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"THE COMPILATION OF A EURO AREA ROW ACCOUNT",

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[1] The views expressed in this paper by the authors do not necessarily represent the views of the ECB.

Introduction

In the compilation of euro area sector accounts from Member States' national sector accounts the compilation of the euro area Rest of the World Account (RoW) takes a special significance. Whereas it is possible to aggregate the domestic sectors from the MS' national sector accounts to an euro area aggregate, the euro area RoW account cannot be obtained through the aggregation of the national RoW accounts. Instead, care must be taken to remove from the national RoW accounts the transactions that occur within the euro area, between residents of the euro area. In this process of compilation it is found that such transactions are not recorded consistently between the different MS, as a result of which statistical discrepancies occur, asymmetries, that affect the transaction balances of the euro area sector accounts.

One of the first issues addressed by European national accounts statisticians in discussing the forthcoming legislation on Quarterly Non-financial Sector Accounts was precisely how to deal with the compilation of the euro area RoW account. They were presented with two choices, the first being to use the euro area BoP, and the second one was to provide, on a quarterly basis, the required national RoW accounts with the required geographical breakdown. It was decided that the euro area BoP should provide for the euro area RoW. As a result the forthcoming legislation on quarterly sector accounts specifies that Member States only transmit the national RoW, without geographical breakdown.

In making these choices, it was recognised at an early stage that this required additional work in the field of Balance of Payments compilation as well as in the field of sector accounts compilation. First, the transaction detail specified in the proposed legislation exceeds that of the euro area BoP, and a significant effort will be required of BoP compilers to provide additional transaction detail. Second, in order to utilise the euro area BoP in the compilation of quarterly non-financial sector accounts, the former needs to be delivered within 85 days. Third, ideally BoP and RoW should be consistent at the national level and at a quarterly frequency. Currently there is still a long way to go before these requirements are met, and existing data sets do not support a straightforward compilation of the euro area account, even at an annual frequency. Therefore it has proven necessary to develop intermediate or hybrid methodologies that use the available data from both national RoW accounts and national BoP statements to overcome some of the current data gaps, and produce experimental euro area RoW accounts. These methodologies can be adjusted over time, with the availability of more detailed data providing a better coverage. But, until Member States are able to provide fully consistent BoP and RoW accounts, these methods will need to be used to estimate a euro area RoW account for inclusion in the sector accounts. (These estimates will still include asymmetries, which can only be removed, from sector accounts as a whole, by some system of balancing – see IARIW paper on QSA.)

This paper explores the issues that arise out of the compilation of the EA-RoW account based on available (annual) data. It is structured as follows. First, it defines the euro area RoW account, and the various accounting constraints associated with it. Second, it provides a detailed overview

of the empirical issues at hand with respect to the available data. Third it presents two alternative ways of compiling the EA-RoW using available data, and provides the results for the period 1999-2002, and compares results. Fourth, the paper lists the prospects for improved data becoming available.

The external sector of the euro area

The euro area forms the economic territory of the European Economic and Monetary Union. For the purpose of the compilation of the euro area accounts it consists of the joint territories of its 12 Member States. The ECB, which is the single international organisation belonging to the European System of Central Banks (ESCB), is considered resident to the euro area, whereas it is treated as a non-resident entity with respect to the Member States. The individual national central banks are naturally considered to be resident considered in their respective Member States. On the other hand institutions and agencies belonging to the European Union, excluding the ECB, are not considered resident to the euro area.

The euro area external sector is described in the euro area Balance of Payments (BoP), which is published monthly. It describes the transactions of the euro area as a whole with countries and international institutions that do not belong to the economic territory of the euro area. Data for the euro area external sector are available as from the creation of the euro area in 1999 onwards.

For the purpose of the euro area annual and quarterly sector accounts, an account representing the euro area external sector is needed. This account, the euro area RoW account (EA-RoW) is classified according to ESA95 transaction concepts. The level of detail chosen in these transaction concepts is chosen in such a way that the euro area sector accounts can be used for policy analysis. Specifically, the level of transaction detail is chosen in such a way that nearly the full range of ESA95 balancing items[2] are covered.

This account should be consistent with respect to the euro area BoP as well as consistent with the domestic sectors from the euro area sector accounts.[3]

This consistency will not be obtained through the simple summation of Member States' domestic sectors' accounts and the Member States' extra euro area RoW accounts, even though the Member States' sector accounts will as a rule be fully consistent in transactions. The reason for this is that the aggregation of the member States' intra – euro area accounts - measuring transaction between euro area Member States – will in general not be balanced between Uses and Resources. The problem is caused by the asymmetrical recording of the same transactions in

[2] Value added (B.1), operating surplus and mixed income (B.2+B.3), the balance of primary incomes (B.4), disposable income (B.6), savings (B8) and net borrowing/net lending (B.9) for the domestic sectors, and including the external balance on trade in goods and services (B.11), the external current account balance (B.12) and net lending/net borrowing (B.9) for the external sector.
[3] Compare: BoP Compilation Guide, paragraphs 430-433. SNA, Section XIV.

different Member States, and therefore is referred to as the asymmetry problem[4]. It is noted here that the asymmetry problem is only visible at the level of the euro area.

Empirical issues

Classifications and data availability

In the context of the current development work on euro area annual and quarterly non-financial sector accounts, it is necessary to compile also the accounts of the external sector of the euro area, together with the compilation of the euro area domestic sectors.

Although conceptually the BoP statement and the RoW account should be consistent (as stressed by their respective manuals[5]), from a practical compilation point of view they are not. Apart from documented differences, such as the treatment of interest swaps, construction services and others, the major difference is found in the use of a functional classification system in the BoP that is different from the transaction classification system used in the system of national accounts. Although correspondence exists at the level of broad indicators, no direct correspondence exists at the level of detailed BoP items and SNA transaction codes. Furthermore, in the context of the EA-BoP compilation, information is not collected from the Member States at the maximum level of detail provided for by the BPM5 item classification. An overview of the information currently collected by the ECB from Member States is presented in *annex 1* to this paper.

As a result, the required level of transaction detail with respect to the euro area RoW account is not available from the BoP. Specifically several items related to income, transfers and capital flows require further breakdown. The correspondence table between the available BoP data and the required RoW transaction breakdown is presented in *annex 2* to this paper.

The compilation of a euro area RoW account using Member States' annual or quarterly sector accounts is unfortunately not an option. To date, not all Member States produce annual sector accounts[6], and most do not as yet produce quarterly sector accounts. More importantly, no euro area Member State provides a geographical breakdown that would allow the compilation of a euro area RoW directly. Finally, not all Member States currently compile the national accounts according to the community concept required for the aggregation of Member States' data into meaningful euro area data[7][8].

[4] Theoretically, based on full country whom to whom information by item (BoP) or transaction (RoW), asymmetries can be analysed and resolved bilaterally between member states. In practice such an analysis has not proven practical, and asymmetries need to be addressed and resolved at the euro area level.
[5] United Nations (1993), IMF (1993), Eurostat (1996)
[6] Luxembourg and Ireland have obtained waivers from the European Commission to provide annual sector accounts in the context of the ESA95 transmission programme.
[7] The Netherlands and Belgium treatment of transit goods is according to the 'national' concept. For the euro area BoP data on trade in goods is provided according to the 'community' concept. These flows are significant because of the role played by major transit ports. Refer to ECB (2004).
[8] A separate issue affects only the Netherlands, where a large number of enterprises exist that are known as Special Purpose Vehicles (SPV). These engage in transactions that are almost exclusively financial, and do not involve residents. SPV's are included in the euro area BoP, but are currently not yet included in the national RoW of the Netherlands.

Empirical differences between the national BoP and RoW

The above mentioned limitations with regards to availability of data and misalignment in classification between BoP and RoW already complicate the compilation of the euro area RoW account to a certain degree. Over and above these more conceptual problems there are real problems with regards to the comparability of the current and capital account of the BoP with the non-financial RoW account with respect to annual data. Whereas in some Member States the RoW and the BoP are virtually consistent, in most Member States large differences exist in gross terms when flows are compared at the most detailed level available.

These differences arise out of a number of reasons. In some cases it is because structural changes in methodology are implemented at different points in time. Typically National Accounts follows a quinquiennial benchmark revision cycle, whereas BoP does not. In other cases it is because the RoW accounts are compiled taking into account additional data sources, or using different methodologies with respect to basic data, or because data obtained from the BoP are subjected to changes in the **integration** of the accounts. Obviously also, differences exist because RoW and BoP are compiled in general by different institutions, and up till now, with different frequencies. It is difficult to conceive of a direct feedback mechanism from RoW compiled at an annual frequency to the BoP compiled at a monthly or quarterly frequency.

Below a description is provided of the differences between the national BoP data and the national sector accounts. Although these differences, for the purpose of the compilaton of the euro area RoW account, should be illustrated on gross flows (debits and credits treated separately), we present them here as net differences. These net differences would then correspond to the transaction imbalances that would result *if* the national BoP would be used as the national RoW.

Table 1 Summary of net differences between BoP and RoW

country	year	BPM 100 Trade in Goods	BPM 200 Trade in Services	BPM 310 Compensation of Employees	BPM 320 Property incomes	BPM 334 + 349 + 370 Interest	BPM 331 + 340 Withdrawals of ownership equity and reinvested earnings on FDI	BPMP 379 Current Transfers	BPM 994 Capital Accounts	TOTAL
AT	1999	-0.3	0.3	0.1	-0.5	-	-0.5	-0.0	-	-0.5
	2000	-0.3	0.3	0.0	-0.1	-	-0.1	-0.1	-0.0	-0.1
	2001	-0.3	0.4	0.0	-0.0	0.0	-0.1	-0.1	-0.0	0.1
	2002	-0.5	1.2	-0.0	-0.2	0.2	-0.4	0.0	0.0	0.6
BL	1999	4.6	-1.1	0.1	0.5	-3.1	3.6	0.0	-0.1	3.9
	2000	6.0	-0.7	0.2	1.1	-1.6	2.7	0.2	0.0	6.8
	2001	6.7	-0.7	0.2	-1.3	-5.2	4.0	-0.0	0.4	5.3
BE (2002)	2002	9.6	-0.4	0.0	-0.7	-2.5	1.9	-0.4	0.2	8.3
DE	1999	-0.0	-4.8	0.2	-0.9	6.7	-7.6	2.4	-0.0	-3.2
	2000	-0.0	-5.3	0.4	-0.3	12.8	-13.1	2.4	-8.5	-11.3
	2001	-0.0	-2.4	0.4	-8.4	9.7	-18.1	1.4	-0.2	-9.1
	2002	-3.3	-5.3	0.2	-7.4	13.3	-20.8	1.0	0.1	-14.7
ES	1999	0.0	0.0	0.0	-1.2	-0.4	-0.9	-0.1	0.3	-0.9
	2000	-0.1	0.2	0.1	-0.7	0.5	-1.1	-0.6	0.3	-0.7
	2001	0.7	0.8	0.1	0.5	2.0	-1.6	-0.0	-0.0	2.0
	2002	0.8	0.8	0.0	1.2	2.9	-1.7	-0.7	-0.1	2.1
FI	1999	-	-0.1	-0.0	-0.0	0.0	-	-0.0	0.1	-0.1
	2000	0.0	0.4	-0.0	0.0	0.0	0.0	-	-0.0	0.4
	2001	-0.0	0.3	-0.1	-0.0	0.0	-	0.0	0.0	0.2
	2002	-0.0	0.5	-0.0	0.3	0.1	0.1	0.0	-0.0	0.3
FR	1999	5.4	0.7	5.4	-8.0	1.9	-9.9	-3.1	3.5	4.0
	2000	-0.2	0.5	5.9	-1.7	-3.7	1.9	-3.7	1.0	1.8
	2001	-0.0	0.3	6.6	-1.4	1.6	-2.9	-3.1	1.0	3.4
	2002	3.2	-1.7	6.8	0.1	1.0	-0.9	-1.5	0.6	7.5
GR	1999	0.7	-1.1	0.0	-0.0	-0.0	0.0	-	0.1	-0.3
	2000	-1.5	-1.3	0.0	-0.0	-0.0	-0.0	-0.1	-1.0	-4.0
	2001	-1.6	-1.4	-0.0	-0.4	0.4	-	0.3	-0.6	-3.7
	2002	-1.7	-1.3	-	-0.1	-0.0	-0.1	0.4	-1.4	-4.1
IT	1999	-4.0	4.5	0.0	-3.8	-3.3	0.5	0.4	-	-2.9
	2000	-4.7	4.8	0.0	-4.4	-3.4	1.0	1.0	0.0	-3.3
	2001	-4.3	4.6	0.0	-4.0	-2.6	-1.4	0.2	-0.0	-3.5
	2002	-6.1	5.7	-0.1	-3.1	-2.1	-1.0	0.3	0.4	-2.9
NL	1999	4.5	-0.7	-0.2	-0.2	0.2	-0.4	-0.4	0.2	3.3
	2000	0.1	-2.2	-0.2	-7.0	1.4	-8.4	-0.5	1.7	-8.2
	2001	1.9	-1.5	-0.2	-8.5	1.0	-9.5	-0.4	0.0	-8.7
	2002	0.9	-0.8	-0.2	-1.1	1.4	-2.5	-0.3	0.0	-1.5
PT	1999	-1.2	1.3	0.0	-0.1	0.1	0.0	0.3	-0.5	-0.3
	2000	-1.5	1.5	0.0	-0.2	-0.2	0.0	0.6	-0.4	0.1
	2001	-1.7	1.7	-	-0.2	-0.2	0.0	0.5	-1.1	-0.8
	2002									

EUR Billion, Source : ECB calculations

In order to assist the easy identification of relevant differences, all differences exceeding 1 billion EUR are highlighted. This criterion was chosen rather than a relative size criterion because the absolute size of the discrepancy determines its relevance in the context of the compilation of euro area accounts. The countries are listed downwards, and data are reported for 1999 through to 2001. Data is reported for 10 countries. Ireland and Luxembourg are not included. However, because of the joint reporting of Belgium and Luxembourg to the ECB prior to 2002, the national BoP of Luxembourg has been added to the Belgian RoW account to make the numbers comparable. Across the table shows the major BoP current and capital account headings.

It is evident that quite large net differences exist for MSs for many of the items on the current and capital account. A general exception is Finland, whose RoW appears to be largely consistent with the BoP[9], and Austria, showing rather smaller differences than other countries.

As a final column, the differences on the net-lending item are calculated as the sum of differences on the current and capital accounts. It appears that for almost all countries except Austria and Finland at some time there are differences exceeding ±1 billion EUR.

By visual inspection of Table 1 already some information is obtained with respect to the net differences. It is immediately apparent that there are substantial net differences in the case of most countries, and that these differences affect the different BoP items.

In some cases Table 1 suggests that the problem is in part one of reclassification. This occurs in the case of Italy and Portugal with respect to a reclassification between Goods and Services and in the case of Germany with regards to a reclassification of property incomes.

The existence of large net differences with respect to trade in goods and trade in services observed in the Netherlands and Belgium cannot be entirely attributed to the difference between national and community concepts, as goods in transit should affect imports and exports equally. A similar observation can be made with respect to difference in net property income flows in the Netherlands that can only partially be attributed to the influence of so called special purpose vehicles (SPV's) as mentioned above. The remaining substantial differences are mostly associated with the large countries. It is mentioned here that the effect of the difference between community and national concepts in gross terms is far more substantial.

Revisions

It has been noted before that revisions, and the difference in the timing of major revisions, can significantly contribute to national differences observed between BoP and RoW. Table 2 lists revisions for the euro area BoP in June 2003 and June 2004 for the period 1999 – 2002. Both absolute revision levels are provided as well as revisions relative to the older vintage. The most prominent revisions are with respect to property incomes in both levels and in relative terms. The size of the revisions are not insignificant in relation to the net differences found between BoP and RoW at the national level. The revisions described here include very significant revisions with respect to the Netherlands and Germany. As major BoP revisions are not linked to a benchmark revision cycle, major revisions in BoP lead to BoP – RoW differences that are only resolved at the next RoW benchmark revision. This seems to indicate a need for a more harmonised revision policy with respect to BoP and NA.

[9] Even these small discrepancies in other transactions than in the services are caused by vintage differences. The Finnish RoW estimations exclude construction services while the BoP includes them. Source: National Accounts 1995-2003, Statistics Finland 2004.

Table 2 Annual Revisions BoP

	Year	Credits				Debits			
	BPM Item	1999	2000	2001	2002	1999	2000	2001	2002
Revision, levels. EUR Billion	100	4.1	4.7	0.8	-0.1	1.7	1.6	2.7	2.6
	200	0.9	0.5	-0.4	0.4	3.1	3.6	-3.1	0.1
	300	0.5	-0.2	-5.8	13.2	0.4	1.2	-9.9	4.8
	310	0.0	0.0	0.7	0.2	0.0	0.0	-0.0	0.3
	320	0.5	-0.2	-6.5	13.0	0.4	1.2	-9.9	4.5
	330	0.0	-1.0	-8.9	10.1	0.0	0.6	-9.9	1.8
	331	0.0	-1.0	-8.9	9.8	0.0	0.6	-10.2	1.5
	334	0.0	0.0	0.0	0.3	0.0	0.0	0.3	0.3
	339	0.3	0.5	2.5	3.2	0.3	0.5	-1.4	2.0
	340	0.0	0.0	0.6	-0.2	0.0	0.0	0.9	-0.3
	349	0.3	0.5	1.8	3.4	0.3	0.5	-2.4	2.3
	370	0.2	0.3	-0.1	-0.3	0.1	0.1	1.4	0.8
	379	0.0	0.0	3.5	1.7	0.7	0.8	3.5	2.3
	993	5.6	5.0	-1.9	15.2	5.9	7.1	-6.8	9.8
	994	-	-	0.3	-0.2	0.0	0.0	3.2	0.8
Revision, percentage of old vintage. Percent	100	0.5	0.5	0.1	-0.0	0.2	0.2	0.3	0.3
	200	0.4	0.2	-0.1	0.1	1.2	1.2	-0.9	0.0
	300	0.2	-0.1	-2.0	5.5	0.2	0.4	-3.1	1.8
	310	0.0	0.0	5.0	1.4	0.2	0.2	-0.1	5.5
	320	0.3	-0.1	-2.4	5.8	0.2	0.4	-3.1	1.7
	330	0.0	-1.6	-12.8	17.7	0.0	0.9	-14.4	3.2
	331	0.0	-1.9	-15.1	19.8	0.0	1.0	-17.1	3.1
	334	0.0	0.0	0.4	4.5	0.0	0.0	3.9	4.6
	339	0.4	0.6	3.0	3.8	0.3	0.4	-1.2	1.6
	340	0.0	0.0	3.7	-0.9	0.0	0.0	2.1	-0.6
	349	0.5	0.7	2.8	5.4	0.4	0.6	-3.2	3.3
	370	0.2	0.2	-0.1	-0.4	0.1	0.1	1.1	0.8
	379	0.0	0.0	4.7	2.0	0.6	0.6	2.8	1.8
	993	0.4	0.3	-0.1	0.9	0.4	0.4	-0.4	0.6
	994	-	-	2.0	-0.8	0.0	0.0	42.2	10.9

EUR Billion Source: ECB Calculations

Asymmetries

One of the key issues of the compilation of euro area sector accounts is the presence of asymmetries in the intra euro area RoW account. When there is a full consistency between the BoP and RoW at the national as well as the euro area level, the transaction imbalances in the euro area sector accounts would be equal to the asymmetries. Table 3 provides an overview of the asymmetries as obtained from the euro area BoP statistics.

It is easy to see that the asymmetry problem impacts most heavily on trade in goods and services, and subsequently on income in equity (BPM 331). It should be noted that the categories belonging to BPM 339, portfolio investment, are asymmetry free **by assumption**, as at the euro area level the intra euro area debit flows are set equal to intra euro area credit flows in order to calculate extra euro area debit flows. This procedure has been followed because of the great uncertainty with regards to the geographical breakdown associated with portfolio investment income debits.

Table 3 Asymmetries in BoP, 1999 - 2002

		1999	2000	2001	2002
100	Goods	- 44.4	- 45.5	- 55.7	- 51.2
200	Services	1.4	3.2	10.6	11.2
300	Income	- 7.9	2.8	9.2	21.3
310	Compensation of employees	- 0.4	0.1	- 0.9	1.1
320	Investment Income	- 7.5	2.7	10.1	20.2
330	Direct Investment	- 2.5	8.4	17.4	20.9
331	Income on equity	- 2.7	8.1	15.6	20.6
334	Income on debt	0.2	0.3	1.8	0.2
339	Portfolio investment	-	-	-	-
340	Income on equity	-	-	-	-
349	Income on debt	-	-	-	-
370	Other investment	- 5.0	- 5.7	- 7.3	- 0.7
334+349+370 (D41+D44+D45)		- 4.8	- 5.4	- 5.6	- 0.4
331+340 (D42+D43)		- 2.7	8.1	15.6	20.6
379	Current transfers	1.8	1.1	3.8	4.9
993	Current account	- 49.1	- 38.3	- 32.1	- 13.9
994	Capital account	- 0.3	- 9.7	0.6	- 0.6

EUR Billion. Source ECB calculations.

Compilation with available data

The empirical issues described above all have an effect on the options that exists for a compilation methodology for the euro area RoW. The lack of classification detail, the different conceptual basis used for BoP and RoW at the national level as well as the lack of country coverage with regards to the RoW, indicate that the euro area RoW account can only be compiled as an approximation. In order to compile the euro area RoW at the required level of detail, it will be necessary to specify a number of assumptions.

Here we present two alternative approaches, one labelled the 'RoW' version, as it uses the national RoW accounts as the point of departure, and the other is labelled the 'BoP' version, as it uses the national BoP according to community concepts as the point of departure. Both methods build up the euro area RoW account from national datasets and aggregate through to the euro area.

The methods are to a very large extent similar. In the 'RoW' version, the national RoW data are taken as given. Using the geographical detail available in the BoP statistics, the RoW data are broken down geographically, i.e. into transactions with other euro area countries, and transactions wit all other (non-euro area countries). Where transaction detail is insufficient in the BoP to provide an accurate geographical breakdown, additional assumptions are made. In the BoP version, national BoP data are first allocated to the detailed transaction categories of the RoW account. This yields national RoW accounts that are consistent with the national BoP, but do not have a geographical breakdown as yet. The second stage uses the exact same procedure as used in the RoW version to impute the geographical breakdown.

The steps involved for both methods are summarised in the table below:

Table 4 Compilation steps

Step	BoP Version	RoW version
Obtain RoW transaction breakdown for national BoP data	X	
Allocate geographical breakdown for directly corresponding items	X	X
Obtain geographical breakdown for property income items	X	X
Obtain geographical breakdown for current transfers	X	X

In the following paragraphs these steps are presented in detail.

Obtain RoW transaction breakdown for national BoP data

In case the BoP item codes directly correspond to RoW transactions, BoP data is directly used. In the case of foreign direct investment income, the BoP data available in the ECB databases is supplemented with the annual FDI statistics available Eurostat's New Cronos to obtain a split between withdrawals of ownership equity (D.42) and re-invested earnings of foreign direct investment (D.43). The transactions D.44 and D.45[10] from the RoW is subtracted from income on debt (BPM 334, 349, 370) to yield interest income (D.41).

For the remaining BoP items, the data are broken down into detailed RoW transaction categories proportional to RoW levels. This breakdown affects BPM 379, which is broken down into D2, D.3, D.5, D.71, D.72, D.73, D.74, D.75 and D.8, as well as BPM994, which is broken down into D.91, D.92, D.99 and K.2.

Obtain geographical detail for directly corresponding items

There is a direct correspondence between ROW and BOP with regards to compensation of employees (D.1), imports (P.7) and exports (P.6). Therefore it is possible to compute the geographical breakdown of these ROW transactions directly using the corresponding BOP concepts.

With respect to the capital account, only BPM 994 is available in euro area BoP statistics. While the transaction level of RoW is taken as a given the transaction detail of RoW is imputed on the BoP transactions. This imputation concerns items D.91, D.92, D.99 and K.2.

Obtain geographical detail for property income items

The BoP item investment income (BPM 320) corresponds to property income in the RoW (D.4). Property income is further subdivided into categories, i.e. interest (D.41), distributed income of corporations (D.42), reinvested earnings on direct foreign investment (D.43), property income attributed to insurance policy holders (D.44) and rents (D.45). This additional detail is not entirely supported by the BoP statistics.

Further, the national BoP data do not support a geographical breakdown on the debit (=resources) side for portfolio investment income items (BPM 340, BPM 349). In the EA-BoP these debit

[10] Germany includes D.45 into the RoW, however this will be remedied in the next benchmark revision.

items are only calculated at the euro area level by subtracting intra euro area credits from the (available) world debits. As a consequence these items show no asymmetry. This treatment needs to be followed here as well.

In the compilation of the geographical breakdown for property income it is useful to make the following distinction between income on debt and income on equity as below:

	BoP concepts	RoW concepts
Income on Debt	334+349+370	D.41+D.44+D.45
Income on Equity	331+340 = 332+333+340	D.42+D.43

However property income attributed to insurance policy holders (D.44) and rents (D.45) are also a part of BPM 370. Therefore in order to calculate a geographical split for interest income, the (RoW) estimates of D.44 and D.45 have been deducted from BPM 370. The geographical breakdown for these items is obtained from the geographical breakdown of other investment (BPM 370).

Interest (D.41) can subsequently be calculated from the addition of income of debt arising from direct investment (BPM 334), and income on debt portfolio investment (BPM 349) and the residual of other investment (BPM 370) described in the previous paragraph.

First the sum of income of debt (BPM 334) and the residual of other investment (BPM 370) is obtained by subtracting income on debt (BPM 349) from interest (D.41). This transaction can be broken down at the national level on the uses as well as the resources side.

The residual which then should be equivalent with income on debt of portfolio investment (BPM 349) can only be broken down at the national level on the credit (=uses) side using the corresponding BoP item (BPM 349). The geographical breakdown in resources is calculated at the euro area level by subtracting the intra euro area uses from the total euro area resources. The geographical breakdown for D.41 as a whole is then obtained by adding the breakdowns computed for the two components of interest.

The distributed income of corporations (D.42) corresponds to the BOP items dividends and distributed profits (BPM 332) and portfolio investments' income on equity (BPM 340). Reinvested earnings on direct foreign investment (D.43) corresponds to the BOP item reinvested earnings on foreign direct investment (BPM 333). The ECB database unfortunately only contains the BOP item direct investment income on equity (BPM 331) which is equal to the sum of dividends and distributed profits (BPM 332) and reinvested earnings (BPM 333), but not the breakdown between these two items. It is therefore not possible to make a breakdown between D.42 and D.43 using the ECB BoP database.

However, using the Foreign Direct Investment database from Eurostat, available on New Cronos, it is possible to obtain **annual** data for dividends and distributed profits (BPM 332) and reinvested earnings (BPM 333). This data includes the geographical breakdown for intra- and extra euro area flows. Unfortunately this data is not available for Greece and Ireland.

Furthermore, it should be noted that the FDI database contains for the Netherlands according to national concepts, i.e. it excludes the SPV's that are included in the ECB database.

In order to have consistency between the EA-BoP and the RoW estimation, BPM 332 has been estimated as a residual of BPM 331 from the ECB database and BPM 333 from the FDI database. Therefore it is implied that BPM 333 is conceptually more accurate with regards to the BPM 331 than the BPM 332.

The geographical breakdown of distributed income of corporation (D.42) on the uses side is estimated by using the joint geographical breakdown of the estimated distributed profits (BPM 332) and portfolio investment (BPM 340). On the resources side there is no geographical breakdown for portfolio investment (BPM 340). Therefore D.42 is split into a part corresponding to BPM 332, and part corresponding to BPM 340. The former part obtains its geographical allocation directly from BPM 334 at the level of national data. The latter, calculated as the difference between D.42 and BPM 332, obtains its geographical breakdown at the euro area level by subtracting intra euro area credits from the world debits total to obtain extra euro area debits.

As mentioned earlier, there are no BPM 332 and BPM 333 estimates for Greece and Ireland. Therefore the geographical breakdown of BPM 331 has been adopted instead.

The geographical breakdown of direct foreign investment (D.43) is equal to the geographical breakdown of reinvested earnings (BPM 333).

Obtain geographical detail for current transfers items

The available BoP data contains only a single item for current transfers (BPM 379) that can be used for a geographical breakdown. Unfortunately, this item corresponds to a number of RoW transactions that are quite different in nature. It is difficult to envisage that these transactions all have the same geographical breakdown.

The geographical breakdown at the detailed ROW transaction level is therefore obtained by making assumptions about the geographical breakdown of particular items, and subsequently subtracting the result from the BOP data for BPM 379, and by recalculating the geographical breakdown of the remainder of BPM 379. The adjusted geographical breakdown is then applied to the remaining ROW transactions.

Taxes on production and subsidies on production (D.2, D.3). Contrary to the BoP, which treats these flows as part of current transfers, ESA95 treats these flows, consisting of import duties and value added taxes and product subsidies as if the European Community collects or disburses these directly from the member states non-government sectors. As the EU institutions are considered to be non-resident to the euro area, these flows are therefore shown as entirely extra EA flows.

Current taxes on income and wealth (D.5) are broken down using the geographical split of compensation of employees (D.1). This assumption is based on the observation that taxes on income are predominately wage taxes, and therefore depends to large extent on the geographical breakdown of compensation of employees. It is further assumed that the paid and received holding gain taxes also follow the share of compensations of employee.

The breakdown of social contributions (D.61) is also made to follow the breakdown of compensation of employees (D.1). A similar assumption cannot be made with regards to social benefits, particularly pensions, due to the effect of guest workers' repatriation to their countries of origin after retirement

Current transfers involving international co-operation (D.74) are assumed to be extra EA flows. These involve European institutions (not resident in the euro area), third countries or international institutions.

The remaining ROW transfers are broken down by using the geographical breakdown of the residual from the BOP transfers item (BPM 379) and the ROW transactions that have already been compiled.

Results

Annex 3 contains the compiled euro area RoW accounts for the period 1999 to 2002 for both the RoW and the BoP variant. Here we illustrate some of the differences between the two variants. Table 5 shows the difference between the RoW results and the BoP results. It is clear that there are substantial level differences between the RoW and the BoP based results. These differences are concentrated to a large extent in trade in goods and services as well as property incomes. This follows from the differences identified at the national level between BoP and RoW.

Table 5 Level differences between 'BoP'and 'RoW'variants

USES						RESOURCES			
1999	2000	2001	2002			1999	2000	2001	2002
- 6.6	- 10.1	- 6.9	- 18.5	P61	Exports of Goods				
- 15.7	- 15.5	- 17.6	- 17.3	P62	Exports of Services				
				P71	Imports of Goods	- 7.3	- 17.6	- 9.1	- 23.4
				P72	Imports of Services	- 16.0	- 16.7	- 18.3	- 18.0
- 1.8	- 2.2	- 2.1	- 2.7	D1	Compensation of Employees	0.8	0.9	0.9	0.7
				D2	Taxes on Production and imports	0.5	0.3	0.1	- 0.6
3.2	3.1	2.6	1.7	D3	Subsidies				
- 7.5	- 27.7	- 17.2	- 16.9	D4	Property Income	- 16.7	- 26.0	- 31.4	- 4.5
0.3	0.2	0.2	0.2	D5	Current taxes on income, wealth ...	0.0	0.0	- 0.0	- 0.0
- 0.0	- 0.0	- 0.1	- 0.0	D61	Social Contributions	0.0	- 0.0	- 0.0	- 0.0
0.1	0.1	0.1	0.1	D62	Social Benefits	- 0.1	- 0.1	- 0.2	- 0.2
2.6	2.6	3.5	2.4	D7	Other Current Transfers	0.4	- 0.0	1.3	0.1
0.0	0.0	0.0	0.0	D8	Adj. for change in net equity of hholds in	-	-	-	-
- 1.7	- 0.8	0.1	2.9	D9	Capital Transfers	1.6	- 0.0	- 0.3	- 0.0
0.0	1.4	0.2	0.1	K2	Acq. less Disposals of non-prod. non-fin.	-	-	-	-
- 9.9	- 10.2	- 19.8	2.1	B9	Net Lending/ Net Borrowing				
- 36.7	- 59.2	- 57.0	- 46.0	Total	Total Current and Capital Accounts	- 36.7	- 59.2	- 57.0	- 46.0
- 1.1	- 8.6	- 2.9	5.5	B.11	External Balance of Goods & Services				
- 13.1	- 9.6	- 19.3	5.1	B.12	Current External Balance				

EUR Billion. Source: ECB Calculations

The differences in trade in goods, which range between –6 and –23 billion EUR, is in part due to the application of national concepts in the RoW variant. Therefore extra euro area imports and

exports of goods are **underestimated**. There are also large differences in trade in services, ranging from –15 to –18 billion EUR.

The differences in property income also indicate that the RoW version **underestimates** relative to the BoP version. The main contributing factor seems to be the differences due to SPV's in the Netherlands. It is interesting to see that the level differences widen from -7.5 billion EUR in 1999 to –16.9 billion EUR in 2002, whereas the level differences on the resources side narrow from -16.7 to –4 billion EUR. This seemingly contradictory result is explained on the basis of the differences due to SPV's.

Table 6 Asymmetries in euro area RoW

Code	Description	1999	2000	2001	2002
	RoW Variant				
P6/P7	Exports /Imports of Goods and Services	**- 33.1**	**- 37.5**	**- 39.1**	**- 33.7**
D1	Compensation of Employees	2.8	3.6	3.2	4.5
D2	Taxes on Production and imports	-	-	-	-
D3	Subsidies	-	-	-	-
D4	Property Income	**- 14.3**	**- 13.9**	**- 2.3**	**- 4.2**
D5	Current taxes on income, wealth ...	- 2.2	- 2.1	- 2.8	- 2.0
D7	Other Current Transfers	0.5	0.3	2.8	2.6
D8	Adj. for change in net equity of hholds in pens. funds res.	- 0.1	- 0.1	- 0.1	- 0.1
D9	Capital Transfers	0.1	- 2.1	0.7	0.5
K2	Acq. less Disposals of non-prod. non-fin. assets	**- 0.0**	**- 13.7**	**0.1**	**0.1**
B9	Net Lending/ Net Borrowing	43.6	63.4	30.4	29.2
	BoP Variant				
P6/P7	Exports /Imports of Goods and Services	**- 43.1**	**- 42.3**	**- 45.1**	**- 39.9**
D1	Compensation of Employees	- 0.3	0.2	- 0.9	1.1
D2	Taxes on Production and imports	-	-	-	-
D3	Subsidies	-	-	-	-
D4	Property Income	**- 8.5**	**3.6**	**10.1**	**19.2**
D5	Current taxes on income, wealth ...	- 1.9	- 1.9	- 2.6	- 1.8
D7	Other Current Transfers	1.0	0.9	3.5	3.3
D8	Adj. for change in net equity of hholds in pens. funds res.	- 0.0	- 0.1	- 0.1	- 0.1
D9	Capital Transfers	- 0.3	- 2.2	0.5	0.6
K2	Acq. less Disposals of non-prod. non-fin. assets	**- 0.0**	**- 7.5**	**0.1**	**0.1**
B9	Net Lending/ Net Borrowing	50.4	47.1	31.5	14.1

EUR Billion Source : ECB Calculations

Both methods can also be compared with respect to the asymmetries that are found to exist on the intra euro area account. With respect to the 'RoW' compilation variant, the asymmetries are equal to the transaction balances of the euro area sector accounts, and reflect asymmetries, as present in the BoP, as well as the effect of BoP – RoW differences. With respect to the 'BoP' compilation variant, the asymmetries are the 'pure' BoP asymmetries, now classified in terms of RoW transactions. It appears that the asymmetry in goods and services is more pronounced in the BoP variant than in the RoW variant. Conversely the asymmetry in property incomes is much more pronounced in the RoW version than in the BoP version.

Although an important determinant of the transaction balances in the BoP variant, the intra euro area asymmetry need to be complemented with the aggregated national BoP – RoW differences to yield the transaction balances of the unbalanced euro area sector accounts.

Table 7 Transaction Balances, 'RoW' and 'BoP' variants

		1999	2000	2001	2002
ROW Variant					
P6/P7	Trade of Goods and Services	33.1	37.5	39.2	33.7
D1	Compensation of Employees	- 3.0	- 4.0	- 3.0	9.0
D2	Taxes on Production and imports	-	-	-	-
D3	Subsidies	-	-	-	-
D4	Property Income	14.0	14.0	- 2.0	4.0
D5	Current taxes on income, wealth ...	2.0	2.0	3.0	2.0
D61	Social Contributions	- 1.0	-	- 1.0	- 1.0
D62	Social Benefits	- 2.0	- 2.0	- 2.0	- 2.0
D7	Other Current Transfers	-	-	- 3.0	- 3.0
D8	Adj. for change in net equity of hholds in pens. funds res.	-	-	-	-
D9	Capital Transfers	-	2.0	- 1.0	-
K1	Consumption of Fixed Capital	-	-	-	-
K2	Acq. less Disposals of non-prod. non-fin. assets	-	14.0	-	-
Total	Total Current and Capital Accounts	43.1	63.5	30.2	42.7
BoP Variant					
P6/P7	Trade of Goods and Services	34.2	46.1	42.1	39.2
D1	Compensation of Employees	- 5.0	- 7.0	- 6.0	- 8.0
D2	Taxes on Production and imports	- 1.0	-	-	1.0
D3	Subsidies	3.0	3.0	3.0	2.0
D4	Property Income	23.0	12.0	12.0	- 8.0
D5	Current taxes on income, wealth ...	2.0	2.0	3.0	2.0
D61	Social Contributions	- 1.0	-	- 1.0	- 1.0
D62	Social Benefits	- 2.0	- 2.0	- 2.0	- 2.0
D7	Other Current Transfers	2.0	2.0	- 1.0	-
D8	Adj. for change in net equity of hholds in pens. funds res.	-	-	-	-
D9	Capital Transfers	- 3.0	1.0	-	2.0
K1	Consumption of Fixed Capital	-	-	-	-
K2	Acq. less Disposals of non-prod. non-fin. assets	-	15.0	-	-
Total	Total Current and Capital Accounts	52.2	72.1	50.1	27.2

EUR Billion. Source: ECB Calculations

The transaction balances of the RoW and BoP variants are shown in Table 7. It is clear that the transaction discrepancies of the euro area sector accounts (i.e. after consolidation of the intra euro area RoW account) are equal to the asymmetries reported in Table 6. With regards to the BoP variant, the transaction discrepancies of the euro area sector accounts explicitly include the effects of the national BoP – RoW discrepancies aggregated to the euro area level as well as the asymmetries as measured on the BoP. It appears that the BoP variant generally results in larger transaction discrepancies than the RoW version. However this only stands to reason, as in the BoP variant the euro area RoW explicitly reflects community concepts, yet no adjustment has been made as yet to reflect the impact of the community concept to the euro area domestic sectors.

To conclude, the 'RoW'and the 'BoP variants have been used to compile a euro area RoW, based on available data. We find that the results of both methods are broadly comparable. The differences between the two variants are mostly due to differences between BoP and RoW observed at the national level. Therefore the methodology can be much improved when certain documented shortcomings in the available national RoW and BoP data can be overcome. Among these are the deconsolidation of the BLEU BoP for years prior to 2002, the availability of (national) sector accounts that adhere to community concept rather than national concept for

Belgium and the Netherlands; as well as the resolution to the very large documented differences for Germany France and Italy. The methodology would still require large adjustments subsequent to BoP revisions for as long as revision cycles of BoP and NA are not synchronised at the national level.

Prospects

Over the next few years, a number of changes in the compilation of BOP statistics will greatly facilitate the elaboration of mutually consistent BOP and ROW.

On the one hand, BOP compilers of the European Union (and euro area) have agreed to provide additional breakdowns in the current account regarding income, current and capital transfers to meet the level of detail necessary for the compilation of QSA on the basis of BOP data. BOP compilers have agreed to transmit these new days breakdowns as from June 2005 (with reference to the first quarter of 2005) with a timeliness of T+85 days. However, the date of the first transmission of data and the timeliness are dependent upon the legislative process currently under way regarding a European regulation on QSA. The additional breakdowns are shown in italics in the table hereafter:

Euro area balance of payments (current and capital account)

Current Account
Goods
Services
Income
Compensation of employees
Investment income
- Direct investment
  - Income on equity
  - Income on debt (interest)
- Portfolio investment
  - Income on equity (dividends)
  - Income on debt (interest)
    - Bonds and notes
    - Money market instruments
- Other investment

of which:
- property income attributable to insurance policy holders

Current transfers

of which:
- taxes on products
- other taxes on production
- subsidies on products
- other subsidies on production
- current taxes on income, wealth etc.
- social contributions
- social benefits other than social transfers in kind
- net non-life insurance premiums
- non-life insurance claims
- adjustment for the change in net equity of households in pension funds reserves

Capital account
- capital taxes
- investment grants and other capital transfers
- acquisition less disposal of non- produced non-financial assets

On the other hand, the quality of the data on investment income will improve significantly with the compilation of quarterly international investment position statistics as from December 2004, as this will allow to derive investment income flows on an accruals basis by applying appropriate rates of return to the quarterly stocks. Moreover, the availability of the Centralised Securities Data Base set up by the ECB will also significantly help Member States improve the quality of portfolio investment stocks and flows, and associated income.

Regarding the specific issue of reinvested earnings, EU Member States have also agreed that all should apply the internationally agreed methodology by using the so-called "Current Operating Performance Concept" instead of the "all-inclusive concept" (as from 2007). Finally, the only Member State that does not so far compile reinvested earning is currently in the process of adapting its foreign direct investment collection system to be able to calculate reinvested earnings in the coming years.

As a separate issue, several Member States have announced major improvements with respect to the consistency between national RoW and BoP statistics, in the context of their benchmark revisions due in 2005. The Netherlands have indicated that the specific issue of SPV's mentioned in this paper will be addressed in the sector accounts for 2005, thereby greatly improving the comparability of property income flows between BoP and RoW at the euro area level.

On the other hand, it can be expected that a new BoP – RoW consistency issue will arise when Member States will implement FISIM allocation in 2005, as the allocation of FISIM is outside the scope of current manuals and regulations on the BoP.

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Annex 1. Cross-classification ESA95 and BPM5

ESA95 Transaction Concepts	Corresponding BPM5 Items
D2 Taxes on production and imports	Current transfers, part of BPM380, debits
D3 Subsidies	Current transfers, part of BPM380, credits
D1 Compensation of employees	Income, BPM310, credits and debits
D41 Interest	Income, BPM334 + BPM349 + part of BPM370, credits & debits
D42 Distributed income of corporations	Income, BPM332 + BPM340, credits & debits
D43 Reinvested earnings on direct foreign investment	Income, BPM333, credits & debits
D44 Property income attributed to insurance policy holders	Income, part of BPM370, credits & debits
D45 Rents	Income, part of BPM370, credits & debits
D5 Current taxes on income, wealth, etc.	Part of BPM380 credits & part of BPM392 debits
D61 Social contributions	Part of BPM380 ,part of BPM392 debits
D62 Social benefits other than social transfers in kind	Part of BPM380 ,part of BPM392 debits
D71 Net non-life insurance premiums	Part of BPM392, credits & debits
D72 Non-life insurance claims	Part of BPM392, credits & debits
D73 Current transfers within general government	Part of BPM391 + part of BPM380 + part of BPM392, credits & debits
D74 Current international co-operation	Part of BPM391 + part of BPM380 + part of BPM392, credits & debits
D75 Miscellaneous current transfers	Part of BPM391 + part of BPM380 + part of BPM392, credits & debits
D8 Adjustment for the change in pension fund reserves	Part of BPM392, credits & debits
D91 Capital taxes	Part of BPM401, credits
D92 Investment grands	Part of BPM400, credits & debits
D99 Other capital transfers	Part of BPM400, credits & debits
K2 Acquisitions less disposals of non-financial assets	Part of BPM480
P61 Exports of goods	BMP 100 credit
P62 Exports of services	BMP 200 credit
P71 Imports of goods	BMP 100 debit
P72 Imports of services	BMP 200 debit

Annex 2. Scope of available national data in ECB BoP production database.

	World		Extra euro area		Intra euro area *)	
	Credit flow	Debit flow	Credit flow	Debit flow	Credit flow	Debit flow
BOP Item						
100 Goods	X	X	X	X	X	X
200 Services	X	X	X	X	X	X
300 Income	X	X				
310 Compensation of employees	X	X	X	X	X	X
320 Investment Income	X	X				
330 Direct Investment	X	X	X	X	X	X
331 Income on equity	X	X	X	X	X	X
334 Income on debt	X	X	X	X	X	X
339 Portfolio investment	X	X	X		X	
340 Income on equity	X	X	X		X	
349 Income on debt	X	X	X		X	
350 Bond and notes	X	X	X		X	
360 Money market instruments and financial derivates	X	X	X		X	
370 Other investment	X	X	X	X	X	X
379 Current transfers	X	X	X	X	X	X
993 Current account	X	X				
994 Capital account	X	X	X	X	X	X

"x" is equivalent to an available data.

The available transaction detail in the ECB BoP database is presented in Table (1.). It appears that the level of detail used in the correspondence table is not available in the BoP database. For instance BPM items 380, 391, 392 are not available separately, only BPM379 is available.

A second complication is that national BoP source data do not provide a complete geographical breakdown. This is presented in the Table (1.). The geographical distribution of debit flows for portfolio investment income is not available at the national level. In the EA-BOP debit items for portfolio investment are calculated by deducting the total euro area intra credits from total EA-world debits. Thus a potential discrepancy problem is in fact hidden to EA-ROW account.

Annex 3. Detailed results

Euro area RoW account according to 'RoW' option

USES						RESOURCES			
1999	2000	2001	2002			1999	2000	2001	2002
812.5	982.4	1,026.2	1,041.2	P61	Exports of Goods				
242.3	288.1	307.3	314.5	P62	Exports of Services				
				P71	Imports of Goods	746.1	956.9	948.4	903.0
				P72	Imports of Services	250.1	293.7	310.4	302.8
11.2	11.5	11.9	11.7	D1	Compensation of Employees	5.9	6.4	6.9	6.4
				D2	Taxes on Production and imports	38.8	42.4	42.2	32.5
				D21	Taxes on Products	38.8	42.4	42.2	32.5
				D29	Other Taxes on Production	0.0	0.0	0.0	0.0
34.2	35.4	35.7	36.4	D3	Subsidies				
28.7	29.7	29.5	30.5	D31	Subsidies on Products				
5.5	5.7	6.2	5.9	D39	Other Subsidies on Production				
189.6	230.0	250.4	207.5	D4	Property Income	225.6	267.3	285.7	266.2
144.5	181.4	184.7	139.4	D41	Interest	155.0	194.7	208.5	160.3
39.7	48.2	75.2	61.3	D42	Distributed Income of Corporations	55.5	54.2	73.5	75.6
4.3	- 0.8	- 11.0	5.3	D43	Reinvested Earnings on Direct Foreign	13.8	17.1	2.3	28.9
0.5	0.6	0.6	0.5	D44	Property Income Attributes to Policy	1.2	1.1	1.3	1.3
0.6	0.7	0.9	1.0	D45	Rent	0.1	0.1	0.1	0.1
5.2	4.9	5.1	6.5	D5	Current taxes on income, wealth ...	1.6	1.5	2.7	2.9
3.4	3.6	3.7	4.3	D61	Social Contributions	1.5	1.4	1.8	1.7
2.3	2.3	2.7	3.5	D62	Social Benefits	8.3	8.9	8.7	9.1
29.4	29.5	34.4	37.5	D7	Other Current Transfers	61.4	67.0	72.2	83.1
3.5	3.5	4.1	4.0	D71	Net Premia (non-life insurance)	1.8	2.1	2.2	2.8
1.4	1.8	1.9	2.0	D72	(Non life) Insurance Claims	5.4	5.5	6.4	6.5
-	-	-	-	D73	Current transfers within general	-	-	-	-
10.6	9.3	8.2	8.6	D74	Current international cooperation	15.8	17.4	17.8	18.8
13.9	14.9	20.2	22.9	D75	Miscellanous current transfers	38.5	42.0	45.9	54.9
0.1	0.1	0.1	0.1	D8	Adj. for change in net equity of hholds	-	-	-	-
19.8	18.3	18.0	22.8	D9	Capital Transfers	8.0	8.5	7.2	7.3
-	-	-	-	D91	Capital taxes	-	-	-	-
16.1	13.8	14.3	12.3	D92	Investment grands	2.0	2.2	2.3	2.3
3.7	4.5	3.8	10.5	D99	Other capital transfers	6.0	6.4	4.9	4.9
- 0.2	2.9	- 0.8	- 0.7	K2	Acq. less Disposals of non-prod. non-	-	-	-	-
- 2.4	44.8	- 8.5	- 70.4	B9	Net Lending/ Net Borrowing				
1,347.4	1,653.9	1,686.2	1,614.9	Total	Total Current and Capital Accounts	1,347.4	1,653.9	1,686.2	1,614.9
- 58.5	- 19.9	- 74.7	- 149.8	B.11	External Balance of Goods & Services				
9.2	57.5	1.6	- 55.5	B.12	Current External Balance				

Euro area RoW account, according to 'BoP' option

USES						RESOURCES			
1999	2000	2001	2002			1999	2000	2001	2002
819.1	992.5	1,033.0	1,059.7	P61	Exports of Goods				
258.0	303.6	325.0	331.7	P62	Exports of Services				
				P71	Imports of Goods	753.5	974.4	957.6	926.4
				P72	Imports of Services	266.1	310.4	328.7	320.7
13.0	13.7	14.0	14.4	D1	Compensation of Employees	5.1	5.5	5.9	5.7
				D2	Taxes on Production and imports	38.3	42.0	42.1	33.2
				D21	Taxes on Products	38.2	42.0	42.1	33.1
				D29	Other Taxes on Production	0.0	0.0	0.0	0.0
31.0	32.3	33.1	34.7	D3	Subsidies				
25.9	27.0	27.2	29.0	D31	Subsidies on Products				
5.1	5.3	5.9	5.8	D39	Other Subsidies on Production				
197.1	257.7	267.6	224.4	D4	Property Income	242.3	293.3	317.1	270.8
150.2	191.6	189.4	152.9	D41	Interest	160.2	204.4	211.8	166.7
40.3	61.4	89.4	59.1	D42	Distributed Income of Corporations	69.4	71.7	104.7	92.8
5.5	3.4	- 12.8	10.9	D43	Reinvested Earnings on Direct Foreign	11.3	15.9	- 0.9	9.8
0.5	0.6	0.6	0.5	D44	Property Income Attributes to Policy	1.2	1.1	1.3	1.3
0.6	0.7	0.9	1.0	D45	Rent	0.1	0.1	0.1	0.1
4.8	4.8	4.9	6.3	D5	Current taxes on income, wealth ...	1.5	1.5	2.7	2.9
3.4	3.7	3.7	4.3	D61	Social Contributions	1.5	1.4	1.8	1.7
2.2	2.2	2.6	3.5	D62	Social Benefits	8.4	9.0	9.0	9.3
26.8	27.0	30.9	35.2	D7	Other Current Transfers	61.1	67.0	70.9	83.0
3.3	3.3	4.0	3.9	D71	Net Premia (non-life insurance)	1.7	2.1	2.2	2.9
1.1	1.5	1.6	1.8	D72	(Non life) Insurance Claims	5.5	5.6	6.5	6.6
-	-	-	-	D73	Current transfers within general	-	-	-	-
9.6	8.4	7.6	8.5	D74	Current international cooperation	15.3	16.8	17.5	18.6
12.7	13.7	17.7	21.0	D75	Miscellanous current transfers	38.5	42.6	44.7	54.8
0.1	0.1	0.1	0.1	D8	Adj. for change in net equity of hholds	-	-	-	-
21.5	19.1	18.0	19.9	D9	Capital Transfers	6.4	8.6	7.5	7.3
-	-	-	-	D91	Capital taxes	-	-	-	-
17.0	13.2	13.9	9.0	D92	Investment grands	1.8	2.2	2.5	2.5
4.5	5.9	4.1	10.8	D99	Other capital transfers	4.6	6.4	5.0	4.8
- 0.2	1.5	- 0.9	- 0.8	K2	Acq. less Disposals of non-prod. non-	-	-	-	-
7.5	55.0	11.4	- 72.5	B9	Net Lending/ Net Borrowing				
1,384.1	1,713.2	1,743.2	1,660.9	Total	Total Current and Capital Accounts	1,384.1	1,713.2	1,743.2	1,660.9
- 57.5	- 11.3	- 71.7	- 144.3	B.11	External Balance of Goods & Services				
22.4	67.0	20.9	- 60.6	B.12	Current External Balance				