

STAKEHOLDER NEWSLETTER

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"You can have data without information, but you cannot have information without data." (Daniel Keys Moran)



What do we do?

We capture data from various sectors of the economy to facilitate **data-driven policy-making**.

One of the key data sets compiled by the Central Bank of Trinidad and Tobago is the **international accounts**. These include the balance of payments, the international investment position, the coordinated direct investment survey, and trade in services, among others.

This newsletter explains one of the basic balance of payments concepts.

What are the international accounts?

The international accounts for an economy summarise the economic relationships between residents of that economy and non-residents.

The international accounts provide an integrated framework for the analysis of an economy's international economic relationships, including its international economic performance, exchange rate policy, reserves management, and external vulnerability.



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The balance of payments (BOP)

The balance of payments is a statistical statement that summarises *transactions* between residents and non-residents during a period. It consists of the current account, the capital account, and the financial account.

The different accounts within the balance of payments are distinguished according to the nature of the economic resources provided and received.

The Financial Account

The financial account records transactions that involve financial assets and liabilities that take place between residents and non-residents. Entries in the financial account can be corresponding entries to goods, services, income, capital account, or other financial account entries. It comprise transactions in five functional categories: direct, portfolio and other investment accounts, and financial derivatives, and reserve assets. [Direct investment](#) is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. [Portfolio investment](#) is defined as cross-border transactions and positions involving debt or equity securities, such as investments in companies' shares or purchase of US Treasury bills. A [financial derivative](#) contract is a financial instrument that is linked to another specific financial instrument. [Other investment](#) is a residual category and includes transactions related to deposits held abroad, loans, accounts receivable/payable and trade credits. [Reserve assets](#) are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate.



Where do you come in?

Your responses to the surveys administered by the Central Bank feed directly into the compilation of these critical economic data sets. The Statistics Department assures you that all data provided are treated as confidential with only aggregated data being published.