



Remittances Statistics: **First Meeting of the Luxembourg Group**

June 2006

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Current Account Income

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Introduction

- ☑ **BOP: a shared project between Banque du Liban (BDL) and Central Administration of Statistics (CAS), the governmental entity responsible for surveys among private non-financial sector**
- ☑ The External Sector and Balance of Payments Section (ESS) - Statistics and Economic Research Department (SERD) - at the BDL has set the methodology for estimating the various components of the Balance of Payments (BOP) consistent with the methodology of the International Monetary Fund's (IMF) fifth edition of the balance of payments manual (*BPM5*).
- ☑ The ESS has been working for **the last two years** on the shift from the adopted *BPM4* structure to the *BPM5* presentation.
- ☑ **The BDL's annual publication on External Sector and Balance of Payments Statistics for the years 2004-2005 will enclose the latter presentation, applied back to 2002 and onwards.**



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Dissemination

✓ *Publication*

- ✓ **Monthly:** *Monthly Bulletin*, BDL (French, English and Arabic): trade balance data
- ✓ **Quarterly:** *Quarterly Bulletin*, BDL (English and Arabic), BOP results and detailed trade balance data
- ✓ **Annual:** *External Sector Annual Report*, BDL (Arabic)

✓ *Electronic*

- ✓ **Internet:** <http://www.bdl.gov.lb/>
- ✓ **Other Online:** ICS- IMF
- ✓ BOP is sent upon request to all public and private administration after BDL authorities approval.
- ✓ BOP report is disseminated yearly to the IMF and the Arab Monetary Fund (AMF).



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Metadata-compensation of employees

Source:

- ✓ *Public Sector Operations since September 1997 and ITRS for private sector operations since 2003.*

Periodicity: *monthly*

Components:

- ✓ *PSO: Compensation of employees,*
- ✓ *ITRS: Other income*

Conversion method:

- ✓ *Prior to 2003, only public sector data on compensation of employees are recorded. From 2003 and onwards, data derived from the ITRS “other income” are also included.*

Adjustments: *none*



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Metadata-workers' remittances

Source:

- ✓ *General Directorate of General Security,*
- ✓ *Ministry of Labor*
- ✓ *ITRS*
- ✓ *BDL*

Periodicity: *monthly*

Components:

- ✓ *Number of arriving and departing travelers through all borders, by nationalities*
- ✓ *Number of work permits by nationality and profession*



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Income Account

Income

Compensation of employees:

Prior to 2003, only public sector data on compensation of employees are recorded. From 2003 and onwards, data derived from the ITRS are also included.

Although a major amount recorded as current transfers-workers remittances is a labor income paid by resident entities to nonresident border or seasonal workers _i.e. seasonal workers in agriculture or other seasonal summer jobs in hotels and restaurants_ the lack of surveys doesn't allow ESS to identify those transfers in compensation of employees.



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Current Transfers

Other sectors: Workers' Remittances:

Remittances Scenario is based on:

- *(1-inflows) Lebanese workers abroad estimated through the calculation of the net figure for incoming and leaving Lebanese travelers according to the same source of statistics. Scenario is applied on the (half) net number of Lebanese workers outside Lebanon, in addition to the number of newly outgoing*
- *(2-outflows) foreign workers' remittances according to the classification of incoming foreign nationals to Lebanon and on the classification of licensed work permits by nationality and profession. Scenario is applied on the net number of foreign workers present in Lebanon, in addition to the number of newly arrived foreigners.*
- *Workers' remittances from and into Lebanon are then estimated via the adoption of an average monthly salary and a savings percentage by type of profession (blue- or white-collar workers). As of 2003, data from ITRS are also added without risking double counting as ITRS is applied for banking transactions equal or above USD 10,000 whereas the above scenario is an estimation of remittances below this threshold.*



BANQUE DU LIBAN

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Workers Remittances' Scenario

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Estimation of foreign workers' number:

- ✓ based on the classification of incoming foreign nationals to Lebanon according to the statistics of the General Directorate of General Security and on the classification of licensed work permits by nationality and profession compiled and provided to the ESS by the Ministry of Labor.
- ✓ as to the number of Lebanese workers abroad, it is estimated through the calculation of the net figure for incoming and leaving Lebanese travelers according to the statistics of the General Directorate of General Security.

Estimation of Workers' remittances:

- ✓ from and into Lebanon are then estimated based on an average monthly salary
- ✓ according to a savings percentage by type of profession



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Workers Remittances' Scenario

Estimation based on scenario:

- applied on the net number of foreign workers present in Lebanon,
- in addition to the number of newly arrived foreigners.
- flow of funds sent by Lebanese working abroad is estimated in the same manner.

- *As of 2003, data from ITRS are also added without risking double counting because the ITRS is applied for banking transactions equal or above USD 10,000 whereas the above scenario is an estimation of remittances below this threshold.*



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Sources

☑ Periodicity:
monthly.

☑ Sources:

ITRS since 
2003

**General
Security
Ministry
Labor** of 

Components:

*Remittances of workers:
Living abroad / working in
Lebanon*

*Scenario estimation of workers'
remittances:
Living abroad/working in Lebanon*



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Data Composition – remittances flows

➤ *Credit (inflow from Lebanese
abroad)*

- ITRS → 29%
- Scenario → 71%

➤ *Debit (outflow of Resident Foreigners)*

- ITRS → 35%
- Scenario → 65%



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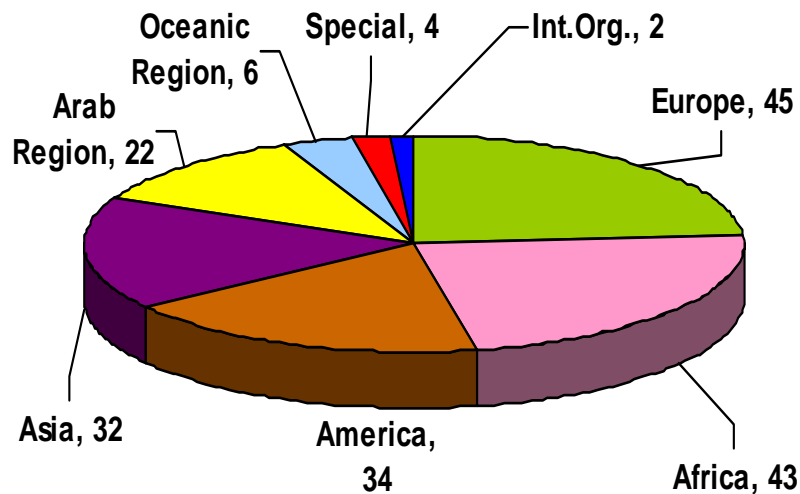
☑ Source: General Security

☑ Data: Monthly incoming and leaving travelers by country and port of entry

☑ Breakdown:

☑ Geographical (188 countries in 8 groups)

☑ Ports (5 border ports)





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☑ Source: Ministry of Labor

☑ Data: Monthly work permits to incoming travelers by country

☑ Breakdown:

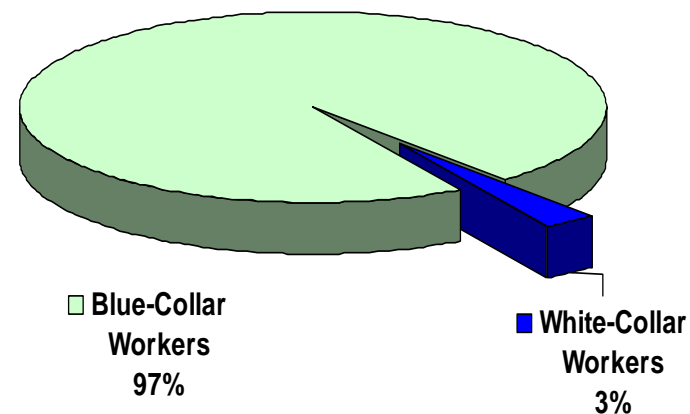
☑ Geographical Distribution

(188 countries in 8 groups)

☑ Number of Work Permits

(113 work permits)

Classification of workers by type - 2005





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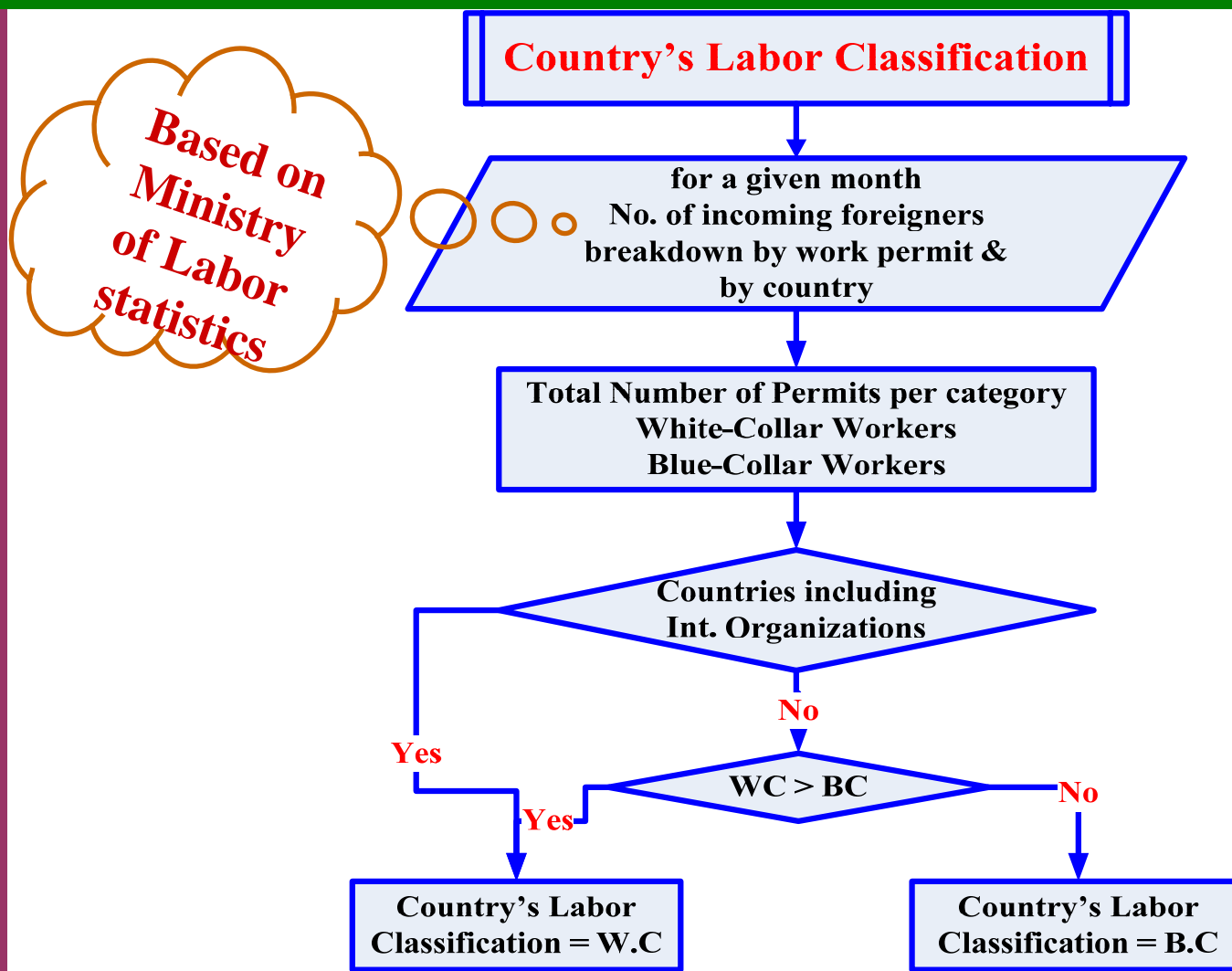
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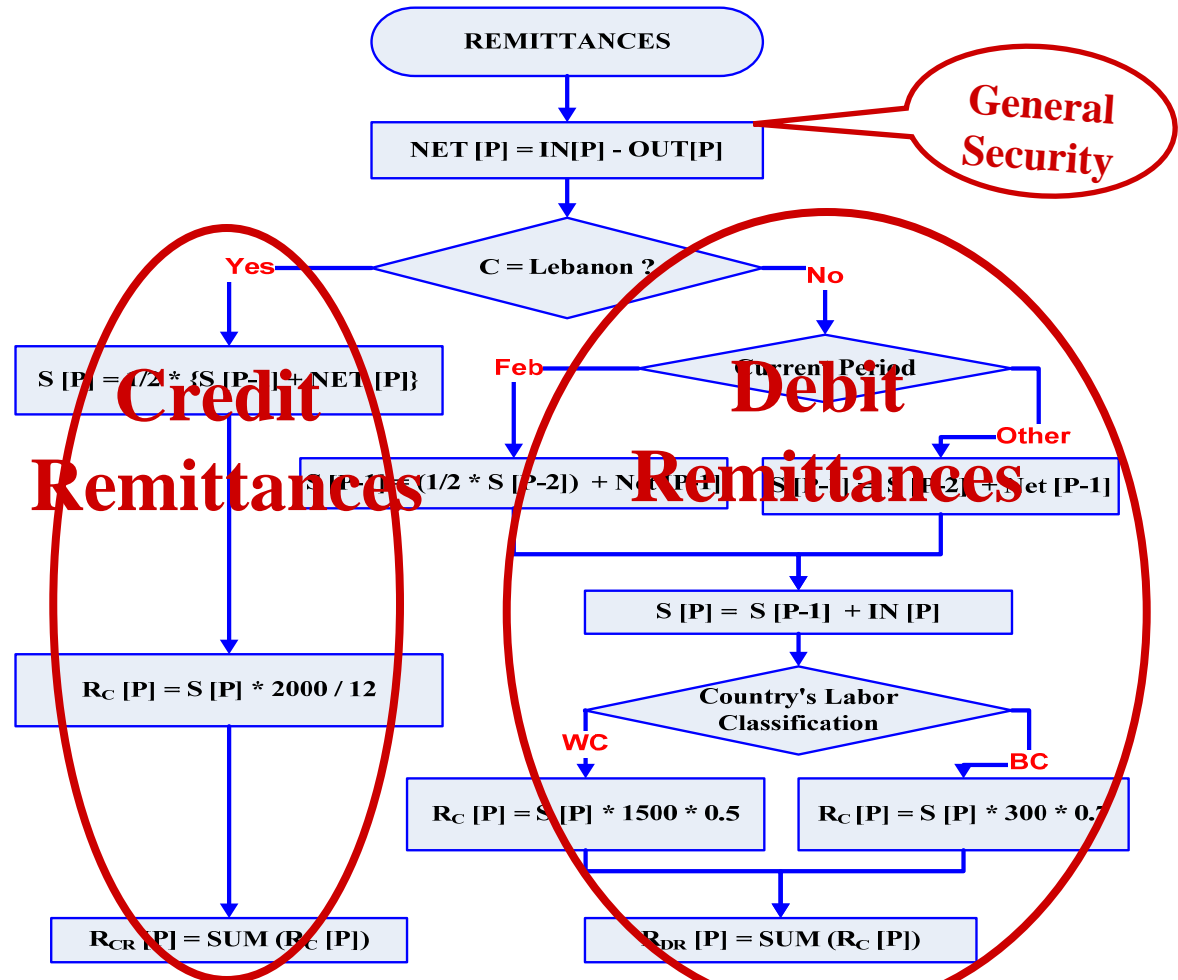
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P = Current Period (Month), S[P] = Stock of Period P, C = Country, R_C = Calculated Remittances for Country C
NET[P] = IN[P] - OUT[P] = Net Person of period P = Total Persons coming in Lebanon - Total Persons leaving Lebanon
R_{CR}[P] = Calculated Credit Remittances for period P, R_{DR}[P] = Calculated Debit Remittances for period P



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Thank you

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