

## IV. INTERNATIONAL TRANSACTIONS OF CUSTOMERS VIA THE ESTONIAN BANKING SYSTEM

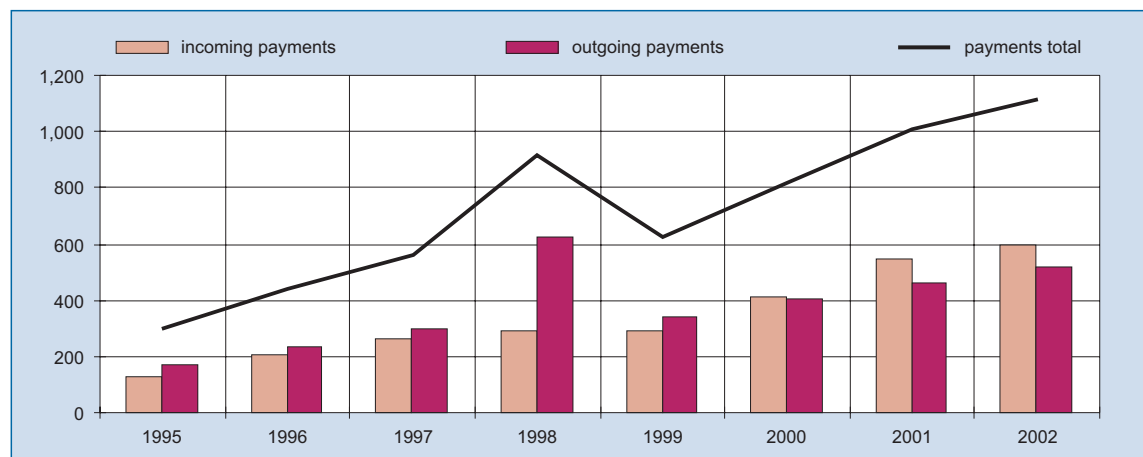
### Number and Turnover of Transactions

In 2002, the **total number** of international payments<sup>7</sup> increased by 11% year-on-year (see Table 4.1 and Figure 4.1), both in case of incoming and outgoing payments. The number of incoming payments exceeded the number of outgoing payments by 83,000. A large proportion of payments, approximately 77%, was smaller than 100,000 Estonian kroons.

The **turnover** of international payments had a similar dynamics: year-on-year, the turnover of incoming payments increased by 10% and the turnover of outgoing payments was up 17% (see Table 4.2 and Figure 4.2). The turnover of payments increased at the end of the year.

**Table 4.1. Number of international payment transactions**

	In thousands		Change (%)
	2001	2002	2002/2001
Incoming payments	547	599	9
Outgoing payments	458	516	13
<b>Total</b>	<b>1,005</b>	<b>1,115</b>	<b>11</b>



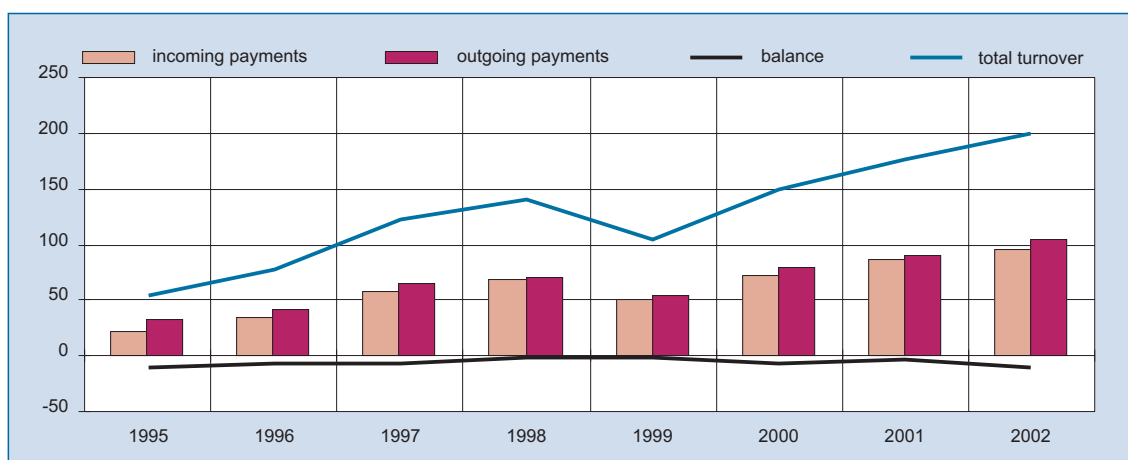
**Figure 4.1. Number of international payment transactions (in thousands)**

<sup>7</sup> International payments do not contain transactions between residents only and between non-residents only.

The share of payments under 100,000 kroons accounted for only 10% of the total turnover. The average size of an incoming payment (158,700 kroons) remained on the level of 2001. The average size of an outgoing payment (203,300 kroons) increased by approximately 7,000 kroons year-on-year.

**Table 4.2. Turnover of international payment transactions**

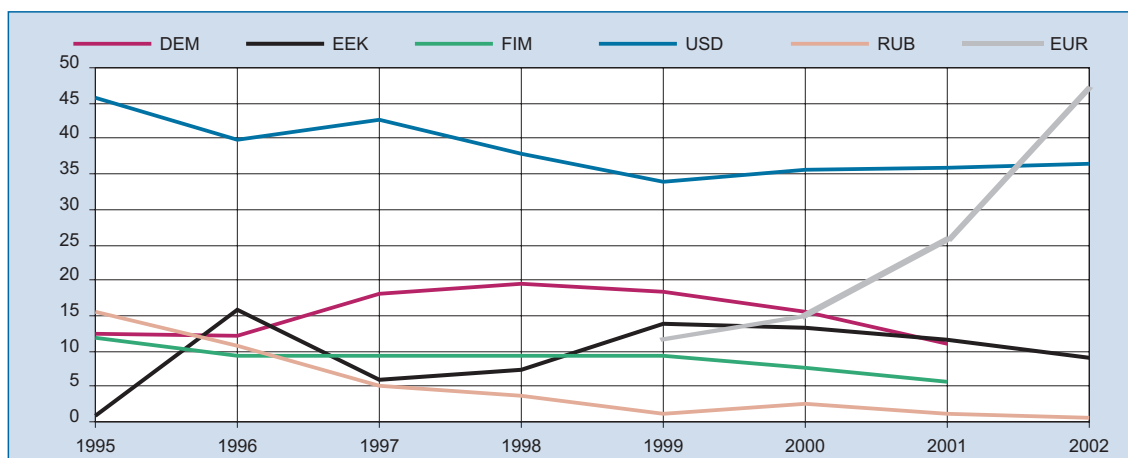
	EEK billion		Change (%)
	2001	2002	2002/2001
Incoming payments	87	95	10
Outgoing payments	90	105	17
<b>Total</b>	<b>177</b>	<b>200</b>	<b>13</b>



**Figure 4.2. Turnover and balance of international payment transactions (EEK billion)**

## Use of Currencies<sup>8</sup>

By turnover, the ranking of major currencies used in international payments by Estonian credit institutions in 2002 changed due to the introduction of the euro banknotes and coins on 1 January 2002, as was expected (see Figure 4.3). With the disappearance of the German mark and the Finnish markka, their position was



**Figure 4.3. Currencies used in international payment transactions (%)**

<sup>8</sup> The analysis of transactions by currencies does not reflect payments below 100,000 kroons as these are given only in the Estonian kroons in the statistics of Eesti Pank and their inclusion would thus considerably distort the general picture.

taken by the euro, which almost doubled its share year-on-year to 47% of the total turnover. The share of the US dollar remained unchanged. The share of the Estonian kroon decreased somewhat (-2 percentage points) in turnover and placed third with 9% among the currencies used. Similarly to 2001, the share of other currencies in total turnover was just 8%, with the Swedish krona and the Russian rouble accounting for 3% and 1%, respectively.

In the ranking of currencies **by the number of transactions**, the use of the euro dominated as well, more than doubling year-on-year and making up 52% of the total number of transactions. The number of transactions in other currencies remained unchanged against 2001.

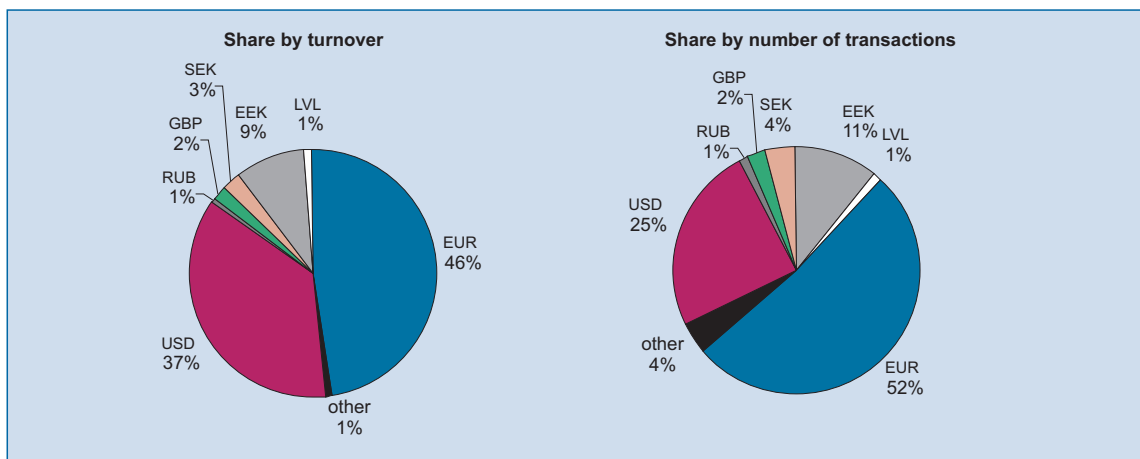


Figure 4.4. Use of major currencies by turnover and number of international payments in 2002 (%)

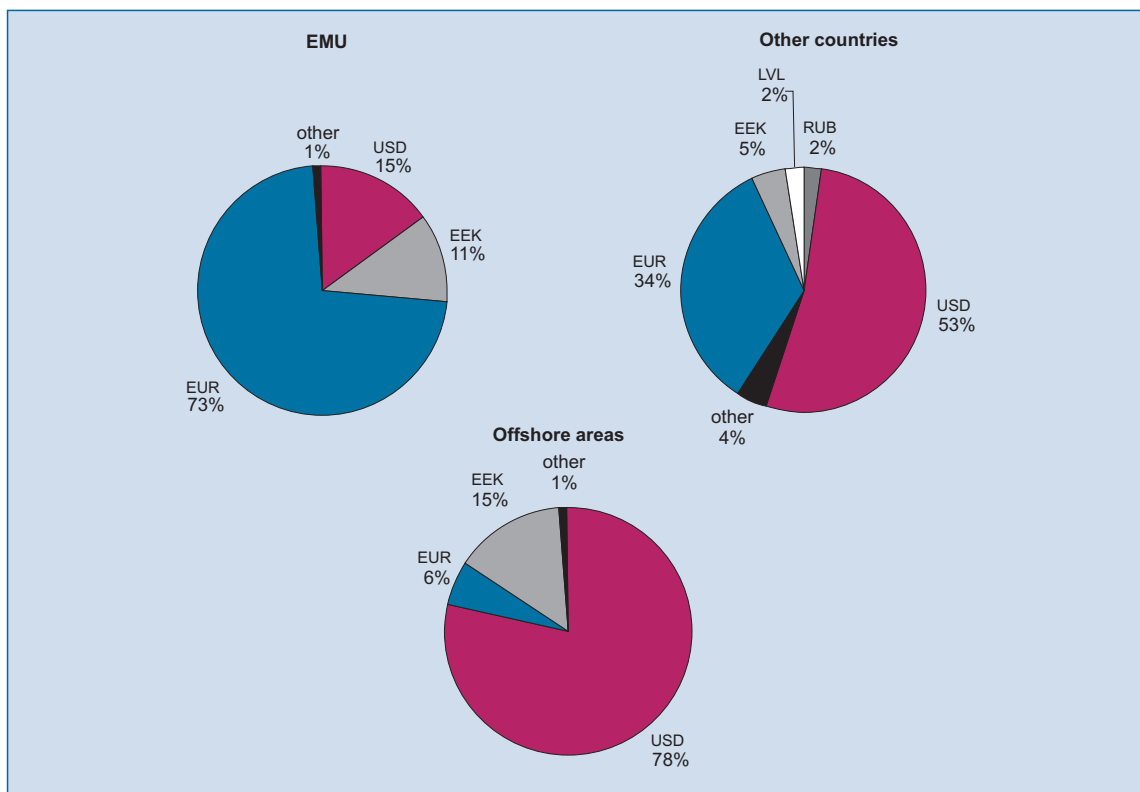


Figure 4.5. Currencies used in international payment transactions by countries in 2002 (by turnover)

By countries, the use of currencies in international payments varied (see Figures 4.4 and 4.5). The euro dominated in payments with the **European Monetary Union (EMU) countries** (81% of the number of transactions and 73% of the turnover). By the number of transactions, the Estonian kroon moved to the second place (10%). By turnover, the share of the Estonian kroon was 4 percentage points smaller than that of the US dollar (8% of the number of transactions and 15% of the turnover). The share of the euro in total turnover more than doubled in 2002. The share of the Estonian kroon and the US dollar remained unchanged year-on-year. The share of other currencies amounted to just 1% in the euro area.

**In transactions with offshore areas** mostly two currencies were used – the US dollar (47% of the number and 79% of the turnover of transactions) and the Estonian kroon (47% and 15%, respectively). Year-on-year, the use of the euro increased, whereas the use of the US dollar somewhat decreased. The share of the Russian rouble remained below 1%.

In transactions **with other countries**, the dominating currency was the US dollar (44% of the number and 53% of the turnover of transactions), followed by the euro (37% and 34%, respectively) and the Estonian kroon (8% and 5%, respectively). Year-on-year, the share of the euro increased the most, both in the number of transactions and turnover (+21 percentage points and +16 percentage points, respectively).