*Scope of Data and Classification*

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| Scope, classification and sources of data are as follows: |
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| **Major BOP components**: |
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| 1.       Current Accountconsists of transactions in trade in goods, services, primary income and secondary income between the domestic economy and the rest of the world. |
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| 2.       Capital account covers capital transfers receivable and payable, and acquisition and disposal of non-produced, non-financial assets between residents and non-residents. |
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| 3. Financial account records transactions that involve financial assets and liabilities between residents and non-residents. It covers data on direct and portfolio investments, financial derivatives and other investments. |
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| 4. Overall BOP Position is a summary measure of the performance of the country’s external transactions. It is derived from the change in net reserves of the Bangko Sentral ng Pilipinas (BSP). It can be in surplus, deficit or in balance. A surplus arises when inflows are greater than outflows while a deficit is incurred when outflows exceed inflows. When inflows and outflows are equally matched, the BOP position is in balance. |
| *Sources of Data and Methodology* |
| ***Conformity with standards:*** The compilation of the BOP statistics, including data sources and methodologies used, generally conform to the internationally accepted standards and guidelines set out in the International Monetary Fund’s (IMF) Balance of Payments and International Investment Position Manual, 6th Edition (BPM6). The dissemination of BOP statistics follows the standards prescribed in the IMF’s Special Data Dissemination Standard. |
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| ***Data Sources***: |
| [· Goods: Data on goods are based on customs data, which the Philippine Statistics Authority (PSA) processes and consolidates.[1] The PSA compiles the foreign trade statistics (FTS) using the general trade system, in which the national boundary serves as the statistical frontier. In the balance of payments, both imports and exports are valued f.o.b. at the customs frontier. For balance of payments purposes, the BSP undertakes adjustments on PSA FTS, as follows:](file:///C:\\Users\\CAPUNDAN\\Copy\\Open%20Data_data\\BSP\\2015\\BOPSG\\metabspbalpaymentstatistics.xlsx" \l "RANGE!A79) |
| a) exclude goods that do not involve change in ownership such as consigned, returned/replaced, and temporarily imported/exported goods; |
| b) include goods that are not captured in FTS such as overseas Filipinos’ (OFs) remittances in kind, fish bought/sold in high seas, goods imported by resident airlines and shipping companies; goods exported to foreign airlines, and goods sold under merchanting; and |
| c) adjustments to account for the undervaluation of electronics exports/imports. |
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| Services and primary income: The main source is International Transactions Reporting System (ITRS), except for the following: (a) passenger transportation are based on Civil Aeronautics Board’s (CAB) reports on local airlines operating abroad and foreign airlines operating in the Philippines; (b) freight transportation services are sourced from the FTS, (c) travel receipts are based on the Visitors Sample Survey (VSS) while travel imports are partly based on reports of Credit Card Association of the Philippines (CCAP) on usage of locally issued cards abroad, (d) interest payments of the nonbank sectors are based on information from the external debt statistics,(e) interest income and payments of the BSP are based on its accounting records, and (f) reinvested earnings are based on financial statements of foreign-owned companies and the foreign direct investment (FDI) survey for non-banks and on banking statistics for banks’ unremitted profits and reinvested earnings. Other sources that complement the ITRS are the Cross-border Transactions Survey (CBTS) and other administrative data. |
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| Secondary income and capital account: Data support is provided by ITRS, supplemented by information from government and international organizations’ administrative records on grants and donations and other international commitments. |
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| Financial account: The primary data sources are the ITRS for investment, and the external debt statistics for nonbank borrowings. Balance sheets submitted by banks to the BSP under the Financial Reporting Package (FRP) are the basis for the generation of banking data. These data sources are complemented by the CBTS and other administrative data, as well as foreign transactions in the Philippine Stock Exchange (PSE). |
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| Reserve assets and liabilities of the BSP are based on BSP Treasury Department’s (TD) accounting records. |
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| ***Periodicity:*** BOP Statistics are published quarterly with monthly breakdown |
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| ***Valuation:*** Generally, transactions are valued at market prices. However, there are cases in which market prices are difficult to approximate. This occurs when flows data are estimated as the change in the positions between two accounting periods and this is particularly observed in estimating banks' financial transactions. |
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| ***Unit of account:*** The BOP is compiled in US dollars. Transactions in currencies other than the US dollar are converted to their US dollar equivalent using the closing exchange rate on the transaction date. |