

# THE RECONCILIATION OF FOREIGN TRANSACTION STATISTICS: NATIONAL ACCOUNTS AND BALANCE OF PAYMENTS

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## I. INTRODUCTION

This paper examines foreign transactions as they are recorded in the national accounts and the balance of payments statements. While it is recognized that the two statements have quite different uses, it may be desirable to have a certain amount of consistency, not necessarily complete identity, between these two highly inter-related fields of economic accounts. This would simplify the task of compilation and better enable users to compare the two statements.

The recording of national accounts and balance of payments data in the Philippines has been greatly improved, and increased consistency has been achieved over the years. However, there still remain some areas where further refinements can be pursued. The objective is not to generate identical statements but to enhance harmonization of the two sets of economic accounts to a practicable extent without losing the analytical usefulness of the two statements.

## II. CONCEPTUAL FRAMEWORK OF THE BALANCE OF PAYMENTS

### Definition

The balance of payments as defined in the *Manual*<sup>1</sup> is "a statistical statement for a given period showing: (a) transactions in goods, services, and income between an economy and the rest of the world; (b) changes of ownership and other changes in that economy's monetary gold, special drawing rights (SDRs), and claims

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Central Bank of the Philippines. Comments are those of the authors and not of the Central Bank.

1. International Monetary Fund, *Balance of Payments Manual*, 4th ed., Washington, D.C., 1977.

on and liabilities to the rest of the world; and (c) unrequited transfers and counterpart entries that are needed to balance, in the accounting sense, any entries for the foregoing transactions and changes which are not mutually offsetting.”

This definition provides the basis for constructing the balance of payments statement. However, there are situations when decisions may not be readily straightforward and when certain conventions are adopted to deal with borderline cases. The *Manual* identifies these cases as principally those involving decisions on: (a) what constitutes a transaction, and (b) what changes in the holdings of foreign financial items to cover in addition to those produced by changes of ownership.

With respect to item (a), the *Manual* uses the term “transaction” broadly to refer to any sort of change which by convention is to be shown in the balance of payments. Likewise, the exact coverage of changes in an economy’s holdings of foreign financial items referred to in item (b) is to be a matter of judgment. Entries in the balance of payments do not reflect exclusively changes of ownership between a resident and a nonresident nor do they cover all changes in the value of an economy’s holdings of foreign financial items during a given period.

An economy is thought of as comprising the economic entities that are more closely associated with a given territory than with any other territory. In the balance of payments of a given economy are recorded either an entity’s transactions with the rest of the world, if such an entity is considered a resident of the economy, or an entity’s transactions with the economy, if such an entity is considered a nonresident.

### *Double-Entry System*

The construction of a balance of payments statement employs the basic convention of double-entry accounting, i.e., every transaction that is recorded is to be represented by two entries having exactly equal values. One entry is designated as a credit with a positive arithmetic sign and the other is called a debit with a negative sign. Thus, the sum of all credit entries is in principle equal to the sum of all debit entries, and the net balance of all entries in the statement is zero.

The double-entry system in recording balance of payments

transactions is a useful convention for statistical and analytical reasons. The system allows for: (a) the presentation of credit and debit entries for a single kind of good, service, income or capital item either separately [gross] or aggregated [net], and (b) the isolation of transactions undertaken for their own sake and the corresponding flows induced to finance them. The latter approach makes possible a balance of payments analysis of the relationships between the partial balances so derived, providing technicians and policymakers with important pieces of information.

### *Coverage of the Balance of Payments*

The balance of payments is basically a "flow" concept in that it is a record of what has taken place during a given period. In contrast to a "stock" concept, the balance of payments refers to changes, i.e., transactions in a comprehensive sense. Moreover, it is not concerned only with "payments" as this term is generally understood. A number of international transactions covered by the balance of payments may not involve the payment of money, and some are not paid for in any sense. The inclusion of such transactions in addition to those matched by "payments" constitutes a major difference between a balance of payments statement and a record of foreign payments.

The balance of payments covers the following types of transactions:

(a) Exchanges — wherein a transactor (economic entity) provides an economic value to another transactor and receives in return an equal value. The things which are considered to have an economic value and which could be exchanged between economies are broadly classified into real resources (goods, services, income) and financial items.

(b) Unrequited transfers — wherein one transactor provides an economic value to another transactor but does not receive in return something on which economic value is placed.

(c) Allocation of SDRs — wherein a resident acquires or gives up a financial asset but does not exchange it for anything having an economic value. It is similar to an unrequited transfer but differs in that only one party, the resident, is involved and there is no transfer of the asset from one entity to another.

(d) Monetization of gold — counterpart for an increase in an economy's foreign financial asset arising from an increase in

the value of its stock of gold. The opposite is termed demonetization. This change may occur even if only one entity — specifically, an agency of the central authorities — is involved.

With respect to migration wherein the residence of an individual is considered to have changed from one economy to another, the balance of payments records the shifts in the individual's assets and liabilities. The net sum of all these shifts is equal to the net worth of the migrant, which is conventionally included in unrequited transfers. On the matter of reclassification of claims and liabilities which can arise mainly from a change in the intention of the creditor or debtor, the decision for the balance of payments has been to record the reclassification of financial items only when such reclassification affects reserves.

On the other hand, the balance of payments by convention excludes valuation changes, although supplementary information on such changes is given with respect to financial items in the category for reserves. However, included in the balance of payments is the realization of capital gains or losses resulting from valuation changes when a transfer of ownership under a contract actually takes place. Write-offs, like valuation changes, are not covered by any contract with another party disposing of the asset, and are not included in the balance of payments. Moreover, the real resources and capital that a given economy provides to or receives from the rest of the world following a change in its territory and the transfer of net worth needed as counterpart entry are, by convention, excluded from the balance of payments.

### III. THE BALANCE OF PAYMENTS AND THE NATIONAL ACCOUNTS

#### The BOP as a Segment of the National Accounts

The balance of payments as a record of the goods and services which a given economy has received from and provided to the rest of the world, as well as an account of the changes in the economy's claims on and liabilities to the rest of the world, forms part of the national accounts of that economy. The *Manual* points out that:

The balance of payments, from one viewpoint, forms an identifiable segment of the national accounts, which provide a comprehensive and systematic framework for collecting and

presenting the economic statistics of a nation. The main international standard for such a framework is the United Nations' *A System of National Accounts (SNA)*, which encompasses data referring to both flows and stocks. That system is a closed one, in the sense that both ends of every flow are recorded; that is, each flow is shown as an "outgoing" from one part of the system and an "incoming" into another part. The stocks of assets that are affected by those flows are covered as of the beginning and end of the flow period, together with the so-called reconciliation items, which are the occurrences during the period other than those conceived as flows that cause additional differences in the value of stocks from one date to another.

The transactors and holders of stocks under the national accounts system are the resident economic entities of a given economy. In order for the system to be a closed one, a segment must be provided to which outgoings from one resident entity that are not incomings for another resident entity may be directed and in which incomings to one resident entity that are not outgoings for another resident entity may originate. That segment is known in the SNA as the "rest-of-the world account," while the segment occupied by the resident entities is divided among main accounts for production, consumption, and accumulation.

To illustrate, a set of tables of the national accounts is presented below showing the rest of the world account as an integral part of the national accounts, together with the relationships existing among the different accounts.

### THE REST OF THE WORLD (Balance of Payments Account)

<b>Outgoings</b>	<b>Incomings</b>
16 Purchase of exports (5 incomings — production)	18 Sales of imports (2 outgoings — production)
17 Net distributed factor income payments (11 incomings — consumption)	19 Net current transfers (8 outgoings — consumption)

20 Net borrowings (14 outgoings – accumulation)

TOTAL

TOTAL

Each of the accounts in the table above has counterentries in the other tables of the national accounts, as follows:

**PRODUCTION**  
(Domestic Product Account)

<b>Outgoings</b>		<b>Incomings</b>	
1	Gross income payments (value added)	3	Sales of consumption goods
2	Purchases of imports	4	Sales of capital goods
		5	Sales of exports
	<b>TOTAL</b>		<b>TOTAL</b>

**CONSUMPTION**  
(Income and Outlay Account)

<b>Outgoings</b>		<b>Incomings</b>	
6	Purchases of consumption goods	9	Gross income receipts from domestic production
7	Savings	10	Less: Provision for the consumption of fixed capital
8	Net current transfers abroad	11	Net distributed factor incomes from abroad
	<b>TOTAL</b>		<b>TOTAL</b>

**ACCUMULATION**  
(Capital Transactions Account)

<b>Outgoings</b>	<b>Incomings</b>
12 Purchases of capital goods	15 Savings
13 Less: Provisions for the consumption of fixed capital	
14 Net lending abroad	
<b>TOTAL</b>	<b>TOTAL</b>

The tables above illustrate the contrast between the balance of payments which is an open system that deals mainly with only one end of each flow, and the SNA which is a closed one. Thus, while the SNA records an import of goods, for example, as both a purchase of imports in the Production Account (2-Outgoings) and a sale of imports in the Rest-of-the-World Account (18-Incomings), the balance of payments shows the import itself only once, as the acquisition of a real resource (debit).

*Similarities and Differences between the BOP and SNA*

The two systems broadly utilize the same concepts in terms of coverage, valuation and time of recording. The *Manual* states that:

The balance of payments and the *SNA* deal in principle with both the same resident economic entities and the same kinds of real resources and financial assets. Moreover, they apply in principle the same concepts both of the monetary value to be assigned to transactions and other changes in those resources and assets and of the time at which the transactions and other changes in their value are said to occur.

On the other hand, certain differences exist between the balance of payments and the national accounts. Aside from what has already been mentioned about the former being an open system and the latter being a closed one, the two types of statements likewise have

different uses requiring different classification schemes which are designed to serve the needs of:

SNA	BOP
– Overall economic planning and policy formulation	– Identification of imbalances between the domestic economy and the rest of the world
– Input-output	– Tracing the effects of such imbalances and their financing on international economic relationships and the adjustment process
– Production functions	
– Factor shares	
– Consumer demand	
– Distribution and redistribution of income	
– Flow of funds	

The differences in the classification of accounts necessitated by the respective thrusts of the two systems should nevertheless be reconcilable considering their well-defined coverage, the concepts used, and the relatively detailed information available to support each system.

#### IV. CONSOLIDATION AND RECONCILIATION OF PHILIPPINE NATIONAL ACCOUNTS AND BOP STATISTICS

##### *BOP Items in the National Accounts*

The accounts in the balance of payments are captured in *Account V. External Transactions Account* of the SNA. Items 1-8 of Account V represent the transactions on current account in the balance of payments; i.e., exports and imports of goods and non-factor services, compensation of employees from and to the rest of the world, property and entrepreneurial income from and to the rest of the world, and current transfers from and to the rest of the world. Item 9 represents the balance on current account transactions.



Item 10 (capital transfer from the rest of the world, net) and item 11 (net lending to the rest of the world) correspond to the total net movements in the capital account of the BOP including monetary capital, i.e., movements in the account of the banking system reflecting the overall BOP position.

The different items in Account V are then incorporated into the other accounts: Personal Income and Outlay Account (II), General Government Income and Outlay Account (III), Combined Capital Reconciliation Account (IV), and finally, Gross National Product and Expenditure Account (I).

### *Comparison of Selected Accounts in the Two Systems*

A study of the reconciliation of the classification of external transactions in the SNA and the BOP Manual<sup>2</sup> was done in 1981 with the aim of providing a guide both for national accounts and balance of payments compilers interested in the classification of foreign transactions in the two systems. Done in close consultation with the staff of the United Nations Statistical Office regarding the interpretation of the classification of external transactions in the SNA, the study presents a comprehensive and detailed list of BOP components and their relationship to the items of the external transactions table of the SNA, and vice versa.

Most of the items in the list are already being taken into account in the compilation of statistics for the Philippines' BOP and national accounts statements. There are also those items which may be incorporated in official statistics in subsequent years considering the probability of their occurrence in the future. On the other hand, certain items are not relevant to the Philippines as they simply do not manifest themselves in the country's transactions.

Certain items are at present treated differently in the SNA and in the BOP, including the following:

- (a) Freight and insurance provided by resident firms are included in goods and services as presented in the national accounts to give a complete C.I.F. value. In the BOP, these are excluded, as the statement records only transac-

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2. Arie C. Bouter and Mahinder S. Gill, *Reconciliation of the Classification of External Transactions in the System of National Accounts (SNA) and the Balance of Payments Manual*, International Monetary Fund, December 31, 1981.

tions of residents with nonresidents.

(b) Goods temporarily imported or exported are deducted from the BOP trade data for purposes of the national accounts, as no change in ownership of such goods is said to take place and the goods are not subjected to any change in form because they are intended to be returned.

(c) Reinsurance claims and migrants' transfers are included in the BOP since they represent additions (deductions) of residents' claims against nonresidents, but are excluded in the SNA.

The differences in the treatment of these items result in discrepancies between the rest of the world sector of the national accounts and the BOP. However, since they are identifiable they can also be used as reconciling items for specific accounts in the two statements.

#### *Possible Areas for Refinements*

The data sources for the rest of the world sector in the national accounts and the BOP are the same for both systems. Trade statistics used are those generated by NCSO and data for nontrade current transactions and capital flows are obtained from Central Bank records. However, when the external transactions account is integrated into the other accounts of the SNA, varying trends are sometimes observed between the national accounts and the BOP. For instance, there are certain years when investment indicators in the national accounts show substantial gains which are not indicated in the BOP accounts such as imports of capital goods, investments or foreign loans.

Reconciliation problems also arise in the accounting of commodity flows. For certain periods, domestic consumption of a certain commodity, when added to exports and changes in stocks, does not equal production data plus imports of the commodity, if any. When such discrepancies arise, it becomes difficult to determine whether the gap is traceable to internal or external leakages.

Factor incomes and expenses are not clearly differentiated in detailed classification under the services account of the BOP. Identification of such items is important in the recording of the national accounts. Examples of accounts that need to be broken down are government expenditures, commissions and fees, and construction activity.

### *Other Issues*

Both the BOP Manual and the SNA recommend the inclusion of transfer of merchandise that may arise out of leasing arrangements. According to the *Manual*, "... a lease arrangement expected to cover at least three fourths of the cost of the goods, together with the carrying charges, is to be taken as presumptive evidence that a change of ownership is intended. The full equivalent of the market value of the goods (not the cumulative total of the expected lease payments) should then be recorded as merchandise, and an offsetting entry should be made in the capital account to record the credit extended to the nominal lessee."

Available information shows the recent leasing activities undertaken by transport companies like PAL. These are isolated cases at present but they may increase in the future. This area can probably be looked into by the NEDA, Central Bank, and other agencies.

Another issue relates to the real growth of exports and imports as indicated in the national accounts and their growth as shown by the quantum indices of exports and imports from the NCSO. Theoretically, these two sets of indicators should show approximately the same growth rates. Time series data, however, exhibit significant differences between them. This area can perhaps be examined also, using as one of the bases or references the review of the present methodology on trade indices being conducted by the Inter-Agency Committee on Trade and Tourism under the Statistical Advisory Board.

THE NATIONAL INCOME ACCOUNTS  
OF THE PHILIPPINES, CY 1981

ACCOUNT I. GROSS NATIONAL PRODUCT AND  
EXPENDITURE ACCOUNT (At Current Prices  
in Million Pesos)

Item	1 9 8 1
1. Compensation of employees (II-1) .....	222,986
2. Entrepreneurial and property income of persons (II-2) ..	
3. General government income from property and entrepreneurship (III-1) .....	2,827
4. Corporate income .....	19,873
a. Corporate tax (III-3a) .....	3,870
b. Corporate savings (IV-1b) .....	16,003
NATIONAL INCOME .....	245,596
5. Indirect taxes (III-2) .....	27,772
6. Less: Subsidies (III-7) .....	776
7. Capital consumption allowance (IV-2) .....	30,600
GROSS NATIONAL PRODUCT at market prices. ....	303,192
8. Personal consumption expenditures (II-6) .....	206,942
9. General government consumption expenditures (III-6) .....	24,053
10. Gross domestic capital formation (IV-4) .....	90,560
a. Fixed capital formation (IV-4a) .....	79,285
b. Increase in stocks (IV-4b) .....	11,275
11. Exports of goods and non factor services (V-1) .....	58,031
12. Less: Imports of goods and non factor services (V-5) .....	73,997
13. Statistical discrepancy (II-10) .....	(785)
EXPENDITURES ON GROSS DOMESTIC PRODUCT .....	304,804
14. Net factor income from the rest of the world (V-12) .....	(1,612)
EXPENDITURES ON GROSS NATIONAL PRODUCT .....	303,192

Source: Statistical Coordination Office, National Accounts Staff, NEDA.

**ACCOUNT II. PERSONAL INCOME AND OUTLAY**  
**ACCOUNT (At Current Prices in Million Pesos)**

Item	1 9 8 1
1. Compensation of employees (I-11) . . . . .	222,896
2. Entrepreneurship and property income of persons (I-2) . . . . .	
3. Social security benefits (III-8) . . . . .	1,418
4. Other current transfers from general government (III-9) . . . . .	3,064
5. Current transfers from the rest of the world (V-4b) . . .	3,521
<b>CURRENT RECEIPTS . . . . .</b>	<b>230,899</b>
6. Personal consumption expenditures (I-8) . . . . .	206,942
7. Personal direct taxes (III-3b) . . . . .	4,749
8. Social security contributions (III-4) . . . . .	2,950
9. Current transfers to the rest of the world (V-8b) . . . . .	40
10. Statistical discrepancy (I-13) . . . . .	(785)
11. Personal savings (IV-1a) . . . . .	17,003
<b>CURRENT DISBURSEMENTS . . . . .</b>	<b>230,899</b>

Source: Statistical Coordination Office, National Accounts Staff, NEDA.

ACCOUNT III. GENERAL GOVERNMENT INCOME  
AND OUTLAY ACCOUNT (At Current Prices in Million Pesos)

Item	1 9 8 1
1. General government income from property and entrepreneurship (I-3) .....	2,827
2. Indirect taxes (I-5) .....	27,772
3. Direct taxes .....	8,619
a. Corporations (I-4a) .....	2,870
b. Persons (II-7) .....	4,749
4. Social security contributions (II-8) .....	2,950
5. Current transfers from the rest of the world (V-4a) .....	283
CURRENT RECEIPTS .....	42,451
6. General government consumption expenditures (I-9) .....	24,053
7. Subsidies (I-6) .....	776
8. Social security benefits (II-3) .....	1,418
9. Other current transfers to persons (II-4) .....	3,064
10. Current transfers to the rest of the world (V-8a) .....	989
11. General government savings (IV-1c) .....	12,151
CURRENT DISBURSEMENTS .....	42,451

Source: Statistical Coordination Office, National Accounts Staff, NEDA.

ACCOUNT IV. COMBINED CAPITAL RECONCILIATION  
ACCOUNT (At Current Prices in Million Pesos)

Item	1 9 8 1
1. Savings .....	45,157
a. Persons (II-11) .....	17,003
b. Corporations (I-4b) .....	16,003
c. General government (III-11) .....	12,151
2. Capital consumption allowance (I-7) .....	30,600
3. Capital transfers from the rest of the world, net (V-10) .....	75,757
4. Gross domestic capital formation (I-10) .....	90,560
a. Fixed Capital formation (I-10a) .....	79,285
b. Increase in stocks (I-10b) .....	11,275
5. Net lending to the rest of the world (V-11) .....	(14803)
GROSS ACCUMULATION .....	75,757

Source: Statistical Coordination Office, National Accounts Staff, NEDA.

ACCOUNT V. EXTERNAL TRANSACTIONS ACCOUNT  
(At Current Prices in Million Pesos)

Item	1 9 8 1
1. Exports of goods and nonfactor services (I-11) . . . . .	58,031
a. Merchandise, f.o.b. . . . .	44,378
b. Other exports . . . . .	13,653
2. Compensation of employees from the rest of world. . . . .	6,444
3. Property and entrepreneurial income from the rest of the world . . . . .	3,260
4. Current transfers from the rest of the world . . . . .	3,804
a. To general government (III-5) . . . . .	283
b. To persons (II-5) . . . . .	3,521
CURRENT RECEIPTS	<u>71,539</u>
5. Imports of goods and nonfactor services (I-12) . . . . .	73,997
a. Merchandise, f.o.b. . . . .	63,817
b. Other imports . . . . .	10,180
6. Compensation of employees to the rest of the world . . . . .	74
7. Property and entrepreneurial income to the rest of the world . . . . .	11,242
8. Current transfers to the rest of the world . . . . .	1,029
a. By general government (III-10) . . . . .	989
b. By persons (II-9) . . . . .	40
CURRENT DISBURSEMENTS	<u>86,342</u>
9. Surplus of the nation or current transactions . . . . .	(14,803)
10. Capital transfer from the rest of the world, net (IV-3) . . . . .	—
11. Net lending to the rest of the world (IV-5) (9+10) . . . . .	(14,803)
12. Memorandum item: Net factor income from the rest of the world (I-14): (2+3) — (6+7) . . . . .	(1,612)

Source: Statistical Coordination Office, National Accounts Staff, NEDA.

## STANDARD COMPONENTS OF THE BALANCE OF PAYMENTS

## I. CURRENT ACCOUNT

	Credit	Debit
A. Goods, Services, and Income		
Merchandise		
Shipment		
Other transportation		
Passenger services		
Port services, etc.		
Travel		
Investment income		
Direct investment income		
Reinvested earnings		
Distributed earnings		
Other		
Resident official, including interofficial		
Foreign official, excluding interofficial		
Private		
Other goods, services, and income		
Official		
Interofficial		
Other, resident official		
Other, foreign official		
Private		
Labor income, n.i.e.		
Property income, n.i.e.		
Other		
B. Unrequited Transfers		
Private		
Migrants' transfers		
Workers' remittances		
Other		
Official		
Interofficial		
Other, resident official		
Other, foreign official		



## BOP Components (Continued)

## II. CAPITAL ACCOUNT

	Credit	Debit
A. Capital, Excluding Reserves		
Direct investment		
Abroad		
Equity capital		
Reinvestment of earnings		
Other long-term capital		
Short-term capital		
In reporting economy		
Equity capital		
Reinvestment of earnings		
Other long-term capital		
Short-term capital		
Portfolio investment		
Public sector bonds		
Other bonds		
Corporate equities		
Other capital		
Long-term capital		
Resident official sector		
Drawings and repayments on loans extended		
Other assets		
Liabilities constituting foreign authorities' reserves		
Drawings and repayments on other loans received		
Other liabilities		
Deposit money banks		
Other sectors		
Drawings and repayments on loans extended		
Other assets		

## BOP Components (Continued)

- Liabilities constituting foreign authorities' reserves
- Drawings and repayments on other loans received
- Other liabilities
- Short-term capital
  - Resident official sector
    - Loans extended
    - Other assets
    - Liabilities constituting foreign authorities' reserves
    - Other loans received
    - Other liabilities
  - Deposit money banks
    - Assets
    - Liabilities constituting foreign authorities' reserves: denominated in national currency
    - Liabilities constituting foreign authorities' reserves: denominated in foreign currency
    - Other liabilities
  - Other sectors
- B. Reserves
  - Monetary gold
  - Special drawing rights
  - Reserve position in the fund
  - Foreign exchange assets
  - Other claims
  - Use of fund credit

BALANCE OF PAYMENTS  
1981 - 1982  
(In Million U.S. Dollars)

Items	1982	1981
I. Current Transactions		
A. Merchandise Trade .....	(2,646)	(2,224)
Exports .....	5,021	5,722
Imports .....	7,667	7,946
B. Non merchandise Trade .....	(1,164)	(541)
Inflow .....	2,721	2,664
Outflow .....	3,885	3,205
C. Transfers .....	486	472
Inflow .....	498	485
Outflow .....	12	13
Current Transactions, Total .....	(3,321)	(2,293)
II. Non monetary Capital		
D. Long-Term Loans .....	1,473	1,332
Inflow .....	2,348	2,072
Outflow .....	875	740
E. Direct Investments .....	292	407
Inflow .....	469	480
Outflow .....	177	73
F. Short-Term Capital .....	569	164
Inflow .....	12,095	8,874
Outflow .....	11,526	8,710
Errors and Omissions .....	(394)	(597)
Non monetary Capital, Total .....	1,940	1,306
G. Monetization of Gold .....	277	400
H. Allocation of SDRs .....	—	27
III. Overall Surplus (Deficit) .....	(1,107)	(560)
IV. Monetary Capital		
A. CB Compensatory Borrowings (Net) ...	589	320
B. Increase (—)/Decrease in CB Reserves).	62	459
C. Increase (—)/Decrease in Net F/X .....	456	(219)
Total .....	1,107	560

**COMPARISON OF ITEMS IN THE BALANCE OF PAYMENT  
AND PSNA EXTERNAL TRANSACTION ACCOUNT (ACCOUNT V)<sup>1</sup>**

Balance of Payment Item	National Accounts (Account V)	
	Item	Item No. <sup>2</sup>
<b>MERCHANDISE TRADE</b>		
A. Exports	Merchandise fob	Item 1a
B. Imports	Merchandise fob	Item 5a
<b>NON-MERCHANDISE TRADE</b>		
<b>A. Earnings</b>		
3. Freight & mdse. Insurance		
3.1 Freight	Other exports (transport services)	Item 1b.1
3.2 Insurance	Other exports (insurance service charge)	Item 1b.2
4. Other Transportation (same breakdown as in payment B.4)	Other export (transportation service)	Item 1b.1
5. Travel	Other exports (direct purchases in the domestic market by nonresident households)	Item 1b.3
5.1 Tourist		
5.2 Business travellers		
5.3 Students		
5.4 Government officials		
5.5 Others		
6. Investment Income	Property and entrepreneurial income	Item No.3
6.1 Profit, earnings, dividends		
6.2 Interest income		
a) Central Bank		
b) NPP		
c) Others		
7. Government	Other export (direct purchase in the domestic market by extra territorial bodies)	Item 1b.4
8. Non-Merchandise Insurance	Other export (Insurance service charge)	Item 1b.2
8.1 Premiums on direct ins.		
8.2 Claims on direct insurance		
8.3 Premium on re-insurance		
8.4 Claims on re-insurance		
9. Personal Income	Compensation of employees from the rest of the world	Item 2
9.1 Seamen		
9.2 Contract workers		
10. Commissions and Fees		
11. Construction Activity		
12. Operating Expenses		
13. Copyrights and Patents	Other exports (Miscellaneous commodities)	Item 1b.5
14. Real Estate Rentals		
15. Other services		

1. National Income Accounts 1980-1982 (Advance Estimate)

2. Refer to Staff paper on External Transaction.

## BOP and Account V (Continued)

Balance of Payment Item	National Accounts (Account V)	
	Item	Item No. <sup>2</sup>
<b>B. Payments</b>		
3. Freight and Merchandise Insurance	Source of Data: NCSO Foreign Trade Statistics (merchandise freight and insurance)	Item 5b.1-2
3.1 Freight		
3.2 Insurance		
4. Other Transportation	Other imports (transportation services)	Item 5b.1
4.1 Passenger fares		
4.2 Time charters		
4.3 Port disbursement		
4.4 Others		
5. Travel	Other imports (direct purchases abroad by resident households)	Item 5b. 3
5.1 Tourist		
5.2 Business travellers		
5.3 Students		
5.4 Government officials		
5.5 Others		
6. Investment Income	Property and entrepreneurial income to the ROW	Item 7
6.1 Profits, earnings, dividends		
6.2 Remit. by oil sew. contractors		
6.3 Reinvested earnings		
6.4 Interest expense		
6.4.1 Cir. 343 deposits		
6.4.2 Foreign loans (MEDIAD)		
7. Government	Other import (direct purchases abroad, government)	Item 5b.4
8. Non-Merchandise Insurance	Other exports (insurance service charge)	Item 5b.2
8.1 Premiums on direct insurance		
8.2 Claims on direct insurance		
8.3 Premiums on re-insurance		
8.4 Claims on re-insurance		
9. Personal Income	Compensation of employees to the rest of the world	Item 6
10. Commission and Fees	} Other imports (miscellaneous commodities)	Item 5b.5
11. Construction Activity		
12. Operating expenses		
13. Copyrights and patents		
14. Real estate rentals		
15. Other services		

## BOP and Account V (Continued)

Balance of Payment Item	National Accounts (Account V)	
	Item	Item No. <sup>2</sup>
<b>TRANSFERS, NET</b>		
<b>A. Inflow</b>		
9.2 Private transfers	Current transfer to person from ROW	Item 4.b
Taxes and fees		
Institutional Remittances		
Personal remittances		
Migrant transfers		
Voluntary relief agencies		
Personal effects		
10.2 Central Government Transfers		
USVA	Current transfer to persons fr. the rest of the world	Item 4.b
U.S. Bilateral Agreement	} Current transfer to Gen. Govt. from ROW	Item 4.a
U.N. Agencies		
Bilateral Agreement with other countries		
Colombo plan		
<b>B. Outflow</b>		
9.2 Private transfers	Current transfer from persons to ROW	Item 8.b
Institutional remittances		
Personal remittances		
Personal effects		
10.2 Central Government Transfers	Current transfers from general government to ROW	Item 8.a
Phil. contributions to international organization		
Peso support of foreign assistance program		