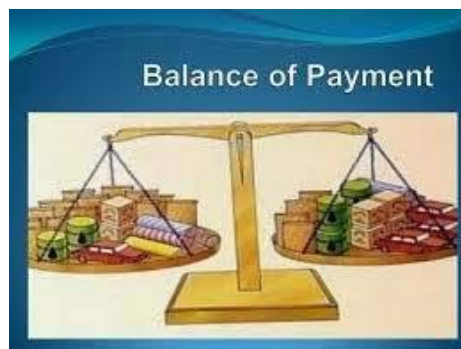


# Foreign Merchandise Trade used in Goods Account Country: El Salvador



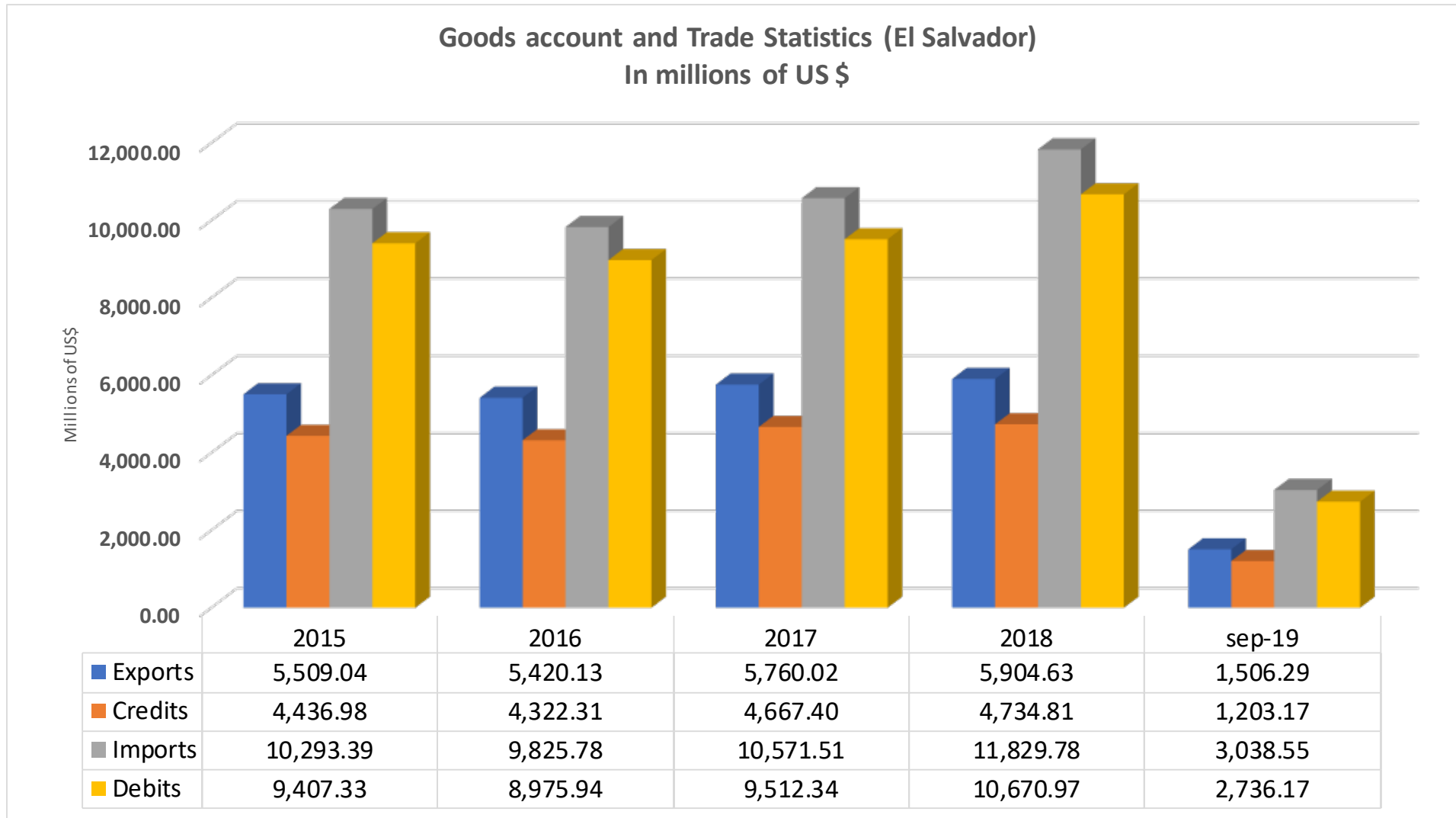
Ileana Maria Bolaños Viscarra  
Nassau, Bahamas February 2020

# Content



- Goods Account and Trade Statistics
- Clasification of Goods Account
- Special Treatment for the Goods Account
- Comparison between BOPM5 and BOPM6
- BOP versus BOT
- Conclusions

# Goods Account and Trade Statistics don't have the same value because goods account has a special treatment



# Current Account: Goods (BOPM6)



- Two subaccounts go to the services account
- Migrant transfers cease to be registered
- Goods acquired in port are classified within the general merchandise.
- Re-exports of goods must be reported as supplementary item.
- Includes purchase sale of goods.

Goods	
General Merchandise	Non monetary Gold

# Special Treatment of Goods Account



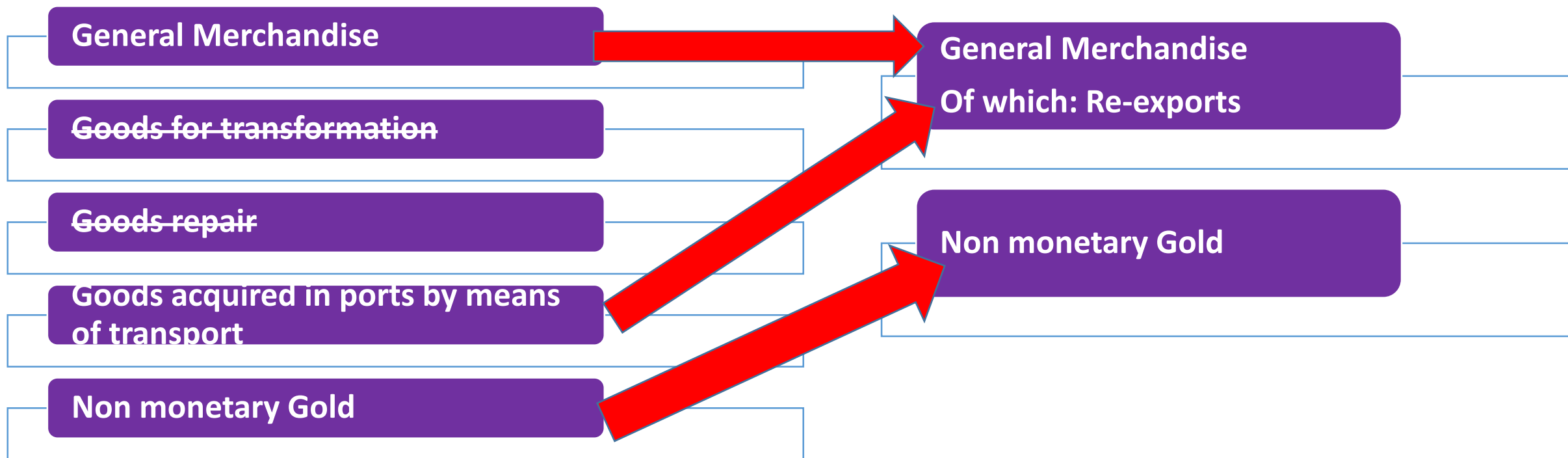
		Quarter 1-2019		Quarter II-2019		Quarter III -2019	
		Exports	Imports	Exports	Imports	Exports	Imports
	<b>Merchandise trade statistics as they appear in the data sources</b>	1,466.29	2,904.91	1,567.58	3,070.80	1,506.29	3,038.55
	<b>Of which:</b>						
	<b>Goods purchased at airports (aviation gasoline)</b>	15.76	0.23	13.67	0.19	11.62	0.19
	<b>Non Monetary Gold</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Plus (+)</b>	<b>Goods acquired in ports from other sources (food, gasoline, aircraft materials)</b>	2.15	33.27	2.25	27.80	2.62	24.65
<b>Minus (-)</b>	<b>Personal effects of emigrants and immigrants</b>	0.13	0.17	0.24	0.21	0.22	0.34
<b>Minus (-)</b>	<b>Goods for manufacturing without change of ownership (sewing industry)</b>	280.87	169.65	297.17	165.68	305.53	173.36
<b>Minus (-)</b>	<b>Freight and Insurance (included in the transport services account according to the BOPMVI)</b>		145.31		152.69		153.33
<b>=</b>	<b>Total Goods according to the balance of payments</b>	<b>1,187.44</b>	<b>2,623.05</b>	<b>1,272.43</b>	<b>2,780.03</b>	<b>1,203.17</b>	<b>2,736.17</b>

# Comparison between BOPM5 and BOPM6



**BOPM5**

**BOPM6**



# BOP Versus BOT



- **BOP**

- 1- It is a broad term
- 2- It includes all the transactions related to visible, invisible and capital accounts.
- 3- It is allways balances itself
- 4-  $BOP = \text{Current Account} + \text{Capital Account} + \text{or} - \text{Balancing ítem (Errors and omission)}$
- 5- Following are main factors which affect Bop:
  - a) Conditions of foreign lenders
  - b) Economic policy of Govt.
  - c) All the factors of BOT

- **BOT**

- 1- It is a narrow term
- 2- It includes only visible items.
- 3- It can be favourable or unfavourable
- 4-  $BOT = \text{Net earnings on export} - \text{Net payment for imports}$
- 5- Following are main factors which affect BOT:
  - a) Cost of production
  - b) Availability of raw material
  - c) Exchange rate
  - d) Prices of goods manufactured at home

# Conclusions



- The goods account and Trade Statistics never will have the same value because goods account has a special treatment in balance of payments.
- In BOPM6 two subaccounts go to the services account and one more is eliminated (Personal effects of emigrants and inmigrants)
- Goods acquired in ports are classified in general merchandise.
- When sixth manual was adopted in El Salvador, and investigation and case of study were elaborated for the sewing industry (goods for transformation), to properly classified each company.





**Thank you for your attention!!**