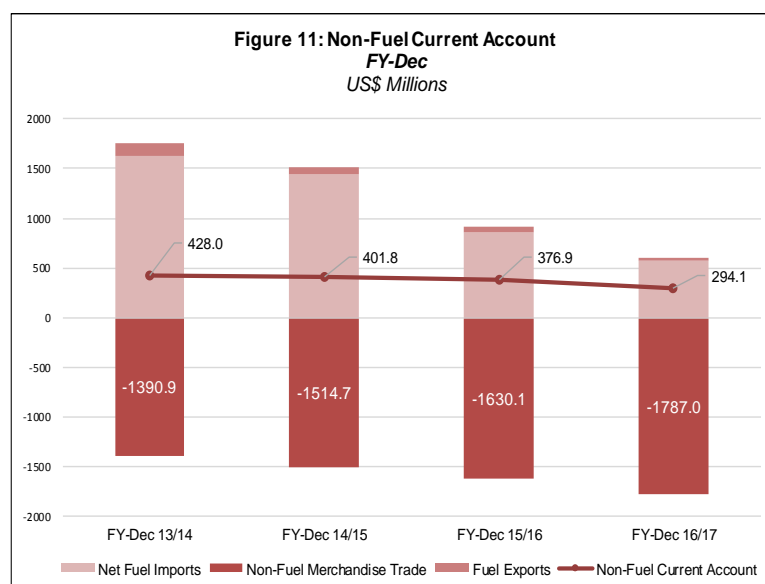
Total goods imports decreased by **US\$88.3 million** to **US\$3 247.2 million**, primarily driven by reductions in Mineral Fuel, Miscellaneous Commodities and Manufactured Goods imports of **US\$99.5 million**, **US\$72.0 million** and **US\$50.2 million**, respectively. This was partially offset by a significant increase in Machinery & Transportation imports by **US\$170.8 million**. This was primarily due to the increased importation of private motor vehicles.

Non-fuel Current Account

The current account *excluding* fuel trade recorded a surplus of **US\$294.1 million** (2.1 per cent of GDP), representing a deterioration of **US\$82.8 million** relative to FY-Dec 2015/16 (Figure 11). Excluding mineral fuel exports and imports, non-fuel merchandise trade worsened by **US\$156.8 million** over the



Source: STATIN



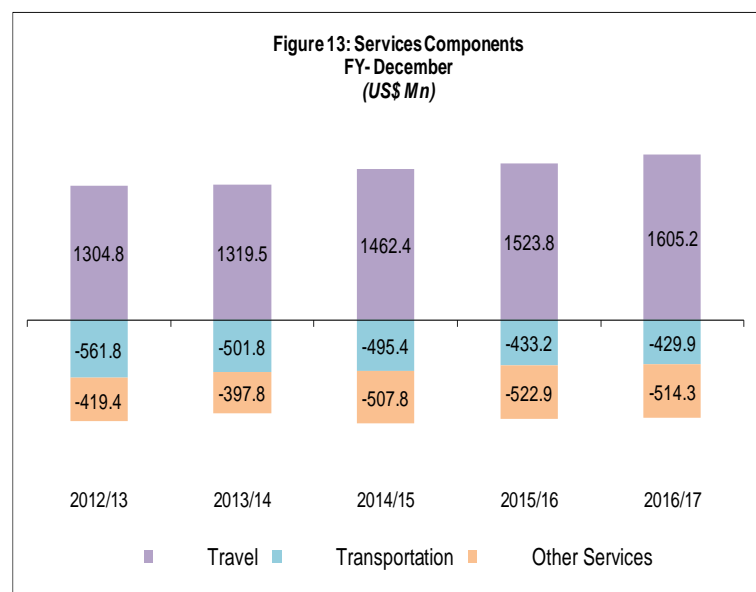
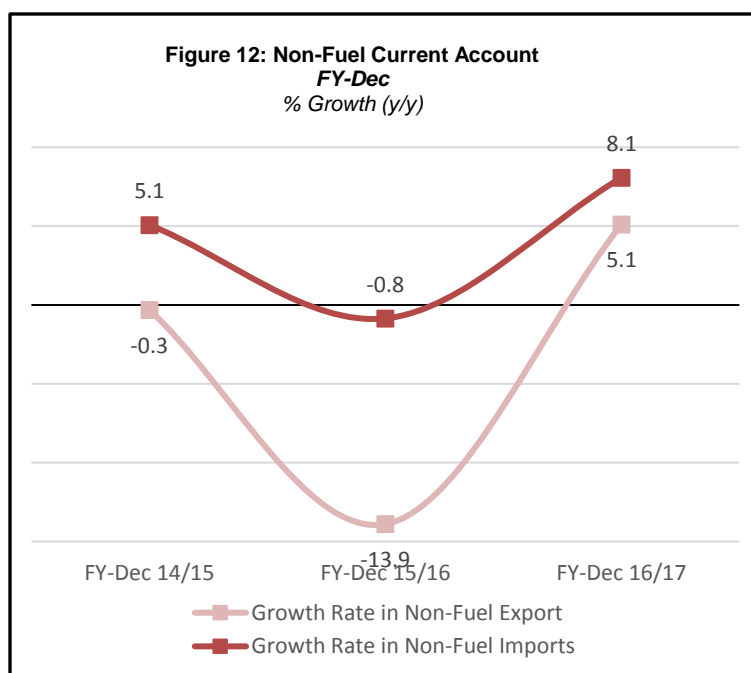
previous corresponding period, to a deficit of **US\$1 787.0 million**. This deterioration in the non-fuel merchandise trade reflected an increase in non-fuel imports by **8.1 per cent**, partly offset by an increase in non-fuel exports by **5.1 per cent**, relative to FY-Dec 2015/16 (Figure 12).

Services

The balance on the services sub-account improved by **US\$93.3 million** to **US\$661.0 million** for the review period (Table 3). This resulted primarily from improvements in travel services, insurance services and transportation services of **US\$81.4 million**, **US\$27.3 million** and **US\$3.3 million**, respectively (Figure 13). Growth in travel services for FY-December 2016/17 reflected improved tourist expenditure by **5.6 per cent**, year-over-year, a marginal improvement over the **5.3 per cent** recorded for the FY-December 2015/16 period.

Primary & Secondary Income

The Secondary Income balance improved by



US\$61.0 million or 3.4 per cent to US\$1 831.7 million. This was due primarily to an increase in Private Transfers by US\$58.0 million, reflecting an increase in remittance inflows by US\$56.3 million or 3.6 per cent, and a marginal increase in official grant flows by US\$3.1 million (Figure 15). On the other hand, the deficit on the Primary Income sub-account worsened by US\$80.3 million, primarily reflecting increased deterioration on the investment income sub-account (Figure 16). This was caused by increased portfolio outflows to non-residents by US\$109.5 million relative to the previous corresponding period. There was a reduction of US\$1.4 billion in the capital account, as the previous period reflected the discount received on the PetroCaribe debt repurchase. This outturn together with the balance on the current account yielded a net borrowing balance on the Current and Capital Account of US\$217.0 million.

Figure 14: Tourist Expenditure
FY-Dec Growth
Growth Rate % (y/y)

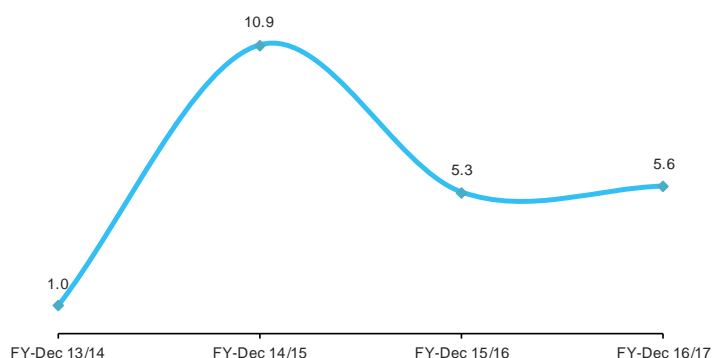
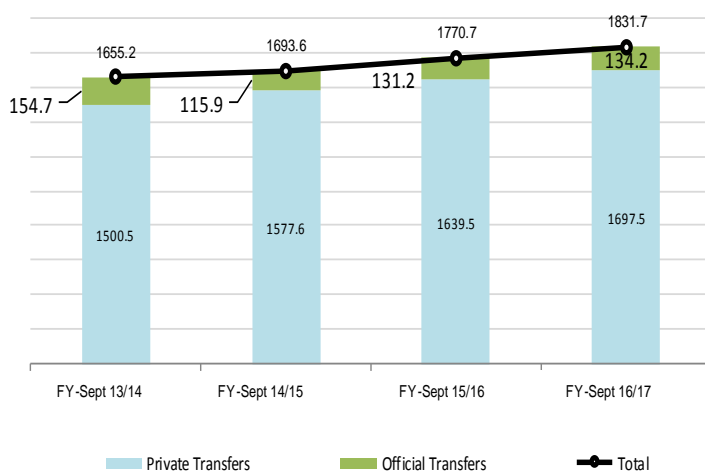


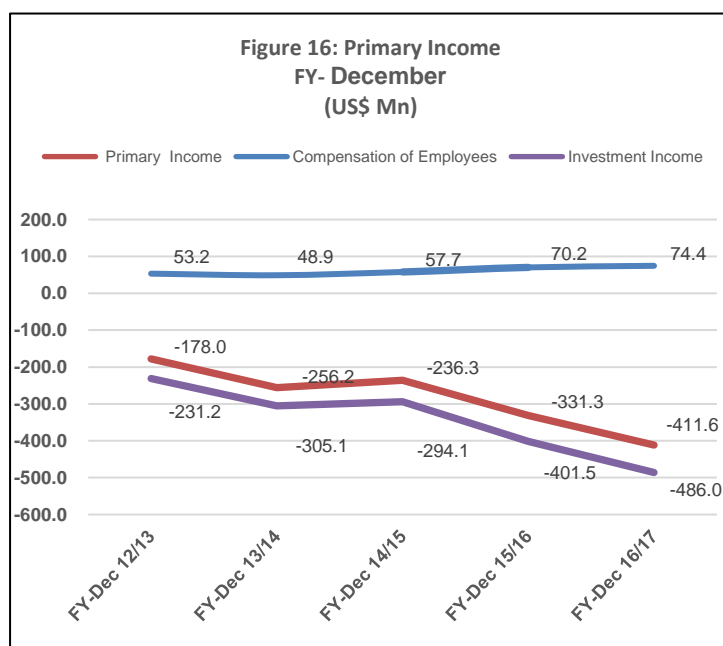
Figure 15: Secondary Income
By FY-December
US\$ Millions



Financial Account

The financial account recorded a net lending balance of **US\$279.0 million**, a marginal increase of **US\$36.8 million** relative to the previous net lending balance of **US\$242.2 million** for the previous corresponding period. For the review period, the net lending balance reflected the net change in Portfolio Investments of **US\$315.8 million**. This reflected a net acquisition of portfolio investment assets abroad by residents of **US\$390.3 million** which was partially offset by the net incurrence of Portfolio Investment

liabilities of **US\$74.5 million**. The net lending portfolio investments was partially offset by the net borrowing balance for Direct Investments of **US\$301.2 million**. This net borrowing balance on Direct investments was driven by the net incurrence of Direct Investment liabilities of **US\$524.0 million** for the review period. Of note for the review period was the net acquisition of Direct Investment Assets by residents of **US\$222.8 million**. These developments in the current, capital and financial accounts, led to a build-up in the Bank's gross reserves by **US\$397.2 million** for the FY-December 16/17 period, which was compared to the build-up of **US\$224.3 million** for the corresponding period of FY 15/16 (Table 3).

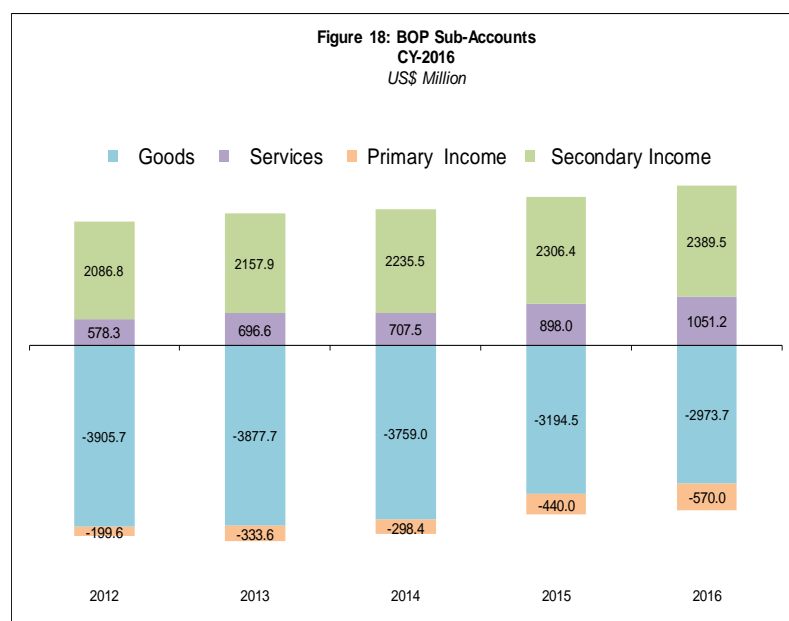
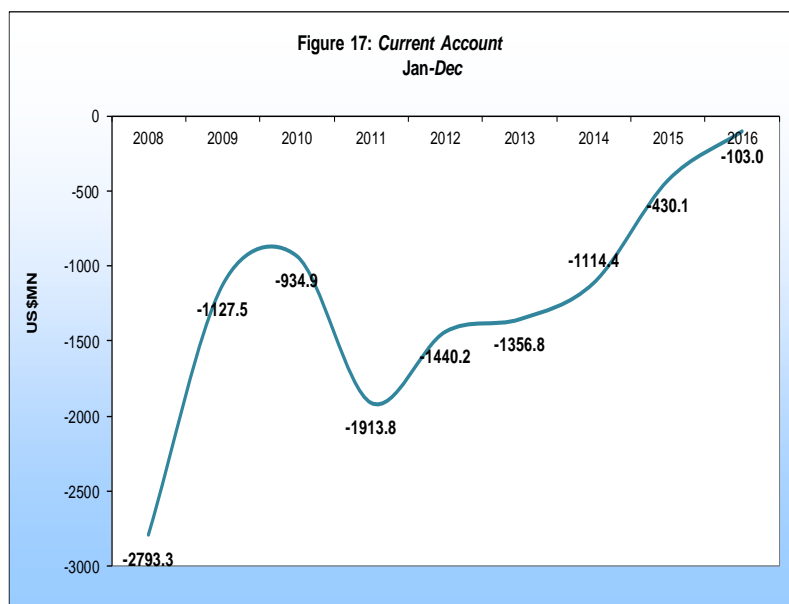


CALENDAR YEAR REVIEW: January-December 2016

Overview

The current account balance for the 2016 calendar year improved by **US\$ 327.1 million** to a deficit of **US\$103.0 million (0.7 per cent of GDP)**, relative to the previous calendar year (**Figure 17**). This represents a continuation of the improvements observed for the previous four corresponding periods. The improved outturn emanated from all sub-accounts, except for the primary income sub-account (**Figure 18**). The goods, services and secondary income sub-accounts improved by **US\$220.9 million**, **US\$153.1 million** and **US\$83.1 million**, respectively, while the primary income sub-account reflected a deterioration of **US\$130.0 million** (**Figure 18**).

The improvement in the combined goods and services balance of **US\$374.0 million**, or **16.3 per cent**, reflected a fall in goods & services imports primarily due to lower mineral fuel prices. The improvement in services exports was caused by the improvement in travel flows as a result of the growth in earnings from tourism.



Glossary (BPM6)

The Sixth Edition of the Balance of Payments Manual (BPM6) format was first published in the March 2012 quarterly edition of this Report. Six major changes in BPM6 and definitions of key terminologies used in this Report are highlighted below.

Six Major Changes in BPM6

1. The Goods sub-account and Services sub-account are now combined and referred to as the *Goods and Services* sub-account.
2. The Income sub-account is now referred to as *Primary Income*.
3. The Current Transfers sub-account is now referred to as *Secondary Income*.
4. The *Financial Account* is no longer grouped with the *Capital Account*.
5. The balance from the *Current* and the *Capital account* is referred to as *Net Lending or Net Borrowing*, which is explained by details in the *Financial Account*.
6. The use of debits and credits for the *Financial Account* is replaced by *Net acquisition of financial assets* and the *Net incurrence of liabilities*.

Key Terminologies and Concepts

1. Balance of Payments

The balance of payments (BOP) is a summary of economic activities between the residents of a country and the rest of the world during a given period, usually one year. The BOP is divided into two main categories according to the broad nature of the transactions. These categories are the Current Account and the Capital & Financial Account. The sum of the balances on the Current and Capital accounts represents the *Net Lending* (surplus) or *Net Borrowing* (deficit) by the economy with the rest of the world. This is conceptually equal to the net balance of the *Financial Account*. In other words, the Financial Account measures how the *Net Lending* to or *Net Borrowing* from non-residents is financed. The balance of every category of the financial account or net lending/borrowing is the difference between net acquisition of assets and net incurrence of liabilities.

- a. **Net acquisition of financial assets** is an increase in assets after deduction of their decrease.
- b. **Net incurrence of liabilities** is an increase in liabilities after deduction of their decrease.

Note: A change with the “plus” sign shows an increase in assets or liabilities, whereas a change with the “minus” sign shows a decrease in them.

2. Current Account

The current account includes all transactions (excluding those recorded in the capital and financial account) between resident and non-resident entities that involve economic value. This account is sub-divided into:

- a. Goods and Services*
- b. Primary Income, and*
- c. Secondary Income*

- a. The ***Goods and Services*** account covers merchandise trade, travel, transportation and other services.
 - i. ***Merchandise Trade*** records the value of exports and imports, of tangible goods, including those of the free-zones and goods procured in ports by international carriers.
 - ii. ***Travel*** covers goods and services acquired from an economy by non-resident travellers for business and personal purposes during their visits (of less than one year). Expenditures made by seasonal workers (e.g. Jamaican farm workers) and those for educational and health-related purposes made by students and medical patients are recorded in this sub-account.
 - iii. ***Transportation*** covers all transportation services (sea, air and land), bought and sold, that involve the carriage of passengers, movement of goods (freight), charter of carriers with crew and other supporting services.
 - iv. ***Other Services*** consist of the purchase and sale of: communication services, construction services, insurance services, financial services, computer and information services, royalties and licences fees and government services.
- b. ***Primary Income*** represents the return that accrues to institutional units for their contribution to the production process or for the provision of financial assets and renting natural resources to other institutional units. It encompasses the compensation of employees, that is, salaries, wages and benefits of seasonal and other non-resident workers. In addition, it includes investment income that consists of dividends, profits, reinvested earnings, interest on debt and income on portfolio investment.
- c. ***Secondary Income*** shows current transfers between residents and non-residents. It covers transactions such as taxes on income, workers' remittances, and premiums and claims on non-life insurance.

3. Capital Account

The Capital Account covers:

- (i) ***Capital Transfers*** include the transfer of ownership of fixed assets, the transfer of funds linked to disposal/acquisition of fixed assets and the cancellation of debt by creditors.
- (ii) ***Acquisition/disposal of non-produced, non-financial assets*** mainly involves intangibles such as patents and leases. It also includes purchases and sales of land by foreign embassies.

4. Financial Account

The ***Financial Account*** records transactions that directly affect the wealth and debt of the country and records transactions that involve financial assets and liabilities between residents and non-residents. This account covers:

- (i) ***Direct investment*** is the category of international investment in which a resident entity in one economy acquires or disposes of 10 per cent or more of the ordinary shares or voting power of an enterprise located in another economy and has an effective voice in management.
- (ii) ***Portfolio Investment*** covers transactions in equity securities and debt securities. With respect to equity, a portfolio investment would imply less than 10 per cent ownership of the voting power of an enterprise located in another country. Debt securities include bonds and notes, money market instruments and financial derivatives.
- (iii) ***Financial Derivatives (other than reserves)*** covers transactions of forward-type contracts and options traded in financial markets used to transfer risks linked to another specific financial instrument or indicator or commodity.
- (iv) ***Other investment*** is a residual category that includes all financial transactions not covered in Direct Investment, Portfolio Investment or Reserve Assets. It includes: (i) Loans to finance trade (ii) Insurance, pension and standardized guarantee schemes; (iii) trade credits and advances; and (iv) Other accounts receivable/payable.
- (v) ***Reserve Assets*** represent the foreign exchange which the country has available for financing an imbalance of payments with the rest of the world.

Appendix A: Comparison of BOP Formats

Old Terminology

New Terminology

Goods + Services = Goods & Services

Current a/c + Capital a/c = Net lending (+) / Net borrowing (-)

Balance of Payments (US\$MN)	2016 Oct-Dec 1/
1. Current Account	-38.1
A. Goods	-797.3
Exports	302.5
Imports	1099.8
B. Services	191.9
Transportation	-141.6
Travel	679.8
Other Services	-148.1
C. Income	-43.0
Compensation of Employees	55.6
Investment Income	-98.7
D. Current Transfers	610.3
Official	45.3
Private	565.0
2. Capital & Financial Account	38.1
A. Capital Account	12.2
Capital Transfers	12.2
Official	7.3
Private	5.0
Acq/Disp. of Non-produced Non-fin. Assets	0.0
B. Financial Account	25.9
Direct Investment	136.4
Portfolio Investment	64.9
Other Official Investment	-203.6
Other Private Investment (incl. Errors & Omissions)	264.9
Reserves	-235.3
1/ Preliminary International Accounts Unit Economic Information & Publications Dept. March 2017	

Balance of Payments (US\$MN)	2016 Oct-Dec 1/
Current Account Balance	-38.1
Credits	1,874.2
Debits	1,912.3
Goods & Services	-605.4
Exports	1,083.6
Imports	1,689.0
Goods	-797.3
Exports	302.5
Imports	1,099.8
Services	191.9
Exports	781.1
Imports	589.2
Primary Income	-43.0
Credits	116.7
Debits	159.8
Secondary Income	610.3
Credits	673.8
Debits	63.5
Capital Account	12.2
Credits	12.2
Debits	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	-25.9
Financial Account	
Net lending (+) / net borrowing (-) (balance from financial account)	-266.1
Direct Investment	-136.4
Net acquisition of financial assets	12.2
Net incurrence of liabilities	148.6
Portfolio Investments	135.6
Net acquisition of financial assets	-2.0
Net incurrence of liabilities	-137.5
Financial Derivatives	1.6
Net acquisition of financial assets	-2.1
Net incurrence of liabilities	-3.7
Other Investments	-502.2
Net acquisition of financial assets	-405.3
Net incurrence of liabilities	96.9
Reserve Assets	235.3
Net Errors and Omissions	-240.3
1/ Preliminary International Accounts Unit Economic Information & Publications Dept. March 2017	

● → direct mapping

---→ change of sign on all Financial Account Items

Appendix B: Historical Balance of Payments Tables

BOP Components (% of GDP)

BALANCE OF PAYMENTS OF JAMAICA (% of GDP)	2014 Oct-Dec	2015 Jan-Mar	FY 2014/15	2015 Apr-Jun	2015 Jul-Sep	2015 Oct-Dec	2016 Jan-Mar	FY 2015/16	2016 Apr-Jun	2016 Jul-Sep	2016 Oct-Dec
A. Current account	-2.4	-0.1	-7.0	-0.8	-1.3	-0.8	1.0	-2.0	-0.2	-1.3	-0.3
Goods and services	-6.0	-3.1	-20.5	-4.0	-4.5	-4.6	-1.8	-14.9	-3.2	-4.5	-4.4
Goods	-7.1	-5.5	-26.2	-5.7	-5.6	-5.7	-4.6	-21.6	-5.2	-5.9	-5.8
Exports	2.4	2.5	10.2	2.4	2.0	1.9	1.9	8.3	2.4	2.1	2.2
Imports	9.5	8.0	36.3	8.2	7.6	7.7	6.5	29.9	7.6	7.9	8.0
Services	1.1	2.4	5.7	1.7	1.1	1.1	2.7	6.7	2.0	1.4	1.4
Transport	-1.2	-1.0	-4.6	-1.0	-1.0	-1.0	-1.0	-4.0	-1.0	-1.0	-1.1
Travel	3.6	4.6	15.1	3.7	3.4	3.6	4.8	15.5	4.0	3.7	3.8
Construction	-0.1	-0.1	-0.5	-0.1	-0.2	-0.2	-0.1	-0.6	-0.1	-0.3	-0.2
Insurance and pension services	-0.4	-0.2	-1.3	-0.1	-0.4	-0.3	-0.2	-1.0	-0.1	-0.3	-0.3
Financial services	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
Charges for the use of intellectual property n.i.e.	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1
Telecommunications, computer, and information services	0.0	0.1	0.3	0.1	0.1	0.0	0.2	0.3	0.1	0.1	0.0
Other business services	-0.7	-1.0	-3.1	-0.8	-0.7	-0.7	-0.9	-3.1	-0.8	-0.8	-0.8
Personal, cultural, and recreational services	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1
Government goods and services n.i.e.	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
Primary income	-0.5	-0.8	-2.5	-1.0	-0.9	-0.4	-1.1	-3.4	-1.5	-1.2	-0.3
Compensation of employees	0.2	0.1	0.5	0.0	0.1	0.4	0.0	0.5	0.0	0.1	0.4
Investment income	-0.7	-0.9	-3.0	-1.1	-1.0	-0.8	-1.1	-4.0	-1.5	-1.3	-0.7
Other primary income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Secondary income	4.1	3.9	16.0	4.2	4.1	4.2	3.9	16.4	4.4	4.4	4.4
General government	0.3	0.2	1.1	0.3	0.3	0.3	0.4	1.3	0.3	0.3	0.3
Financial corporations, nonfinancial corporations, households, and NPISHs	3.9	3.6	15.0	3.8	3.8	3.9	3.6	15.1	4.1	4.1	4.1
o.w. Personal transfers (Current transfers between resident and nonresident households)	3.6	3.4	13.9	3.6	3.5	3.6	3.3	14.0	3.9	3.8	3.8
Other current transfers	0.3	0.2	1.0	0.2	0.3	0.3	0.2	1.0	0.2	0.3	0.3
Capital account	0.0	0.1	0.1	0.0	10.2	0.0	0.0	10.2	0.0	0.1	0.1
Capital transfers	0.0	0.1	0.1	0.0	10.2	0.0	0.0	10.2	0.0	0.1	0.1
A. Current & Capital Account Balance											
Net lending (+) / net borrowing (-) (balance from current and capital account)	-2.3	0.0	-6.8	-0.8	8.9	-0.8	1.0	8.3	-0.2	-1.2	-0.2
B. Financial Account Balance											
Net lending (+) / net borrowing (-) (balance from financial account)	-1.6	-0.9	-6.6	-1.8	5.3	-1.8	1.8	3.5	0.3	3.7	-2.1
Direct investment	-1.0	-1.6	-4.8	-1.5	-1.9	-1.6	-1.8	-6.8	0.1	-1.3	-1.0
Portfolio investment	1.0	1.9	-1.5	2.1	-13.2	0.1	2.4	-8.5	-0.7	2.1	0.8
Financial derivatives	0.0	0.0	-0.9	0.2	0.0	0.0	0.0	0.2	0.0	0.3	0.0
Other investment	0.1	-2.8	-4.1	-1.6	17.9	-0.5	1.4	17.2	1.3	1.0	-3.6
Reserve assets	-1.7	1.6	4.6	-1.1	2.5	0.2	-0.1	1.4	-0.5	1.7	1.7
Net errors and omissions (B minus A)	0.7	-0.9	0.3	-1.0	-3.5	-1.0	0.8	-4.7	0.5	4.9	-1.9
Memo Items:											
Gross Reserves (Stock) e.o.p	17.8	19.3	19.3	17.8	20.3	20.5	20.3	20.3	20.4	22.1	23.8
Weeks of Goods & Services Imports	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Recent Five Quarters

Balance of Payments (US\$MN)	2015/16:Q2	2015/16:Q3	2015/16:Q4	2016/17:Q1	2016/17:Q2
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Current Account Balance	-114.8	139.8	-28.4	-176.3	-38.1
<i>Credits</i>	1,791.2	1,857.9	1,839.4	1,784.5	1,874.2
<i>Debits</i>	1,905.9	1,718.0	1,867.8	1,960.9	1,912.3
Goods & Services	-652.8	-259.5	-439.4	-618.2	-605.4
<i>Exports</i>	1,021.1	1,179.9	1,109.7	1,039.6	1,083.6
<i>Imports</i>	1,673.8	1,439.5	1,549.1	1,657.8	1,689.0
Goods	-815.2	-649.7	-717.7	-809.0	-797.3
<i>Exports</i>	277.0	271.7	335.2	285.5	302.5
<i>Imports</i>	1,092.3	921.4	1,053.0	1,094.4	1,099.8
Services	162.5	390.2	278.3	190.8	191.9
<i>Credits</i>	744.0	908.3	774.5	754.1	781.1
<i>Debits</i>	581.6	518.1	496.2	563.4	589.2
Primary Income	-57.8	-158.4	-203.4	-165.1	-43.0
<i>Credits</i>	111.1	58.2	62.4	77.0	116.7
<i>Debits</i>	169.0	216.6	265.8	242.1	159.8
Secondary Income	595.8	557.8	614.4	607.0	610.3
<i>Credits</i>	659.0	619.7	667.3	667.9	673.8
<i>Debits</i>	63.1	62.0	52.9	60.9	63.5
Capital Account	5.0	0.1	1.6	12.0	12.2
<i>Credits</i>	5.0	0.1	1.6	12.0	12.2
<i>Debits</i>	0.0	0.0	0.0	0.0	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	-109.8	139.9	-26.8	-164.3	-25.9
Financial Account					
Net lending (+) / net borrowing (-) (balance from financial account)	-254.9	260.2	35.9	509.2	-266.1
Direct Investment	-229.6	-262.9	17.6	-182.4	-136.4
<i>Net acquisition of financial assets</i>	0.8	3.5	210.7	-0.1	12.2
<i>Net incurrence of liabilities</i>	230.4	266.4	193.2	182.3	148.6
Portfolio Investments	18.5	347.9	-97.6	277.8	135.6
<i>Net acquisition of financial assets</i>	-75.0	170.9	160.8	231.4	-2.0
<i>Net incurrence of liabilities</i>	-93.6	-177.0	258.4	-46.4	-137.5
Financial derivatives	-1.2	-0.5	6.4	34.7	1.6
<i>Net acquisition of financial assets</i>	-1.3	-1.3	4.0	14.4	-2.1
<i>Net incurrence of liabilities</i>	-0.1	-0.8	-2.4	-20.4	-3.7
Other Investments	-66.3	195.5	184.0	142.8	-502.2
<i>Net acquisition of financial assets</i>	-28.7	143.4	75.9	168.4	-405.3
<i>Net incurrence of liabilities</i>	37.6	-52.2	-108.0	25.6	96.9
Reserve Assets	23.6	-19.8	-74.4	236.3	235.3
Net Errors and Omissions	-145.1	120.2	62.8	673.6	-240.3
Provisional International Accounts Unit Economic Information & Publications Dept. March 2017					

Full Fiscal Year

Balance of Payments (USSMN)	2014/15 Apr-Mar	2015/16 Apr-Mar/	Change
Current Account Balance	-967.3	-281.0	686.4
<i>Credits</i>	7,183.4	7,168.9	-14.4
<i>Debits</i>	8,150.7	7,449.9	-700.8
Goods & Services	-2,851.6	-2,119.7	731.9
<i>Exports</i>	4,414.6	4,291.2	-123.4
<i>Imports</i>	7,266.2	6,410.9	-855.4
Goods	-3,641.2	-3,077.5	563.7
<i>Exports</i>	1,411.6	1,179.3	-232.3
<i>Imports</i>	5,052.8	4,256.8	-796.0
Services	789.6	957.8	168.2
<i>Credits</i>	3,003.0	3,111.9	108.9
<i>Debits</i>	2,213.4	2,154.1	-59.3
Primary Income	-345.0	-489.7	-144.7
<i>Credits</i>	303.1	308.7	5.6
<i>Debits</i>	648.1	798.4	150.3
Secondary Income	2,229.3	2,328.4	99.2
<i>Credits</i>	2,465.6	2,569.0	103.4
<i>Debits</i>	236.3	240.6	4.3
Capital Account	17.7	1457.5	1439.8
<i>Credits</i>	17.7	1,457.5	1,439.8
<i>Debits</i>	0.0	0.0	0.0
Net lending (+)/ net borrowing (-) (balance from current and capital account)	-949.6	1,176.6	2,126.2
Financial Account			
Net lending (+) / net borrowing (-) (balance from	-912.2	502.4	1,414.6
Direct Investment	-661.4	-967.6	-306.2
<i>Net acquisition of financial assets</i>	-3.4	8.9	12.2
<i>Net incurrence of liabilities</i>	658.0	976.5	318.5
Portfolio Investments	-202.9	-1,207.3	-1,004.5
<i>Net acquisition of financial assets</i>	655.1	276.6	-378.5
<i>Net incurrence of liabilities</i>	858.0	1,483.9	625.9
Financial derivatives	-118.9	27.9	146.8
<i>Net acquisition of financial assets</i>	-166.1	17.2	183.3
<i>Net incurrence of liabilities</i>	-47.2	-10.7	36.5
Other Investments	-570.2	2,444.9	3,015.1
<i>Net acquisition of financial assets</i>	-189.5	-81.9	107.6
<i>Net incurrence of liabilities</i>	380.7	-2,526.8	-2,907.5
Reserve Assets	641.1	204.6	
Net Errors and Omissions	37.3	-674.2	
1/ Preliminary International Accounts Section Economic Information & Publications Dept. March 2017			

Historical FY-December

Balance of Payments (US\$MN)	2012/13	2013/14:Q2	2014/15:Q3	2015/16:Q4	2016/17
	Apr-Dec	Apr-Dec	Apr-Dec	Apr-Dec	Apr-Dec 1/
Current Account Balance	-1235.0	-1075.0	-958.0	-420.8	-242.9
<i>Credits</i>	5,296.1	5,131.5	5,325.5	5,311.1	5,498.1
<i>Debits</i>	6,531.1	6,206.5	6,283.6	5,731.9	5,740.9
Goods & Services	-2,638.8	-2,474.1	-2,415.3	-1,860.2	-1,663.0
<i>Exports</i>	3,239.8	3,076.2	3,212.2	3,111.2	3,232.9
<i>Imports</i>	5,878.6	5,550.3	5,627.5	4,971.4	4,895.9
Goods	-2,962.5	-2,893.9	-2,874.5	-2,427.8	-2,324.0
<i>Exports</i>	1,274.9	1,111.1	1,064.3	907.6	923.2
<i>Imports</i>	4,237.3	4,005.0	3,938.9	3,335.4	3,247.2
Services	323.7	419.9	459.2	567.7	661.0
<i>Credits</i>	1,964.9	1,965.1	2,147.9	2,203.7	2,309.7
<i>Debits</i>	1,641.3	1,545.3	1,688.7	1,636.0	1,648.8
Primary Income	-178.0	-256.2	-236.3	-331.3	-411.6
<i>Credits</i>	272.7	218.7	241.4	250.5	256.1
<i>Debits</i>	450.7	474.8	477.7	581.8	667.7
Secondary Income	1,581.9	1,655.2	1,693.6	1,770.7	1,831.7
<i>Credits</i>	1,783.6	1,836.7	1,871.9	1,949.3	2,009.0
<i>Debits</i>	201.8	181.4	178.3	178.6	177.3
Capital Account	4.4	5.2	8.5	1457.4	25.8
<i>Credits</i>	4.4	5.2	8.5	1,457.4	25.8
<i>Debits</i>	0.0	0.0	0.0	0.0	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	-1230.6	-1069.8	-949.5	1036.6	-217.0
Financial Account					
Net lending (+) / net borrowing (-) (balance from financial account)	-410.2	-1188.4	-788.9	242.2	279.0
Direct Investment	-300.3	-555.8	-445.4	-704.7	-301.2
<i>Net acquisition of financial assets</i>	-5.2	-118.6	-2.4	5.3	222.8
<i>Net incurrence of liabilities</i>	295.1	437.2	443.1	710.0	524.0
Portfolio Investments	465.1	4.9	-469.2	-1,555.2	315.8
<i>Net acquisition of financial assets</i>	88.0	120.3	252.1	105.7	390.3
<i>Net incurrence of liabilities</i>	-377.1	115.3	721.3	1,660.9	74.5
Financial derivatives	4.2	131.2	-116.9	28.4	42.7
<i>Net acquisition of financial assets</i>	-18.3	52.7	-154.0	18.5	16.2
<i>Net incurrence of liabilities</i>	-22.5	-78.6	-37.1	-9.9	-26.5
Other Investments	78.2	-868.0	-182.7	2,249.3	-175.5
<i>Net acquisition of financial assets</i>	23.3	-184.9	82.7	-225.3	-161.0
<i>Net incurrence of liabilities</i>	-54.9	683.1	265.4	-2,474.6	14.5
Reserves Assets	-657.4	99.2	425.3	224.3	397.2
Net Errors and Omissions	820.4	-118.6	160.6	-794.4	496.0
1/ Preliminary					
International Accounts Section					
Economic Information & Publications Dept.					
March 2017					



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