

Balance of Payments Update

December 2024



- The current account of the balance of payments for the December 2024 quarter recorded a surplus of US\$282.5 million (1.4 per cent of GDP), an increase of US\$32.1 million relative to the surplus recorded in the December 2023 quarter. This means that for the review period, foreign currency inflows to the country exceeded outflows from the country. The improvement in the current account balance was reflected primarily in the Goods sub-account and to a lesser extent the Services sub-account. This was partly offset by deteriorations on the Primary Income and Secondary Income sub-accounts relative to the December 2023 quarter.
- The deficit on the Goods sub-account narrowed by US\$103.4 million, which reflected an increase in exports of US\$30.7 million and a reduction of US\$72.8 million in imports (see Table 1). The increase in exports was largely driven by an increase of US\$122.0 million in crude materials partly offset by a reduction of US\$102.8 million in exports of mineral fuels. The reduction in imports mainly reflected reductions in mineral fuels and machinery & transportation equipment.
- The Services sub-account improved marginally by US\$2.8 million due primarily to a reduction in travel-related expenditure abroad by Jamaican tourists. This was partly offset by a marginal decline of US\$1.8 million in tourist expenditure due to a reduction in cruise passengers and foreign national stopover visitors for the period.
- The deterioration on the Primary Income sub-account was driven by higher investment income outflows, partly offset by increased interest receipts. Investment income outflows increased, reflecting higher repatriated earnings from the mining sector to foreign owners. The increased interest income receipts were primarily due to higher interest earnings on Bank of Jamaica's reserve assets.
- The deterioration in the surplus on the Secondary Income sub-account largely reflected a decline of US\$5.96 million in general government inflows compared with the corresponding period in 2023. These reduced inflows primarily stemmed from a decline in the disbursements of grants received by the government.
- The Financial Account reflected net outflows of US\$517.78 million for the December 2024 quarter, in comparison to net outflows of US\$631.2 million in the December 2023 quarter.
- The net outflows for the review quarter means that overall, Jamaica provided more financing to the rest of the world than it received. This was primarily reflected in net outflows via Portfolio Investments (US\$ 24.9 million), Other Investments (US\$176.5 million) and a buildup of US\$363.2 million in Reserve Assets held by Bank of Jamaica. Net Portfolio Investment outflows were largely related to payments made to non-resident investors who reduced their holdings of corporate and GOJ debt securities. These outflows were partly offset by inflows related to a build-up in equity and investment fund shares by non-resident financial corporations. The Net Other investments outflows (US\$176.5 million) were primarily related to the reduction in loan liabilities by the GOJ. There was also a repayment of short-term loan loans by deposit-taking corporations.
- For the Fiscal Year to Date (FYTD) 2024/25, the current account balance recorded a surplus of US\$449.9 million (3.0% of GDP), up from a surplus of US\$380.9 million (2.6% of GDP) in the previous fiscal period. The improvement in the current account was primarily driven by notable improvements in the goods sub-account. The improvement in the goods balance was attributed to reduced imports partly offset by lower exports. However, the improvement registered in the Goods sub-account was partly offset by deteriorations on the Services, Primary and Secondary Income sub-accounts. The Financial Account for FYTD 2024/25 reflected a Net Lending position, recording net outflows of US\$970.0 million, when compared to the net outflow of US\$878.6 million in FYTD 2023/24.



Background

The Balance of Payments (BOP) is compiled using the 6th edition of the BOP Manual. It comprises the Current Account, Capital Account, and Financial Account. The Current Account includes net trade in goods and services, net earnings on cross border investments (Primary Income) as well as net transfer payments (Secondary Income). The Financial Account records changes in Jamaica's external assets and liabilities. These assets and liabilities include foreign Direct Investments, Portfolio Investments such as stocks and bonds, Financial Derivatives, Other Investments, and Reserve Assets. Net changes in assets or liabilities arise when gross increases in assets or liabilities differ from gross reductions in assets or liabilities and vice versa.

Table 1: Jamaica's Balance of Payments (US\$MN)

 Expanded Dataset

	OCT-DEC		
	2023	2024	Change
CURRENT ACCOUNT BALANCE	250.4	282.5	32.1
CAB/GDP (%)*	1.3	1.4	0.1
GOODS	-1056.4	-953.0	103.4
<i>EXPORTS</i>	477.3	508.0	30.7
<i>IMPORTS</i>	1533.7	1460.9	-72.8
SERVICES	447.9	450.7	2.8
<i>CREDITS</i>	1358.8	1353.5	-5.3
<i>DEBITS</i>	910.9	902.8	-8.1
PRIMARY INCOME	2.7	-66.2	-68.8
<i>CREDITS</i>	164.1	172.7	8.6
<i>DEBITS</i>	161.5	238.9	77.4
SECONDARY INCOME	856.2	851.0	-5.2
<i>CREDITS</i>	920.5	914.1	-6.5
<i>DEBITS</i>	64.3	63.1	-1.2
CAPITAL ACCOUNT	-0.7	-2.0	-1.2
<i>CREDITS</i>	11.6	10.4	-1.2
<i>DEBITS</i>	12.3	12.3	0.0
NET LENDING (+)/NET BORROWING (-) (BALANCE FROM CURRENT AND CAPITAL ACCOUNT)	249.7	280.6	30.9
FINANCIAL ACCOUNT			
NET LENDING (+)/NET BORROWING (-) (BALANCE FROM FINANCIAL ACCOUNT)	631.2	517.8	-113.4
DIRECT INVESTMENT	-53.1	-46.8	6.3
<i>NET ACQUISITION OF FINANCIAL ASSETS</i>	0.3	1.1	0.8
<i>NET INCURRENCE OF LIABILITIES</i>	53.4	47.9	-5.5
PORTFOLIO INVESTMENTS	532.1	24.9	-507.2
<i>NET ACQUISITION OF FINANCIAL ASSETS</i>	450.2	-68.7	-519.0
<i>NET INCURRENCE OF LIABILITIES</i>	-81.9	-93.6	-11.8
FINANCIAL DERIVATIVES	0.0	0.0	0.0
<i>NET ACQUISITION OF FINANCIAL ASSETS</i>	0.0	0.0	0.0
<i>NET INCURRENCE OF LIABILITIES</i>	0.0	0.0	0.0
OTHER INVESTMENTS	130.2	176.5	46.3
<i>NET ACQUISITION OF FINANCIAL ASSETS</i>	-114.6	29.0	143.6
<i>NET INCURRENCE OF LIABILITIES</i>	-244.8	-147.5	97.3
RESERVES ASSETS	22.0	363.2	341.2
NET ERRORS AND OMISSIONS	381.5	237.2	-144.3



BALANCE OF PAYMENTS

December 2024 Quarter

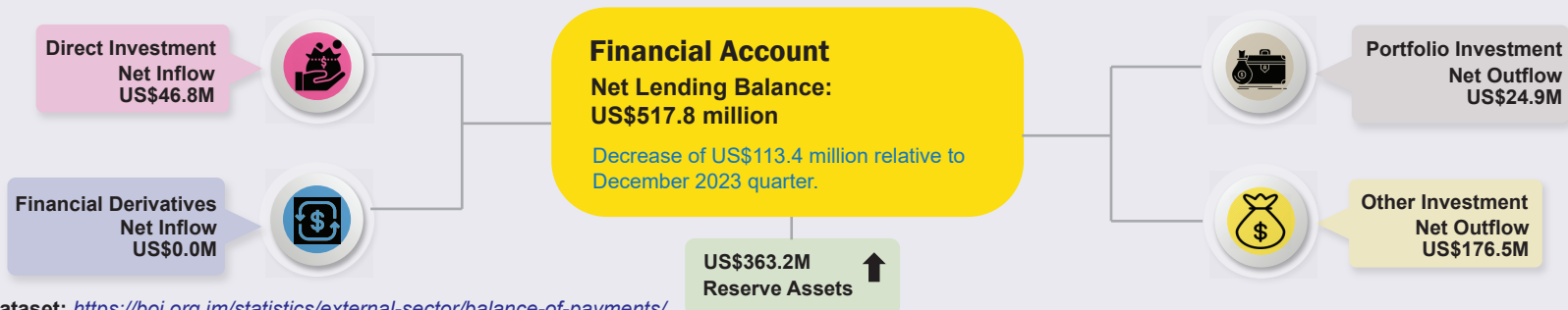
KEY



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Expanded Dataset: <https://boj.org.jm/statistics/external-sector/balance-of-payments/>