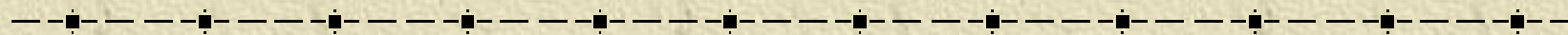


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The ROW Accounts As Presented By The 2008 SNA



- ✧ It is the ROW accounts that articulates those transactions that take place between the total economy and the rest of the world.

Relationship Between The Rest Of The World Accounts And The Balance Of Payments

✧ The 2008 SNA and the BOP manual (sixth edition) concur fully with respect to the principles relating to:

1. Residence – The delineation of the residents units (either producers or consumers).

Relationship Between The Rest Of The World Accounts And The Balance Of Payments

- ✧ 2. General Accounting Rules.
 - a. Valuation – Valuation of transactions and of stocks of assets and liabilities.
 - b. Time of recording.
 - c. Conversion and the unit of account
- ✧ 3. Coverage of international transactions in goods and services, income flows, transfers (current and capital), foreign financial assets and liabilities.
- ✧ 4. Coverage of international investment position.

The SNA presents the following accounts with respect to the ROW accounts.

- ✦ (1) The external account of goods and services
- ✦ (2) External accounts of primary incomes and
current transfers.
- ✦ (3) The external accumulation accounts consisting of :

The SNA presents the following accounts with respect to the ROW accounts.

- ✦ (a) The capital account
- ✦ (b) The financial account which deals with transactions in financial assets and liabilities
- ✦ (c) Other changes in the volume of assets accounts
- (d) Revaluation account, covering nominal holding gains and losses.

The SNA presents the following accounts with respect to the ROW accounts.

- ✧ (4) The external assets and liabilities account presents the opening and closing balance sheets and changes in the value of those assets and liabilities between the opening and closing balance sheet.

The SNA presents the following accounts with respect to the ROW accounts.

- ✧ The ROW Account is presented from the point of view of the rest of the world. Therefore a resource of the ROW is a use of the total economy and vice versa. A positive balancing item signifies a surplus of the rest of the world and a deficit for the total economy and vice versa if the balancing item is negative.

Relationship between BOP and National Accounts

⊕ (1) $GDP = C + I + X - M$ ✱ (the goods & services account)

⊕ (2) $CAB = X - M + NPI + NCT$ ✱ ROW current acc/BOP current acc)

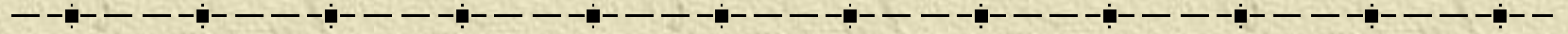
PROBLEMS ARISING FROM TRANSFERRING THE BOP DATA TO THE ROW ACCOUNTS

- ✧ (1) A problem also arises with the fluctuating exchange rates in terms of conversion, in that the BOP data is usually collected in US currency annually, and the time of recording the transaction is not taken into consideration. On the other hand, the ROW accounts are compiled in the local currency, and conversion therefore has to be done using the daily annual average exchange rates for both imports and exports (debits and credits). This therefore shows some inconsistencies in the external balances of both the BOP and the ROW accounts. This information however could be calculated by the statistical department.

PROBLEMS ARISING FROM TRANSFERRING THE BOP DATA TO THE ROW ACCOUNTS

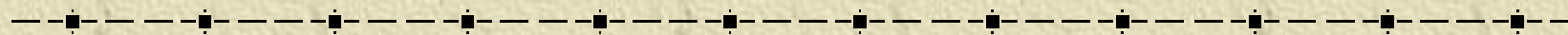
- ✧ (2) The categorization of both the accounts made the transfer of information from the financial account of the BOP to that of the ROW very exacting. Also, the lack of detail of some items in the BOP made it difficult to identify the corresponding classification of the SNA.

CONCLUSION



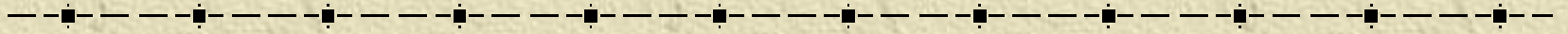
✧ The harmonization of the two systems is however not without its challenges. It is clear that the concepts, classifications and definitions used by the BOP compilers have to be clearly understood by the National Account Statisticians.

CONCLUSION



✧ The absence of some information such as Insurance technical reserve and FISIM, the categorization and lack of detail of others have to be borne in mind and the relevant adjustments made to the accounts. Also, the correctness and the quality of the ROW data depends largely on the quality of the data presented by the BOP. The inherent problems of data collection by the central banks must be underscored.

CONCLUSION



✦ In spite of any limitations the harmonization process has made it easier for national accounts statistician to compile the Row account with greater ease and consistency.

Rest of the world (ROW)

Accounts (Account IV)

EXTERNAL TRANSACTION ACCOUNTS

Of Goods & Services

	2013	2014
Exports of Goods & Services	437,876.1	481,916.0
Exports of goods	160,555.3	163,198.5
Exports of services	277,320.8	318,717.5
Imports of Goods & Services	754,481.0	824,708.0
Imports of goods	549,514.6	582,001.7
Imports of services	204,966.5	242,706.2
External balance of goods & services	-316,605.0	-342,792.0

Rest of the World (ROW) Accounts

External balance of goods & services	-316,605.0	-342,792.0
Compensation of Employees from the Rest of the World	9,634.9	10,865.9
Property Income from the Rest of the World	15,828.7	17,964.0
Other current transfers from the Rest of The World	247,197.3	280,183.6
Compensation of Employees to the Rest of the World	6,637.4	6,928.7
Property Income to the Rest of the World	55,459.4	62,498.6
Other current transfers to the Rest of The World	24,401.7	25,667.5
Current External Balance	130,442.6	128,873.3

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Current External Balance	130,442.6	128,873.3
Net Capital Transfers from the R.O.W.	-1,326.1	-3,106.9
Net Borrowing from the R.O.W.	-131,768.7	-131,980.3

Balance of Payments

BALANCE OF PAYMENTS SUMMARY			
	US\$MN		
	1/	2/	
	Oct-Dec	Oct-Dec	Change
	2014	2015	
1. CURRENT ACCOUNT	- 367.6	- 72.9	294.7
a. GOODS BALANCE	- 988.7	- 761.1	227.5
Exports (f.o.b.)	333.5	293.6	- 39.9
Imports (f.o.b.)	1 322.2	1 054.7	- 267.4
b. SERVICES BALANCE	133.3	143.6	10.3
Transportation	- 163.3	- 143.8	19.5
Travel	499.9	500.9	0.9
Other Services	- 203.4	- 213.4	- 10.1
GOODS & SERVICES BALANCE	- 855.4	- 617.5	237.8
c. INCOME	- 102.3	- 52.0	50.3
Compensation of employees	34.5	50.1	15.5
Investment Income	- 136.8	- 102.0	34.8
d. CURRENT TRANSFERS	590.1	596.6	6.6
Official	52.8	43.7	- 9.1
Private	537.3	552.9	15.7
2. CAPITAL & FINANCIAL ACCOUNT	367.6	72.9	- 294.7
A. CAPITAL ACCOUNT	- 6.7	- 7.2	- 0.6
a. Capital Transfers	- 6.7	- 7.2	- 0.6
Official	0.6	0.0	- 0.6
Private	- 7.2	- 7.2	0.0
b. Acq./disposal of non-prod. non-fin'l assets	0.0	0.0	0.0
B. FINANCIAL ACCOUNT	374.3	80.1	- 294.2
Other Official Investment	- 284.5	- 13.1	271.4
Other Private Investment (incl. Errors & Omissions)	459.4	88.4	- 371.0
Reserves	199.5	4.9	
1/ Revised			
2/ Provisional			

	2013		2014	
	Cr	Dr	Cr	Dr
		<u>-1 314.3</u>		<u>-1 110.7</u>
1. CURRENT ACCOUNT	7 107.3	8 421.6	7 202.1	8 312.8
A. Goods & Services	4 246.9	7 504.8	4 325.4	7 387.5
1. Goods	1 580.5	5 462.0	1 482.2	5 200.2
1.1 General Merchandise	1 398.2	5 414.3	1 301.7	5 161.5
1.2 Goods Procured in Ports by Carriers	182.3	47.7	180.5	38.7
1.3 Freezone Trade	0.0	0.0	0.0	0.0
2. Services	2 666.4	2 042.8	2 843.2	2 187.3
2.1 Transportation	227.4	916.8	216.2	915.1
2.1.1 Passenger	0.0	215.5	0.0	212.8
2.1.2 Freight	0.0	684.6	0.0	694.3
2.1.3 Other	227.4	16.7	216.2	8.0
2.2 Travel	2 073.9	172.8	2 255.2	188.4
2.3 Other Services	365.2	953.2	371.8	1 083.8
2.3.1 Insurance Services	2.4	133.9	2.8	175.3
2.3.2 Communication Services	54.2	11.8	68.1	27.4
2.3.3 Financial Services	25.3	39.5	11.9	39.6
2.3.4 Computer & Information Services	35.1	22.1	41.0	23.9
2.3.5 Royalties & License Fees	5.0	61.1	6.3	61.2
2.3.6 Other Business Services	105.1	547.5	105.8	602.4
2.3.7 Personal, Cultural, & Recreational Service	105.0	29.6	105.0	42.3
2.3.8 Government Services	33.0	63.7	30.9	50.6
2.3.9 Construction Services	0.0	44.0	0.0	61.1
B Income	396.7	673.6	351.5	694.0
1.1 Compensation of Employees	96.0	66.2	97.9	62.4
1.2 Investment Income	300.7	607.4	253.6	631.6
C. Current Transfers	2 463.7	243.2	2 525.2	231.3
1.1 Official	261.8	2.5	224.7	3.7
1.2 Private	2 201.9	240.7	2 300.5	227.7
2. CAPITAL & FINANCIAL ACCOUNT	5 137.0	3 336.6	6 223.1	5 166.4
A. Capital Account	36.0	48.8	21.2	48.8
1.1 Government Capital Transfers	18.9	0.0	4.1	0.0
1.2 Other Sectors Tranfers	17.1	48.8	17.1	48.8

	1/ 2013		2/ 2014	
	<u>Cr</u>	<u>Dr</u>	<u>Cr</u>	<u>Dr</u>
B. Financial Account	5 101.0	3 287.8	6 201.9	5 117.5
<i>1.1 Direct Investment</i>	592.9	71.9	554.1	79.7
<i>1.2 Other Investment</i>	4 508.1	3 293.6	5 647.8	4 084.6
<i>1.2.1 Trade Credits</i>	221.7	107.9	243.2	121.1
<i>1.2.2 Loans</i>	1 564.9	1 075.3	2 297.6	1 394.7
<i>1.2.2.1 Government</i>	409.6	378.8	1 175.4	525.7
<i>1.2.2.2 Other Sectors</i>	1 155.3	696.5	1 122.2	869.0
<i>1.2.3 Currency & Deposits</i>	1 704.3	1 230.1	2 067.0	1 674.8
<i>1.2.4 Other Assets</i>	1 017.1	880.3	1 040.0	894.0
C. Reserves	0.0	- 77.8	0.0	953.3
<i>1.1 Liabilities</i>	0.0	0.0	0.0	0.0
<i>1.2 Assets</i>	0.0	- 77.8	0.0	953.3
<i>1.2.1 Special Drawing Rights</i>	0.0	0.0	0.0	0.0
<i>1.2.2 Bank of Jamaica</i>	0.0	- 77.8	0.0	953.3
<i>1.2.3 Government Assets</i>	0.0	0.0	0.0	0.0
Net Errors & Omissions	- 486.0	0.0	54.0	0.0

Balance of Payments

Balance of Payments		
	Credit	Debit
Current Account	4,527.1	5,018.3
A. Goods and Services	3,364.6	4,326.7
1. Goods	1,338.9	2,884.6
1.1 General merchandise	1,301.0	2,848.6
1.2 Goods procured in ports by carrier	37.9	36.0
1.3 Freezone trade	-	-
2. Services	2,025.7	1,442.1
2.1 Transportation	328.6	585.2
2.2 Travel	1,332.6	208.7
2.3 Other services	364.5	648.2
B. Income	193.1	543.0
Compensation of employees	88.2	20.8
Investment income	104.9	522.2
C. Current Transfers	969.4	148.6
Private	155.1	7.2
Official	814.3	141.4
Current Account Balance	(491.2)	

Balance of Payments

Capital Account and Financial Account

A. Capital Account

Government capital transfers

Other capital transfers

Acq./disposal of non-

prod. Non- fin'l assets

Capital & current account balance

Balance of Payments

E. Financial Account

Direct investment

Other investments

Trade credits

Loans

Currency & Deposits

Other Assets

Reserves

Liabilities

Assets

F. Net Errors & Omissions