

United States Balance of Payments		
	Billions of US\$	
	2007	2008
1. CURRENT ACCOUNT	-726.57	-706.07
Exports of Goods and services and income receipts	2462.10	2591.233
Exports of goods and services	1,643.17	1,826.60
A. Goods	1,138.38	1,276.99
B. Services	504.78	549.60
Transportation	77.19	90.57
Travel	97.05	110.09
Other services	330.55	348.94
C. Income Receipts	818.931	764.637
Compensation of employees	2.97	3.04
Direct investment receipts	363.25	370.75
Other private receipts	450.48	385.94
Other investment receipts	2.23	4.91
Imports of goods and services and income payments	-3,072.68	-3,168.94
Imports of goods and services	-2,344.59	-2,522.53
A. Goods	-1,969.38	-2,117.245
B. Services	-375.22	-405.29
Transportation	-95.54	-104.74
Travel	-76.35	-79.74
Other services	-203.32	-220.80
C. Income Payments	728.09	646.41
Compensation of employees	-10.07	-10.36
Direct investment receipts	-126.53	-120.86
Other private payments	-427.16	-349.87
Other investment receipts	-164.33	-165.31
D. Unilateral current transfers, net	-116.00	-128.36
CAPITAL and FINANCIAL ACCOUNT	661.65	506.00
2. Capital Account	-1.90	0.95
Capital transfers transactions, net	-1.90	0.95
3. Financial Account	663.55	505.05
U.S.- owned assets abroad, excluding financial derivatives	-1,472.13	-0.11
Foreign-owned assets in the United States,; excluding financial derivatives	2,129.46	534.07
Financial Derivatives, net	6.22	-28.91
4. Statistical discrepancy	64.91	200.06

Credit entries are positive while debit entries are negative.

Source: IMF Balance of Payments Statistics

HOW ARE THE DATA OBTAINED?

The BOP requires a lot of data to be collected from a variety of sources. These data are constructed into the standard international format of the accounting statement. Generally, the Balance of Payments data are collected primarily through survey instruments and administrative records. It is therefore necessary to request information from all those engaged in international transactions, particularly the private sector firms and the government departments.

CONFIDENTIALITY

The information collected in the surveys are used for statistical purposes only and are protected by the Statistics Law (1996 Revision) section 17. No data on an individual company may be published, or released to anyone or disclosed in such a way so as to reveal any part of the data of an individual company.

YOUR ROLE

You can assist the Economic and Statistics Office in the production of useful and accurate Balance of Payments statistics annually by accurately completing and returning the Balance of Payments survey forms to the ESO.

Electronic copies of the forms can also be downloaded from the ESO website www.eso.ky

QUERIES

For queries, or request for assistance you may contact

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BOP

THE CAYMAN ISLANDS' BALANCE OF PAYMENTS



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WHAT IS THE BALANCE OF PAYMENTS (BOP)?

Vast amounts of individual economic transactions take place daily. Private individuals, companies and governments buy goods and services from all over the world and sell goods and services to the rest of the world. As a result of these numerous transactions, every country needs to keep an account of their transactions with the rest of the world. The BOP is such an account.

The BOP is a double entry system in which flows of international payments and receipts are recorded at a specific period of time. If a country received money, this is known as a credit and if it has paid or given money, the transaction is recorded as a debit in the BOP. An example of the BOP is the United States BOP shown at the back.

The BOP is divided into three main categories: the current account, the capital account and the financial account. Within each of these categories there are sub divisions.

INFORMATION REVEALED BY THE BOP

1. The Current Account records the outflow and inflow of goods and services from/into a country. It is composed of four sub groups; merchandise trade, services, income and unilateral transfers.

The current account reveals the following:

- The value of goods sold (exports) and purchased (imports) abroad.
- The value of services (including tourism, transportation and financial services) sold and purchased abroad.
- The value of remittances received and sent to relatives and friends living abroad.

- The value of payments made and receipts from abroad for factor services (i.e. dividends, interest, compensation of employees etc).
- When receipts from overseas are greater than payments abroad, the current account of the BOP is said to be in **surplus**.
- On the other hand, when payments abroad are greater than receipts from abroad there is a **deficit** on the current account of the BOP.

2. The Capital Account records all international capital transfers such as the following:

- The level of foreign aid received by the government to acquire assets (example, foreign aid to build roads, schools etc).
- The sale/purchase of property overseas by residents (i.e. government, businesses and individuals).

3. The Financial Account records all international monetary flows related to investment in businesses, bonds and stocks such as the following:

- Inflows of foreign investment (both direct and indirect).
- Net inflows of public sector loans (government and government guaranteed).
- Arrears on foreign debt repayments.
- Net capital movements by the commercial banking system.

4. Overall Balance of Payments is the sum of the current and capital and financial accounts.

WHO USES THE BOP STATISTICS?

- Government to assist with economic, social and fiscal policy formulation. The Public Management and Financial Law (PMFL) of the Cayman Islands requires the forecasting of the Current Account.
- Agencies and businesses engaged in financial risk assessments e.g. Moody's Investors Services. Moody's which provides sovereign credit ratings for the Cayman Islands.
- International Monetary Fund (IMF), United Nations (UN), and World Bank for international comparison with other countries.
- Central banks to determine the level of foreign exchange of the country.

WHAT ARE THE USES OF THE BOP?

- BOP is used to measure macro economic stability, which is important for the private businesses in the country to flourish.
- BOP statistics are used as a key economic indicator due to the close relationship between domestic and external economic developments.
- The BOP can be used to monitor the payments for goods imported in comparison to the receipts for goods exported.
- The current account must be included in the annual Strategic Policy Statement as mandated by the Public Management and Financial Law.
- It is used to determine the competitiveness of a country's economy.