



THE BALANCE OF PAYMENTS

REMITTANCE UPDATE February 2010

External Sector Statistics Unit
Economic Information & Publications Department
RESEARCH AND ECONOMIC PROGRAMMING DIVISION
BANK OF JAMAICA
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TABLE OF CONTENTS

	Pages
Overview.....	1
Current Remittances.....	4
Historical Remittances.....	7
Selected Indicators.....	9
Remittances: Selected Countries.....	10
Remittances by Source Country.....	11
Charts	
1. Contribution of Remittances by Source Country.....	12
2. Percentage Contribution by Source Country.....	13
Appendices	
1. Proposed Revision to Remittance Statistics.....	14
2. Comparative data based on the Old and New Remittances Definition.....	16

Overview

Table 1

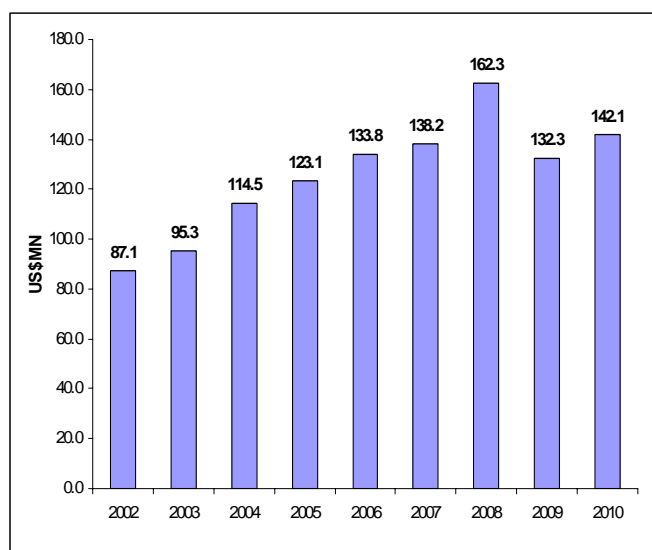
JAMAICA'S REMITTANCES (US\$MN)				
	Feb	Feb		
	2009	2010*	Change	Change**
Total Remittance Inflows	132.3	142.1	9.7	7.4
Remittance Companies [^]	113.3	122.4	9.1	8.0
Other Remittances	19.0	19.7	0.6	3.4
Total Remittance Outflows	15.4	14.9	-0.5	-3.2
Net Remittances	116.9	127.2	10.2	8.8

* Provisional
 ** Growth relative to the corresponding period of the previous year
 ^ Flows through Remittance Companies

Source: Bank of Jamaica

Graph 1

**Historical Trend in Remittance Inflows
February 2002-2010**



Source: Bank of Jamaica

February 2010

For February 2010, net remittances were **US\$127.2 million**, which represented an improvement of **US\$10.2 million** or **8.8 per cent** relative to the corresponding period of 2009. This improvement resulted primarily from improvements in inflows through Remittance companies as well as a decline in remittance outflows (Table 1).

During the month, total remittance inflows were **US\$142.1 million**, an improvement of **US\$9.7 million** or **7.4 per cent**. This emanated primarily from the *Remittance Companies* category, which recorded an increase of **US\$9.1 million**. Remittances recorded in the *Other Remittances*¹ category was **US\$19.7 million**, representing an increase of **3.4 per cent** relative to the corresponding period in 2009.

For the month, remittance inflows of **US\$142.1 million** represent a reversal of the decline noted in a February 2009 (Graph 1). This improvement resulted primarily from increases in the total remittance inflows through remittance companies.

¹ This category consists of flows through institutions other than Remittance Companies that are classified as remittances by the Balance of Payments Manual (BPM5).

Table 2

JAMAICA'S REMITTANCES (US\$MN)				
	Jan-Feb	Jan-Feb		
	2009	2010*	Change	% Change**
Total Remittance Inflows	266.4	278.3	11.8	4.4
Remittance Companies[^]	222.3	238.6	16.4	7.4
Other Remittances	44.2	39.6	-4.6	-10.3
Total Remittance Outflows	36.1	30.0	-6.1	-16.9
Net Remittances	230.4	248.3	17.9	7.8

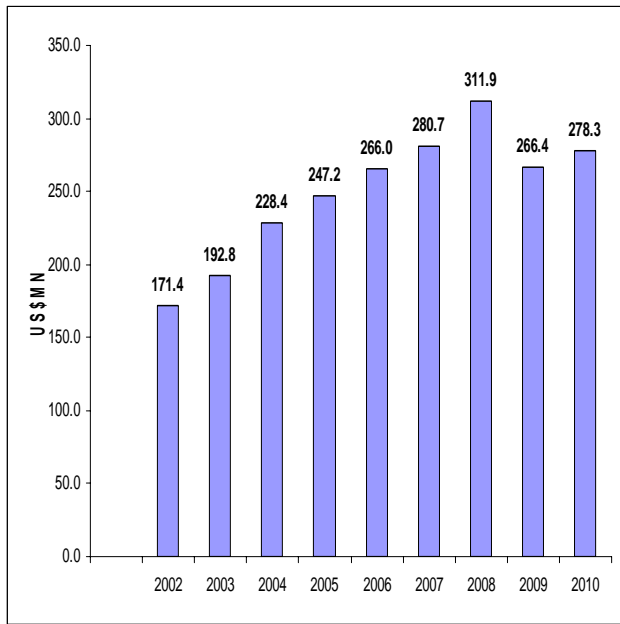
* Provisional
 ** Growth relative to the corresponding period of the previous year
 ^ Flows through Remittance Companies

January to February 2010

For the first two months of 2010, net remittances were **US\$248.3 million**, which represented an increase of **US\$17.9 million** or **7.8 per cent** relative to the corresponding period (Table 2).

For the calendar year to date, total remittance inflows were **US\$278.3 million**, representing an increase of **US\$11.8 million** or **4.4 per cent**. This increase in total remittance inflows emanated mainly from improvements in inflows to *Remittance Companies* which recorded total inflows of **US\$238.6 million**, a **US\$16.4 million** or **7.4 per cent** improvement compared to the corresponding period in 2009.

Graph 2
Historical Trend in Remittance Inflows
Jan - Feb 2002-2010



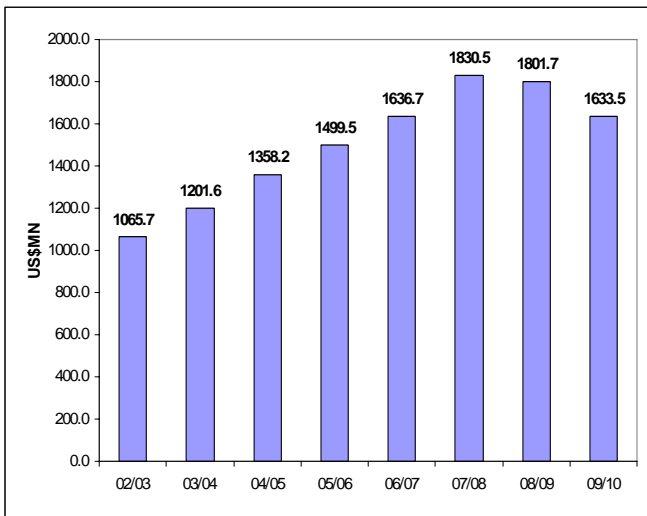
Although marginally better than the corresponding period in 2009, remittance inflows of **US\$278.3 million** for Jan-Feb 2010 was still below the trend observed in recent history (Graph 2).

Table 3

JAMAICA'S REMITTANCES (US\$MN)				
	April-Feb			
	2008/09	2009/10	Change	% Change**
Total Remittance Inflows	1801.6	1633.5	-168.1	-9.3
Remittance Companies ^	1394.4	1416.7	22.4	1.6
Other Remittances	407.2	216.7	-190.5	-46.8
Total Remittance Outflows	268.5	198.8	-69.8	-26.0
Net Remittances	1533.0	1434.7	-98.4	-6.4

* Provisional
** Growth relative to the corresponding period of the previous year
^ Flows through Remittance Companies

Graph 4
Historical Trend Remittance Inflows
Apr-Feb



Source: Bank of Jamaica

April to February 2009/10

For the period April 2009 to February 2010, net remittances were **US\$1,434.7 million**, which represented a decline of **US\$98.4 million** or **6.4 per cent** relative to the corresponding period. The decline in net remittance emanated primarily from the decline in total remittance inflows (Table 3).

For the FY-to-date, total remittance inflows were **US\$1,633.5 million**, representing a decline of **US\$168.1 million** or **9.3 per cent** below corresponding period in the previous fiscal year. The decline in total remittance inflows emanated mainly from the *Other Remittance* category, which declined by **US\$190.5 million** or **46.8 per cent**. The *Remittance Companies* category recorded total inflows of **US\$1,416.7 million**, a **US\$22.4 million** or **1.6 per cent** improvement compared to the corresponding period in fiscal year 2008/09.

The remittance inflows of **US\$1,633.5 million** for the first eleven months of the FY 2009/10 represents a continued reversal of the increasing trend occurring up to fiscal year 2007/08 (Graph 4). This decline was consistent with economic downturn experienced in the major source markets.

Jamaica's Remittances

US\$ Millions

	<i>2009 Feb</i>	<i>2010* Feb</i>	<i>Change</i>	<i>% Change**</i>
Remittance Companies ^	113.3	122.4	9.1	8.0
Other Remittances	19.0	19.7	0.6	3.4
Total Remittance Inflows	132.3	142.1	9.7	7.4
Total Remittance Outflows	15.4	14.9	-0.5	-3.2
Net Remittances	116.9	127.2	10.2	8.8

** Provisional*

*** Growth relative to the corresponding period of the previous year.*

^ Flows through Remittance Companies

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Research & Economic Programming Division
Bank of Jamaica*

Jamaica's Remittances

US\$ Millions

	2009 Jan-Feb	2010* Jan-Feb	Change	% Change**
Remittance Companies^	222.3	238.6	16.4	7.4
Other Remittances	44.2	39.6	-4.6	-10.3
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Net Remittances	230.4	248.3	17.9	7.8

* *Provisional*

** *Growth relative to the corresponding period of the previous year.*

^ *Flows through Remittance Companies*

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Jamaica's Remittances

US\$ Millions

	`2008/09 April-Feb	`2009/10 April-Feb	Change	% Change**
Remittance Companies^	1394.4	1416.7	22.4	1.6
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* *Provisional*

** *Growth relative to the corresponding period of the previous year.*

^ *Flows through Remittance Companies*

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Jamaica's Historical Remittances

US\$ Millions

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Remittance Companies												
2008	111.0	122.1	131.7	128.6	138.3	128.7	133.3	124.7	137.6	126.7	110.7	143.5
2009	109.0	113.3	126.5	123.6	128.6	127.9	128.9	128.2	129.6	136.5	119.3	155.4
2010	116.2	122.4										
month/month growth rate (%):2010/2009	6.7	8.0										
CYTD growth rate (%):2010/2009	6.7	7.4										
Other Remittances												
2008	38.5	40.2	42.6	48.8	42.2	42.5	43.8	41.3	46.8	39.3	24.9	33.5
2009	25.1	19.0	19.4	18.1	17.0	25.9	25.0	23.9	22.8	19.4	23.4	25.5
2010	19.9	19.7										
month/month growth rate (%):2010/2009	-20.6	3.4										
CYTD growth rate (%):2010/2009	-20.6	-10.3										
Total Remittance Inflows												
2008	149.6	162.3	174.3	177.4	180.5	171.2	177.0	165.9	184.3	166.0	135.7	177.0
2009	134.1	132.3	145.9	141.7	145.6	153.8	153.9	152.1	152.4	155.9	142.7	180.9
2010	136.2	142.1										
month/month growth rate (%)	1.5	7.4										
CYTD growth rate (%)	1.5	4.4										
Total Remittance Outflows												
2008	27.3	26.6	26.8	26.0	25.7	26.2	27.8	29.9	24.8	24.0	22.3	25.8
2009	20.7	15.4	19.6	15.0	15.8	20.3	28.4	17.9	19.4	19.7	20.9	24.5
2010	15.1	14.9										
month/month growth rate (%)	-27.2	3.2										
CYTD growth rate (%)	-27.2	-16.9										
Net Remittances												
2008	122.2	135.7	147.5	151.4	154.8	145.0	149.2	136.1	159.5	142.0	113.4	151.3
2009	113.4	116.9	126.3	126.7	129.8	133.5	125.5	134.3	133.0	136.2	121.8	156.4
2010	121.1	127.2										
month/month growth rate (%)	6.8	8.8										
CYTD growth rate (%)	6.8	7.8										

*** Provisional**

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Jamaica's Historical Remittances (US\$MN)

	2007	2008	2009*
<i>Remittance Companies</i>	1166.7	1536.9	1526.9
<i>Other Remittances</i>	797.6	484.4	265.0
<i>Total Remittance Inflows</i>	1964.3	2021.3	1791.9
<i>Total Remittance Outflows</i>	303.2	313.2	237.4
<i>Net Remittances</i>	1661.1	1708.1	1554.5

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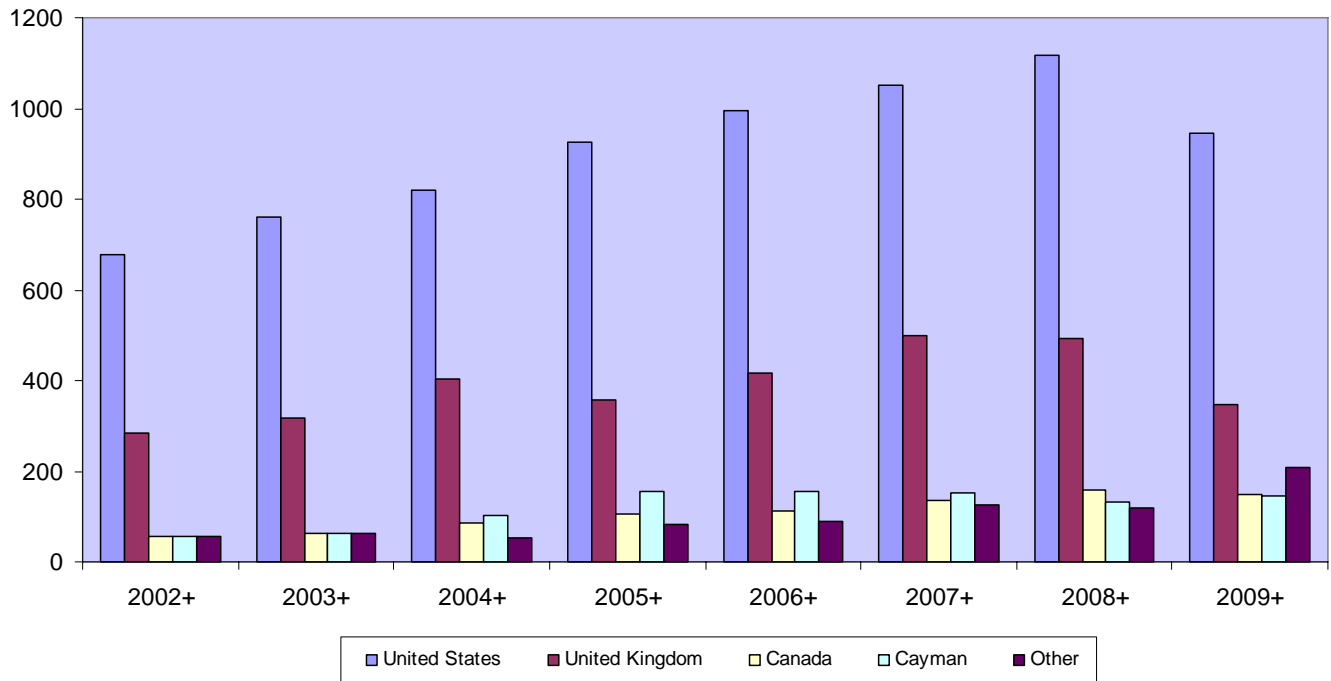
*Bank of Jamaica
* Provisional*

SELECTED INDICATORS				
	2005	2006	2007**	2008*
Selected indicators (US\$mn)				
REMITTANCE INFLOWS	1621.2	1769.4	1964.3	2025.1
TOURISM EXPENDITURE	1545.1	1870.1	1910.0	1983.6
EXPORTS	1664.3	2133.6	2362.6	2759.5
FDI	682.5	882.2	866.5	1436.6
IMPORTS	4866.2	5801.4	7049.4	8970.2
GDP	11134.8	11983.6	12899.2	14722.9
Remittance/Population (US\$) (Per Capita)	611.1	663.8	733.2	752.5
Remittances/GDP	14.6	14.8	15.2	13.8
Remittances/Tourist Expenditure	104.9	94.6	102.8	102.1
Remittances /Exports	97.4	82.9	83.1	73.4
Remittances/FDI (INFLOWS)	237.5	200.6	226.7	141.0
Remittances/Imports	33.3	30.5	27.9	22.6
<i>External Sector Statistics Unit Economic Information & Publications Department Bank of Jamaica March 31, 2010</i>				
** Provisional * Revised				

Remittances for Selected Countries												
US\$ Millions												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*
Mexico												
2008	1781.1	1859.4	2115.9	2188.4	2371.2	2264.1	2186.7	2097.5	2113.4	2636.6	1747.3	1,775.8
2009	1568.2	1803.4	2104.4	1779.8	1900.1	1922.8	1833.4	1780.4	1742.1	1691.20	1495.10	1560.1
2010	1320.7	..	..	..	..	..	..	..	..	..	..	..
month/month growth rate (%)2010/2009	-15.8	..	..	..	..	..	..	..	..	..	..	..
CYTD growth rate (%)2010/2009	-15.8	..	..	..	..	..	..	..	..	..	..	..
El Salvador												
2008	275.5	298.3	338.4	338.5	353.4	334.4	332.1	305.7	304.7	304.3	264.8	337.5
2009	252.4	275.1	315.8	292.5	308.2	295.7	286.1	287.4	270.9	281.7	262.7	336.5
2010	236.0	269.2	..	..	..	..	..	..	..	..	..	..
month/month growth rate (%)2010/2009	-6.5	-2.1	..	..	..	..	..	..	..	..	..	..
CYTD growth rate (%)2010/2009	-6.5	-4.2	..	..	..	..	..	..	..	..	..	..
Guatemala												
2008	369.8	362.7	378.1	432.9	451.4	423.0	457.2	411.7	416.4	419.7	358.9	383.5
2009	320.5	322.5	385.2	383.1	384.9	393.2	405.7	370.8	367.4	362.8	326.3	383.8
2010	291.7	311.4	..	..	..	..	..	..	..	..	..	..
month/month growth rate (%)2010/2009	-9.0	-3.4	..	..	..	..	..	..	..	..	..	..
CYTD growth rate (%)2010/2009	-9.0	-6.2	..	..	..	..	..	..	..	..	..	..
Jamaica												
2008	149.6	162.3	174.3	177.4	180.5	171.2	177.0	165.9	184.3	166.0	135.7	177.0
2009	134.1	132.3	145.9	141.7	145.6	153.8	153.9	152.1	152.4	155.9	142.7	180.9
2010	136.2	142.1	..	..	..	..	..	..	..	..	..	..
month/month growth rate (%)2010/2009	1.6	7.4	..	..	..	..	..	..	..	..	..	..
CYTD growth rate (%)2010/2009	1.6	4.4	..	..	..	..	..	..	..	..	..	..
Dominican Republic												
2008	250.6	270.3	287.8	265.1	266.1	263.1	307.6	271.6	246.8	258.0	232.5	302.0
2009	229.2	241.4	271.7	241.2	265.0	248.4	279.9	263.0	248.1	247.8	226.7	279.1
2010	..	..	..	..	..	..	..	..	..	..	..	..
month/month growth rate (%)2010/2009	..	..	..	..	..	..	..	..	..	..	..	..
CYTD growth rate (%)2010/2009	..	..	..	..	..	..	..	..	..	..	..	..
* Provisional												
..- data not available												
^ revised												
Sources : Central Banks of each country . Please note that the information above reflects the most accurate data to date,as such, these figures are subject to revision.												
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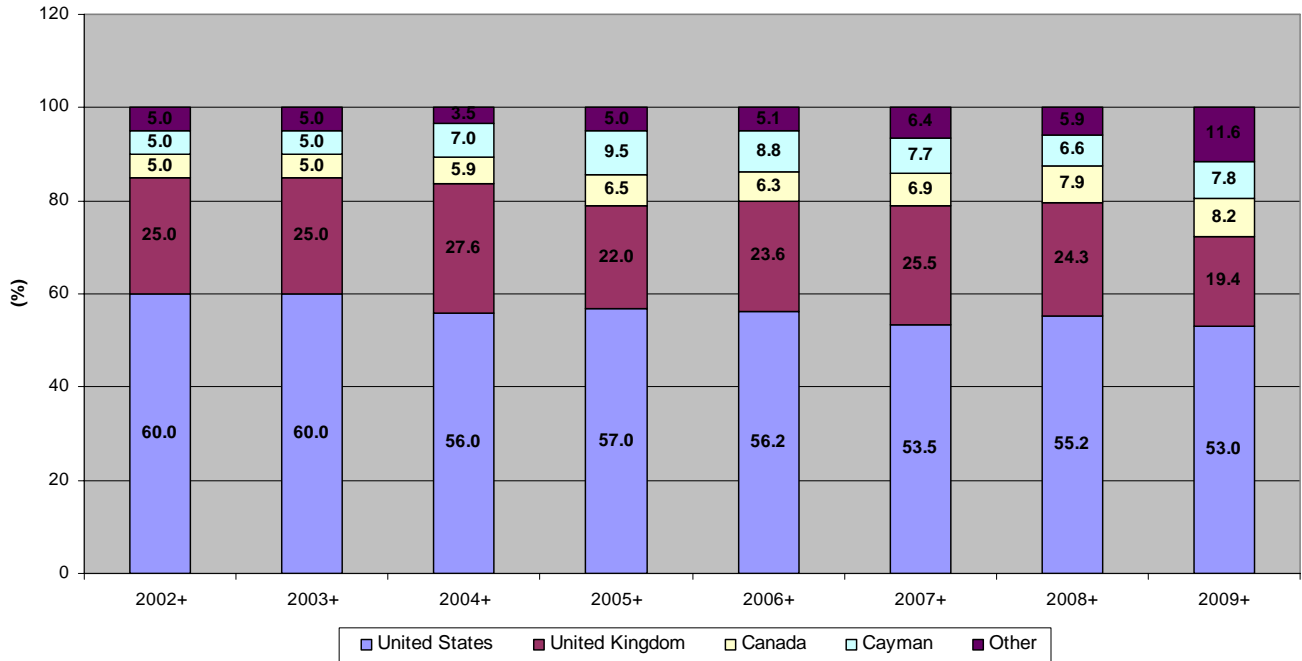
	Remittance by Source Countries (US\$MN)							
	2003+	2004+	2005+	2006+	2007+	2008+	2009+	Feb 2010+
United States	761.6	820.8	924.1	994.4	1050.5	1092.7	977.0	87.8
United Kingdom	317.4	404.6	356.7	417.6	500.0	507.1	380.0	27.7
Canada	63.5	86.5	105.4	111.5	136.2	158.8	179.8	11.8
Cayman	63.5	102.6	154.0	155.7	152.2	144.0	97.2	8.0
Other	63.5	51.3	81.1	90.2	125.3	118.6	157.5	6.8
Total	1269.5	1465.8	1621.2	1769.4	1964.3	2021.3	1791.5	142.1
Source: Bank of Jamaica + Estimates are based on information submitted by Institutions								

CHART 1
Contribution of Remittances by Source Country



+ Estimates are based on information submitted by Institutions

**Chart 2:
Percentage Contribution by Source Country**



Appendix I

Proposed Revision to Remittance Statistics

Introduction

Remittance has historically been defined by the Balance of Payments Manual. The current balance of payments manual (BPM5) has been revised and a new edition BPM6 was published in December 2008. The revised definition results from an increase emphasis being placed on remittances as these flows have increased significantly in recent years. It was believed that a revision to the current definition was necessary, which would provide further clarification as well as capture other flows considered remittances.

Definition

According to the fifth edition of the BPM, remittances to an economy are defined primarily as ‘workers’ remittances’. Workers’ remittances cover current transfers by migrants who are employed in new economies and considered remittances there. The revised BPM proposes an expansion in the items considered remittances. First, the concept workers’ remittance is replaced with personal transfers. Second, the concepts of personal remittances, total remittances and transfers to non-profit institutions serving households (NPISHs) are introduced. Within the balance of payments framework, investments in the economy by migrants, such as bank deposits and portfolio investments are excluded from remittances.

Personal Transfers is a new concept that consists of all current transfers in cash or in kind made or received by resident households to or from non-resident households. It is independent of the source of income of the sender, irrespective of whether the sender receives income from labour, entrepreneurial or property income, social benefits, as well as any other type of transfers. It is also independent of the relationship between the households irrespective of whether they are related or unrelated individuals.

Personal Remittances represent personal transfers plus compensation of employees (less taxes, social contributions and transport & travel expenditures made by residents employed by non-residents) and capital transfers between households. Personal Remittances include all household-to-household transfers and the net earnings of non-resident workers. It should be noted that ‘personal remittances’ also include transfers originating from who are not migrant workers. This definition therefore includes income that

the households in a country receive from individuals abroad, regardless of whether the individuals abroad are resident in the country of their employment or not.

Compensation of employees comprise wages, salaries, and other benefits, in cash or kind, earned by individuals in economies other than those in which they are residents. Employees, in this context, include seasonal or other short-term workers (less than one year) and border workers who have centres of economic interest in their own economies.

Capital transfers result in a change in the stocks of assets of one or both parties to the transaction without affecting the savings of either party. Capital transfers in kind are transfers of ownership of non-financial assets or forgiveness of debt. A transfer of cash is a capital transfer only when it is linked to or conditional on the acquisition or disposal of a fixed asset.

Total Remittances include personal remittances and social benefits. Social Benefits are defined as “benefits payable under social security funds and pension funds.

A **non-profit institution serving household (NPISH)** is an entity mainly engaged in providing goods and services to households, or the community, free of charge, or at prices that are not economically significant (and thus are classified as non-market producers), except those that are controlled and mainly financed by government units.

Three categories of remittances defined may be included as supplementary items: Personal Remittances, Total Remittances and Total Remittances & Transfers to Non-profit Institutions Serving Households (NPISHs).

Conclusion

Based on the results of the comparison between remittances currently reported (represented by private transfers & social benefits in table below) and BPM6, the overall change is not very significant. However, the gap between the two definitions is increasing steadily and this difference may become large if this gap continues to increase. The ‘current transfers to NPISH’ is the primary reason for this gradual divergence.

Appendix II

Major components of Remittances and difference from previous definition:

January 2005 to September 2009

US\$Mn

Quarters	Per. Trans & Soc. Ben.	Net Comp. of Emp	Total Rem.	Curr. Trans. to NPISHs	Total Rem. & Trans. to NPISHs	Difference Old vs. New
Mar-95	157.1	4.4	161.5	2.1	163.6	6.5
Jun-95	141.0	6.5	147.5	2.1	149.6	8.6
Sep-95	141.1	13.3	154.4	2.1	156.5	15.4
Dec-95	143.1	14.2	157.3	2.1	159.4	16.3
Mar-96	134.6	7.5	142.1	2.1	144.2	9.6
Jun-96	143.7	6.6	150.3	2.1	152.4	8.7
Sep-96	165.1	11.1	176.2	2.1	178.3	13.2
Dec-96	192.0	12.4	204.4	2.1	206.5	14.5
Mar-97	187.4	12.3	199.7	2.1	201.8	14.4
Jun-97	160.1	9.6	169.7	2.3	172.0	11.9
Sep-97	150.6	15.0	165.6	2.4	168.0	17.4
Dec-97	156.3	16.9	173.2	2.4	175.6	19.3
Mar-98	163.5	11.7	175.2	2.1	177.3	13.8
Jun-98	161.1	9.8	170.9	2.2	173.1	12.0
Sep-98	160.1	17.0	177.1	2.4	179.5	19.4
Dec-98	170.0	22.6	192.6	2.4	195.0	25.0
Mar-99	164.6	12.2	176.8	2.4	179.2	14.6
Jun-99	170.8	12.0	182.8	2.4	185.2	14.4
Sep-99	171.4	19.6	191.0	2.4	193.4	22.0
Dec-99	174.2	21.4	195.6	2.4	198.0	23.8
Mar-00	200.2	7.1	207.3	1.8	209.1	8.9
Jun-00	187.1	8.2	195.3	1.8	197.1	10.0
Sep-00	186.6	17.0	203.6	2.1	205.7	19.1

Quarters	Per. Trans & Soc. Ben.	Net Comp. of Emp	Total Rem.	Curr. Trans. to NPISHs	Total Rem. & Trans. to NPISHs	Difference Old vs. New
Dec-00	215.6	21.5	237.1	2.1	239.2	23.6
Mar-01	228.6	8.8	237.4	1.8	239.2	10.6
Jun-01	223.3	12.4	235.7	2.1	237.8	14.5
Sep-01	240.6	22.7	263.3	2.1	265.4	24.8
Dec-01	247.6	23.3	270.9	2.1	273.0	25.4
Mar-02	257.7	8.0	265.7	18.6	284.3	26.6
Jun-02	289.7	15.9	305.6	18.6	324.2	34.5
Sep-02	290.7	27.4	318.1	18.6	336.7	46.0
Dec-02	292.5	23.2	315.7	18.7	334.4	41.9
Mar-03	296.4	10.7	307.1	21.0	328.1	31.7
Sep-03	315.9	21.6	337.5	21.0	358.5	42.6
Dec-03	364.8	26.0	390.8	21.0	411.8	47.0
Mar-04	354.8	12.7	367.5	25.2	392.7	37.9
Jun-04	366.1	16.0	382.0	25.2	407.2	41.2
Sep-04	341.8	29.5	371.3	33.3	404.7	62.9
Dec-04	403.2	32.0	435.2	49.6	484.8	81.6
Mar-05	387.7	19.3	406.9	39.5	446.4	58.7
Jun-05	394.0	19.7	413.7	30.2	443.9	50.0
Sep-05	411.5	30.5	442.0	30.2	472.3	60.8
Dec-05	428.0	29.4	457.4	30.2	487.6	59.6
Mar-06	413.4	17.9	431.3	39.1	470.4	57.0
Jun-06	435.2	20.9	456.1	39.1	495.2	60.1
Sep-06	451.9	29.7	481.6	39.1	520.7	68.8
Dec-06	468.9	33.9	502.9	39.1	542.0	73.0
Mar-07	445.7	14.8	460.5	65.4	525.9	80.2
Jun-07	478.8	18.0	496.8	65.4	562.2	83.4

Quarters	Per. Trans & Soc. Ben.	Net Comp. of Emp	Total Rem.	Curr. Trans. to NPISHs	Total Rem. & Trans. to NPISHs	Difference Old vs. New
Sep-07	505.4	29.2	534.7	65.4	600.1	94.7
Dec-07	534.3	37.3	571.6	65.4	637.1	102.7
Mar-08	496.8	17.1	513.9	65.4	579.3	82.5
Jun-08	531.0	19.7	550.7	65.4	616.1	85.1
Sep-08	526.9	25.2	552.1	65.4	617.5	90.6
Dec-08	478.3	26.8	505.1	85.5	590.6	112.3
Mar-09	412.8	8.9	421.8	85.5	507.3	94.4
Jun-09	441.1	11.2	452.4	85.5	537.8	96.7
Sep-09	458.5	18.0	476.5	85.5	562.0	103.5