



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

UAE Balance of Payments Challenges and Innovative Compilation methods

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The Data Sources

❖ ***As well known the sources of the Balance of Payments Statistics are:***

❖ ***International Transactions Reporting System (ITRS)***

Information through the banking system was not satisfactory

Majority of entries were allocated to residual categories

Lack of understanding of the entries by the banks or quality control.

❖ ***The Surveys***

☐ Education (population in UAE)

☐ Tax Records

☐ Surveys usually prepared by economists and filled by accountants

☐ Time lag (some times need more that 14 months)

☐ Response from wide range of stakeholders not satisfactory due to confidentiality concerns

Innovative Compilation methods

❖ *SWIFT Scope Project*

SWIFT SCOPE solution helps CBUAE gain insights on the SWIFT international payments traffic for the UAE and enable CBUAE's reporting on the associated flows of this traffic.

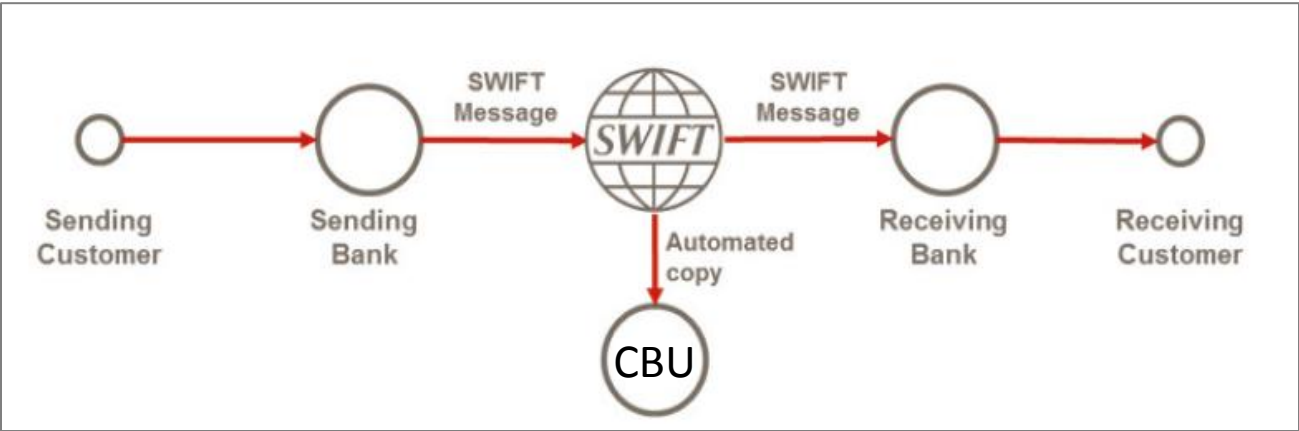
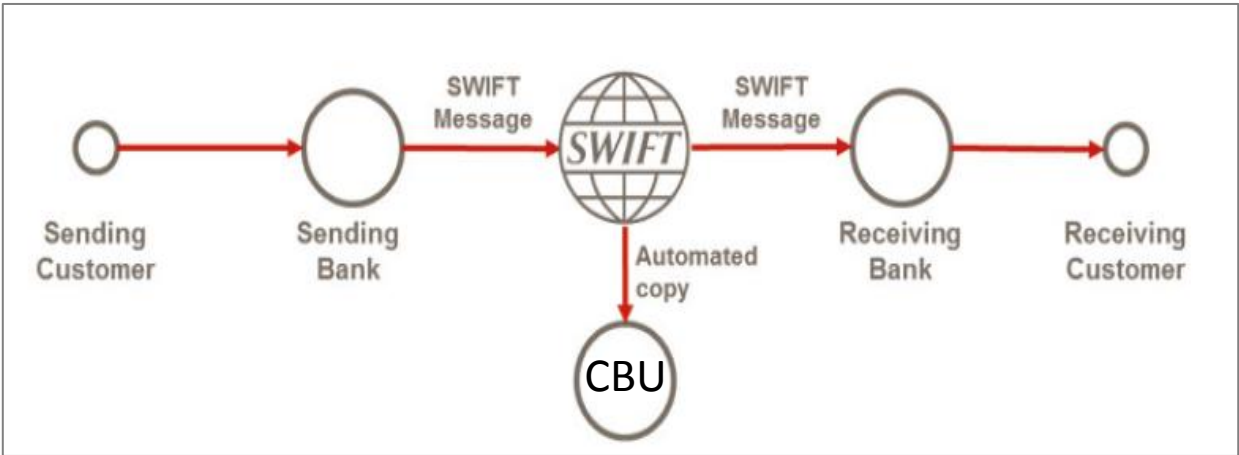
❖ *Plastic Cards Statistics Project*

Through this project we can get all information regarding the expenditure on tourism activity

The SWIFT SCOPE: Mechanism of the data follow

❖ Balance of Payment Data: The SWIFT SCOPE

Solution Design -
Inward Messages to UAE



Solution Design -
Outward Messages from
UAE

Copy of each cross border SWIFT message will include:

❖ *Balance of Payment Data: The SWIFT SCOPE*

Data Copy Automation Process

The solution is composed of the following three main pillars:

✓ **Data Capture:**

The required data for Balance Of Payment statistics is captured from SWIFT messages, the fields are –

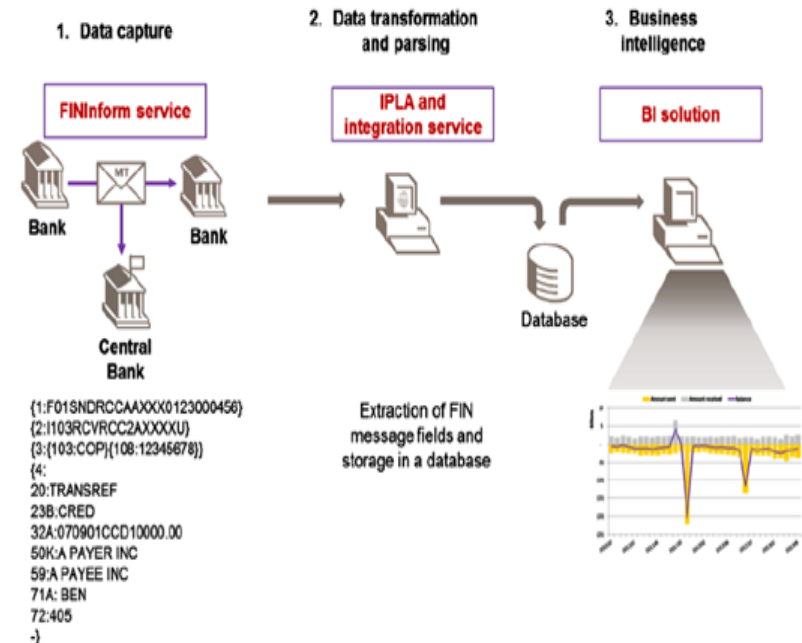
1. Origin / Destination
2. Currency
3. Amount
4. Amount in Local Currency
5. Payment Purpose Code

✓ **Data Transformation :**

The data captured from SWIFT messages are transformed as per the Balance of Payment template and stored in Local database for analysis and further usage.

✓ **Data Visualisation:**

SWIFT's Business Intelligence solution uses the transformed data and provide graphical reports, highlighting different statistics.



❖ ***Balance of Payments Data: The SWIFT SCOPE Project***

❖ ***How it works ?***

- ☐ The system will record each financial transaction (in/out).
- ☐ The obtained information will be classified as the following:
 - ✓ Origin / Destination
 - ✓ Currency
 - ✓ Amount
 - ✓ Amount in Local Currency
 - ✓ Payment Purpose Code
- ☐ The data will be used for the Balance of Payment compilation following BoP Guidelines published on the CBUAE website, including:
 - ✓ BoP – Purpose of Payments Codes Table
 - ✓ Technical Notes on Transaction Codes for BoP
 - ✓ Explanatory Notes on Transaction Codes for BoP

Classification	Code	Purpose
I. Goods-Services-Income-Transfers Receipts & Payments		
Import-Export	GDE	Goods sold (Exports in fob value)
	GDI	Goods bought (Imports in cif value)
Transport & Travel	STS	Sea transport
	ATS	Air transport
	OTS	Other modes of transport (including Postal and courier services)
	STR	Travel
Services with abroad	GMS	Processing repair and maintenance services on goods
	SCO	Construction
	INS	Insurance services
	FIS	Financial services
	IPC	Charges for the use of intellectual property royalties
	TCS	Telecommunication services
	ITS	Computer services
	IFS	Information services
	RDS	Research and development services
	PMS	Professional and management consulting services
	TTS	Technical, trade-related and other business services
	PRS	Personal, cultural, audiovisual and recreational services
Interest & Profits with abroad	IGD	Dividends intragroup
	IID	Interest on debt intragroup
	PIP	Profits on Islamic products
	PRR	Profits or rents on real estate
	DOE	Dividends on equity not intragroup
	ISH	Income on investment funds shares
	ISL	Interest on securities more than a year
	ISS	Interest on securities less than a year
	IOL	Income on loans
	IOD	Income on deposits
Government	GOS	Government goods and services embassies etc
	GRI	Government related income taxes, tariffs, capital transfers, etc.
Personal	CHC	Charitable Contributions (Charity and Aid)
	FAM	Family Support (Workers' remittances)
	SAL	Salary (Compensation of employees)
	PPA	Purchase of real estate abroad from residents
	PPL	Purchase of real estate in the UAE from non-residents
II. Assets		
FDI flows - Acquisition and liquidation by residents of equity & securities abroad (above 10% share)	CEA	Equity and investment fund shares for the establishment of new company from residents abroad, equity of merger or acquisition of companies abroad from residents and participation to capital increase of related companies abroad
	DSF	Debt instruments intragroup foreign securities
	REL	Reverse equity share in the UAE
	RDL	Reverse debt instruments in the UAE
Portfolio investment flows - Acquisition and liquidation by residents of equity & securities abroad (below 10% share)	FSA	Equity other than investment fund shares in not related companies abroad
	FIA	Investment fund shares foreign
	DSA	Purchases and sales of foreign debt securities in not related companies - Less than a year
	DLA	Purchases and sales of foreign debt securities in not related companies - More than a year
	FDA	Financial derivatives foreign
Lending-repayments and transfers by residents of loans & deposits abroad	DLF	Debt instruments intragroup loans, deposits foreign (above 10% share)
	AFA	Receipts or payments from personal residents bank account or deposits abroad
	SLA	Loans – Drawings or Repayments on loans extended to nonresidents - Short-term
	LLA	Loans – Drawings or Repayments on loans extended to nonresidents - Long-term
	LEA	Leasing abroad
	RFS	Repos on foreign securities
	TCR	Trade credits and advances receivable
III. Liabilities		

Mapping from the aggregated SWIFT Messages to Balance of Payments Template

❖ *Balance of Payments Data: The SWIFT SCOPE Project*

❖ *A mapping Example*

Services (NET)

Credits

Travel

Transport

Ports

Air

Postal & others

Government Services

Other services

Construction

Intellectual property

Information-Computer-Telecommunication

Information

Computer

Telecommunication

Other⁶

Processing repairs and maintenance services on goods

Financial Services

Research and development services

Professional and management consulting services

technical, trade-related and other business services

Personal, cultural, audiovisual and recreational services

Insurance services

STR	Incoming	
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STS	Incoming	
ATS	Incoming	
OTS	Incoming	
GOS	Incoming	

SCO	Incoming	
IPC	Incoming	

IFS	Incoming	
ITS	Incoming	
TCS	Incoming	

GMS	Incoming	
FIS	Incoming	
RDS	Incoming	
PMS	Incoming	
TTS	Incoming	
PRS	Incoming	
INS	Incoming	

Advantages of using SWIFT Scope

❖ *Balance of Payments Data: The SWIFT SCOPE Project*

❖ *Expected Outcome:*

- ❑ The project will benefit the CBUAE and the six local centers in UAE by getting TiS Statistics and BoP Statistics in general.
- ❑ Improve data accuracy and timeliness.
- ❑ Reduce costs generated by the surveys.
- ❑ Reduce data biases stemming from surveys, as reliable results from survey require awareness and cooperation which may not be readily available in many societies. The results of the surveys are less reliable in countries where there is no integrated tax system related to taxes on income and profits
- ❑ Track capital and financial flows for a better understanding of non-oil growth drivers and consequently, activate optimal policies response proactively.

Plastic Cards Statistics

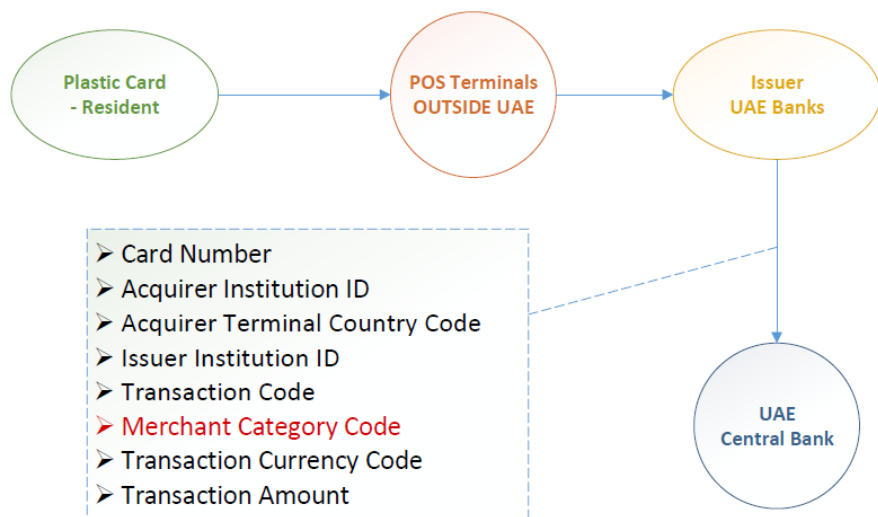
Plastic Cards Statistics Project
for
Capturing Tourism Activities Statistics

Mechanism of the data follow

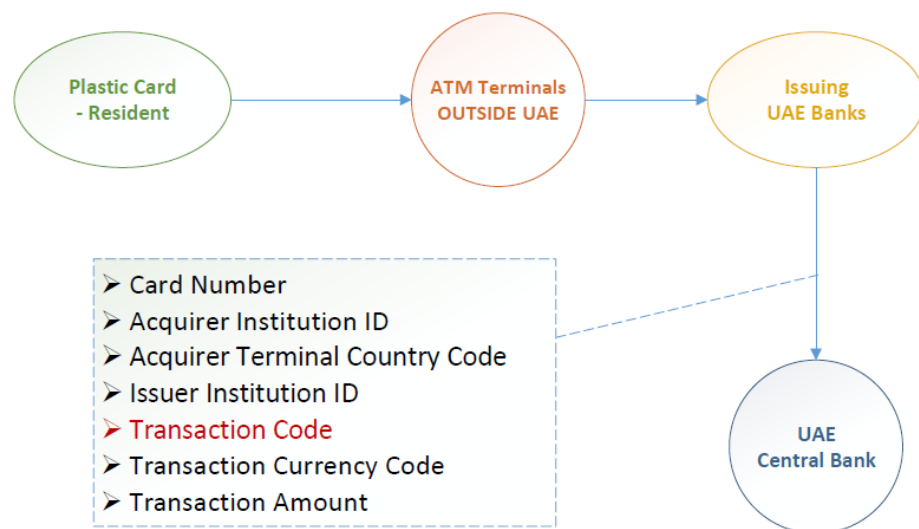
❖ Balance of Payments Data: The Plastic Card Statistics

1. Resident Plastic Card Transactions outside the UAE

Cards used outside UAE by Resident -POS Transaction



Cards used outside UAE by Resident - ATM Transaction



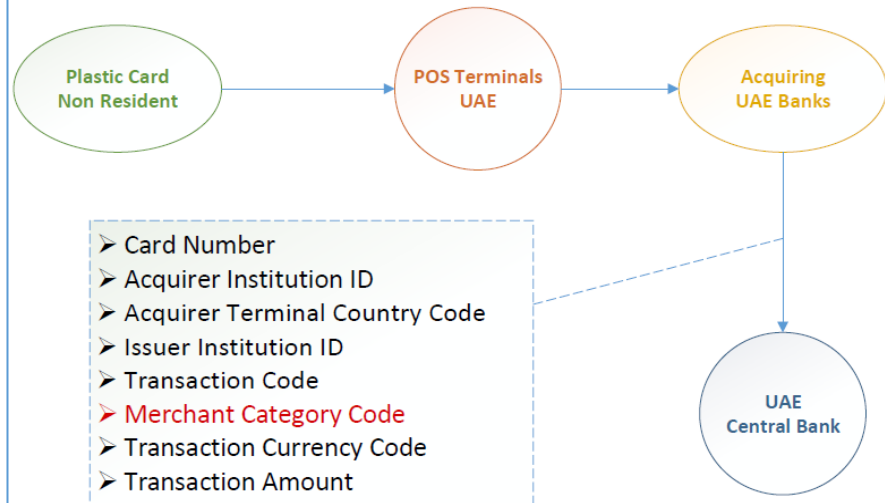
Mechanism of the data follow

❖ *Balance of Payment Data: The Plastic Card Statistics*

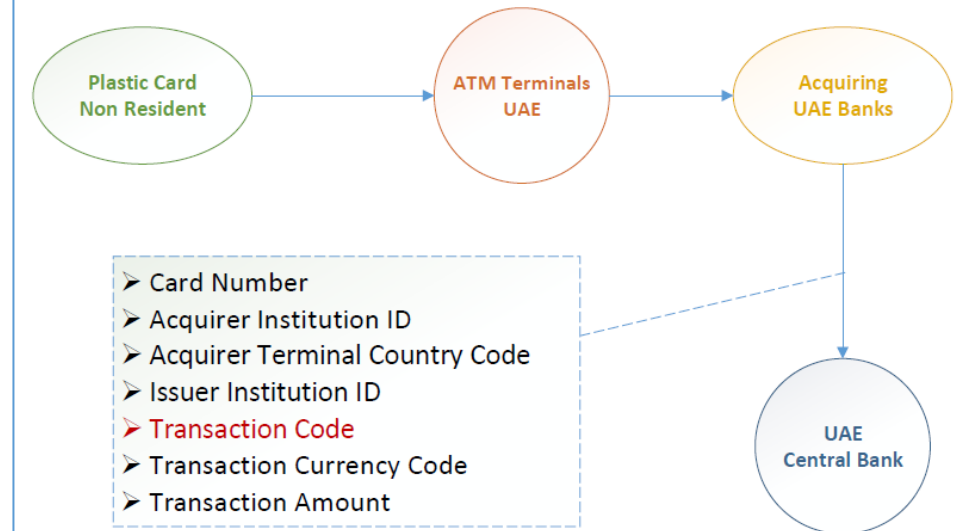
Plastic card statistics are collected from Banks in the UAE under 2 major categories

2. Non Resident Plastic Card Transactions in UAE

Cards used in UAE by Non Resident -POS Transaction



Cards used in UAE by Non Resident - **ATM** Transaction



- ❖ ***Plastic Cards Statistics Project: Aim to capture Tourism activities:***
 - ❖ ***Resident and non Resident based on the Residency of the bank issued the card***
 - ❖ ***Plastic Cards: Technical documents and system are ready for transactions*** related to POS and NON-UAE Switch (ATMs).
 - ❖ ***Plastic Cards:*** Information will be collected from both the Banks issuers (for Resident) and acquirers (for Non Resident) of cards.

Advantages of the Plastic Cards Statistics Project

- ❑ Obtain the expenditures that were made by non-residents within the UAE.
 - ❑ By amount.
 - ❑ By economic activity – MCC (hotel, restaurant,)
 - ❑ Country wise

- ❑ Obtain the expenditures that were made by residents outside UAE.
 - ❑ By amount.
 - ❑ By economic activity – MCC (hotel, restaurant,)
 - ❑ Country wise

Thank you