



ECONOMIC STATISTICS

VOLUME 20 - NO. 11

NOVEMBER 2010



CONTENTS

	Pages
Figures 1-6	1
Monetary Aggregates	2
Commercial Banks Assets and Liabilities	2
Commercial Banks Deposits and Loans	2
Interest Rates (Selected)	3
Securities	4
Instalment Credit	4
Near-Banks	4
Building Societies	4
Inflation Rates	4
Actual Production	4
Stock Market Activities	4
External Trade	5
Tourism	5
Balance of Payments	5
BOJ Net International Reserves	7
Foreign Exchange	7
Reviews on Balance of Payments	9

© 2010 Bank of Jamaica
Nethersole Place
Kingston
Jamaica

Telephone: (876) 922 0750-9
Fax: (876) 922 0854
E-mail: library@boj.org.jm
Internet: www.boj.org.jm

ISSN 1018-9084

SELECTED ECONOMIC INDICATORS

Figure 1

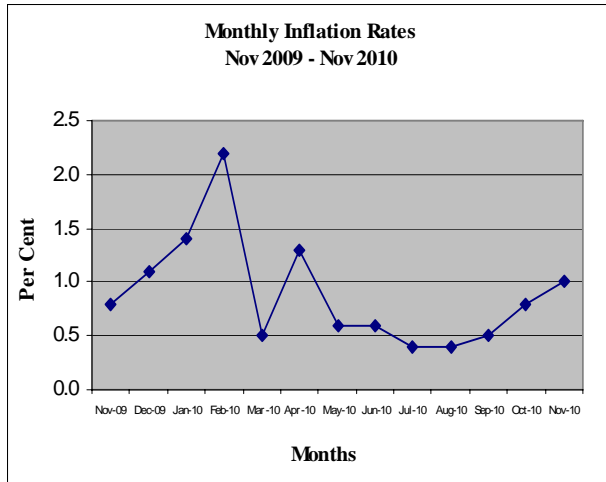


Figure 3

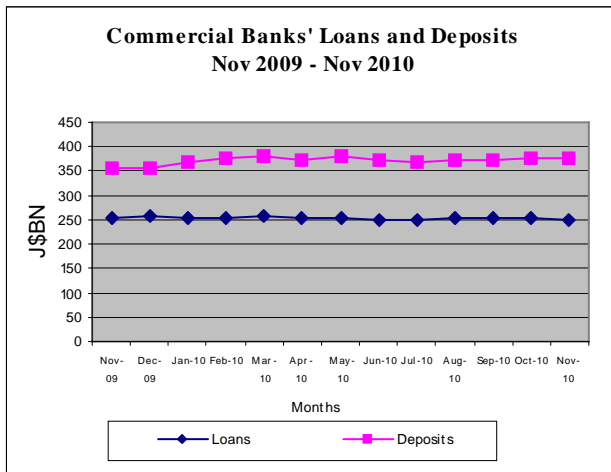


Figure 5

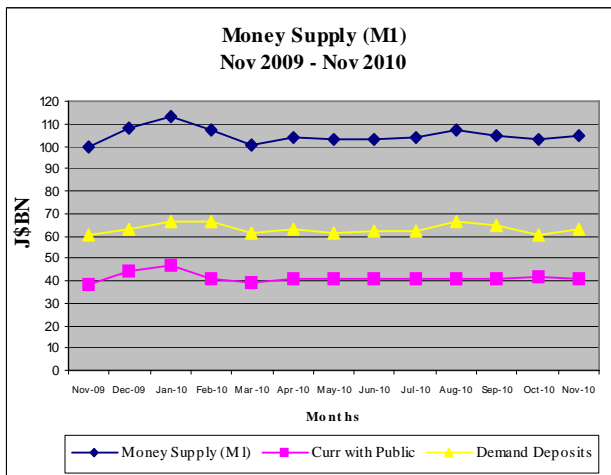


Figure 2

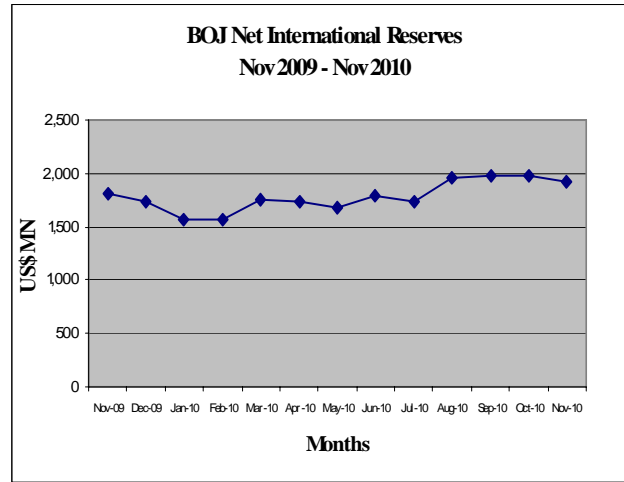


Figure 4

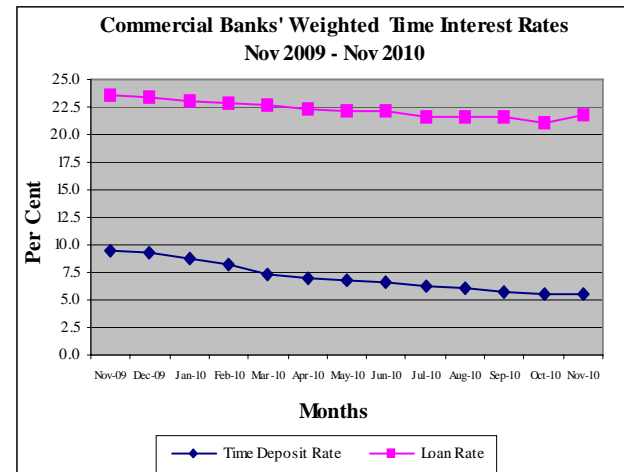
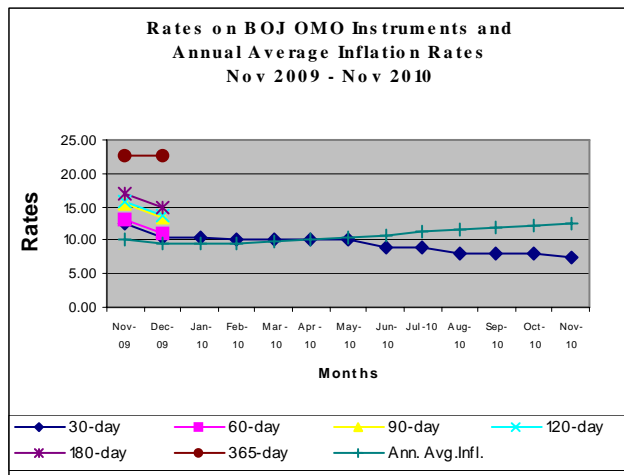


Figure 6



1. MONETARY AGGREGATES (J\$mn.)				%
	Nov 2009	Oct 2010+	Nov 2010	Change p.a.
Local and Foreign Currency				
Money Supply (M1).....	<u>99,516.81</u>	<u>102,673.58</u>	<u>104,320.89</u>	<u>4.83</u>
(a) Currency with the Public.....	38,694.54	41,853.40	40,923.14	5.76
(b) Demand Deposits (adj.)***.....	60,822.27	60,820.18	63,397.74	4.23
Quasi-Money.....	<u>224,674.75</u>	<u>224,779.10</u>	<u>226,028.54</u>	<u>0.60</u>
(a) Time.....	56,292.29	54,515.68	55,721.22	-1.01
(b) Savings.....	168,382.46	170,263.42	170,307.32	1.14
Money Supply (M2).....	<u>324,191.56</u>	<u>327,452.68</u>	<u>330,349.43</u>	<u>1.90</u>
Domestic Credit	<u>352,105.48</u>	<u>316,583.46</u>	<u>319,707.14</u>	<u>-9.20</u>
Local Currency				
Money Supply (M1).....	<u>89,471.17</u>	<u>93,294.51</u>	<u>95,258.03</u>	<u>6.47</u>
(a) Currency with the Public.....	38,694.53	41,853.40	40,923.14	5.76
(b) Demand Deposits (adj.)***.....	50,776.64	51,441.10	54,334.88	7.01
Quasi-Money.....	<u>119,533.21</u>	<u>126,054.00</u>	<u>126,420.36</u>	<u>5.76</u>
(a) Time.....	26,968.16	28,262.76	29,493.63	9.36
(b) Savings.....	92,565.05	97,791.24	96,926.73	4.71
Money Supply (M2).....	<u>209,004.38</u>	<u>219,348.51</u>	<u>221,678.38</u>	<u>6.06</u>
Domestic Credit	<u>251,152.12</u>	<u>236,524.19</u>	<u>237,540.10</u>	<u>-5.42</u>
Base Money.....	<u>73,508.22</u>	<u>75,065.30</u>	<u>74,872.00</u>	<u>1.86</u>
II. COMMERCIAL BANKS (J\$mn.) *				
Assets & Liabilities (J\$mn.)**.....	<u>570,965.43</u>	<u>582,968.52</u>	<u>582,175.46</u>	<u>1.96</u>
Loans**.....	<u>253,683.10</u>	<u>251,649.38</u>	<u>251,000.73</u>	<u>-1.06</u>
Agriculture.....	4,094.34	4,641.64	4,571.55	11.66
Manufacturing.....	8,630.63	8,018.16	7,813.75	-9.46
Construction & Land Development.....	20,668.05	20,544.72	20,553.33	-0.56
Mining.....	759.59	372.12	428.65	-43.57
Tourism.....	39,694.86	31,687.16	31,680.65	-20.19
Transport, Storage & Communication.....	8,506.39	9,430.97	9,351.12	9.93
Consumer-Oriented.....	131,114.59	139,370.64	140,386.51	7.07
Government Services.....	34,305.23	30,408.01	29,689.30	-13.46
Other.....	5,909.42	7,175.96	6,525.87	10.43
Loan Quality (%) - 3 mths & Over				
Total Loans / Past Due Loans.....	3.99	5.48	5.62	
DEPOSITS.....	<u>356,681.18</u>	<u>376,024.82</u>	<u>375,810.47</u>	<u>5.36</u>
Private Sector (including overseas residents).....	<u>310,619.86</u>	<u>307,583.54</u>	<u>310,836.98</u>	<u>0.07</u>
Time.....	72,780.32	67,618.25	68,305.59	-6.15
Savings.....	178,298.89	180,214.79	180,206.84	1.07
Demand.....	59,540.65	59,750.50	62,324.55	4.68
Government.....	<u>19,465.65</u>	<u>22,047.14</u>	<u>22,628.75</u>	<u>16.25</u>
Time.....	1,500.05	1,310.58	1,300.18	-13.32
Savings.....	2,347.40	2,575.29	2,987.96	27.29
Demand.....	15,618.20	18,161.27	18,340.61	17.43
Public Entities.....	<u>10,641.05</u>	<u>23,077.57</u>	<u>18,798.77</u>	<u>76.66</u>
Time.....	5,737.56	15,484.35	9,522.68	65.97
Savings.....	1,883.21	3,790.52	4,721.98	150.74
Demand.....	3,020.28	3,802.70	4,554.11	50.78

* PanCaribbean Commercial Bank began operations in June 2008

** Includes provision for loan losses; and excludes loans acquired by FINSAC.

*** Excludes Deposits of Government, Public Entities, Financial Institutions and Non Residents

				%
II. COMMERCIAL BANKS (J\$mn.) (Cont'd)	Nov 2009	Oct 2010	Nov 2010	Change p.a.
Spec. & O. F. Insts.....	<u>15,954.61</u>	<u>23,316.58</u>	<u>23,545.97</u>	<u>47.58</u>
Time.....	3,057.80	8,747.01	7,717.76	152.40
Savings.....	1,502.68	1,815.41	1,806.30	20.21
Demand.....	11,394.13	12,754.16	14,021.91	23.06
	Nov 2009	Oct 2010	Nov 2010	
Current Account Balances with BOJ (J\$mn).....	<u>588.11</u>	<u>35.55</u>	<u>107.53</u>	
LIQUIDITY (Average) %	Nov 2009	Oct 2010	Nov 2010	
Actual Liquid Assets Ratio.....	<u>35.01</u>	<u>42.47</u>	<u>43.37</u>	
Cash.....	2.55	2.59	2.81	
Deposits with B.O.J.....	14.19	12.22	12.43	
Treasury Bills.....	0.27	0.08	0.13	
Local Registered Stocks.....	1.75	0.00	0.00	
Other.....	16.25	27.58	28.00	
Statutory Requirement.....	<u>28.00</u>	<u>26.00</u>	<u>26.00</u>	
III. SELECTED INTEREST RATES (%)				
COMMERCIAL BANKS (Domestic Currency)	Nov 2009	Oct 2010	Nov 2010	
Fixed Deposits (J\$100,000 & over)				
3-6 months.....	7.65-15.49	2.75-7.90	2.25-7.90	
9-12 months.....	7.55-15.75	2.25-7.70	2.25-7.70	
Call Deposits.....	5.00-13.50	4.00-6.00	3.50-5.00	
Average Savings Deposits	5.35	2.63	2.47	
Average Loan Rate.....	21.91	19.20	19.13	
Average Inter-bank Rate	8.61	4.50	4.16	
	Nov 2009	Oct 2010	Nov 2010	
Weighted Fixed Deposits Rate.....	9.38	5.58	5.53	
Weighted Loan Rate.....	23.65	21.05	21.81	
G.O.J. Treasury Bills (Weighted Average) Yield	Nov 2009	Oct 2010	Nov 2010	
1 Month:.....	-	8.09	7.58	
3 Months:.....	15.99	7.73	7.44	
6 Months:.....	16.94	7.92	7.61	
9 Months:.....	-	-	-	
12 Months:.....	-	-	-	
BOJ Open Market Rates (%)	Nov 2009	Oct 2010	Nov 2010	
30-Day	12.50	8.00	7.50	
60-Day	13.00	-	-	
90-Day	15.50	-	-	
120-Days	15.70	-	-	
180-Days	17.00	-	-	
365-Days	22.67	-	-	
COMMERCIAL BANKS (Foreign Currency)	Nov 2009	Oct 2010	Nov 2010	
Fixed Deposits (Under US\$100,000)				
1-3 months.....	1.00-3.70	0.50-3.70	0.50-3.70	
3-6 months.....	1.00-4.29	0.75-4.10	0.75-4.10	
6-12 months.....	1.00-4.56	0.94-4.30	0.94-4.30	
Fixed Deposits (US\$100,000 & Over)				
1-3 months.....	1.00-4.85	0.80-3.70	0.80-3.70	
3-6 months.....	1.00-5.15	0.86-4.10	0.86-4.10	
6-12 months.....	1.00-5.65	1.01-4.30	1.01-4.30	
Average Loan Rates	10.39	10.16	10.16	
Average Savings	1.97	0.92	0.85	

+ Revised

				% Change p.a.
IV. SECURITIES (J\$mn.) (outstanding balances)	Nov 2009	Oct 2010	Nov 2010	
GOJ Local Registered Stock.....	183,922.97	0.00	0.00	-100.00
JDX Benchmark Notes	0.00	759,730.66	760,335.74	-
GOJ Treasury Bills.....	3,806.03	4,000.00	4,000.00	5.10
BOJ Open Market Operations 1/.....	112,621.92	129,798.64	129,121.02	14.65
V. INSTALMENT CREDIT (J\$mn.) (Banks & Near Banks)	Oct 2009	Sept 2010	Oct 2010	
Total Credit Outstanding.....	29,476.82	28,683.73	28,563.09	-3.10
New Business.....	683.37	1,416.79	1,225.11	79.27
VI. NEAR-BANKS (J\$mn.)**** (Merchant Banks, Trust Com. & Finance Houses)	Nov 2009	Oct 2010	Nov 2010	
Assets/Liabilities.....	32,301.98	25,088.79	24,865.96	-23.02
Loans Outstanding.....	10,041.68	7,150.66	7,279.56	-27.51
Total Deposits.....	13,038.63	8,531.61	8,457.69	-35.13
Loans.....	<u>10,041.68</u>	<u>7,150.66</u>	<u>7,279.56</u>	<u>-27.51</u>
Agriculture.....	22.19	25.31	25.29	13.97
Manufacturing.....	342.93	435.06	418.47	22.03
Construction & Land Development.....	2,257.49	2,049.44	2,103.28	-6.83
Mining, Quarrying & Processing.....	33.60	0.00	0.00	-100.00
Tourism.....	462.84	302.86	303.52	-34.42
Transport, Storage & Communication.....	270.53	1.15	1.12	-99.59
Consumer Oriented.....	5,967.42	3,794.88	3,885.23	-34.89
Government Services.....	145.75	100.34	101.00	-30.70
Other.....	538.93	441.62	441.65	-18.05
Loan Quality (%) - 3 mths & Over				
Past Due Loans/Total Loans	7.47	9.98	9.88	
	Nov 2009	Oct 2010	Nov 2010	
Liquid Assets Ratio (average) %.....	29.75	29.51	28.84	
Statutory Requirement.....	28.00	26.00	26.00	
VII. BUILDING SOCIETIES (J\$mn.) (members & associate members)	Nov 2009	Oct 2010	Nov 2010	
Assets/Liabilities.....	159,083.89	168,181.51	168,988.03	6.23
Loan Balances.....	84,141.59	86,454.31	86,723.50	3.07
Savings Funds.....	108,841.84	114,974.22	114,751.90	5.43
Loan Quality (%) - 3 mths & Over				
Past Due Loans/Total Loans	5.40	6.90	7.00	
VIII. INFLATION	Nov 2009	Oct 2010	Nov 2010	
Consumer Price Index (Dec. 2006 = 100).....	148.7	164.0	165.7	11.43
Monthly Rate (%).....	0.8	0.8	1.0	
Calendar Year to Date (%).....	8.9	9.0	10.2	
Fiscal Year to Date (%)	7.6	4.7	5.8	
IX. ACTUAL PRODUCTION ('000)	Nov 2009	Oct 2010	Nov 2010	
Crude Bauxite (tonnes).....	363.52	386.77	294.58	-18.96
Alumina (tonnes).....	114.60	146.78	155.19	35.42
Sugar (tonnes).....	0.00	0.00	0.00	-
Banana Exports (tonnes).....	0.00	0.00	0.00	-
X. STOCK MARKET ACTIVITIES	Nov 2009	Oct 2010+	Nov 2010	
Index**.....	83,322.40	83,352.14	84,466.50	1.37
Volume Traded (mn.)***.....	319.28	133.23	132.74	-58.43
Ordinary Shares.....	319.28	131.33	60.87	-80.94
Block Transactions.....	0.00	1.90	71.87	-

- No Production ** As at end of month *** Monthly values

X. STOCK MARKET ACTIVITIES (cont'd)	Nov 2009	Oct 2010	Nov 2010	%
Value of Stocks Traded (J\$mn.)***	3,326.29	2,115.93	1,751.26	-47.35
Ordinary Shares	3,326.29	2,115.26	795.45	-76.09
Block Transactions	0.00	0.67	955.81	-
Advance/Decline Ratio***	25/13	15/17	16/18	
XI. EXTERNAL TRADE (US\$mn.)				
1. EXPORTS	Jan-Aug 2009	Jan-Aug 2010		Change
(a) Major Traditional Exports	<u>386.97</u>	<u>356.05</u>		<u>-30.92</u>
Bauxite	50.20	89.84		39.64
Alumina	264.44	221.97		-42.47
Sugar	72.33	44.24		-28.09
Bananas	0.00	0.00		0.00
(b) Other Traditional Exports	65.08	57.48		-7.60
(c) Non-Traditional Exports	364.41	323.68		-40.73
(d) Re-exports	49.41	50.04		0.63
General Merchandise Exports	<u>865.87</u>	<u>787.25</u>		<u>-78.62</u>
(e) Freezone Exports	37.90	26.52		-11.38
(f) Goods Procured in Ports	68.10	95.68		27.58
Total Goods Exports	<u>971.87</u>	<u>909.45</u>		<u>-62.42</u>
2. IMPORTS (by S.I.T.C.)				
(a) Food	538.12	529.69		-8.43
(b) Beverage & Tobacco	51.18	50.36		-0.81
(c) Crude Material	35.10	39.18		4.08
(d) Mineral Fuel	895.95	1,050.68		154.73
(e) Animal & Vegetable Oil	24.49	11.97		-12.52
(f) Chemicals	458.26	414.72		-43.54
(g) Manufactured Goods	350.99	367.31		16.32
(h) Machinery & Transportation	535.73	506.05		-29.68
(i) Miscellaneous Manufactured Goods	276.00	308.33		32.33
(j) Miscellaneous Commodities	91.27	54.14		-37.13
General Merchandise Imports	<u>3,257.09</u>	<u>3,332.43</u>		<u>75.34</u>
Freezone Imports	8.69	19.95		11.25
Goods Procured in Ports	26.17	36.41		10.25
Total Goods Imports	<u>3,291.95</u>	<u>3,388.79</u>		<u>96.84</u>
Trade Balance	<u>-2,320.08</u>	<u>-2,479.34</u>		<u>-159.26</u>
XII. TOURISM				
	Jul 2009	Jul 2010		% Change
Tourist Arrivals ('000)	<u>252.05</u>	<u>269.43</u>		<u>6.90</u>
Stop Overs	195.94	204.53		4.38
Foreign Nationals	177.71	185.09		4.15
Non-Resident Jamaicans	18.23	19.44		6.64
Cruise	56.11	64.90		15.67
XIII. BALANCE OF PAYMENTS (US\$mn.)				
Balance of Payments (Calendar)				
1. Current Account	Jan-Aug 2009	Jan-Aug 2010		Change
A. Goods balance	<u>-531.9</u>	<u>-467.6</u>		<u>64.3</u>
Exports (f.o.b.)	<u>-1,894.4</u>	<u>-2,056.4</u>		<u>-162.0</u>
Imports (f.o.b.)	971.9	909.4		-62.5
Imports (f.o.b.)	2,866.3	2,965.8		99.5
B. Service Balance	<u>633.2</u>	<u>683.2</u>		<u>50.0</u>
Transportation	-270.4	-266.3		4.1
Travel	1,252.0	1,304.8		52.8
Other Services	-348.4	-355.3		-6.9

*** Monthly values
1/ Provisional
+ Revised

Balance of Payments (Calendar) (Cont'd)

	Jan-Aug 2009	Jan-Aug 2010	Change
C. Income	<u>-469.3</u>	<u>-397.4</u>	<u>71.9</u>
Compensation of Employees.....	25.0	29.1	4.1
Investment Income.....	-494.3	-426.5	67.8
D. Current Transfers	<u>1,198.6</u>	<u>1,303.0</u>	<u>104.4</u>
Official.....	84.1	114.4	30.3
Private.....	1,114.5	1,188.6	74.1
2. Capital and Financial Account	<u>531.9</u>	<u>467.6</u>	<u>-64.3</u>
A. Capital Account	<u>28.2</u>	<u>-19.5</u>	<u>-47.7</u>
Capital Transfers.....	<u>28.2</u>	<u>-19.5</u>	<u>-47.7</u>
Official.....	44.7	4.2	-40.5
Private.....	-16.5	-23.7	-7.2
Acq./Disp. of non-produced non-fin. assets....	0.0	0.0	0.0
B. Financial Account	<u>503.7</u>	<u>487.1</u>	<u>-16.6</u>
Other Official Investment.....	108.9	719.2	610.3
Other Private Investment.....	556.1	-4.5	-560.6
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>-161.3</u>	<u>-227.6</u>	
	Apr-Aug	Apr-Aug	Change
<i>Balance of Payments (Fiscal)</i>	2009/2010	2009/2010	
1. Current Account	<u>-316.2</u>	<u>-422.9</u>	<u>-106.8</u>
A. Goods balance	<u>-1,153.1</u>	<u>-1,361.4</u>	<u>-208.3</u>
Exports (f.o.b.).....	622.3	542.2	-80.1
Imports (f.o.b.).....	1,775.4	1,903.6	128.2
B. Service Balance	<u>367.7</u>	<u>361.4</u>	<u>-6.4</u>
Transportation.....	-167.8	-182.0	-14.2
Travel.....	749.7	753.5	3.8
Other Services.....	-214.2	-210.1	4.1
C. Income	<u>-301.9</u>	<u>-258.5</u>	<u>43.4</u>
Compensation of Employees.....	21.1	26.0	4.9
Investment Income.....	-323.0	-284.5	38.5
D. Current Transfers	<u>771.1</u>	<u>835.6</u>	<u>64.5</u>
Official.....	53.4	88.6	35.2
Private.....	717.7	747.0	29.3
2. Capital and Financial Account	<u>316.2</u>	<u>422.9</u>	<u>106.8</u>
A. Capital Account	<u>-6.7</u>	<u>-13.9</u>	<u>-7.2</u>
Capital Transfers.....	-6.7	-13.9	-7.2
Official.....	2.8	0.2	-2.6
Private.....	-9.5	-14.1	-4.6
Acq./Disp. of non-produced non-fin. assets	0.0	0.0	0.0
B. Financial Account	<u>322.9</u>	<u>436.8</u>	<u>114.0</u>
Other Official Investment.....	291.6	248.5	-43.1
Other Private Investment.....	336.9	393.4	56.5
<i>(incl. errors & omissions)</i>			
Reserves.....	<u>-305.7</u>	<u>-205.1</u>	

XIV. BOJ NET INTERNATIONAL RESERVES (US\$mn.)	Nov 2009	Oct 2010+	Nov 2010	% Change p.a.
BOJ Net International Reserves (US\$mn.).....	<u>1,805.17</u>	<u>1,983.47</u>	<u>1,918.48</u>	<u>6.28</u>
Gross Foreign Assets.....	1,827.67	2,807.43	2,718.98	48.77
Gross Foreign Liabilities.....	22.50	823.96	800.50	3,457.78
Estimated Gross Reserves in Weeks of Goods				
Imports.....	<u>19.92</u>	<u>30.44</u>	<u>29.06</u>	
Estimated Gross Reserves in Weeks of Goods and Services Imports.....	<u>13.98</u>	<u>22.11</u>	<u>21.18</u>	
 XV. FOREIGN EXCHANGE DEVELOPMENTS (US\$mn.)*	 Nov 2009	 Oct 2010	 Nov 2010	
Combined Foreign Exchange Trading				
Foreign Exchange Purchases (spot).....	694.20	740.26	800.69	15.34
Foreign Exchange Sales (spot).....	682.95	770.59	775.15	13.50
 Foreign Currency Deposit Balances of Authorised Dealers (US\$mn.)	 Oct 2009	 Sept 2010	 Oct 2010	
Commercial Banks Balances.....	<u>1,648.49</u>	<u>1,701.82</u>	<u>1,703.63</u>	<u>3.34</u>
"A" Accounts 1/.....	155.24	136.75	137.84	-11.21
"B" Accounts	0.15	0.15	0.15	-
Other.....	1,493.10	1,564.92	1,565.64	4.86
F.I.As Balance.....	<u>108.68</u>	<u>79.92</u>	<u>124.95</u>	<u>14.97</u>
"A" Accounts 1/.....	51.61	32.81	50.44	-2.27
"B" Accounts	0.16	0.02	0.00	-100.00
Other.....	56.91	47.09	74.51	30.93
Building Societies Balances.....	<u>495.70</u>	<u>523.50</u>	<u>527.07</u>	<u>6.33</u>
"A" Accounts 1/.....	224.39	235.40	238.34	6.22
"B" Accounts	56.88	61.54	62.05	9.09
Other	214.43	226.56	226.68	5.71
Total Foreign Currency Deposits (US\$mn.).....	<u>2,252.87</u>	<u>2,305.24</u>	<u>2,355.65</u>	<u>4.56</u>
Total Foreign Currency Loans (US\$mn.).....	<u>1,549.92</u>	<u>1,423.68</u>	<u>1,439.16</u>	<u>-7.15</u>
Commercial Banks.....	1,411.50	1,289.80	1,291.08	-8.53
F.I.As	56.18	44.99	62.96	12.07
Building Societies.....	82.24	88.89	85.12	3.50

* Foreign Currency balances represent the US dollar equivalent of the value of total transactions in major international currencies
1/ 'A' Accounts are tax free Foreign Currency Accounts held by non-residents
+ Revised

London Interbank Offer Rate (LIBOR) Eurodollars (%)	Nov 2009	Oct 2010	Nov 2010
3 months.....	0.68	0.99	0.97
6 months.....	0.98	1.22	1.21
U.S. Prime Rate (end of period) (%).....	3.25	3.25	3.25
 Selling Exchange Rates (end period)	Nov 2009	Oct 2010	Nov 2010
US\$1.00 = J\$.....	89.59	85.62	86.14
Can. \$1.00 = J\$.....	84.38	84.16	83.42
U.K. Pound = J\$.....	147.04	136.18	133.42
Euro = J\$**.....	134.26	119.00	112.72
 Caricom Selling Exchange Rates**			
T.T. \$1 = J\$.....	14.13	13.49	13.54
Bdos. \$1 = J\$.....	44.82	42.80	43.06
Guy. \$1 = J\$.....	0.45	0.43	0.43
E.C. \$1 = J\$.....	33.20	31.71	31.90

**XVI. QUARTERLY GROSS DOMESTIC PRODUCT
REAL GROWTH RATES (%)**

	Sept 2009	Jun 2010	Sept 2010
Total Value-Added at Basic Prices			
Seasonally Adjusted*	0.6	-1.1	1.8
Seasonally Unadjusted***	-2.5	-2.0	-0.9

* Percentage change (%) over preceding quarter
** Indicative Rates
*** Percentage Change (%) over the corresponding quarter of the previous year

**JAMAICA:
BALANCE OF PAYMENTS DEVELOPMENTS
AUGUST 2010**

August 2010

Provisional data indicate that the current account deficit widened by US\$45.0 million in August 2010, relative to the deficit in August 2009 (see Table). An expansion of US\$46.8 million in the merchandise trade deficit and a marginal decline in the surplus on current transfers were the main reasons behind the deterioration. The increase in the merchandise trade deficit largely reflected higher payments for *Chemicals and Machinery and Transport Equipment* imports as well as a reduction in earnings from ethanol exports. A US\$5.0 million decrease in net official grant inflows influenced the decline in the surplus on the current transfers sub-account. Partly offsetting the impact of these changes was a narrowing of US\$6.3 million in the deficit on the income sub-account, due mainly to a reduction in imputed profit remittances by foreign direct investment companies, as well as an increase in inflows from compensation of employees.

With regard to financing, net official and private capital inflows were more than sufficient to finance the deficits on the current and capital accounts. As a result, the net international reserves of the Bank of Jamaica increased by US\$224.3 million for the month.

January – August 2010

The current account recorded a deficit of US\$467.6 million for the period January to August 2010, an improvement of US\$64.3 million, relative to the same period in 2009. With the exception of merchandise trade, all the sub-accounts contributed to the improvement in the current account deficit. There was a US\$104.4 million increase in the surplus on the current transfers sub-account, partly reflecting growth of 7.2 per cent in gross private remittance inflows. In addition, there was a reduction of US\$71.9 million in the deficit on the income sub-account, reflecting lower imputed profit remittances and interest payments by foreign direct investment companies and the public sector, respectively. The improved outturn for the services sub-account was mainly attributed to a 4.2 per cent increase in stopover visitor arrivals and an estimated 16.6 per cent decline in the expenditure of Jamaicans travelling abroad during the period.

The US\$161.9 million widening in the merchandise trade deficit largely reflected the impact of an increase of 17.7 per cent in the payments for mineral fuel imports. In the context of a 40.5 per cent increase in the average price of oil, this implies that fuel volumes declined significantly. Export earnings also fell by US\$62.4 million, largely reflecting respective contractions of 38.8 per cent and 70.2 per cent in the values of alumina and ethanol exports.

With regard to financing, net inflows from official sources, which included multilateral loans from the IDB, World Bank and CDB totalling US\$632.8 million, were more than sufficient to finance a marginal net private capital outflow as well as the deficits on the current and capital accounts. Consequently, the NIR increased by US\$227.6 million during the period. The Bank's gross reserves at end-August 2010 amounted to US\$2 763.0 million, representing 21.6 weeks of projected goods and services imports.

BALANCE OF PAYMENTS SUMMARY (US\$M)

	Aug	Aug		Jan-Aug	Jan-Aug ^{1/}	
	2009	2010	Change	2009	2010	Change
1. CURRENT ACCOUNT	-57.6	-102.6	-45.0	-531.9	-467.6	64.3
A. GOODS BALANCE	-223.8	-270.6	-46.8	-1,894.4	-2,056.4	-161.9
Exports (f.o.b.)	136.1	119.8	-16.3	971.9	909.4	-62.5
Imports (f.o.b.)	359.9	390.4	30.5	2,866.3	2,965.8	99.5
B. SERVICES BALANCE	49.4	50.3	0.9	633.2	683.2	50.0
Transportation	-33.5	-38.7	-5.2	-270.4	-266.3	4.1
Travel	121.8	129.6	7.8	1,252.0	1,304.8	52.8
Other Services	-38.9	-40.5	-1.6	-348.4	-355.3	-6.9
C. INCOME	-51.4	-45.1	6.3	-469.3	-397.4	71.9
Compensation of employees	6.1	10.3	4.2	25.0	29.1	4.1
Investment Income	-57.5	-55.4	2.1	-494.3	-426.5	67.8
D. CURRENT TRANSFERS	168.2	162.8	-5.4	1,198.6	1,303.0	104.4
Official	20.5	15.5	-5.0	84.1	114.4	30.3
Private	147.7	147.3	-0.4	1,114.5	1,188.6	74.1
2. CAPITAL & FINANCIAL ACCOUNT	57.6	102.6	45.0	531.9	467.6	64.3
A. CAPITAL ACCOUNT	-1.5	-2.4	-0.9	28.2	-19.5	-47.7
a. Capital Transfers	-1.5	-2.4	-0.9	28.2	-19.5	-47.7
Official	0.1	0.1	0.0	44.7	4.2	-40.5
Private	-1.6	-2.5	-0.9	-16.5	-23.7	-7.2
b. Acq./disposal of non-prod. non-fin'l assets	0.0	0.0	0.0	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	59.1	105.0	-46.0	503.7	487.1	-16.6
Other official investment	321.2	152.6	-168.6	-108.9	719.2	610.3
Other private investment 2/	23.2	176.7	153.6	556.1	-4.5	-560.6
Reserves	-285.3	-224.3		-161.3	-227.6	

1/ Provisional

2/ Includes errors & omissions

