



THE BALANCE OF PAYMENTS

REMITTANCE UPDATE January 2010

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

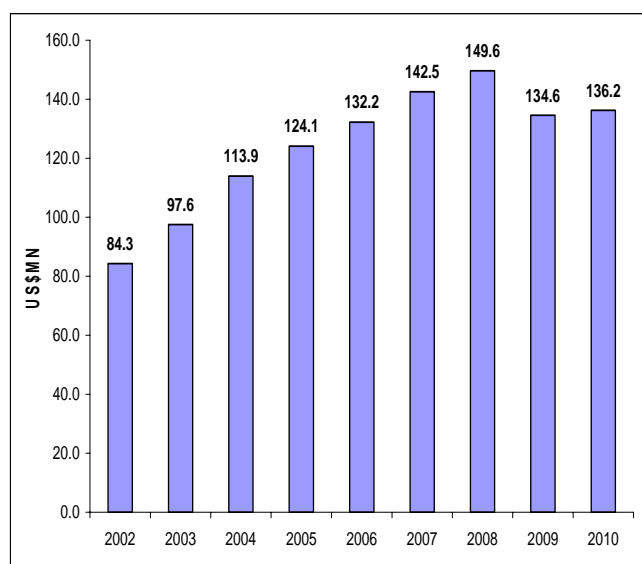
Table 1

JAMAICA'S REMITTANCES (US\$MN)				
	Jan 2009	Jan 2010*	Change	% Change**
Total Remittance Inflows	134.1	136.2	2.1	1.5
Remittance Companies [^]	109.0	116.2	7.3	6.7
Other Remittances	25.1	19.9	-5.2	-20.6
Total Remittance Outflows	20.7	15.1	-5.6	-27.2
Net Remittances	113.4	121.1	7.7	6.8

* 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
January 2002-2010**



Source: Bank of Jamaica

January 2010

For January 2010, net remittances were **US\$121.1 million**, which represented an improvement of **US\$7.7 million** or **6.8 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\$136.2 million**, an improvement of **US\$2.1 million** or **1.5 per cent**. This emanated primarily from *Remittance Companies* which recorded an increase of **US\$7.3 million** or **6.7 per cent**. *Other Remittances*¹ was **US\$19.9 million** representing a decline of **20.6 per cent** relative to the corresponding period in 2009. Due to its size however, this decline was not sufficient to fully offset the increase in gross remittance inflows. Total Remittance outflows were **US\$15.1 million**. This was **US\$5.6 million** or **27.2 per cent** below the corresponding period in 2009.

Although marginally better than 2009, the remittance inflows of **US\$136.2 million** was still below the trend observed in recent history (Graph 1). A continued improvement in remittance inflows in ensuing months is juxtaposed on the improving macro-economic conditions in source economies.

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 3

JAMAICA'S REMITTANCES (US\$MN)				
	Apr-Jan	Apr-Jan		%
	2008/09	2009/10*	Change	Change**
Total Remittance Inflows	1669.3	1523.3	-146.0	-8.7
Remittance Companies^	1281.1	1294.4	13.3	1.0
Other Remittances	388.2	228.9	-159.3	-41.0
Total Remittance Outflows	253.1	196.8	-56.3	-22.2
Net Remittances	1416.1	1326.5	-89.7	-6.3

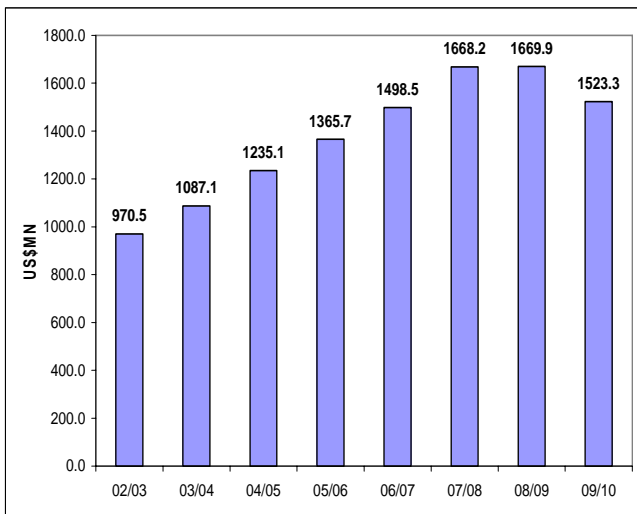
* Provisional
 ** Growth relative to the corresponding period of the previous year
 ^ Flows through Remittance Companies

April to January 2009/10

For the first ten months of the 2009/10 fiscal year (FY), net remittances were **US\$1,326.5 million**, which represented a decline of **US\$89.7 million** or **6.3 per cent** relative to the corresponding period in the preceding 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\$1,523.3 million**, representing a decline of **US\$146.0 million** or **8.7 per cent** over the preceding fiscal year. The decline in total remittance inflows emanated mainly from the *Other Remittance* category, which declined by **US\$159.3 million** or **41.0 per cent**. *Remittance Companies* recorded total inflows of **US\$1,294.4 million**, a **US\$13.3 million** or **1.0 per cent** improvement compared to the corresponding period in fiscal year 2008/09.

Graph 4
Historical Trend Remittance Inflows
Apr-Jan



Source: Bank of Jamaica

The remittance inflows of **US\$1,523.3 million** for the first ten months of the 2009/10 fiscal year represents a reversal of the increase noted in the corresponding period in fiscal year 2008/09 (Graph 4). This decline was consistent with the global developments occurring during the review period.

Jamaica's Remittances

US\$ Millions

	2009 Jan	2010* Jan	Change	% Change**
Remittance Companies^	109.0	116.2	7.3	6.7
Other Remittances	25.1	19.9	-5.2	-20.6
Total Remittance Inflows	134.1	136.2	2.1	1.5
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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 Remittances

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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											
month/month growth rate (%):2010/2009	6.7											
CYTD growth rate (%):2010/2009	6.7											
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											
month/month growth rate (%):2010/2009	-20.6											
CYTD growth rate (%):2010/2009	-20.6											
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											
month/month growth rate (%)	1.5											
CYTD growth rate (%)	1.5											
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											
month/month growth rate (%)	-27.2											
CYTD growth rate (%)	-27.2											
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											
month/month growth rate (%)	6.8											
CYTD growth rate (%)	6.8											

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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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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 October 03, 2008</i>				
** Provisional * Revised				

Remittances for Selected Countries

US\$ Millions

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*
Mexico												
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
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
month/month growth rate	-12.0	-3.0	-0.5	-18.7	-19.9	-15.1	-16.2	-15.1	-17.6	-35.9	-14.4	-12.1
CYTD growth rate	-12.0	-7.4	-4.9	-8.7	-11.2	-11.9	-12.6	-12.9	-13.4	-16.1	-16.0	-15.7
El Salvador												
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
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
month/month growth rate	-8.4	-7.8	-6.7	-13.6	-12.8	-11.6	-13.9	-6.0	-11.1	-7.4	-0.8	-0.3
CYTD growth rate	-8.4	-8.1	-7.6	-9.2	-10.0	-10.3	-10.8	-10.2	-10.3	-10.0	-9.3	-8.5
Guatemala												
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
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
month/month growth rate	-13.3	-11.1	1.9	-11.5	-14.7	-7.0	-11.3	-9.9	-11.8	-13.6	-9.1	0.1
CYTD growth rate	-13.3	-12.2	-7.4	-8.6	-10.0	-9.5	-9.7	-9.8	-10.0	-10.4	-10.3	-9.4
Jamaica												
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
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
month/month growth rate	-10.3	-18.5	-16.3	-20.1	-19.3	-10.2	-13.1	-8.3	-17.3	-6.1	5.2	2.2
CYTD growth rate	-10.3	-14.6	-15.2	-16.5	-17.1	-15.9	-15.5	-14.6	-15.0	-14.1	-12.7	-11.4
Dominican Republic												
2009**	229.2	241.4	271.7	241.2	265.0	248.4	279.9	263.0	240.1
2008	241.1	260.1	276.2	255.9	255.5	250.7	293.3	259.8	239.0	253.0	227.5	298.6
month/month growth rate	-4.9	-7.2	-1.6	-5.7	3.7	-0.9	-4.6	1.2	0.5			
CYTD growth rate	-4.9	-6.1	-4.5	-4.8	-3.1	-2.8	-3.1	-2.5	-2.2			

* 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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Remittances
Quarterly Growth Rates for Selected Countries (%)**

	Jan-Mar-08	Apr-Jun-08	Jul-Sep-08	Oct-Dec-08	Jan-Mar-09	Apr-Jun-09	Jul-Sep-09`~
Mexico	-3.4	-1.1	-6.5	-2.1	-5.0	-11.0	-19.4
El Salvador	6.1	7.1	2.6	-5.4	-8.0	-13.0	-11.6
Guatemala	9.8	7.8	6.0	-4.7	-6.0	-13.0	-12.4
Honduras	9.9	12.0	4.3	3.3	-2.0	-13.0	..
Nicaragua	22.8	13.5	8.7	0.2	-1.0
Colombia	20.1	19.2	10.4	-11.6	-4.0	-17.0	..
Ecuador	12.3	-7.8	-13.0	-22.0	-27.0
Jamaica	11.8	11.0	4.3	-10.5	-15.0	-17.0	-15.0
Dominican Republic	7.9	5.3	1.8	-4.7	-7.0	-3.0	-1.2

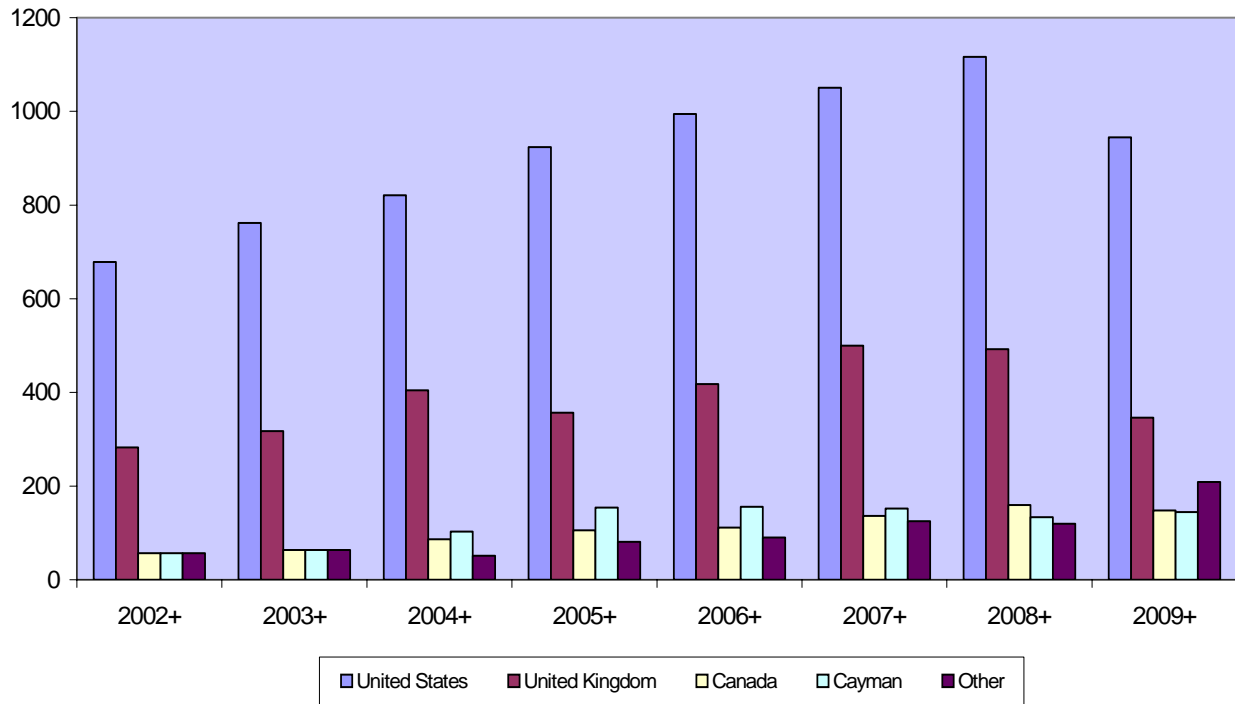
** Growth relative to the corresponding period of the previous year.

Sources: Migrant Remittances Newsletter April 2009

`~ - Preliminary BOJ Staff Estimates from data received via respective Central Banks

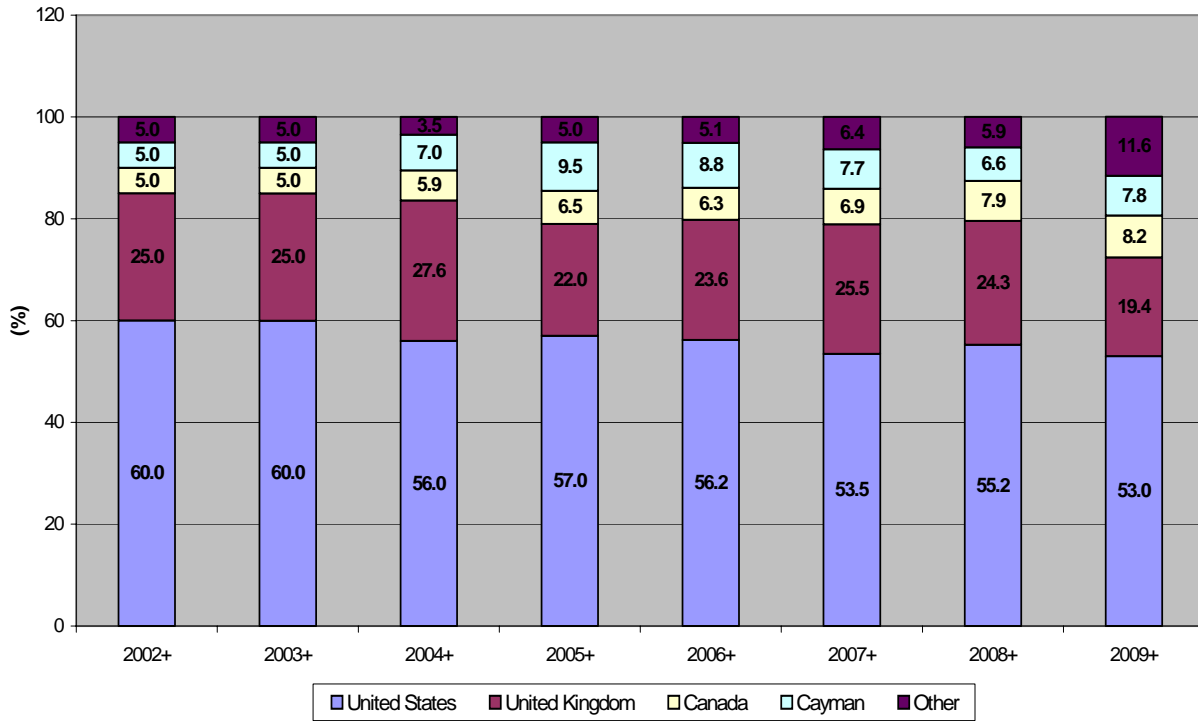
	Remittance by Source Countries (US\$MN)							
	2003+	2004+	2005+	2006+	2007+	2008+	2009+	Jan 2010+
United States	761.6	820.8	924.1	994.4	1050.5	1092.7	977.0	81.2
United Kingdom	317.4	404.6	356.7	417.6	500.0	507.1	380.0	28.9
Canada	63.5	86.5	105.4	111.5	136.2	158.8	179.8	11.9
Cayman	63.5	102.6	154.0	155.7	152.2	144.0	97.2	7.5
Other	63.5	51.3	81.1	90.2	125.3	118.6	157.5	6.7
Total	1269.5	1465.8	1621.2	1769.4	1964.3	2021.3	1791.5	136.2
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