



N a t i o n a l B a n k o f P o l a n d

Department of Statistics

2004-03-12

## MONTHLY BALANCE OF PAYMENTS ON A TRANSACTION BASIS

For the first time the National Bank of Poland (NBP) is presenting estimated monthly balance of payments on a transaction basis. It used to be presented only with quarterly and annual frequencies. Monthly balance of payments is in line with the European Union standards set for the balance of payments statistics. The data presented cover the period January 2000-January 2004.

The balance of payments is a statistical statement that presents, according to a detailed template, data on financial and non-financial transactions between resident and non-resident institutions. The balance of payments on a transaction basis is compiled based on data on payments settled by the Polish banking system, information derived from surveys of enterprises and other entities engaged in transactions with non-residents, and surveys conducted within the framework of the public statistics program.

Estimates of core components of the monthly balance of payments on a transaction basis are made based on data on monthly payments registered by the Polish banking system and certain quarterly data. Given that surveys of enterprises are available with a quarterly frequency, it is necessary to use adequate statistical techniques<sup>1</sup> in order to estimate monthly figures. Those estimations are based on data on external payments submitted by banks.

An analysis of the published data indicates that differences between the balance of payments on a transaction basis and the balance of payments on a cash basis are greatest in the case of current account. There are discrepancies mainly in *goods* and *services*. Moreover, in the balance of payments on a cash basis there exist a non-standard item '*unclassified transaction*

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<sup>1</sup> Calculation of monthly data was based on: Chow, G.C., Lin, A. (1971) *Best Linear Unbiased Interpolation, Distribution and Extrapolation of Time Series by Related Series* Review of Economics and Statistics.

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*on current account*<sup>2</sup>. Those differences are mainly caused by discrepancies between data sources for the balance of payments on a transaction basis and the balance of payments on a cash basis. For *goods* the balance of payments on a transaction basis exports and imports are estimated based on SAD customs' documents, supplemented with estimates of unregistered exports. For *services (travel)* estimations are based on data received from the Institute of Tourism. As the balance of payments on a transaction basis is a source for the calculation of some aggregates (net exports) for the national accounts purposes, estimates of these aggregates have been made jointly by the NBP and the Central Statistical Office. Detailed information on discrepancies between data sources used for the balance of payments on a transaction and on a cash basis purposes are presented in the enclosed table. Information on developments within the balance of payments items is shown in the below charts.

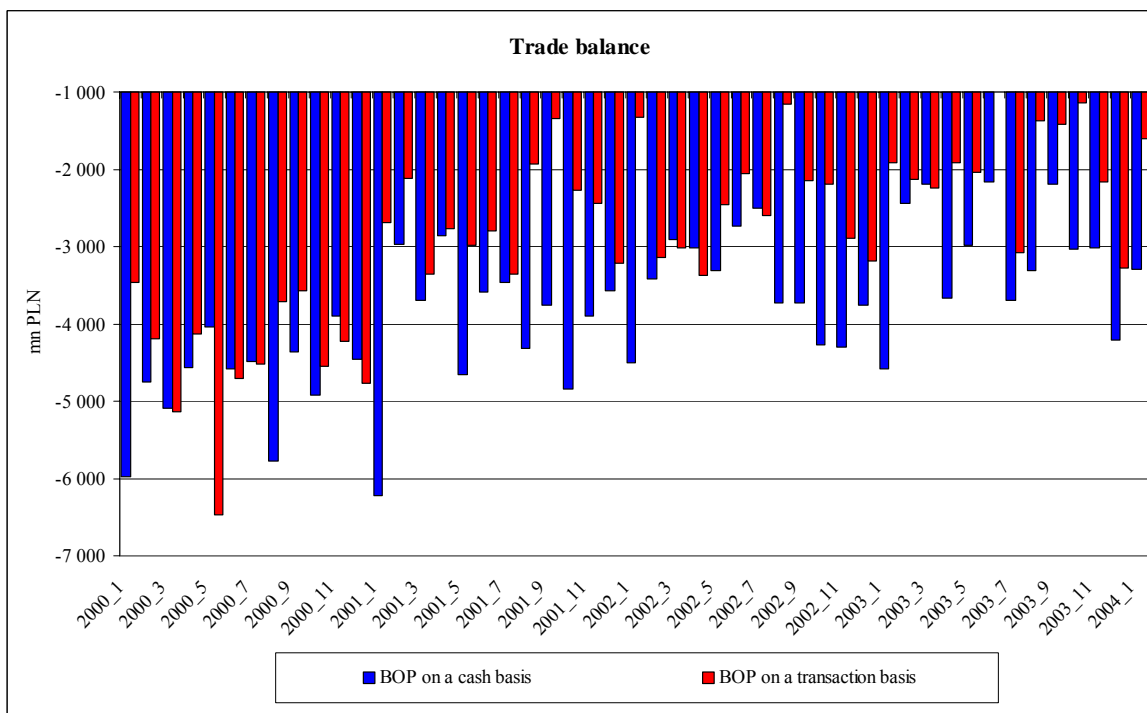
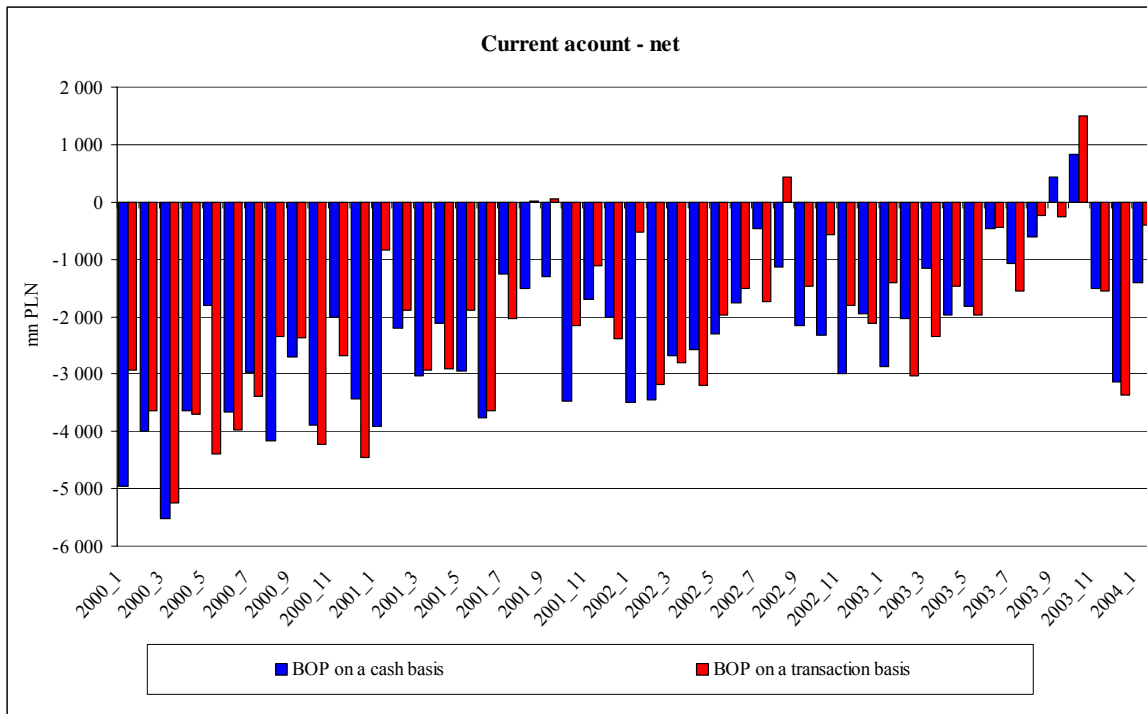
Contact persons: Anna Włostowska , tel. (+48 22) 653 1226, [anna.wlostowska@mail.nbp.pl](mailto:anna.wlostowska@mail.nbp.pl)

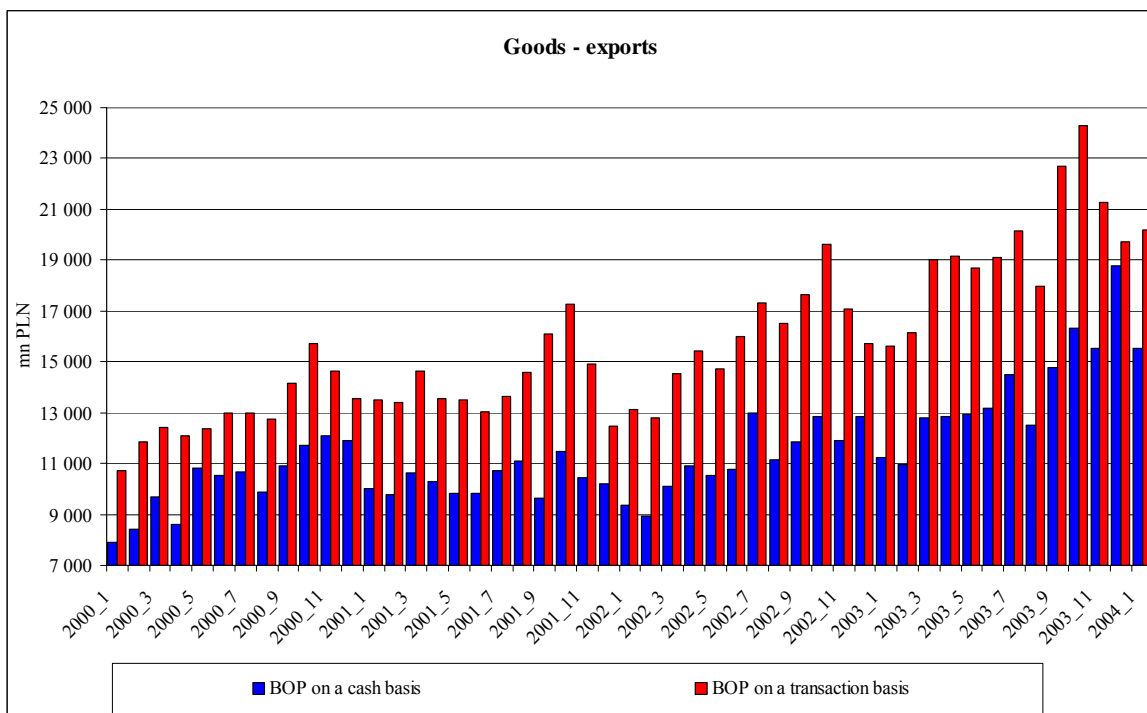
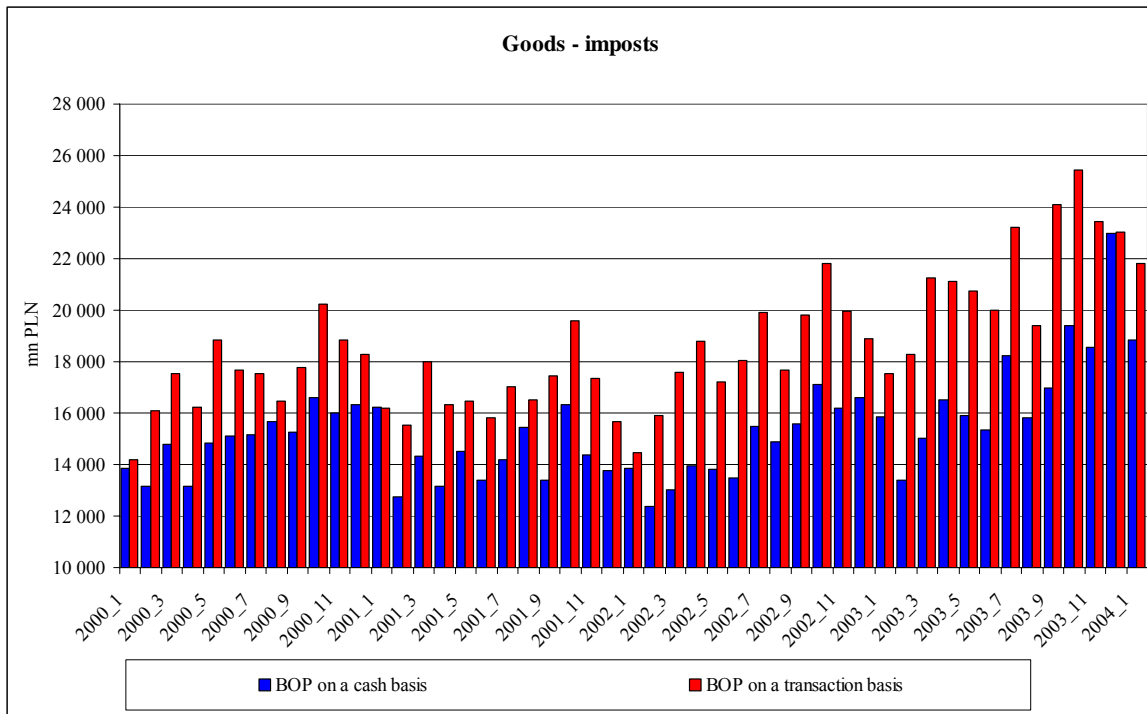
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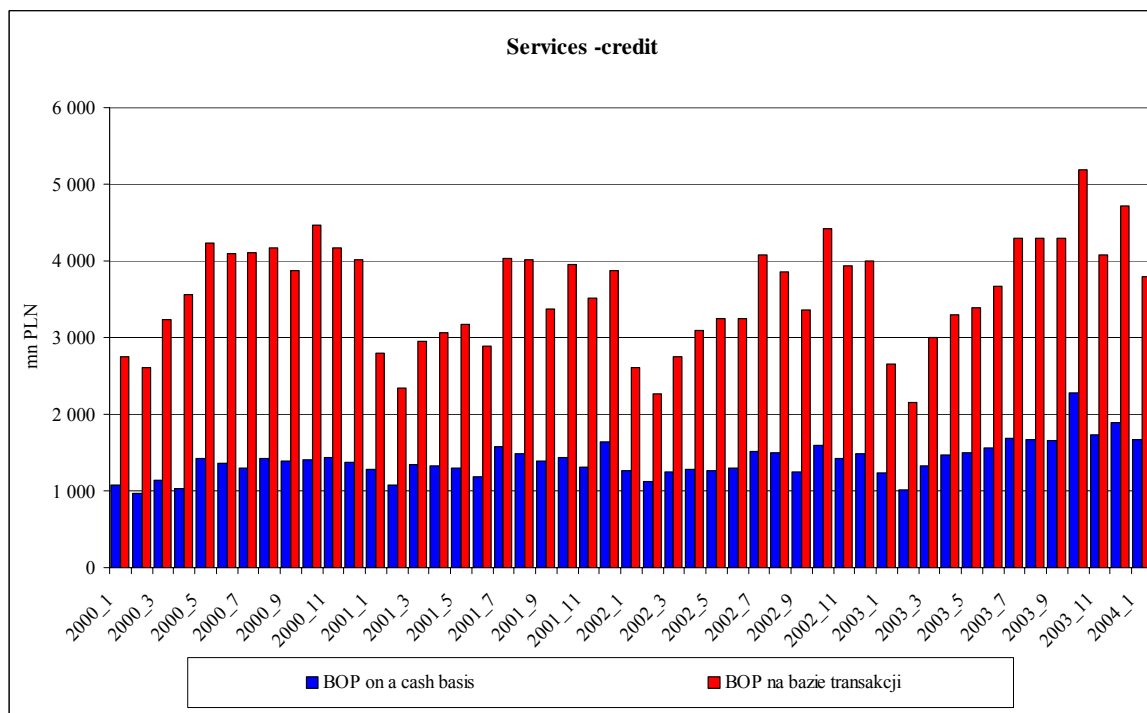
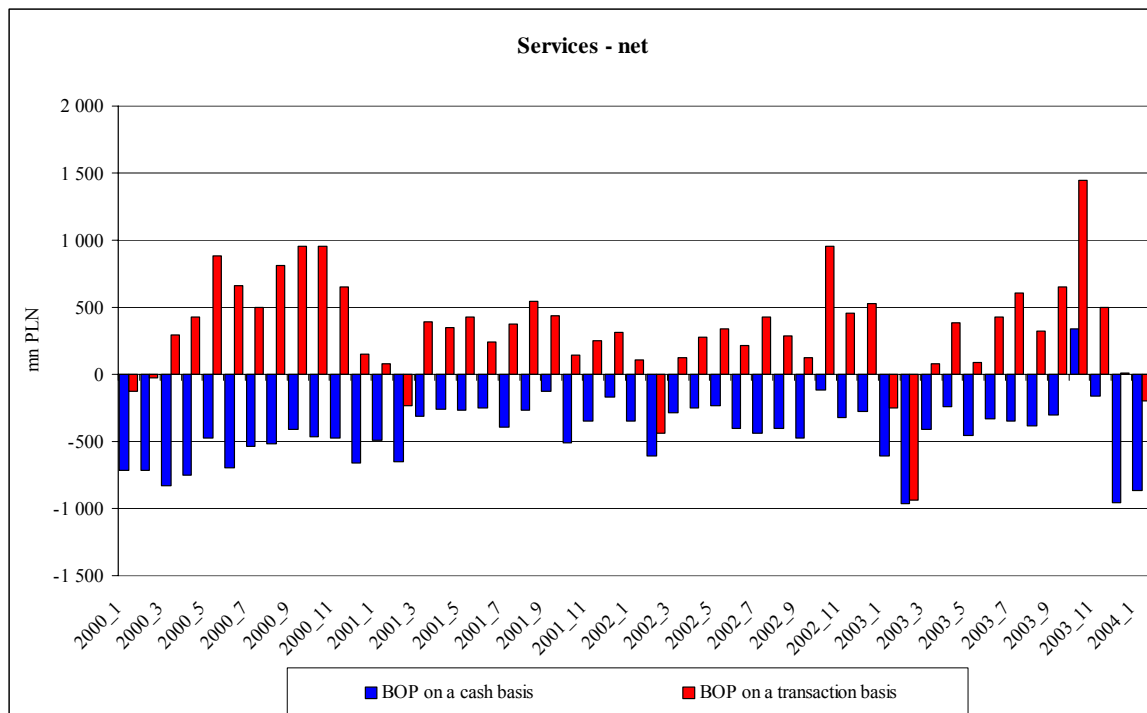
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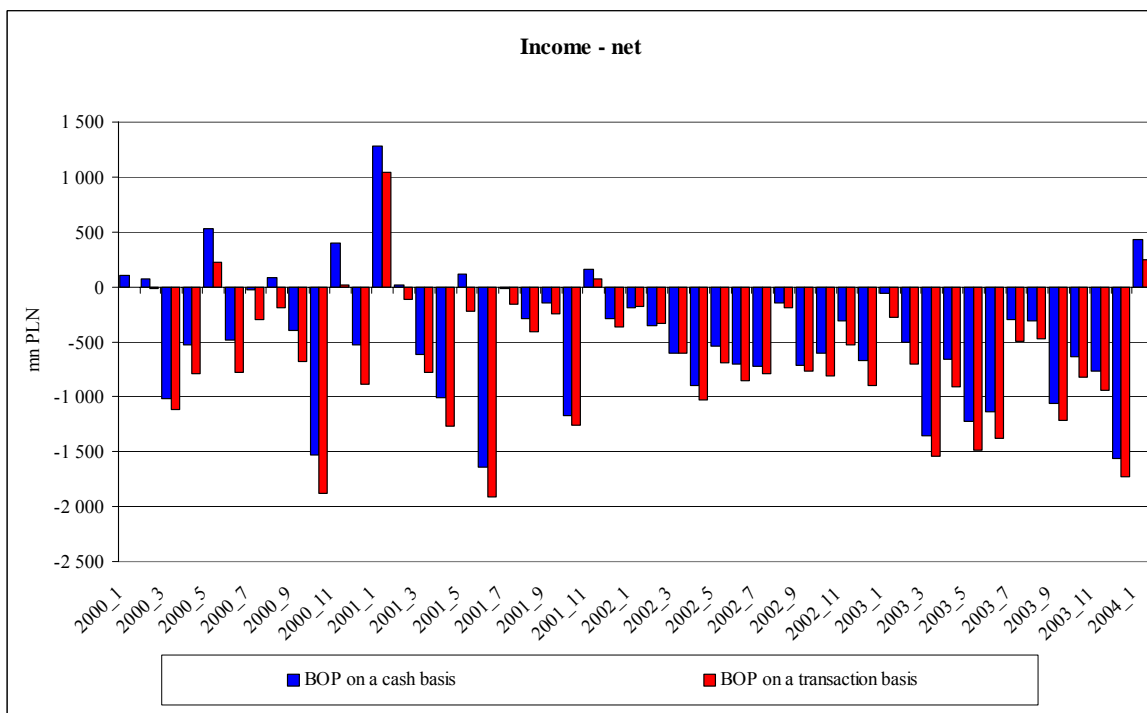
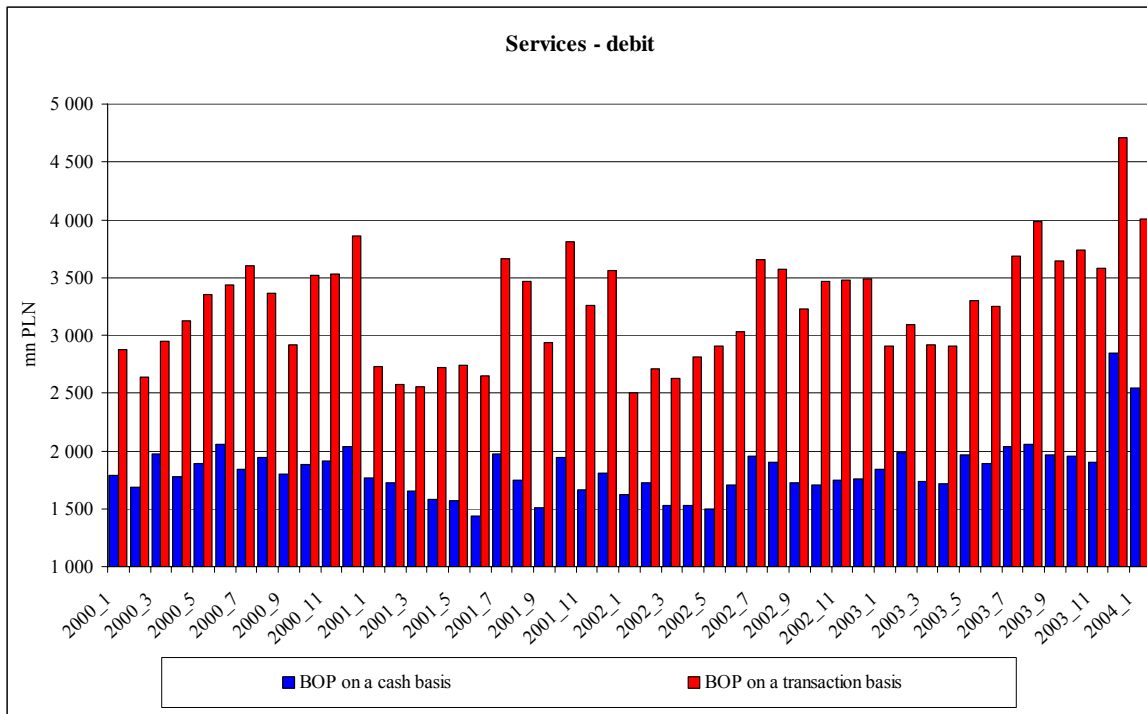
<sup>2</sup> In the balance of payments on a transaction basis the item is reclassified into the standard bop components. It comprises mainly services (travel), goods and current transfers.

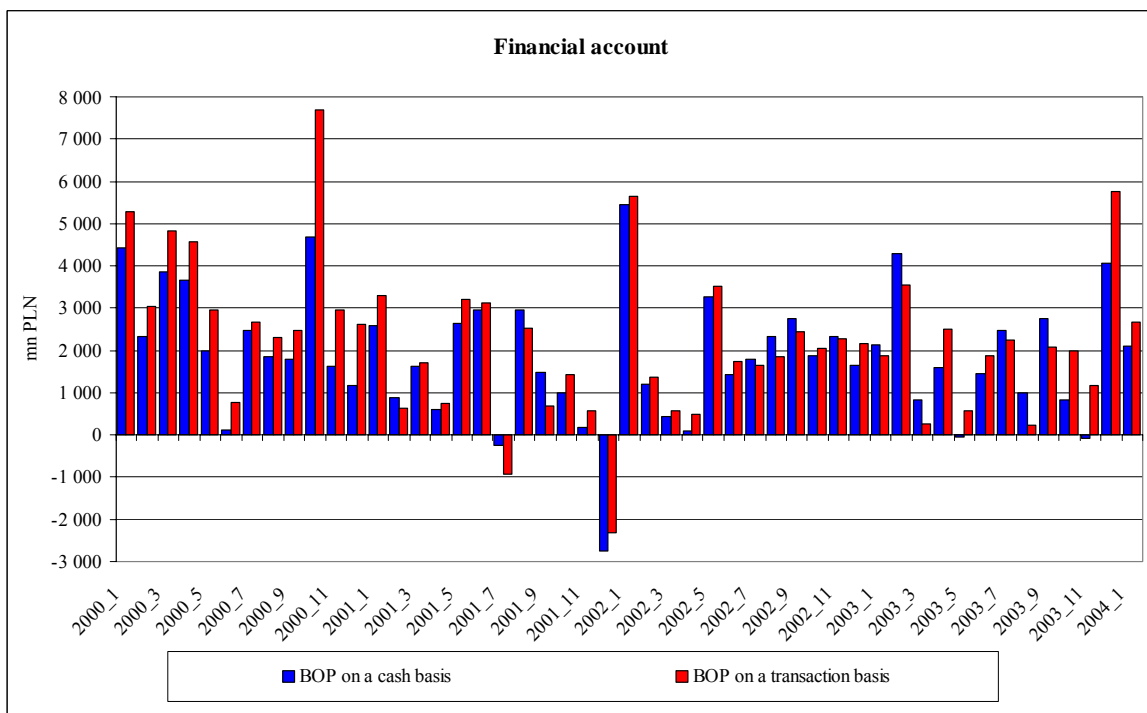
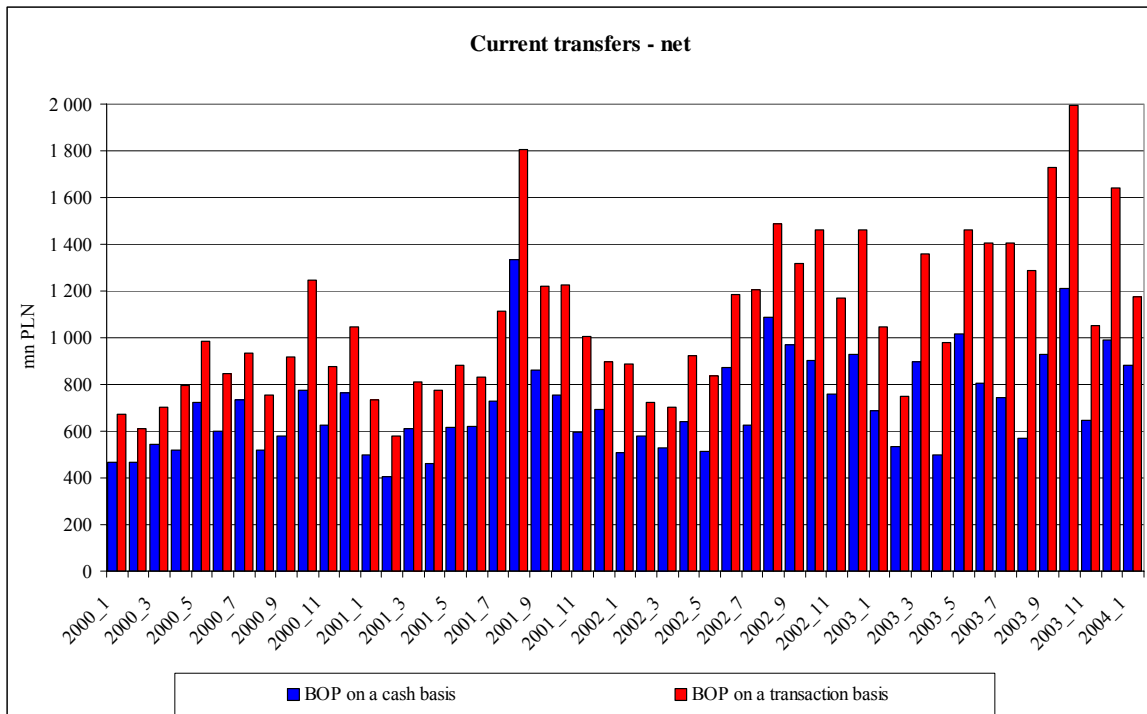
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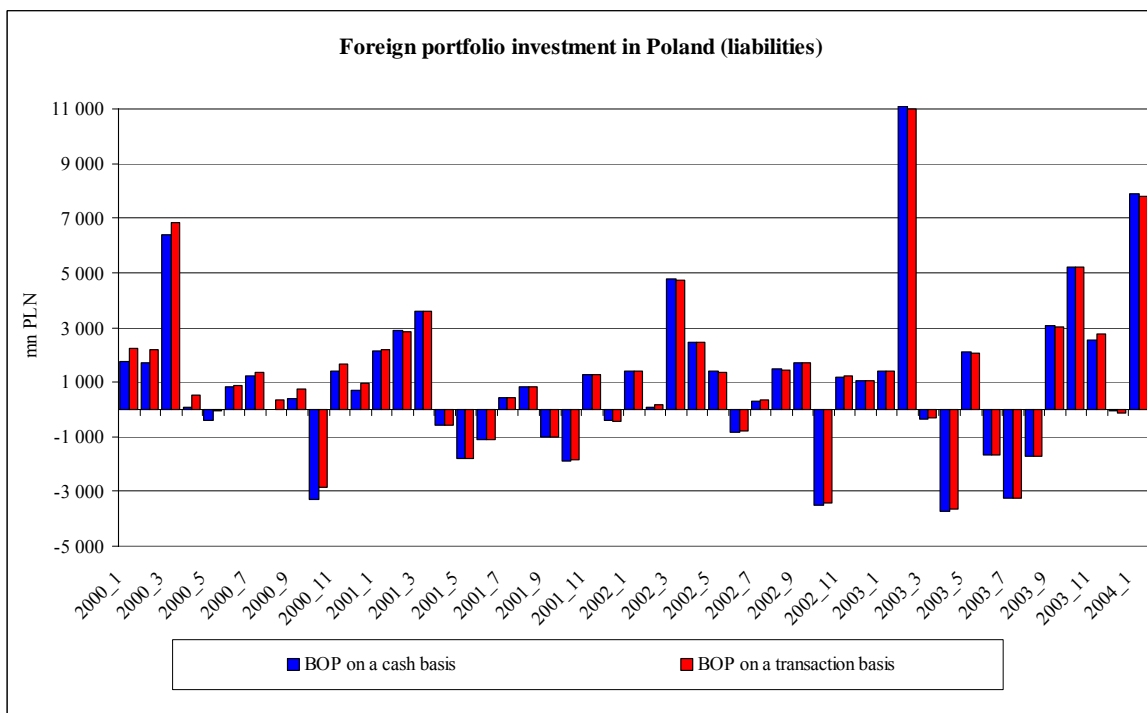
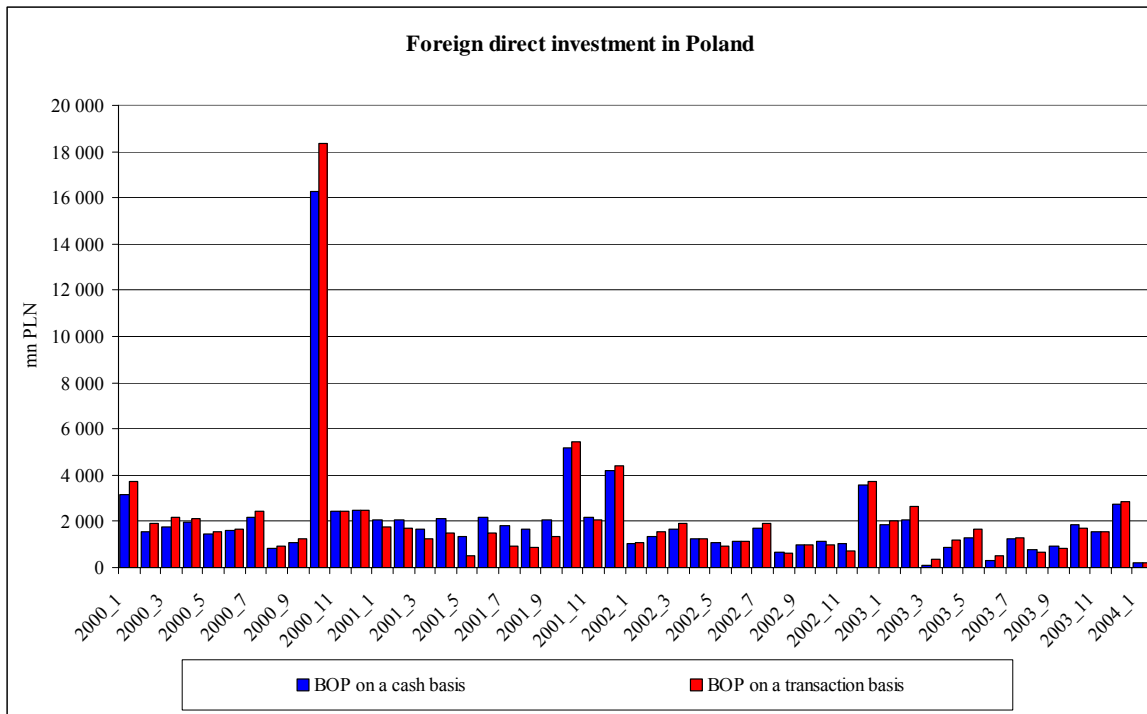




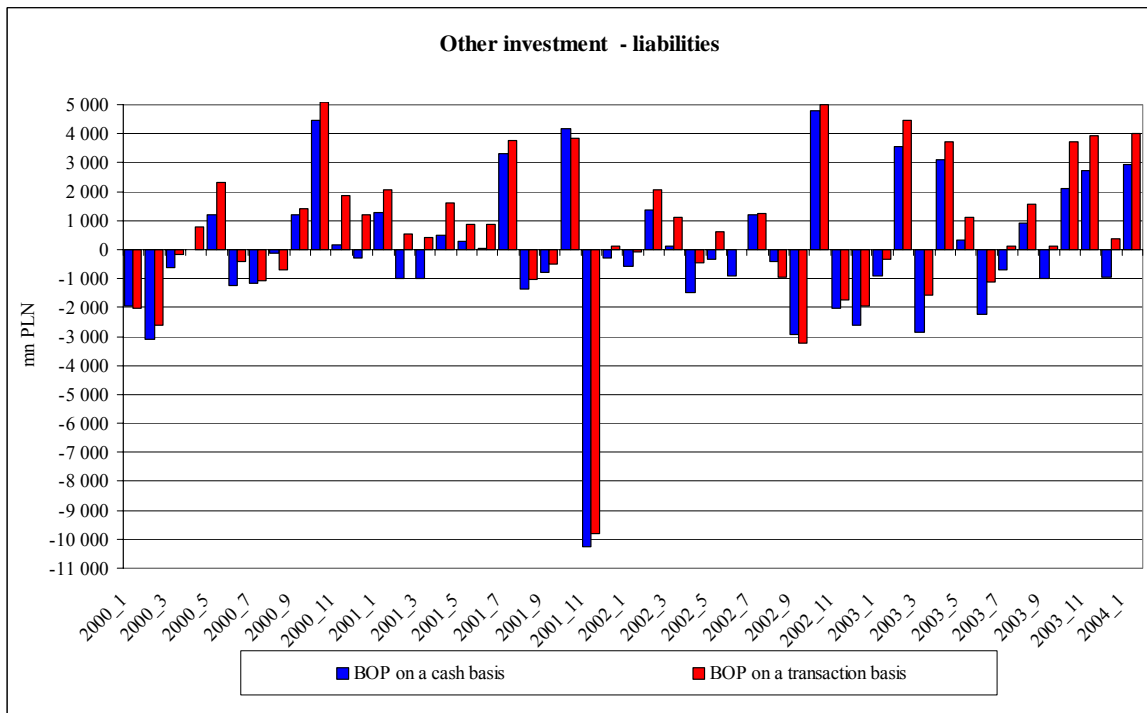
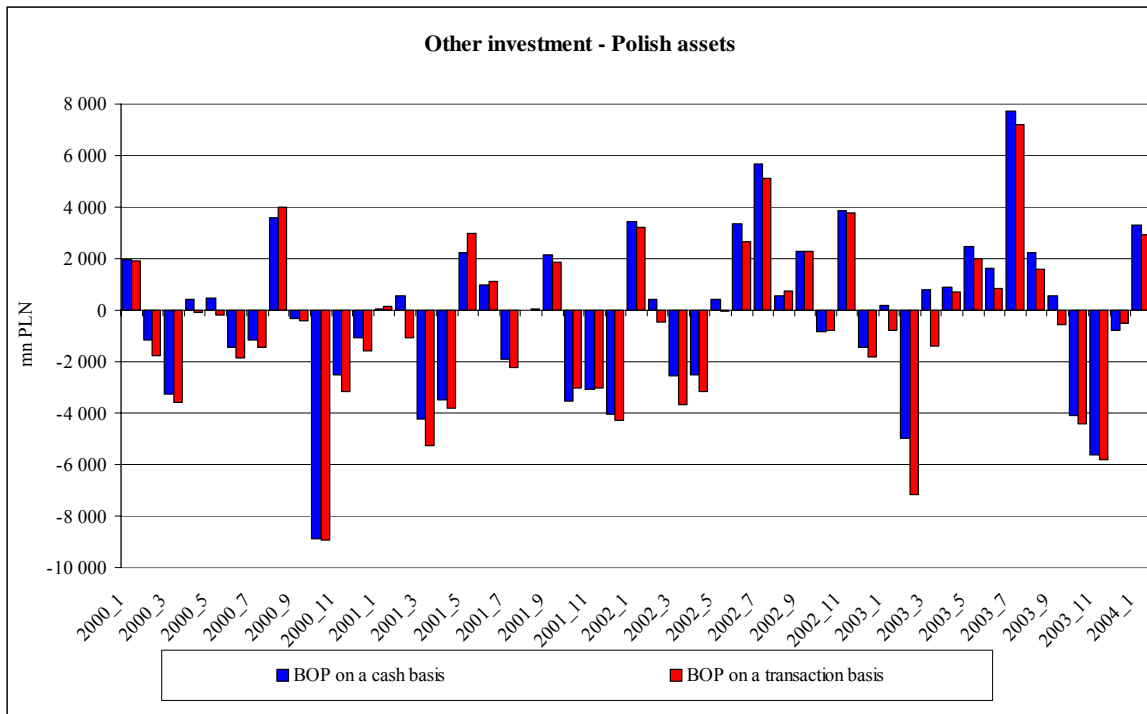












## **Comparison of data sources for the balance of payments on a cash and on a transaction basis purposes**

Two of the below stated sources are available with a monthly frequency: payments settled via the banking system and SAD customs documents. Data from other sources are derived quarterly.

<b>Balance of payments components</b>	<b>Balance of payments on a cash basis</b>	<b>Balance of payments on a transaction basis</b>
<b>Goods</b>	Payments settled via the Polish banking system	Customs statistics from SAD documents; invoices on a cif basis (used to revise imports data with transport costs); estimates of goods not covered by customs statistics, including reclassification of unclassified current account transactions (shuttle trade).
<b>Services</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; services settled via compensation of receivables and liabilities between resident and non-resident partners; netting between capital group companies; services settled through accounts of Polish companies held with banks abroad; the Institute of Tourism estimates of travel related services.
<b>Income</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; interest on accounts held abroad; capitalized and delayed interest on loans.
<b>Current transfers</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; Customs statistics from SAD documents transfers (taxes) paid through accounts at banks abroad reclassification of unclassified transactions on current account – workers remittances
<b>Capital account</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system.
<b>Poland's direct investment abroad</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; Survey on loans extended and received from Polish direct investors
<b>Foreign direct investment in Poland</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; Survey on loans extended and received from Polish direct investment enterprises

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<b>Balance of payments components</b>	<b>Balance of payments on a cash basis</b>	<b>Balance of payments on a transaction basis</b>
<b>Portfolio investment - assets</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; acquisition and disposal of securities settled through accounts held with banks abroad adjustments based on the stock data
<b>Portfolio investment - liabilities</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; acquisition and disposal of securities settled through accounts held with banks abroad
<b>Trade credits</b>	Item does not exist in the bop on a cash basis	Survey on trade credits extended and received by Polish importers and exporters.
<b>Other loans</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; survey on loans received and extended by Polish companies (other than direct investment companies)
<b>Currency and deposits</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; transactions settled through accounts held with banks abroad.
<b>Other foreign assets and liabilities</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; interest and principle in arrears.
<b>Financial derivatives</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system; transactions settled through accounts held with banks abroad or netting
<b>Official reserve assets</b>	Payments settled via the Polish banking system	Payments settled via the Polish banking system.