



SCREENING CHAPTER 18 STATISTICS

BALANCE OF PAYMENTS

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Overview

- Concepts and definitions used to compile the Balance of Payments Statistics (BOP) are in conformity with the guidelines presented in the International Monetary Fund's (IMF) Fifth Edition of the Balance of Payments Manual (BPM5)
- Turkey's balance of payments statistics were compiled by the Ministry of Finance until 1975 and has been compiled by the Central Bank of Turkey (CBRT) since then
- At present, CBRT is the responsible institution for the compilation and dissemination of the BOP data



Legal Basis

The compilation and dissemination of balance of payments data and money and finance data are governed by the terms and conditions of the Central Bank Law No.1211 as amended by Law No.4651 of April 25, 2001

Law 1211 Article 43:

“... The bank shall be authorized to directly request and collect, all statistical information relating to financial system and other statistical information that shall be deemed necessary for the surveillance of developments in the economy and the balance of payments, from banks, other financial institutions and persons. The aforesaid persons shall be obliged to submit these information accurately within the period and form to be determined by the Bank...”



Legal Basis (cont'd)

“...The Bank may publish the statistical information that it deems necessary. However, the Bank shall not publish, disclose or submit the statistical information having a private and personal nature to an official authority or private body other than the Banking Regulation and Auditing Institution. These information shall not be used for purposes other than statistics and shall not be considered as evidence”

Conceptual Framework

- Concepts and definitions for the compilation of the BOP data are in conformity with the guidelines presented in the BPM5
- Resident units are based on:
 - Center of economic interest
 - Economic territory

(i.e., citizens working abroad are considered non-residents)



Conceptual Framework (cont 'd)

- Valuation is made according to: Market values
- Time of recording depends on: Change of ownership

For example, instead of payments system, Foreign Trade Statistics compiled through customs declarations are used for imports and exports



Conceptual Framework (cont 'd)

- Unit of account for dissemination: US Dollars
- Conversion: Original currencies are converted to US Dollars at the rates prevailing on the transaction dates

Classification

- Classified according to the standard components of BPM5 under two major groups: “Current Account” and “Capital and Financial Account”
- The current account is subdivided into three broad categories:
 - Goods and Services
 - Income
 - Current Transfers

Classification (cont'd)

According to the type of financial flows, the “Financial Account” is classified as follows:

- Direct investment
- Portfolio investment
- Other investment
- Reserve assets

Classification (cont'd)

Assets and liabilities of the above items, except for the “Reserve Assets,” are classified on the following basis:

- Direct Investment, according to direction of the investment
- Portfolio Investment, according to sector and instrument
- Other Investment, according to instrument, sector and maturity

Classification (cont'd)

Sectoral and maturity breakdowns are also available in the “Financial Account” and in the “Income”

- Sectors are:
 - Monetary Authorities (CBRT)
 - General Government (Government units that exists at each level-central and local)
 - Banks (Private and public banks)
 - Other Sectors (Private enterprises, state owned enterprises and individuals)



Classification (cont'd)

Maturities are determined as:

- Short-term referring to a maturity of less than or equal to 1 year
- Long-term referring to a maturity of more than 1 year

Main Data Sources

- “Monthly Foreign Exchange Reports” of the resident banks and CBRT
- Foreign trade statistics compiled by the Turkish Statistical Institute (TURKSTAT)
- Freight and insurance data regarding merchandise trade provided by TURKSTAT
- Surveys on travel and shuttle trade conducted by TURKSTAT
- Data provided through direct reporting of the related resident enterprises for some of the services items



Main Data Sources (cont'd)

- Data on non-residents' holdings of equity securities provided by Central Registry Agency Inc. of Turkey
- Data on non-residents' holdings of debt securities provided by the custodian banks
- Annual Direct Investment Survey for reinvested earnings data
- Financial press as a supplementary source



Periodicity and Timeliness

- Compiled on a monthly basis
- Disseminated within approximately 5 weeks after the end of the reference month

Dissemination

- The balance of payments statistics and developments are released simultaneously to all interested parties by posting on the CBRT's website <http://www.tcmb.gov.tr>
- Also available as time series data in the Electronic Data Dissemination System at the same internet address
- Disseminated to the public according to a release calendar that is specified within the context of “Special Data Dissemination Standards” of the IMF

Current Situation

Data transmitted to Eurostat:

- Annual International Trade in Services (ITS)
- BOP_ITS_A, Questionnaire Y1
- Quarterly Balance of Payments; BOP_Q_Q Questionnaires Q1,Q1_BACK_DATA
- Annual Foreign Direct Investment (FDI)

Flows, BOP_FDI_A, Questionnaires Y5_R5, Y6_R/1/2

Stocks: BOP_POS_A, Questionnaires Y7_R4&5, Y8-R1-NEW, Y8_R2/3



Future Plans

Annual International Trade in Services

It is planned to finalize the on-going work to compile the following sub-items through direct reporting by the end of 2007. The results are planned to be reflected in 2008 BOP data

- Passenger Services
- Postal Services
- Courier Services
- Embassies and consulates
- Military units and agencies
- Audio-visual and related services
- Other personal, cultural and recreational services

Future Plans (cont'd)

Annual International Trade in Services (cont'd)

- For the sub-items of the following services items, the work is in progress:
 - Miscellaneous business, professional and technical services
 - Computer and Information Services
- Geographical breakdown is planned to be provided beginning with the 2008 data



Future Plans (cont'd)

Quarterly Balance of Payments

Current Account:

- Goods and Services: Geographical breakdown for the whole of the goods and services items is planned to be provided by beginning with the 2008 data
- The other items of the current account: Studies are initiated to provide geographical breakdown

Future Plans (cont'd)

Quarterly Balance of Payments (CONT'D)

Financial Account:

- Financial Account/FDI: Geographical breakdown is already available on Level 3 basis
- Financial Account/Other Investment: The work is in progress to provide the geographical breakdown as requested in the EUROSTAT BOP Vademecum, Version November 2005
- Financial Account/Portfolio Investment (Net and Liabilities) and Official Reserve Assets: The data are provided on partner World (A1) basis as requested in the Eurostat BOP Vademecum, Version November 2005. Studies are initiated to provide geographical breakdown of the Portfolio Investment/Assests

Future Plans (cont'd)

Annual Foreign Direct Investment

- The geographical breakdown is already available except for the geographical breakdown of the activity breakdown for flows and stocks (Questionnaire Y5 for flows and Questionnaire Y7 for stocks), which is planned to be provided by beginning with the 2006 data
- Data for post 530 (Abroad, Other Capital) are planned to be provided by beginning with 2007 data
- Questionnaire Y6_R3/R4 (Direct Investment Income) will be sent to Eurostat no later than October 2, 2006