



THE BALANCE OF PAYMENTS

REMITTANCE UPDATE

August 2009

External Sector Statistics Unit
Economic Information & Publications Department
RESEARCH AND ECONOMIC PROGRAMMING DIVISION
BANK OF JAMAICA
P.O. BOX 621
Kingston, Jamaica

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Table 1

Jamaica's Remittances			
US\$ Millions			
	2008 Aug	2009* Aug	% Change**
Remittance Companies^	124.7	128.2	2.9
Other Remittances	41.3	23.9	-42.1
Total Remittance Inflows	165.9	152.1	-8.3
Total Remittance Outflows	29.9	30.1	1.0
Net Remittances	136.1	122.0	-10.4
* <i>Provisional</i>			
** <i>Growth relative to the corresponding period of the previous year.</i>			
^ <i>Flows through Remittance Companies</i>			
<i>External Sector Statistics Unit Economic Information & Publications Dept. Research & Economic Programming Division Bank of Jamaica</i>			

Table 2

Jamaica's Remittances			
US\$ Millions			
	2008 Jan-Aug	2009* Jan-Aug	% Change**
Remittance Companies^	1018.4	986.1	-3.2
Other Remittances	339.9	173.9	-48.8
Total Remittance Inflows	1358.3	1160.0	-14.6
Total Remittance Outflows	216.3	165.5	-23.5
Net Remittances	1142.0	994.5	-12.9
* <i>Provisional</i>			
** <i>Growth relative to the corresponding period of the previous year.</i>			
^ <i>Flows through Remittance Companies</i>			
<i>External Sector Statistics Unit Economic Information & Publications Dept. Research & Economic Programming Division Bank of Jamaica</i>			

Table 3

Jamaica's Remittances			
	US\$ Millions		% Change**
	2008/09 <i>Apri-Aug</i>	2009/10* <i>Apri-Aug</i>	
Remittance Companies^	653.5	637.3	-2.5
Other Remittances	218.6	109.8	-49.7
Total Remittance Inflows	872.1	747.2	-14.3
Total Remittance Outflows	135.5	109.5	-19.2
Net Remittances	736.6	637.7	-13.4
<p>* <i>Provisional</i></p> <p>** <i>Growth relative to the corresponding period of the previous year.</i></p> <p>^ <i>Flows through Remittance Companies</i></p> <p><i>External Sector Statistics Unit Economic Information & Publications Dept. Research & Economic Programming Division Bank of Jamaica</i></p> <p>* <i>Provisional</i></p>			

Table 4

Jamaica's Historical Remittances												
<i>US\$ Millions</i>												
	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
Remittance Companies												
2009	109.0	113.3	126.5	123.6	128.6	127.9	128.9	128.2	..	..	..	..
2008	111.0	122.1	131.7	128.6	138.3	128.7	133.3	124.7	137.6	126.7	110.6	143.5
<i>month/month growth rate (%)</i>	-1.9	-7.2	-3.9	-3.9	-7.0	-0.6	-3.3	2.9				
<i>CYTD growth rate (%)</i>	-1.9	-4.7	-4.4	-4.3	-4.9	-4.1	-4.0	-3.2				
Other Remittances												
2009	25.6	19.0	19.4	18.1	17.0	25.9	25.0	23.9	..	..	..	..
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
<i>month/month growth rate (%)</i>	-33.6	-52.7	-54.4	-62.9	-59.8	-39.1	-42.9	-42.1				
<i>CYTD growth rate (%)</i>	-33.6	-43.3	-47.2	-51.7	-53.3	-50.9	-49.8	-48.8				
Total Remittance Inflows												
2009	134.6	132.3	145.9	141.7	145.6	153.8	153.9	152.1	..	..	..	..
2008	149.6	162.3	174.3	177.4	180.5	171.2	177.0	165.9	184.3	166.0	135.5	177.0
<i>month/month growth rate (%)</i>	-10.0	-18.5	-16.3	-20.1	-19.3	-10.2	-13.1	-8.3				
<i>CYTD growth rate (%)</i>	-10.0	-14.4	-15.1	-16.4	-17.1	-15.9	-15.5	-14.6				
Total Remittance Outflows												
2009	20.9	15.4	19.6	15.0	15.8	20.2	28.4	30.1	..	..	..	..
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
<i>month/month growth rate (%)</i>	-23.4	-41.9	-26.8	-42.4	-38.8	-22.7	2.2	1.0				
<i>CYTD growth rate (%)</i>	-23.4	-32.5	-30.6	-33.5	-34.5	-32.6	-27.4	-23.5				
Net Remittances												
2009	113.6	116.9	126.3	126.7	129.9	133.6	125.5	122.0	..	..	..	..
2008	122.2	135.7	147.5	151.4	154.8	145.0	149.2	136.1	159.5	142.0	113.2	151.3
<i>month/month growth rate (%)</i>	-7.0	-13.9	-14.4	-16.3	-16.1	-7.9	-15.9	-10.4				
<i>CYTD growth rate (%)</i>	-7.0	-10.6	-12.0	-13.2	-13.8	-12.8	-13.3	-12.9				
* Provisional												
<i>External Sector Statistics Unit</i>												
<i>Economic Information & Publications Dept.</i>												
<i>Research & Economic Programming Division</i>												
<i>Bank of Jamaica</i>												

Table 5

<i>Jamaica's Historical Remittances (US\$MN)</i>									
	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
<i>Remittance Companies</i>	<i>454.9</i>	<i>567.6</i>	<i>622.0</i>	<i>678.2</i>	<i>764.6</i>	<i>963.1</i>	<i>1042.7</i>	<i>1166.7</i>	<i>1235.0</i>
<i>Building Societies</i>	<i>147.6</i>	<i>195.5</i>	<i>240.7</i>	<i>277.7</i>	<i>339.8</i>	<i>300.2</i>	<i>341.6</i>	<i>385.5</i>	<i>401.1</i>
<i>Other Authorised Dealers</i>	<i>187.0</i>	<i>177.0</i>	<i>267.9</i>	<i>313.6</i>	<i>361.3</i>	<i>358.0</i>	<i>385.1</i>	<i>412.1</i>	<i>385.1</i>
<i>Total Remittance Inflows</i>	<i>789.5</i>	<i>940.1</i>	<i>1130.6</i>	<i>1269.5</i>	<i>1465.8</i>	<i>1621.2</i>	<i>1769.4</i>	<i>1964.3</i>	<i>2021.2</i>
<i>Total Remittance Outflows</i>	<i>131.2</i>	<i>147.3</i>	<i>213.4</i>	<i>283.0</i>	<i>339.9</i>	<i>316.9</i>	<i>299.6</i>	<i>303.2</i>	<i>313.2</i>
<i>Net Remittances</i>	<i>658.3</i>	<i>792.8</i>	<i>917.2</i>	<i>986.6</i>	<i>1125.9</i>	<i>1304.3</i>	<i>1469.8</i>	<i>1661.1</i>	<i>1708.0</i>
<p><i>External Sector Statistics Unit</i> <i>Economic Information & Publications Dept.</i></p> <p><i>Bank of Jamaica</i> * <i>Provisional</i></p>									

Table 6

SELECTED INDICATORS				
	2005	2006	2007**	2008*
<i>Selected indicators (US\$mn)</i>				
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				

Table 7

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	..	..	..	..	..
2008	1646.1	1727.6	1945.9	2011.1	2184.5	2264.1	2015.0	2097.5	2113.4	2636.6	1747.3	1,775.8
month/month growth rate	-4.7	4.4	8.1	-11.5	-13.0	-15.1	-9.0					
CYTD growth rate	-4.7	-0.1	2.9	-1.0	-3.8	-5.9	-6.4					
El Salvador												
2009	252.4	275.1	315.8	292.5	308.2	295.7	286.1	287.4	..	..	..	..
2008	275.5	298.3	338.4	338.5	353.4	334.4	332.1	305.7	..	..	..	..
month/month growth rate	-8.4	-7.8	-6.7	-13.6	-12.8	-11.6	-13.9	-6.0				
CYTD growth rate	-8.4	-8.1	-7.6	-9.2	-10.0	-10.3	-10.8	-10.2				
Guatemala												
2009	320.5	322.5	385.2	383.2	384.9	393.2	405.7	370.8	..	..	..	..
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				
CYTD growth rate	-13.3	-12.2	-7.4	-8.6	-10.0	-9.4	-9.7	-9.8				
Jamaica												
2009	134.6	132.3	145.9	141.7	145.6	153.8	153.9	152.1	..	..	..	..
2008	149.6	162.3	174.3	177.4	180.5	171.2	176.9	165.9	184.3	166.0	135.5	177.0
month/month growth rate	-10.0	-18.5	-16.3	-20.1	-19.3	-10.2	-13.0	-8.3				
CYTD growth rate	-10.0	-14.4	-15.1	-16.4	-17.1	-15.9	-15.5	-14.6				
Dominican Republic												
2009	225.0	234.8	262.5	233.7	258.2	245.2	..	..	..	..	..	..
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	-6.7	-9.7	-5.0	-8.7	1.1	-2.2						
CYTD growth rate	-6.7	-8.3	-7.1	-7.5	-5.8	-5.2						
* Provisional												
..- data not available												
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.												
External Sector Statistics Unit Economic Information & Publications Dept. Research & Economic Programming Division Bank of Jamaica												

Table 8

Remittances														
Quarterly Growth Rates for Selected Countries (%)**														
	Jan-Mar-06	Apr-Jun-06	July-Sep-06	Oct-Dec-06	Jan-Mar-07	Apr-Jun-07	July-Sep-07	Oct-Dec-07	Jan-Mar-08	Apr-Jun-08	Jul-Sep-08	Oct-Dec-08	Jan-Mar-09	Apr-Jun-09
Mexico	29.1	21.4	12.9	7.7	3.0	-1.2	2.6	-0.4	-3.4	-1.1	-6.5	-2.1	-5.0	-11.0
El Salvador	24.6	16.4	12.1	9.2	7.9	7.1	8.0	3.1	6.1	7.1	2.6	-5.4	-8.0	-13.0
Guatemala	20.2	21.2	27.4	14.4	11.9	13.3	17.3	14.7	9.8	7.8	6.0	-4.7	-6.0	-13.0
Honduras	39.4	42.7	27.6	21.6	11.7	8.7	12.1	7.3	9.9	12.0	4.3	3.3	-2.0	-13.0
Nicaragua	13.0	13.2	18.7	8.7	-4.9	7.7	6.4	14.8	22.8	13.5	8.7	0.2	-1.0	..
Colombia	17.1	26.8	14.2	12.3	11.0	-2.0	23.2	29.1	20.1	19.2	10.4	-11.6	-4.0	-17.0
Ecuador	9.4	17.2	23.3	26.8	3.5	8.5	6.9	3.0	12.3	-7.8	-13.0	-22.0	-27.0	..
Jamaica	3.6	7.6	7.4	9.9	7.8	10.0	11.8	13.9	11.8	11.0	4.3	-10.5	-15.0	-17.0
Dominican Republic	10.6	18.6	17.6	5.6	17.2	10.7	7.2	8.8	7.9	5.3	1.8	-4.7	-7.0	-3.0

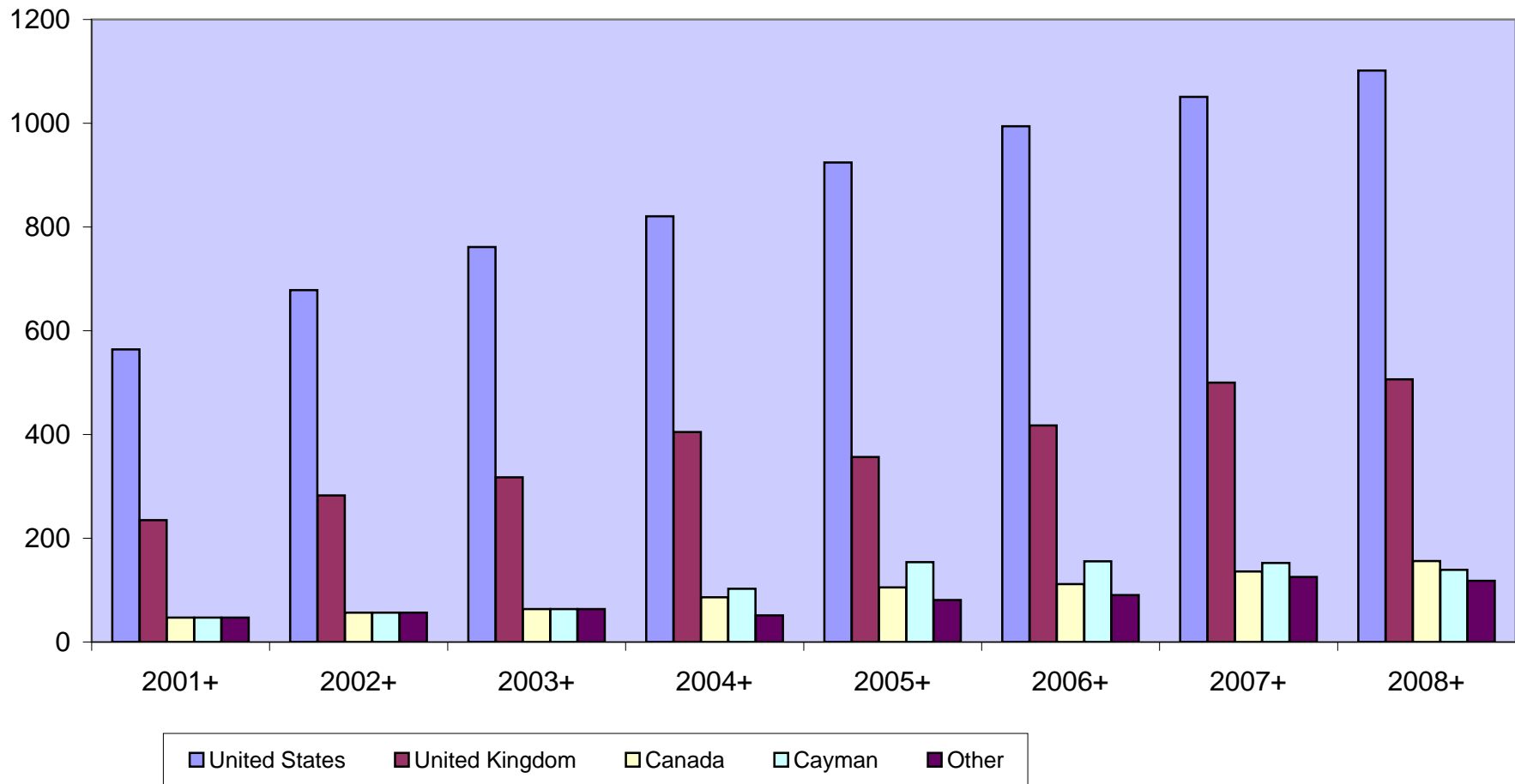
** Growth relative to the corresponding period of the previous year.

Source: Migrant Remittances Newsletter April 2009

Table 9

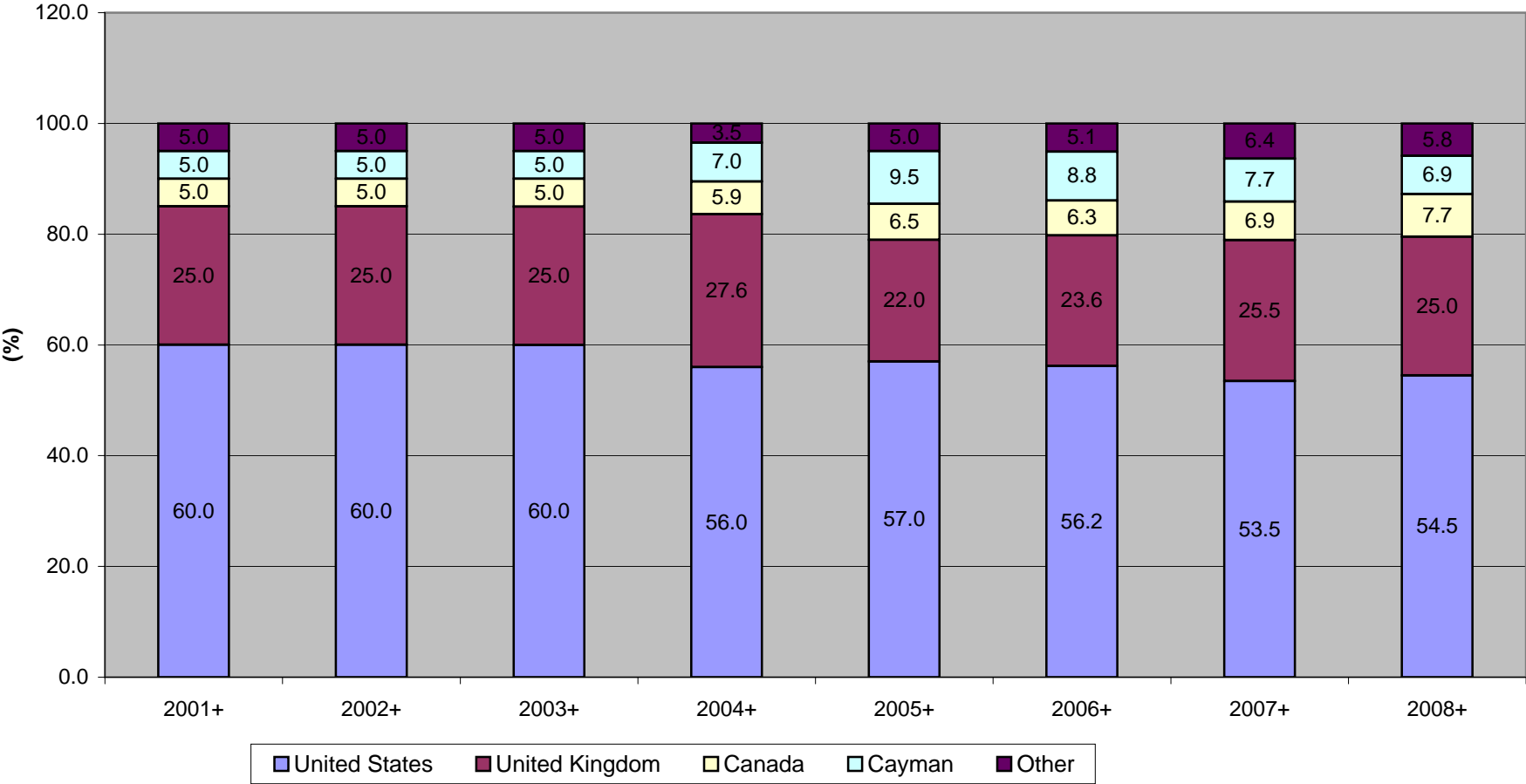
Remittance by Source Countries (US\$MN)							
	2003+	2004+	2005+	2006+	2007+	2008+	Jan-Aug 2009+
United States	761.6	820.8	924.1	994.4	1050.5	1101.5	607.1
United Kingdom	317.4	404.6	356.7	417.6	500.0	506.3	218.3
Canada	63.5	86.5	105.4	111.5	136.2	156.3	90.6
Cayman	63.5	102.6	154.0	155.7	152.2	139.4	100.9
Other	63.5	51.3	81.1	90.2	125.3	118.1	143.1
Total	1269.5	1465.8	1621.2	1769.4	1964.3	2021.5	1160.0
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 increased 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 Balance of Payments Manual remittances to an economy are defined primarily by 'Workers Remittances'. Workers Remittances cover current transfers by migrants who are employed in new economies and considered residents there. The revised BOP manual proposes an expansion in the items considered remittances. First, the concept workers remittance is replaced with personal transfers. Secondly the concepts of personal remittances, total remittance and transfers to nonprofit institutions serving households are introduced. Within the balance of payments frame work, 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 labor, 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 represents 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 centers 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 **nonprofit 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 Nonprofit 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 June 2009

(US\$MN).

	US\$MN					
	Per. Trans. & Soc. Ben.	Net Comp. of Emp.	Total Rem.	Curr. Trans. to NPISH	Tot. Rem. & Trans. to NPISH	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
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
Jun-03	292.5	13.3	305.8	21.0	326.8	34.3
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

US\$MN

	Per. Trans. & Soc. Ben.	Net Comp. of Emp.	Total Rem.	Curr. Trans. to NPISH	Tot. Rem. & Trans. to NPISH	Difference: Old vs New
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
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	486.3	16.9	503.2	85.5	588.7	102.4
Jun-08	529.2	19.5	548.7	85.5	634.2	105.0
Sep-08	527.4	25.0	552.4	85.5	637.9	110.5
Dec-08	478.6	26.8	505.4	85.5	590.9	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