

Box 4.2.

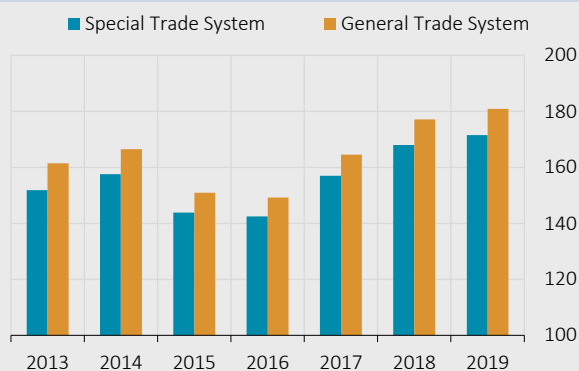
Revisions in Balance of Payments Statistics

In this box, the scope and magnitude of updates in the 2013-2019 period in the Balance of Payments Statistics (BOP) due to the methodological changes made by TURKSTAT to International Trade in Services (ITS) and Foreign Trade Statistics (FTS) are summarized.

Foreign Trade Statistics

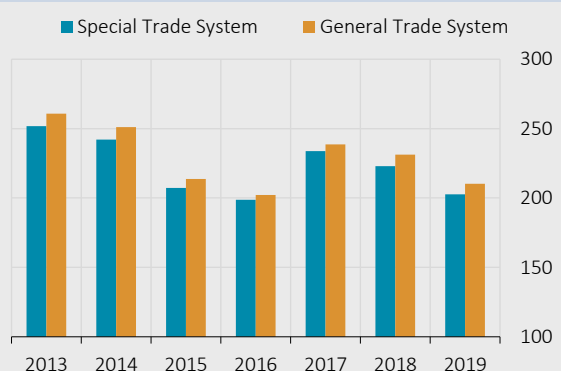
The FTS started to be published according to the General Trade System (GTS) instead of the Special Trade System (STS) starting with the January 2020 data.¹ The data sources have allowed FTS to be calculated according to GTS since 2013. The main difference between the two systems is scope. While goods in the free circulation area and leaving the free circulation area of the country are covered in STS, customs warehouses and movement of goods in free zones are not covered. In GTS, the goods entering and leaving the economic area of the country are covered, and accordingly, warehouse and commodity trade in free zones are also included. Therefore, exports and imports calculated according to GTS are higher than values calculated according to STS (Charts 1 and 2). This difference is 5% on average for exports and 3 % for imports in the 2013-2019 period.

Chart 1: Exports (Billion USD)



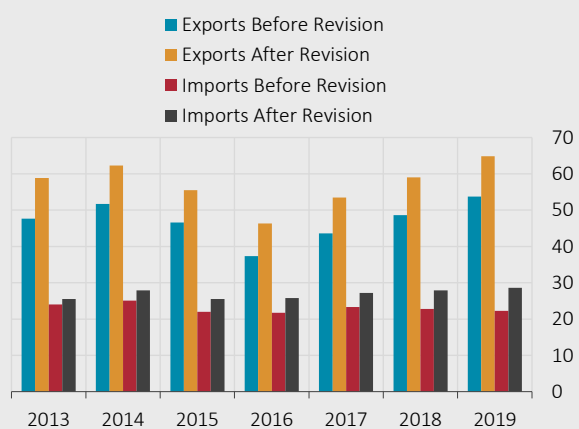
Source: TURKSTAT.

Chart 2: Imports (Billion USD)



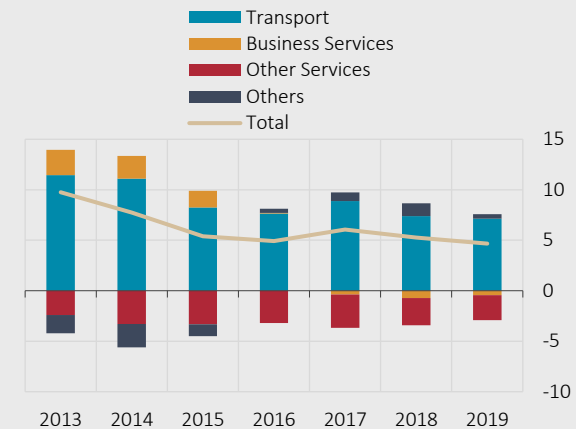
Source: TURKSTAT.

Chart 3: Services Trade Revision (Billion USD)



Source: CBRT.

Chart 4: Contributions to Revision in Net Services Exports (Billion USD)



Source: CBRT.

¹ For detailed information, see http://www.turkstat.gov.tr//duyurular/duyuru_2707.pdf.

International Service Trade Statistics

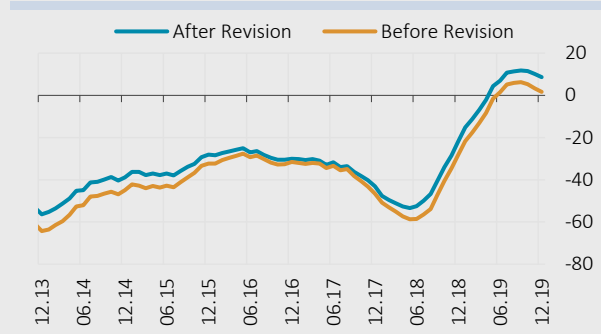
ITS is a service trade made between resident and non-resident real or legal persons. ITS statistics were calculated for 2013-2019 using the ITS Statistics Research and administrative records of the Revenue Administration.² In this context, upward revisions, of USD 10.1 billion and USD 3.9 billion on average were introduced to exports and imports of services, respectively (Chart 3).

Transportation, business services and other service revenues made the biggest contribution to this upward revision of approximately USD 6.2 billion in net services balance. (Chart 4).

Balance of Payments Statistics

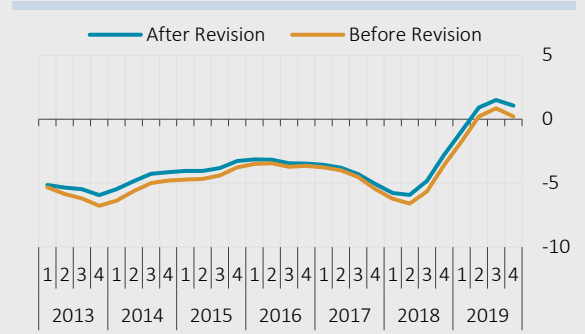
In line with the revisions in ITSS and FTS, BOP statistics were updated for the 2013-2019 period. Accordingly, the Current Account Balance (CAB) and its ratio to GDP improved by USD 6.3 billion and 0.7 points on average, in this period (Charts 5 and 6). The greatest contribution to the CAB came from the Services based on the revision in ITS, followed by the contribution of the FTS subject to the methodological revision (Chart 7). With a particular emphasis on 2019, in which the balancing process occurred, the Current Account Surplus rose to USD 8 billion (1.1 % as a ratio to GDP) from its pre-revision value of USD 1.6 billion. While goods and services made an upward contribution to this revision by USD 4.7 billion and USD 2.1 billion, respectively, primary and secondary income made a downward contribution totaling USD 380 million.

Chart 5: Current Account Balance (Billion USD, Annualized)



Source: CBRT.

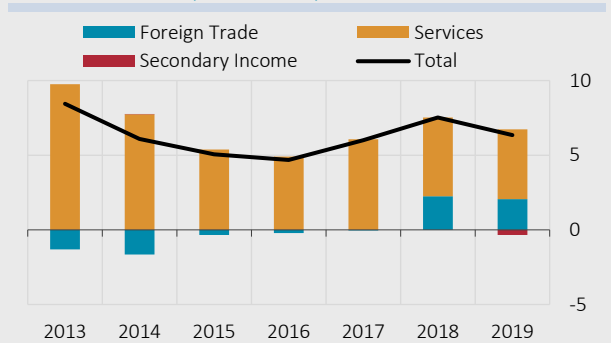
Chart 6: Current Account Balance (The ratio to GDP, %)



Source: CBRT.

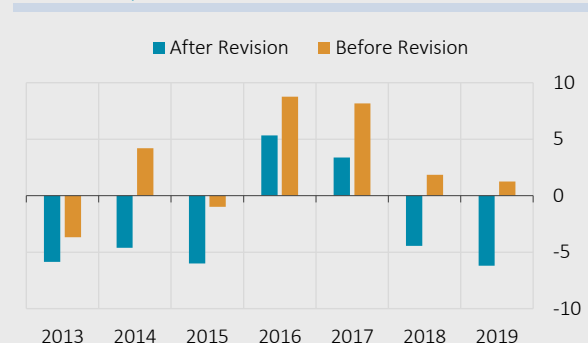
In Financial Accounts, the most noteworthy revisions were made in trade credit and advances, recorded under Other Investment, as well as net errors and omissions (NEO). The revision in trade credit and advances stemmed from the transition from STS to GTS and the downward revision in this item amounted to USD 1.3 billion in 2019. Meanwhile, the revision in NEO stemmed from the methodological improvement allowing the shift of unexplained factors that had previously been placed under the NEO item to the CAB (Chart 8).

Chart 7: Contributions to the Revision in Current Account Balance (Billion USD)



Source: CBRT.

Chart 8: Net Errors and Omissions (Billion USD, Annualized)



Source: CBRT.

² For detailed information, see http://www.turkstat.gov.tr//duyurular/duyuru_2713.pdf.