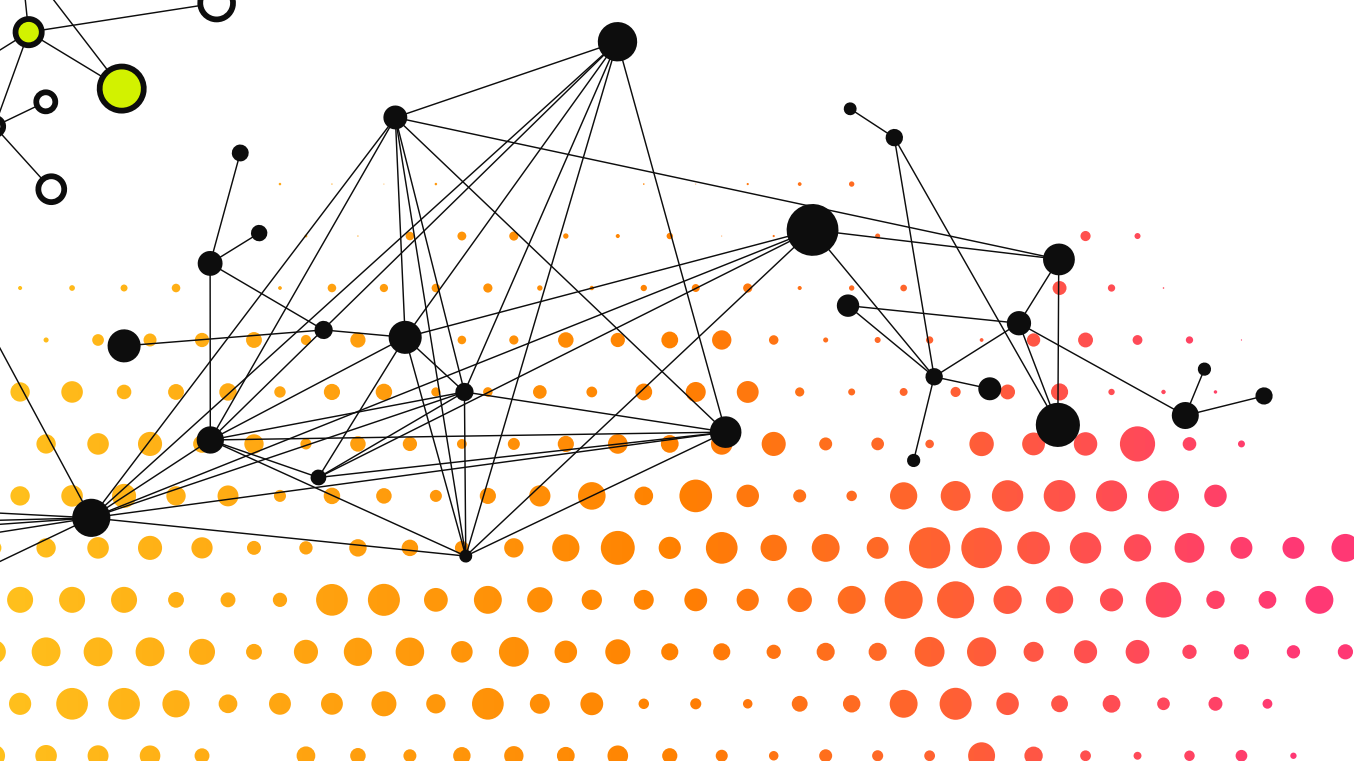


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Recent Developments and Current Initiatives

**Prepared by the Statistics Department
International Monetary Fund**



RECENT DEVELOPMENTS AND CURRENT INITIATIVES



Statistics Department
2012



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Contents	Page
A Message From the Director	2
Section 1. Introduction	4
Section 2. Response to the Global Financial Crisis	5
Section 3. Data Management and Publications	8
Section 4. Standards for Data Dissemination	13
Section 5. Support of Surveillance	17
Section 6. Statistical Methodologies	21
Section 7. Capacity Building (Technical Assistance and Training)	40
Section 8. International Statistical Coordination and Cooperation	45
Section 9. Outreach	46
IMF Statistics Department in Action	48
Boxes	
Box 1. Enhanced Data Dissemination Initiative Project	16
Box 2. Published Research Papers by STA Staff	18
Box 3. Data Module ROSCs Completed, by Country Groups	20
Box 4. International Standards for National Accounts Statistics: <i>System of National Accounts 2008</i>	22
Box 5. Developing Real Estate Property Price Indexes	24
Box 6. Implementation of the System of National Accounts and the International Comparison Program	25
Box 7. Conversion of the External Accounts to <i>BPM6</i>	31
Box 8. Fostering Consistency Across Macroeconomic Datasets	39
Box 9. Technical Assistance Delivery	42
Box 10. Courses on Macroeconomic Statistics at ICD-RTCs, FY2012	44
Box 11. Training on Macroeconomic Statistics at Non-ICD-RTCs, FY2012.	44
Figures	
Figure 1. PGI Sectoral Transactions and Balance Sheet Data	7
Figure 2. Screen Shot of <i>IFS</i> Data Available from IMF eLibrary iPad App	8
Figure 3. Increased Timeliness of <i>IFS Yearbook</i> on Key Indicators	10
Figure 4. Government Finance Statistics: Annual Data Reporting by Level (in 2010)	27
Figure 5. Reporting to the IMF's Coordinated Direct and Portfolio Investment Surveys (end-2010).	36



A MESSAGE FROM THE DIRECTOR



I am pleased to give you an overview of our Department's services and products in this year's Recent Developments and Current Initiatives. Our Department continues to meet its mandate of providing important services to the IMF membership and the international community by facilitating the provision of comprehensive, timely, comparable, and consistent data across countries.

While we have made significant strides in addressing data needs from the global community, the needs remain insatiable. The persistence of the global financial crisis has called for new measures, thereby highlighting emerging data needs that need attention, including from the ongoing financial supervisory/regulatory reforms (such as implementation of Basel III). The Statistics Department has been in the forefront in providing a leadership role in several international initiatives aimed at closing data gaps. This includes working with other IMF departments, national authorities, other international agencies, and the Financial Stability Board (FSB) to implement the recommendations to address data gaps endorsed by the Group of 20 economies (G-20) ministers of finance and central bank governors in November 2009, and the International Monetary and Financial Committee in April 2010. These efforts will help foster the work of the IMF in multilateral and bilateral surveillance as well as feeding into other related initiatives such as the G-20 work on strengthening the international financial architecture and reforming the financial sector.

The Department continues its efforts to support the development and implementation of methodology in macroeconomic statistics and data standards initiatives. In August 2012, we released balance of payments and international investment position data converted into the latest data standards, the *Balance of Payments and International Investment Position Manual*, sixth edition. Recognizing the need for a big leap forward in promoting availability of high frequency and quality data, the IMF Executive Board approved the establishment of a new and top tier data dissemination standard, the SDDS Plus. The SDDS Plus adds those categories of data that have proven to be essential in understanding financial interconnectedness (both domestic and cross-border), thereby helping identify potential economic vulnerabilities.



Our capacity-building activities (technical assistance and training), especially in low income countries continue to expand, thanks to collaborative efforts with our bilateral donors. As the training needs continue to evolve, so are our courses. Over the last year, we introduced two new courses—*Linkages of Macroeconomic Accounts* and *Sectoral Balance Sheets and Accumulation Accounts*, which have attracted an overwhelming demand due to their analytical usefulness to country economists. The Enhanced Data Dissemination Initiative, funded by the United Kingdom Department for International Development, to provide the support to scale up our statistical capacity building efforts in Africa is now on its third year of implementation. Furthermore, during 2012, three new statistics programs funded by the Japanese government were launched, the latest one being capacity building in real sector statistics in South-Eastern Europe.

We have made considerable progress in improving communication of statistics and outreach. The Principal Global Indicators (PGI)—a one-stop external website of the Inter-Agency Group on Economic and Financial Statistics that brings key economic and financial indicators for G-20 economies plus five non-G-20 economies that are members of the FSB is continually being improved. Over the last year, key enhancements included the addition of the G-20 GDP aggregate growth rate in March 2012; sectoral accounts data of the G-20, which are available from the OECD; inventory of available data at international agencies on cross-border exposures of financial and nonfinancial corporations; and cross-country government finance statistics. These initiatives align with the priority in addressing gaps in data to help assess financial and macroeconomic stability.

Adelheid Burgi-Schmelz
Director
Statistics Department
International Monetary Fund



SECTION 1

Introduction

This report, prepared on the occasion of the World Bank-IMF Annual Meetings 2012, summarizes the activities of the IMF's Statistics Department (STA) during the past year, as well as the direction and main priorities in the near term. It is designed to provide member countries and the international statistical community with an overview of the Department's work program to assist countries more effectively in developing their statistical capacity and strengthening collaboration.

STA provides statistical products and services that respond to the analytical and policy needs of the IMF, member countries, and the international community. This year's report reflects the Department's initiatives to reinforce its response to demands arising from the global economic crisis and the alignment of its core areas of activity with the strategic directions of the IMF and major institutional reforms.

STA's activities encompass the following:

- Addressing data gaps;
- Data management and publications;
- Standards for data dissemination;
- Support of surveillance;
- Statistical methodologies;
- Capacity building (technical assistance and training);
- International statistical coordination and cooperation; and
- Outreach.

The main elements of ongoing and planned work relating to each of these activities are presented in the next sections.

Response to the Global Financial Crisis

In the wake of the global financial crisis of 2008–2009, STA in collaboration with other international agencies has undertaken various global initiatives to fill the major data gaps revealed by the crisis. The primary focus is the IMF/FSB G-20 Data Gaps Initiative (DGI) launched in 2009 and endorsed by the G-20 Finance Ministers and Central Bank Governors and the IMF's International Monetary and Financial Committee (IMFC). The DGI is a comprehensive multi-year program that includes 20 recommendations to address the data gaps in four main areas: build-up of risk in the financial sector, cross-border financial linkages, vulnerability of domestic economies to shocks, and improving communication of official statistics, as identified in the report *The Financial Crisis and Information Gaps* presented to the G-20 Finance Ministers and Central Bank Governors in November 2009 (see [http://www.imf.org/](http://www.imf.org/external/np/g20/pdf/102909.pdf)

[external/np/g20/pdf/102909.pdf](http://www.imf.org/external/np/g20/pdf/102909.pdf)). By enhancing the existing statistical framework and fostering the development of new ones, the DGI aims at creating a global reporting system that will comprehensively monitor global financial and nonfinancial flows and stocks to facilitate better policy analysis and decision making.

Considerable progress has been made over the past three years in implementing the DGI, both by international agencies and by the G-20 economies. At the international level, work on the DGI has been coordinated by the Inter-Agency Group on Economic and Financial Statistics (IAG), chaired by the IMF and encompassing the Bank for International Settlements (BIS), the European Central Bank (ECB), Eurostat, the Organization for Economic Co-operation and Development (OECD), the United Nations, and the World



STA officials participate in an IAG videoconference.



G-20 Regional Conference in China

Bank. Established in late 2008, the IAG has been playing a pivotal role in promoting and implementing the DGI. Through its quarterly video conferences and enhanced communication, IAG has been very successful in coordinating joint efforts among its member agencies to address data gaps and accelerate progress in filling these gaps. In particular, the strengthened cooperation and coordination across IAG member agencies have improved data sharing, raised efficiency by avoiding duplication of efforts, and reduced reporting burden on countries.

Progress on the DGI also benefitted from intensive consultations with the G-20 economies. In the first half of 2012, four regional conferences on the DGI for senior officials of the G-20 economies took place in Mexico, Turkey, France, and China; these were jointly organized by STA and the Bank of Mexico, the Treasury of Turkey, the Banque de France, and the People's Bank of China, respectively. Participants at the regional conferences reviewed the progress achieved at a national level, evaluated their action plans and timetables going forward, and identified challenges and issues requiring further actions to address the critical data gaps highlighted by the ongoing crisis. They also noted the policy relevance of the DGI and its positive impact on the organization of data for analysis and decision making at the national level.

The regional conferences culminated in a global conference jointly organized by the FSB and the IMF at the BIS headquarters in Basel in June 2012. The global conference gathered more than 50 senior users and statisticians from the G-20 economies plus four non-G-20 member economies of the FSB, in addition to representatives from the international institutions that are members of the IAG. Participants took stock of the progress made in implementing the DGI, as well as the policy use of the data and of action plans and timetables going forward. They identified three areas of immediate priorities where proposed enhancements to datasets should be implemented: the global systemically important financial institutions (G-SIFIS), the sectoral accounts, and cross-border financial linkages. They also noted remaining challenges and the need for enhancing resources and continuing support by the G-20 Finance Ministers and Central Bank Governors. The outcomes of the conference provided important input to the annual IMF/FSB progress report on the DGI to the G-20 Finance Ministers and Central Bank Governors.¹

¹Following the endorsement by the G-20 of the recommendations in November 2009, three reports (May 2010, June 2011, and September 2012) have been submitted. The first two reports are available on the IMF Website "IMF and the Group of Twenty" (<http://www.imf.org/external/np/g20/pdf/053110.pdf>, <http://www.imf.org/external/np/g20/pdf/063011.pdf>); the 2012 report will be posted later in the year.

STA also represents the IMF in the FSB/G-20 initiative to establish a global Legal Entity Identifier system, which would allow for consistent identification of parties to financial transactions world-wide.

Data Availability

The main objectives of the IAG are to improve inter-agency cooperation and data availability in financial and related statistics by mobilizing existing resources and building on the comparative advantages of each agency, and to support data sharing in a coordinated manner. In this regard, the IAG launched the Principal Global Indicators (PGI) website (www.principal-globalindicators.org) in April 2009. The website provides selected statistical tables to facilitate the monitoring of economic and financial developments for the G-20 and five non-G-20 FSB member economies, including cross-country tables of key indicators in comparable units of measure, long runs of historical data through real-time access to the underlying PGI database, and a visual display of key indicators.

In April 2011, access to PGI data was further enhanced by the release of a downloadable iPad/iPhone application and a Statistical Data and Metadata Exchange (SDMX) web service. During the course of 2012, the data processing infrastructure supporting the PGI website was totally redesigned with the objective of positioning the PGI website to fully leverage the benefits offered by the SDMX standards. With the push by IAG agencies to increase access to their data in SDMX format, the PGI website is posi-

Figure 1. PGI Sectoral Transactions and Balance Sheet Data



The image shows a screenshot of the Principal Global Indicators website. The page title is "Principal Global Indicators" and the sub-page title is "Sectoral Transactions and Balance Sheet Data". The table displays data for various countries and sectors, with columns for different years and categories. The data is presented in a grid format with alternating blue and white rows.

tioning itself to offer the most timely data available from contributing international organizations. In addition to these technical enhancements, the statistical content of the PGI website is enhanced on a continuous basis. IAG agencies agreed on the methodology for compiling a G-20 GDP aggregate growth rate, which was first released on the PGI website in March 2012. The PGI list of cross-country concepts now includes cross-border positions in portfolio investment taken from the IMF Coordinated Portfolio Investment Survey. At the same time, detailed national accounts sectoral transactions and balance sheet tables are also available on the PGI via a new tab on the PGI home page (Figure 1). These enhancements aim at making the PGI website a key “go to” place for getting the most relevant economic data on the economies covered in the PGI website.

Data Management and Publications

Data Publications Transformation

Over the past five years, a number of foundational projects have been undertaken to improve the online availability and presentation of the *International Financial Statistics (IFS)* and other data products. These efforts culminated in the launch of IMF eLibrary Data in early 2011, which provides considerable flexibility both for presenting data in a range of online data reports and for users to build their own data queries by searching across the IMF Data Warehouse. IMF Data Mapper apps for mobile devices and the IMF's SDMX web service further boost STA's online data publishing capability.

On the other hand, the basic design of the print edition of the *IFS* and other printed data publications has remained largely unchanged and in three decades the *IFS* has more than tripled in size. As users move increasingly, ubiquitously, and irreversibly away from print publications in favor of online mechanisms for accessing information, and as STA expands its capability to meet this appetite for electronic access to

data, it has embarked on a process of reconsidering the design of its printed data publications, including reducing their paper footprint.

The first output of this work has been to significantly reduce the number of pages in the monthly *IFS* publication, without depreciating the informational value (substantive information). This has been achieved by moving to a 12-column format (from the previous 24-column format), while retaining existing country and topical coverage. The change was introduced in the August 2012 issue of the *IFS*, which has around 700 pages (down from over 1400 the month prior).

STA has also reviewed its overall print publishing program. The research undertaken shows that while demand for printed statistical publications is considerably diminished, it remains resilient among a small but influential set of users, both in government and academia. This mirrors the experience of comparable best-practice providers of statistical data, who also expect to continue providing printed statistical publications for the foreseeable future. STA will work to ensure that the data publishing program delivers the most relevant content to users in formats that are appropriate and easy to use, including continuing the migration to online provision of content where warranted.

Figure 2. Screen Shot of IFS Data Available from IMF eLibrary iPad App

Country	2007	2008	2009	2010	2011	2012
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	227.70	750.74	467.07	668.00	473.68	871.04
Comoros	467.67	494.07	704.76	871.04	668.00	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76
Comoros	145.76	179.62	219.46	199.80	149.76	149.76

IMF Data Warehouse

The IMF Data Warehouse continues to provide a central repository of ordered economic data. There has been further expansion in the range of tools available for users to easily access the data.

From September 2011, the IMF eLibrary mobile application was made available for iPhone and iPad (Figure 2). The app provides



IMF eLibrary and PGI Exhibits at the IMF Information Resource Symposium

free access to a range of data from across STA's publications and is fed in real-time using the data warehouse's SDMX web service. To increase the accessibility of data from mobile devices, an android version of this app was released in July 2012. The android version will work on all smart phones and tablets that use the android operating system. In addition, a new version of the IMF eLibrary Data website (<http://elibrary-data.imf.org>) was released in April 2012, featuring improved performance, usability, and functionality. The IMF eLibrary data site provides online access to all published databases of STA.

The data warehouse continues to store and surface the data for the PGI initiative, including the PGI mobile application.

The IMF Data Warehouse is also available within the IMF and contains core datasets that provide a highly comparable collection of macroeconomic and financial data and supporting metadata.

Statistical Data and Metadata Exchange (SDMX) Initiative

SDMX, a standard to foster increased efficiency in the electronic exchange of data among international organizations and from national

data-producing agencies, continues to evolve. The IMF currently chairs the SDMX Sponsors Committee. Over the next two years, the SDMX sponsoring institutions will concentrate their efforts on implementing the priority actions on SDMX implementation, outreach, training, content-oriented guidelines, technical standards, and strengthening SDMX governance. One of the key deliverables is the development of SDMX artifacts and Data Structure Definitions (DSDs) for global use, e.g., to support the implementation of SDMX exchanges for data based on the *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*) and *System of National Accounts 2008* (*2008 SNA*).

Another important deliverable is the SDMX Global Registry, which is being developed for deployment in early-2013. Once available, it will provide computer-ready access to SDMX artifacts, such as DSDs, Metadata Structure Definitions (MSDs), SDMX Cross-domain concepts, and Cross-domain codelists. Over time, the functionality of the SDMX Global Registry will be expanded to facilitate the discovery and retrieval of an ever-expanding scope of statistical information available in SDMX formats.

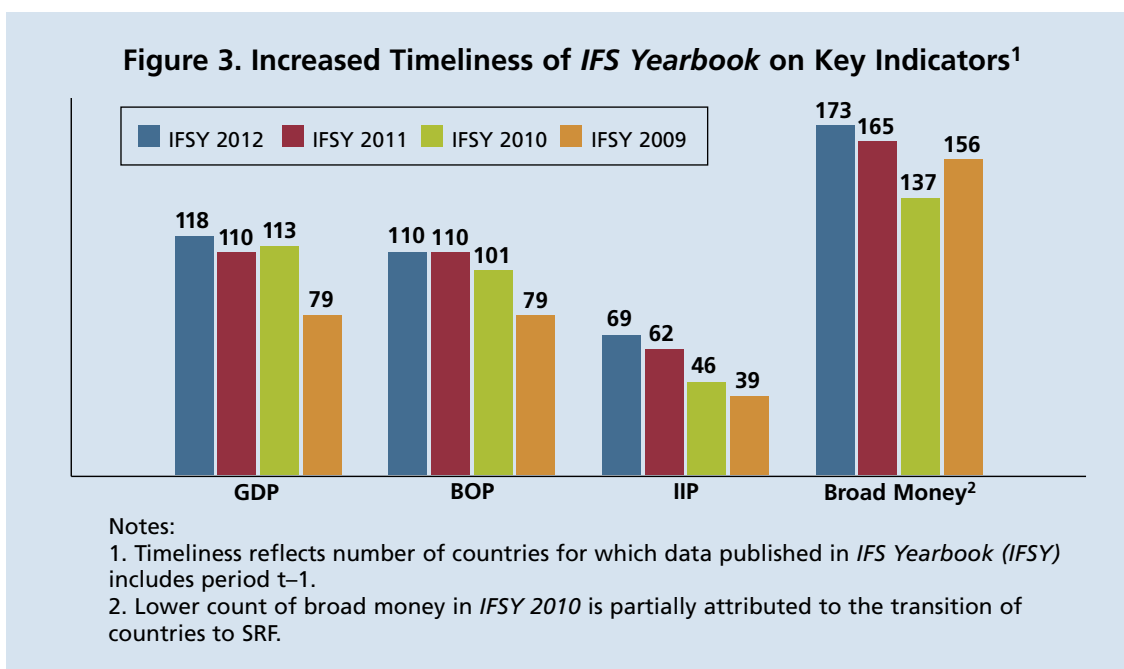
The IMF is also taking advantage of the benefits of the SDMX standards for a seamless exchange of statistical data across the various IT platforms used within the institution. While in the past, accessing statistical data from multiple database applications required developing and maintaining numerous customized interfaces, the IMF is now adopting the SDMX standards for streamlining and standardizing these processes.

Statistical Publications and Data Dissemination

An important goal of the statistical publications program is to achieve the widest possible coverage of member countries and to present country data in internationally comparable form. This has encouraged members to adopt internationally recognized statistical standards and to report statistics in a regular and timely manner. STA continually works with member countries to expand their data coverage and improve timeliness, and may also collect official data from country websites. Improvements in technology and capacity building in countries have yielded significant progress on data timeliness (Figure 3). In the past year, STA has undertaken a new initiative to leverage its

technical assistance missions. The objective is to improve data reporting to STA by raising reporting issues with country authorities, while also taking the opportunity to bring back data to Headquarters. STA's technical assistance missions also ask country authorities to confirm country contact information. As a result, STA has received updated information for over 200 country contacts and a number of new datasets, which were reported for the first time by countries. STA has maintained excellent cooperation from country authorities and will continue to leverage technical assistance missions to enhance the content of statistical publications and data dissemination. This change does not affect the electronic products, which continue to provide an exhaustive coverage of *IFS* data.

To facilitate the reporting of countries' data to STA, the Department released an upgraded Integrated Correspondence System (ICS) at the end of December 2011. The ICS is a web-based data reporting system for use by country data reporters. The ICS provides data reporters with an efficient method of sending data to STA in a secure Internet environment using Excel. The upgraded ICS includes a new tool for qualified ICS correspondents in the reporting countries.



Using the “correspondents’ module” of ICS, the designated “ICS coordinator” in the reporting country can fully manage the access rights of other ICS correspondents for his or her country. This feature will provide greater autonomy to reporting countries for providing timely data and metadata to STA. Metadata for countries that subscribe to the Special Data Dissemination Standard or participate in the General Data Dissemination System are now submitted using the ICS.

STA produces four main statistical publications:

- *International Financial Statistics (IFS)*
- *Balance of Payments Statistics Yearbook (BOPSY)*
- *Direction of Trade Statistics (DOTS)*
- *Government Finance Statistics Yearbook (GFSY)*

These publications are available in print, online at <http://elibrary-data.imf.org>, and CD-ROM. A complete presentation of IMF statistical publications is included in the IMF Publications Catalog, available from Publications Services (telephone: +1-202-623-7430; e-mail: publications@imf.org); or on the IMF website (<http://www.imf.org>).

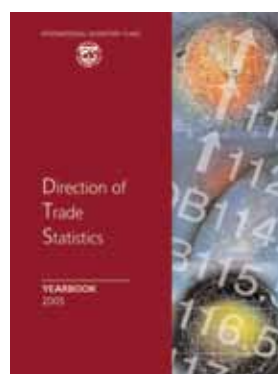
Key indicators from selected databases are available on the IMF’s website in the IMF Data Mapper, the IMF’s data visualization tool. The *IFS* currently contains financial and economic statistics for 192 jurisdictions, of which 135 report monetary statistics based on the standardized report forms (SRFs) in accordance with the *Monetary and Financial Statistics Manual (MFSM)*.

The *BOPSY* publication contains data on balance of payments statistics for 183 jurisdictions and on international investment position statistics for 130 jurisdictions, virtually all reported in the format recommended in the *Balance of Payments Manual*, fifth edition (*BPM5*). Supplementing the annual publication are the electronic products (online database and CD-ROM), which are updated monthly.

The *GFSY* provides annual government finance statistics for nearly 130 jurisdictions presented at the level of the consolidated general government, along with relevant subsectors (e.g., central government). These data are also released in electronic form on a quarterly basis and in the IMF Data Mapper on the IMF’s website. The data are supplemented by summary monthly and quarterly statistics in the *IFS*.

The *Direction of Trade Statistics (DOTS)* database offers two sets of trade information. The *Yearbook (DOTSY)* provides annual bilateral trade data on the value of imports and exports of goods for 184 jurisdictions and major regional groups. Exports and imports are based on both country data and estimation procedures designed to reduce gaps in reported values. The *Quarterly DOTS (DOTQ)* provides data for 159 jurisdictions and major regional areas. These data are also released in electronic form (online database and CD-ROM), which are updated monthly. The data are widely used for trade policy analysis.

Additional online databases are now available free of charge from the eLibrary Data website, including Financial Access Survey, Financial Soundness Indicators, Coordinated Portfolio





Investment Survey, and Coordinated Direct Investment Survey. Additional datasets will be added over time.

Promotion of Standards and Software Collaboration Among Statistical Organizations

STA co-hosted the 2012 international meeting on the Management of Statistical Information Systems (MSIS) to promote the adoption of standards and software collaboration among statistical organizations. MSIS is an annual conference organized by the United Nations Economic Commission for Europe (UNECE), OECD, and Eurostat, which brings together a large number of countries to discuss issues of common interest and concerns.



A common theme throughout the conference was the use of key international standards such as SDMX, the generic statistical business process model (GSBPM), and the generic statistical information model (GSIM). These standards provide the cornerstones for streamlining and modernizing official statistics. In addition, Open Data, the idea that certain data should be freely available to the general public without restriction, was the topic of a panel discussion. The debates focused on how statistical organizations should respond to the various challenges posed by this major upheaval in the data industry.

STA co-hosted the 2012 MSIS Conference in Washington, D.C.

Standards for Data Dissemination

The Special Data Dissemination Standard (SDDS) was established in March 1996 to guide members that have, or that might seek, access to international capital markets in providing their economic and financial data to the public. The General Data Dissemination System (GDDS) was established in December 1997 to guide countries in the provision to the public of comprehensive, timely, accessible, and reliable economic, financial, and socio-demographic data. In 2012, the SDDS Plus was created as an upper tier of the IMF's Data Standards Initiatives to help address data gaps identified during the global financial crisis. Data dissemination standards promote the dissemination of timely and comprehensive statistics and thereby contribute to the formulation of sound macroeconomic policies and efficient functioning of financial markets. As of June 2012, there are 71 SDDS subscribers and 102 GDDS participants—accounting for over 90 percent of the IMF's member countries. The data dissemination initiatives are intended to evolve along with the changing needs of policymakers and other users, which are evaluated during periodic reviews by the IMF's Executive Board. The most recent review was the Eighth Review conducted in February 2012 (discussed below under the sections on the SDDS Plus, the SDDS, and the GDDS).

The SDDS Plus

At the time of the Eighth Review of the IMF's Data Standards Initiatives in February 2012, the Executive Board approved the creation of the SDDS Plus, which is open to all SDDS subscribers, but is aimed at economies with systemically important financial sectors. The SDDS Plus includes standards for nine additional data categories that an interested country commits to



fully observe by the end of 2019. These data categories refer to the four macroeconomic sectors: real (sectoral balance sheets), fiscal (general government operations and general government gross debt), financial (other financial corporations' survey, financial soundness indicators, and debt securities), and external (Coordinated Portfolio Investment Survey, Coordinated Direct Investment Survey, and Currency Composition of Foreign Exchange Reserves). Adhering to the SDDS Plus is voluntary, but once a country adheres, it undertakes to meet the most rigorous data dissemination and data quality standards within the IMF's Data Standards Initiatives.

The SDDS

Countries subscribe to the SDDS voluntarily and undertake to observe its requirements with respect to the coverage, periodicity, and timeliness of the economic and financial data, and the dissemination of advance release calendars. In addition, SDDS subscribers undertake to pursue good practices with respect to the integrity and

other quality aspects of the data and provide information about their data dissemination practices and compilation methodologies (“metadata”) for posting on the Dissemination Standards Bulletin Board (DSBB) on the IMF website at <http://dsbb.imf.org>. Subscribers also maintain a National Summary Data Page (NSDP) on an Internet website, which contains the most recent data; the DSBB is electronically linked to these websites. STA supports potential subscribers through its surveillance missions.

Currently, over one-third of the IMF member countries subscribe to the SDDS. Since July 2011, the Former Yugoslav Republic of Macedonia, Mauritius, and West Bank and Gaza subscribed to the SDDS, bringing the number of subscribing economies to 71. Annual reports on individual subscribers’ observance of SDDS undertakings are posted on the DSBB since 2007; observance reports for 2011 were posted on the DSBB in May 2012.

At the Eighth Review of the IMF’s Data Standards Initiatives in February 2012, the Executive Board considered proposals for further enhancing the SDDS. Executive Directors saw merit in adding hyperlinks on the NSDP to time series for all data categories. They supported the introduction of a more structured timeline to strengthen the credibility of the non-observance procedure. Executive Directors also supported proposals to streamline the SDDS, by structuring “Forward Looking Indicators” and deleting “Advance Release Calendar” flexibility options. Executive Directors further supported terminating the posting of the SDDS quarterly update on the DSBB. In addition, Executive Directors supported the introduction of two new data categories on an encouraged basis: sectoral balance sheets and general government gross debt; these data categories are part of the new data categories included in the SDDS Plus.

The GDDS

The GDDS is a framework to help participating countries improve their macroeconomic and socio-demographic statistics in a structured manner. The GDDS facilitates the comparison

of a country’s current statistical practices with internationally recognized good practices and the preparation of a country’s strategic plan on how to make improvements in its statistical system. It guides countries in their efforts to produce and disseminate data in accordance with good quality standards. The GDDS promotes the application of established methodological principles, the adoption of sound compilation practices, and the observance of procedures that ensure professionalism and objectivity. The GDDS covers the four macroeconomic sectors—real, fiscal, financial, and external—and socio-demographic data (population, education, health, and poverty). The IMF collaborates with the World Bank, particularly on socio-demographic data categories.

Since July 2011, five countries—Burundi, Djibouti, Maldives, Montenegro, and Papua New Guinea—started participating in the GDDS, raising the total to 102 GDDS participants (excluding the economies that have graduated from the GDDS to the SDDS) as of June 2012. Metadata for participants are posted on the DSBB upon participation. Participants are expected to review and update their metadata on either a “best-effort” or “when-merited” basis and to update their plans for improvement on an annual basis. GDDS metadata, including plans for improvement, are publicly available on the DSBB.

The Executive Board’s Eighth Review of the Data Standards Initiatives encouraged members to continue their efforts to strengthen participation in the GDDS. Executive Directors also agreed with the proposal to better leverage plans for improvement for focusing further and prioritizing the delivery of technical assistance in statistics. They looked forward to the graduation of additional countries from the GDDS to the SDDS as national statistical systems strengthen, while recognizing that progress in this area is likely to proceed at a measured pace.

Donor-Funded GDDS Projects

Using the GDDS framework, the United Kingdom Department for International Development (DFID) has supported work to

develop and disseminate data and metadata, and develop and implement plans for statistical improvement in Africa, especially by Anglophone and neighboring countries. This work, which began in 2002, has reached a third phase. The GDDS Phase I project (2002–2006) for 15 Anglophone-African countries led to all but one participating in the GDDS. With this foundation, participating countries have begun a systematic process to improve their macroeconomic and social statistics. The GDDS Project Phase II: Modules for Strengthening Statistics that was funded with US\$8 million from DFID for three years (2006–2009) concluded on September 30, 2009. The Phase II project was expanded to 22 countries, including all of the Anglophone African countries¹ and was implemented jointly by the IMF and the World Bank.

A third DFID-financed project, the Enhanced Data Dissemination Initiative (EDDI), provides an additional US\$7.5 million over five years (2010–2014) and covers 23 countries (adding Burundi). The focus of the EDDI includes: (1) making significant progress toward SDDS graduation in target countries; (2) improving data dissemination in line with the recent revisions to the GDDS; and (3) supporting the statistical programs of various regional groups. (See Box 1.)

In 2011, STA received financial support from the government of Japan through the Japan Account administered by the IMF for a project to substantially increase GDDS participation

¹In addition to the 15 countries that participated in Phase I, namely Botswana, Eritrea, Ethiopia, Ghana, Kenya, Liberia, Lesotho, Malawi, Namibia, Nigeria, Sierra Leone, Sudan, Swaziland, Zambia, and Zimbabwe, the Phase II project includes Mauritius, Mozambique, Seychelles, Tanzania, the Gambia, Uganda, and South Africa.



Quarterly National Accounts Module Workshop in Windhoek, Namibia

among countries in the Asia Pacific region and targeted member countries in the Middle East/Central Asia region. The project is directed at six Pacific Island countries,² Lao P.D.R., and Timor-Leste, as well as Iran, Turkmenistan, and Uzbekistan. The main focus of the project is to perform diagnostics of each target country's macroeconomic statistical systems, as well as the development of plans for statistical improvements, which would be designed to serve as the basis for future statistical development. Other significant results would be the posting of metadata and links on the IMF's website, including information on participants' data compilation and dissemination practices, as well as the development of NSDPs and advance release calendars. Papua New Guinea became a GDDS participant in February 2012 under the project.

²Marshall Islands, Federated States of Micronesia, Palau, Papua New Guinea, Samoa, and Tuvalu.

Box 1. Enhanced Data Dissemination Initiative Project

The Enhanced Data Dissemination Initiative (EDDI) funded by the United Kingdom Department for International Development (DFID) for five years (2010–2014) has reached its mid-point. During its first two and a half years, 17 workshops and more than 80 technical assistance missions have been fielded on behalf of the 23 participating African countries. Technical assistance and training have been delivered through modules structured around groups of countries with similar needs in the four main areas of macroeconomic statistics: monetary, government finance, balance of payments, and national accounts. The main emphases have been on the production of more timely and frequent data for policymakers, working with regional organizations such as the East African Community and the Southern Africa Customs Union, and collaboration with other TA providers.

Notable outputs achieved during the first half of EDDI, some of which are ahead of the targets, are:

- Burundi joined the GDDS on August 9, 2011;
- Mauritius subscribed to the SDDS on February 28, 2012;
- All countries in the Balance of Payments statistics module completed private capital flows surveys (PCFS) and began to analyze and incorporate results. Ghana has begun to publish international

investment position statistics for the first time based on PCFS data;

- Ghana, Rwanda, and Uganda published for the first time quarterly national accounts (QNA), and Zanzibar also released its first QNA;
- Five additional countries (Botswana, Mauritius, Mozambique, Tanzania, and Uganda) have started to publish national summary data pages and four additional countries (Botswana, Mauritius, Rwanda, and Uganda) have commenced publishing advance release calendars;
- The *Government Finance Statistics: Compilation Guide for Developing Countries* was published in September 2011;
- Three additional countries (Mauritius, Seychelles, and Uganda) have begun to publish financial soundness indicators; and
- Five countries of East African Community (Burundi, Kenya, Rwanda, Tanzania, and Uganda) have agreed on a framework for harmonizing monetary statistics, a key step toward their objective of achieving a monetary union.

With this momentum, it is expected that in the last half of EDDI, the remaining countries in the respective modules cited above will achieve similar results following the lead and mentoring of those who have advanced more quickly.

Support of Surveillance

Review and Research Activities

STA participates in core IMF activities relating to bilateral and multilateral surveillance, including global market surveillance and support of macroeconomic adjustment programs. It reviews staff reports prepared in the context of Article IV consultations to be submitted to the Executive Board for countries where data provision to the IMF has serious shortcomings that significantly hamper surveillance. The focus is to ensure that the reports (i) describe accurately the timeliness, periodicity, coverage, and other aspects of the quality of data on which the analysis is based; (ii) present a strategy for improvement in appropriate cases; and (iii) indicate the authorities' data dissemination policies.

STA staff participates in the IMF's program of research on operational matters and policy. They also produce research papers which are published in publications of the IMF and other institutions. (See Box 2.)

Data Quality

STA is engaged in actively supporting overall strategies and action plans for enhancing data quality in member countries. In its efforts to promote data quality with member countries, the Department makes extensive use of the Data Quality Assessment Framework (DQAF) that it has developed as a tool to provide a systematic approach to assessing data quality. Documentation is available on the DSBB (<http://dsbb.imf.org>). The DQAF brings together a structure and common language for good practices and internationally accepted concepts and definitions in statistics, including those of the United Nations *Fundamental Principles of Official Statistics* and the SDDS/GDDS. The methodology helps to identify and document in a systematic manner practices in statistical production,

ranging from institutional arrangements to data collection, compilation, and dissemination. The framework is kept current in reflecting internationally recognized good statistical practices as they evolve. The DQAF has been updated to reflect methodologies in the *2008 SNA* and *BPM6* as well as to broaden the coverage of the assessment to include the other financial corporations in the monetary and financial statistics sector.

The DQAF can be used by national producers of official statistics as a tool to document and monitor data quality, by international organizations for their assessment of countries' data quality, and by other data users, including those in the private sector.

Reports on the Observance of Standards and Codes

The Report on the Observance of Standards and Codes (ROSC) initiative was launched as a prominent component of efforts to strengthen the international financial architecture. It covers 12 standards, including data standards. The department has scaled down the number of data module assessments in recent years because of resource constraints. In the last 12 months ending June 2012, a data module ROSC reassessment for Georgia was published.

Data module assessments are undertaken using the DQAF. The DQAF helps to identify the deviations of countries' statistical practices against internationally accepted practices and ways to improve the quality of statistical products and institutions.

As of July 2012, 127 data module ROSCs had been completed, including updates and reassessments. (See Box 3.) Links to the published modules can be found on the IMF website at <http://dsbb.imf.org> (go to DQRS).

Box 2. Published Research Papers by STA Staff

What Lies Beneath: Statistical Definitions of Public Debt

Rob Dippelsman, Claudia Dziobek, and Carlos Gutierrez Mangas

IMF Staff Discussion Note (SDN/12/09) (July 2012)

The authors show that debt-to-GDP ratios for a country at any given time can range from 40 to over 100 percent depending on the definition used. The authors suggest that gross debt of the general government as defined in the *Public Sector Debt Statistics Guide* should be globally adopted as the headline indicator supplemented by other measures for risk-based assessments of the fiscal position.

Factor Endowment, Structural Coherence, and Economic Growth

Natasha Che

IMF Working Paper, No. 12/165 (June 2012)

This paper studies the linkage between structural coherence and economic growth. The paper found that at least for the overall capital, the shares of capital intensive industries were significantly bigger with higher initial capital endowment and faster capital accumulation.

On the Extrapolation with the Denton Proportional Benchmarking Method

Marco Marini and Tommaso Di Fonzo

IMF Working Paper, No. 12/169 (June 2012)

This paper deals with the use of the Denton proportional benchmarking method for extrapolation. The enhanced formula proposed in the IMF's *Quarterly National Accounts Manual* is further elaborated, and then applied to artificial and real-life data to show how extrapolations may be effectively improved.

On the Nonstationarity of the Exchange Rate Process

Yuko Hashimoto, Hideki Ohnishi, Takaaki Takayasu, Takatoshi Ito, Tsutomu Watanabe, and Misako Takayasu
International Review of Financial Analysis, Vol. 23 (June 2012)

This paper empirically investigates the nonstationarity property of the U.S. dollar–Japanese yen

exchange rate by using a high frequency dataset spanning eight years.

Why House Price Indexes Differ: Measurement and Analysis

Mick Silver

IMF Working Paper, No. 12/125 (May 2012)

This paper outlines key measurement issues and reports on empirical work using an international panel dataset. The paper examines whether differences in house price indexes (HPI) measurement matter and revisits global house price inflation measurement and the modeling of the determinants of house price inflation using HPIs corrected for differences in measurement practice.

Post-Laspeyres: The Case for a New Formula for Compiling Consumer Price Indexes

Paul Armknecht and Mick Silver

IMF Working Paper, No. 12/105 (April 2012)

This paper suggests alternatives to compiling CPI using Laspeyres-type arithmetic averages. Empirical application on U.S. data suggests that the new methods can reduce biases in estimating CPI.

Structural Reforms and Regional Convergence

Antonio Spilimbergo and Natasha Che

IMF Working Paper, No. 12/106 (April 2012)

This paper examines which structural reforms affect the speed of the regional convergence within a country. The paper found that domestic financial development, trade/current account openness, better institutional infrastructure, and selected labor market reforms facilitate regional convergence.

An Integrated Framework for Financial Positions and Flows on a From-Whom-to-Whom Basis: Concepts, Status, and Prospects

Manik Shrestha, Reimund Mink, and Segismundo Fassler
IMF Working Paper, No. 12/57 (February 2012)

To enhance the analysis of financial interconnectedness among and across the various sectors of an economy and with their counterparts in the rest of the world, this paper sets the background for internationally coordinat-

Box 2. (continued)

ed efforts for compiling data on sectoral financial positions and flows on a from-whom-to-whom basis within the framework of the System of National Accounts.

An Index Number Formula Problem: The Aggregation of Broadly Comparable Items

Mick Silver

Journal of Official Statistics, Vol. 27, No. 4 (December 2011)

This paper provides a formal analysis as to why superlative index number formula (best for aggregating heterogeneous items) differs from unit value index formula (best for aggregating homogeneous items) and proposes a solution to the practical case of broadly comparable items.

Enhancing Information on Financial Stability

Adelheid Burgi-Schmelz, Alfredo M. Leone, Robert Heath, and Andrew Kitili

IFC Bulletin, No. 34, pp. 11-17 (November 2011)

This paper discusses the lessons from the recent crisis that have implications for financial stability, outlining key data gaps identified through the G-20 Data Gaps Initiative, the progress made in addressing these gaps, and the key challenges.

House Price Indices: Does Measurement Matter?

Mick Silver

World Economics, Vol. 12, No. 3 (July–September 2011)

This paper argues the need for reliable, consistent, and internationally comparable residential property price indices to understand the relationship between the booms and busts in real estate markets, using data on U.S., U.K., and Russia.

Assessing Systematic Trade Interconnectedness—An Empirical Approach

Luca Errico and Alexander Massara

IMF Working Paper, No. 11/214 (September 2011)

Using the Direction of Trade Statistics database and network analysis, the paper develops a framework for developing jurisdictions based on trade size and

interconnectedness indicators using data for 2000 and 2010. The results indicate a near perfect overlap between the top 25 systematically important trade and financial jurisdictions.

International Reserves and the Global Financial Crisis

Yuko Hashimoto, Kathryn M.E. Dominguez, and Takatoshi Ito

NBER Working Paper No. 17362 (August 2011); published in *Journal of International Economics* (March 2012)

This study examines whether pre-crisis international reserve accumulations, as well as exchange rate and reserve policy decisions made during the global financial crisis, can help to explain cross-country differences in post-crisis economic performance. The findings support the view that higher reserve accumulations prior to the crisis are associated with higher post-crisis GDP growth.

A Newton's Method for Benchmarking Time Series According to a Growth Rates Preservation Principle

Marco Marini and Tommaso Di Fonzo

IMF Working Paper, No. 11/179 (July 2011)

This paper proposes a nonlinear benchmarking technique that minimizes the adjustment to the growth rates of the preliminary series. The paper shows that the proposed technique is easy to implement, computationally robust, and efficient, features, which make it a plausible competitor of other benchmarking procedures applied by data producing agencies.

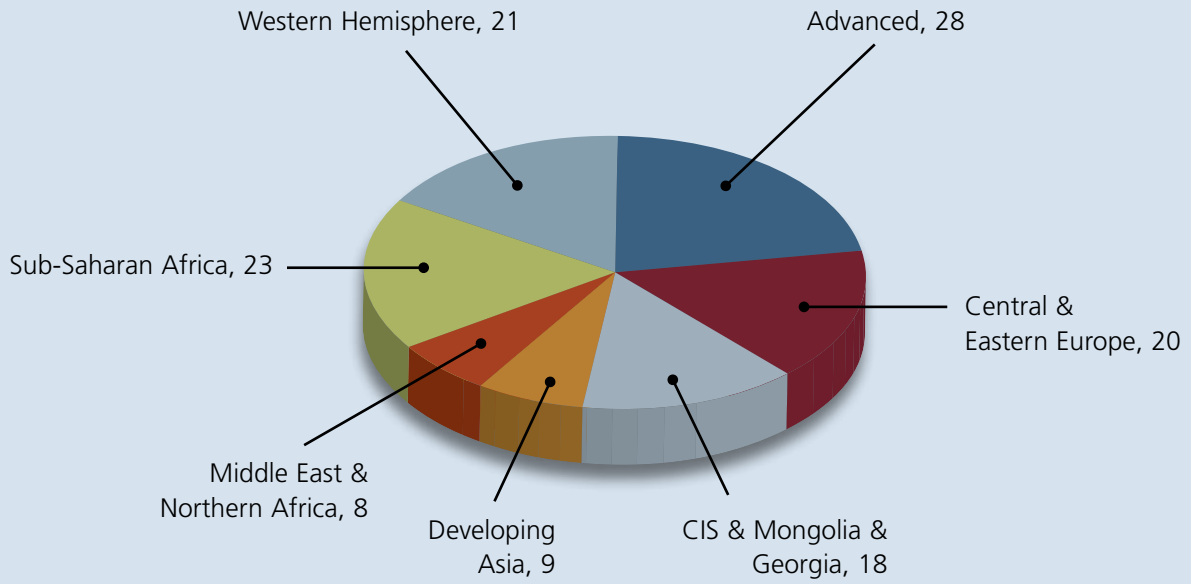
Towards a Best Practice of Modeling Unit of Measure and Related Statistical Metadata

Michaela Denk and Wilfried Grossmann

IMF Working Paper, No. 11/152 (June 2011)

This paper is a contribution to harmonizing cross-domain terminology to increase the efficiency of data and metadata exchange using the example of "unit of measure." It reviews modeling practices and proposes alternatives that can help further develop the Data and Metadata Exchange (SDMX) Content-Oriented Guidelines.

Box 3. Data Module ROSCs Completed, by Country Groups



Source: Statistics Department.
Covers all data module ROSCs, including updates and reassessments completed through July 2012.
Country groups based on the *World Economic Outlook* classification.



Georgia Data Module ROSC Team

Statistical Methodologies

STA is actively engaged in developing statistical methodologies that enhance international comparability, support the efficient use of statistical resources, and promote the analytical usefulness of statistics. The IMF's expertise is primarily in the national accounts, prices, government finance statistics, monetary and financial statistics, financial soundness indicators, and balance of payments and other external sector statistics. The IMF statistical methodologies are harmonized with the principles of the *System of National Accounts* and the *Balance of Payments and International Investment Position Manual*, and they underpin the IMF's data standards.

National Accounts and Prices Statistics

Under the mandate of the United Nations Statistical Commission (UNSC), the Intersecretariat Working Group on National Accounts (ISWGNA), comprising representatives of the five international organizations (Eurostat, the IMF, the OECD, the UN, and the World Bank) issued the *2008 SNA* in early 2009. The IMF worked with its ISWGNA partners in developing the *2008 SNA* implementation guidance that was endorsed by the UNSC in its 42nd session in 2011 (available at <http://unstats.un.org/unsd/nationalaccount/imp.asp>). The program provides guidance for monitoring the implementation of the *2008 SNA*, milestones to assess the scope of accounts that are compiled by countries, minimum set of accounts that needs to be compiled, a recommended set of accounts, and a desired set of accounts. To assess the compliance with major *2008 SNA* concepts, the ISWGNA developed a set of questions. The quality of the national accounts dimension is to be assessed using the IMF data quality assessment framework.

Most countries are still using the 1993 version of the system of national accounts but are working on implementation of the *2008 SNA*. To advise on this implementation process, as well as on the *2008 SNA* research agenda, the ISWGNA re-convened its Advisory Expert Group. (See Box 4.)

Through its technical assistance and training programs, STA is assisting countries to implement the *2008 SNA*. One of its major programs is the "Capacity Building for Sustainable Compilation of Real Sector Statistics in South-Eastern Europe," funded by the government of Japan. This program was launched in July 2012 in a workshop in Sarajevo that was opened by Hideo Yamazaki, Japanese Ambassador to Bosnia and Herzegovina. Under this program, the IMF provides support and assistance to nine countries—Albania, Bosnia and Herzegovina, Kosovo, FYR of Macedonia, Montenegro, Serbia, Belarus, Moldova, and Ukraine—primarily through three long-term experts based in the region as well as visits of short-term experts.

The IMF is working with other international organizations in the IAG on various working groups to follow up on recommendations of the G-20 Data Gaps Initiative. Among these is Recommendation 15 on promoting compilation and dissemination of the sectoral national accounts, balance sheets, and flow of funds. The IMF is leading the working group on developing and implementing a strategy to improve data compilation and dissemination of these important datasets.

The development of sectoral accounts, balance sheets, and flow of funds within the framework of the *2008 SNA* also provides an overarching framework for data on balance of

Box 4. International Standards for National Accounts Statistics *System of National Accounts 2008*

Advisory Expert Group

In 2009, the UNSC adopted a new version of the international standard for national accounting, the *System of National Accounts 2008 (2008 SNA)* superseding the *1993 SNA*. The *2008 SNA* is available in hardcopy as well as PDF format at (<http://unstats.un.org/unsd/nationalaccount/sna2008.asp>). The ISWGNA is the international consortium responsible for the SNA. The IMF, through STA, is a permanent member of the ISWGNA. The chairmanship of the ISWGNA rotates among the five institutions usually on an annual basis. The current chair is the OECD.

In 2011, the ISWGNA refreshed its Advisory Expert Group (AEG) of international experts on national accounts and revised the AEG terms of reference, making it a standing committee advising the ISWGNA on matters arising in *2008 SNA* implementation as well as methodological clarification and guidance.

The first meeting of the re-commissioned AEG was held during April 23–25, 2012 in New York. The AEG considered an array of issues, including the ISWGNA work program, an interim report from the ISWGNA Task Force clarifying the *2008 SNA*'s guidance on financial services, providing further guidance on recording research and development expenditures as capital formation, setting the discount rate for calculating pension liabilities, and an array of other topics. The meeting's proceedings are available at <http://unstats.un.org/unsd/nationalaccount/ramtg.asp?fType=2>.

IMF Quarterly National Accounts Manual

In the coming financial year, STA will begin updating IMF's *Quarterly National Accounts Manual*, published in 2001, to incorporate *2008 SNA* guidance and cover methodological developments in benchmarking and other quarterly national accounts topics.

payments and international investment position, securities statistics, government finance statistics, and monetary statistics. The reporting templates on all these datasets are also being harmonized with the template on sectoral accounts, which will ensure data consistency across economic sectors and statistics domains. The development of a full-fledged sectoral accounts and flow of funds will help better understand financial connections within the economy and with the rest of the world, real and financial linkages, and the role played by nonbank financial institutions in the financial sector and in the economy.

A conference on "Strengthening Sectoral Position and Flow Data in the Macroeconomic Accounts" was organized by the IMF and the OECD in 2011 as part of the work program to implement Recommendation 15. Following the conference, the Working Group on Sectoral Accounts of the IAG, both of which chaired by the IMF, worked with G-20 economies to agree

on a template for compiling and reporting integrated sectoral national accounts statistics as part of the implementation of the *2008 SNA*. These templates are posted at <http://www.imf.org/external/np/sta/templates/sectacct/index.htm>.

The IAG has agreement from G-20 statistical systems on the compilation of sectoral accounts and sectoral financial positions and flows on a quarterly frequency with a timeliness of one quarter. Work on sectoral accounts is being integrated with the implementation of the *2008 SNA* by 2014 in many economies. To assist countries in this effort, in the past fiscal year STA presented two new sectoral national accounts training courses, one on linkages of macroeconomic accounts for data users, and one on sectoral balance sheets and accumulation accounts for data compilers. These courses are expected to be routinely offered. STA also has initiated technical assistance with emerging market economies on development of sectoral accounts, including emerging market members of the G-20.



Launch of the Japanese-Funded Project *Capacity Building for Sustainable Compilation of Real Sector Statistics in South-Eastern Europe* in Sarajevo, Bosnia and Herzegovina



Japanese Ambassador to Bosnia and Herzegovina with Resident Advisors and Participants

The Inter-Secretariat Working Group on Price Statistics (IWGPS) oversees authorship of manuals on international best practices in concepts and the compilation of prices statistics. STA contributed to the production and publication of manuals on the consumer price index (CPI), producer price index (PPI), and export and import price indices (XMPI). The *CPI Manual* is available in Arabic, Chinese, English, French, Spanish, and Russian. The *Export and Import Price Index Manual* is available in English. More recently, the IWGPS has developed a handbook on residential property price indexes and will begin work on guidance on commercial property price indexes. (See Box 5.)

The Intersecretariat Task Force on Merchandise Trade Statistics, chaired by the

World Trade Organization (WTO), undertakes a range of work in harmonizing and developing methodology for international trade statistics. STA has actively participated in this task force's initiatives to develop international handbooks on concepts and compilation methods for merchandise trade statistics and to reconcile merchandise trade data collected by the IMF, the UN, and the WTO.

STA continued its contribution to the Technical Advisory Group of the International Comparisons Program (ICP) based at the World Bank. The ICP produces international price indices called purchasing power parities that allow comparison of GDP volume levels among countries for a benchmark year, most recently for 2005. In December 2007, the ICP issued purchasing power parities from its 2005 benchmark round that were subsequently used in the *World Economic Outlook* and *IFS* publications. The new price indices also were used to produce the ICP's GDP volume data for IMF member countries at purchasing power parity, one of the elements in the revised quota formula determining the voice each member country has on the IMF Executive Board (see www.imf.org/external/np/exr/facts/quotas.htm). STA remains engaged with the ICP's forthcoming 2011–2012 round. To

Box 5. Developing Real Estate Property Price Indexes

The setting of standards and the wider dissemination of real estate price indexes is one of the 20 recommendations of the *Report on the Financial Crisis and Information Gaps* by staff of the IMF and the FSB Secretariat, endorsed in October 2009 by the G-20 Finance Ministers and Central Bank Governors. STA has played a major role in developing this critical area as key to the success of this venture is the collaborative nature of the work with other international organizations and stakeholders.

The initiative to improve and harmonize residential property price indexes (RPPIs) dates back to a BIS-IMF conference in Washington, D.C. in October 2003 resulting in the inclusion of RPPIs in the IMF's *Compilation Guide of Financial Soundness Indicators*. In November 2006, the case for a detailed Handbook on RPPIs was promoted in an OECD-IMF workshop on Real Estate Price Indexes. Eurostat took the lead

for the Handbook on RPPIs, which is now available on Eurostat's website.*

To promote implementation, Eurostat and the EU National Statistical Institutes have carried out a pilot project to develop harmonized RPPIs; STA has provided technical assistance on RPPI compilation to major G-20 economies. International organizations have also worked to improve the dissemination of RPPIs. Property price indexes are disseminated in the BIS, PGI, and Eurostat websites.

STA is undertaking a program of research into measurement effects of property price indexes and the impact of measurement differences on macroeconomic analysis.

*http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/methodology/owner_occupied_housing_hpi/rppi_handbook



Price Statistics Workshop of the System of National Accounts and the International Comparison Program held in Bangkok in December 2012

complement the ongoing ICP project, STA launched a technical assistance program on the Implementation of the System of National Accounts and the International Comparison Program. (See Box 6.)

Government Finance Statistics

STA promotes government finance statistics in several ways. It develops and updates standard concepts and definitions of the *Government Finance Statistics Manual (GFSM)* and the *Public Sector Debt*

Box 6. Implementation of the System of National Accounts and the International Comparison Program

Since the launch of the program in 2011, good progress has been made by the participating countries to improve the accuracy of their price statistics and national accounts estimates. The government of Japan is generously providing the funding for this program.

The overall objective of the program is to build statistical capacity and improve price statistics and national accounts estimates in the participating countries.

Driven by country-defined needs and objectives, the program provides technical assistance and training workshops to build a strong foundation for individual countries to develop new or improve existing key macroeconomic indicators. Workshops include both discussion to promote sharing of experiences and practical exercises to reinforce best practices.

Participating countries and institutions

Participating countries include: Bhutan, Cambodia, Fiji, Indonesia, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, and Vietnam.

Progress

Within a relatively short period of time, participating countries have made notable progress to date:

- Bhutan released the first ever producer price index in June 2012;
- Maldives released an updated CPI in July 2012 that more broadly reflects international best practices; and
- Nepal will release a PPI by the end of 2012 and is currently working to transfer responsibility for the CPI from the central bank to the statistics office.

Steady progress continues to be made by all participating countries. It is expected that by the end of 2012, a number of the countries will release their first quarterly national accounts estimates. This represents huge improvement over annual national accounts estimates and will provide users with more timely data on economic development and growth. In the course of 2012 and early 2013, countries will continue to meet their stated TA objectives and goals with the release of new macroeconomic data series.

Statistics Guide (PSDSG), provides training and technical assistance, and maintains standardized databases. The data cover both transactions and positions (including public debt). STA continues to work toward the adoption of *GFSM* as the standard for IMF staff reports, the *World Economic Outlook* and *Fiscal Monitor* databases, and PGI website. It engages with country authorities to effect gradual, but consistent progress toward high quality fiscal data, reduce data gaps, and improve international comparability of the data. It actively seeks a dialogue with data users and analysts and views the economists in the IMF Fiscal Affairs Department and area departments as key partners in achieving high quality fiscal data.

STA convened the second meeting of the Government Finance Statistics (GFS) Advisory Committee in May 2012 to discuss the update of the *GFSM*. The Committee reached agreement on the main outstanding methodological

issues, such as public sector debt, contingent liabilities, public-private partnerships, resource revenues, and bank restructuring agencies guaranteed by the government. The update is designed to harmonize the *GFSM 2001* with the *2008 SNA*. It also aims to provide further conceptual guidance to compilers of fiscal statistics on how best to meet the analytical needs of users. The updated manual will maintain an integration of stock positions and flows, and will create a statistical framework which, if fully implemented, will assess whether member countries are facing fiscal liquidity and/or sustainability challenges. The first draft of the updated *GFSM* is expected to be available for public comment by the end of 2012.

The *GFS Compilation Guide for Developing Countries*, funded by the DFID, has been published (<http://www.imf.org/external/pubs/ft/gfs/manual/compil.pdf>). The guide specifi-



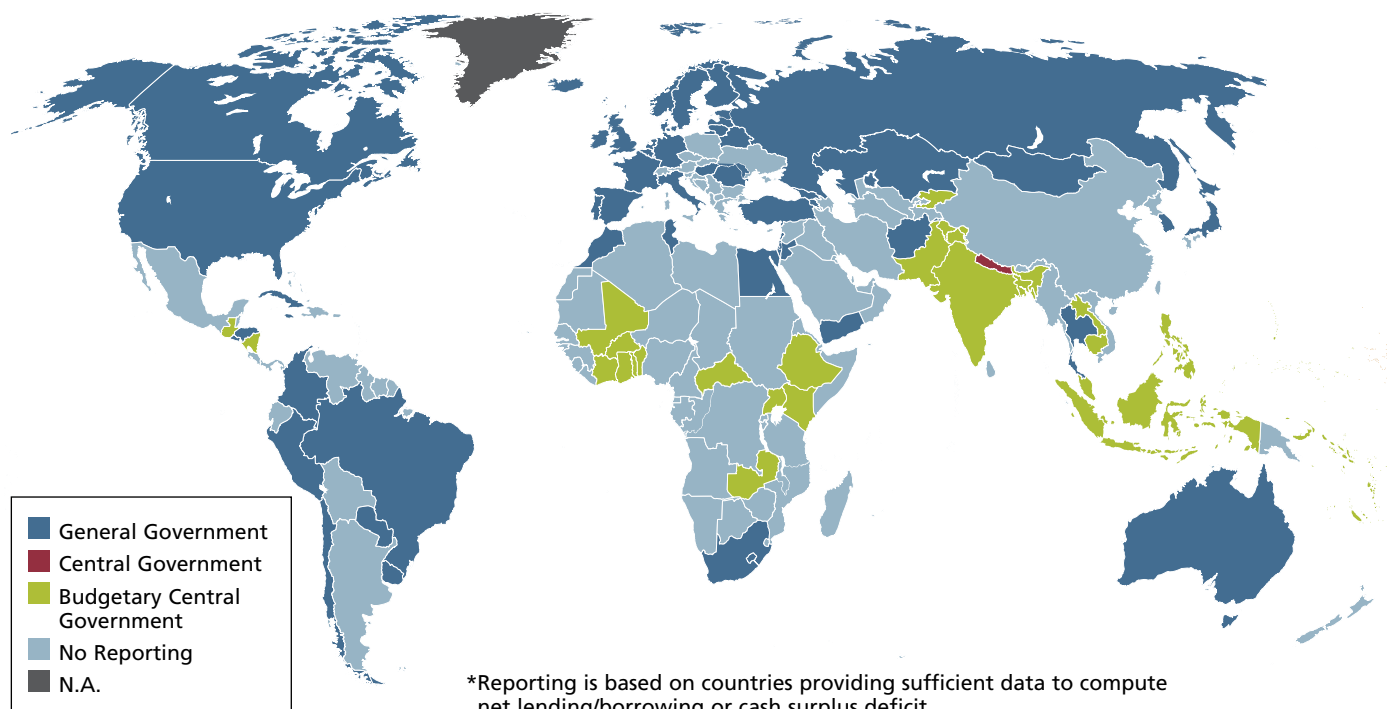
The GFS Advisory Committee with Deputy Managing Director Min Zhu

cally addresses GFS compilation issues faced by developing countries and represents a new approach by STA to assist these countries to compile GFS in accordance with the guidelines of the *GFSM 2001*. In addition, a “GFS Quarterly Compilation Guide” is being drafted to provide the procedures for improving the compilation of high frequency data for general government. This guide is expected to be published later this year. The printed version of *Public Sector Debt Statistics—Guide for Compilers and Users*, prepared by the IMF in collaboration with the multi-agency Task Force on Finance Statistics, was released in December 2011. The Guide is intended to help standardize definitions and classifications of public sector debt liabilities and to serve as the conceptual basis for an internationally comparable public sector debt database.

Over 100 countries disseminate their fiscal data in the *GFSM 2001* format in the *GFSY* (Figure 4). In 2012, STA processed public finance statistics for 116 countries for publication in the 35th edition of the *GFSY* (the electronic database contains data for a total of 138 countries). Data for 112 countries were processed in 2012 for publication in *IFS* (the electronic database contains data for a total of 135 countries). Of these, 86 countries provided high frequency

(quarterly and/or monthly) data. The *GFSY* time series has also been improved by lengthening the series from 1972 to current, and addressing missing data. Currently, the presentation of country metadata, particularly the institutional tables, is being upgraded to explain the specific institutional structure of government (including documentation on structural breaks in the series) and to have the information in a consistent electronic format. Following the IMF’s Board decision to migrate fiscal tables of the staff reports to the *GFSM 2001* format, as of end-June 2012, staff reports for 111 countries have now adopted this format, which makes the data more comparable across countries or across regions. It also means that users can switch back and forth more easily between the staff report data and data included in the *GFSY*. STA, in collaboration with the World Bank and the OECD, has established an online database with access to public sector debt statistics with 59 countries posting their debt data as of end-June 2012 (<http://www.worldbank.org/qpsd>). In view of the high demand for these data, STA is stepping up its efforts to further build up this new database through strengthened collaboration with other international agencies such as the Commonwealth Secretariat, OECD, and United Nations Conference on Trade and Development (UNCTAD).

Figure 4. Government Finance Statistics: Annual Data Reporting by Level* (in 2010)



STA continues to provide technical support, contribute to inter-agency collaboration initiatives, and conduct research on government finance statistics. Two new courses were introduced in 2011—*Public Sector Debt Statistics* and *GFS for Managers*. In addition, STA is engaged in bilateral technical assistance, some of which are being provided under regional arrangements such as the EDDI in Africa, Monetary and Economic Community of Central Africa, and some through the IMF Regional Technical Assistance Centers. More recently, a three-year GFS technical assistance program for Asian and Pacific Island Countries was launched with funding from the government of Japan. STA collaborates with the IMF Fiscal Affairs Department on developing statistics that are integrated with public finance management arrangements. In the area of GFS, STA is also involved in addressing the recommendations of the G-20 Data Gaps Initiative, specifically Recommendation 17 on plans to compile quarterly general government data based on the *GFSM 2001* framework and Recommendation 18 on participating in the online public sector debt database.

Monetary and Financial Statistics

Currently, 133 countries report monetary statistics to the IMF based on the standardized report forms (SRFs). These forms were designed to facilitate the compilation and dissemination of monetary data in accordance with the internationally accepted methodology—the *Monetary and Financial Statistics Manual (MFSM)* and the *Monetary and Financial Statistics: Compilation Guide (MFSCG)*—while at the same time reducing reporting burdens for member countries and enhancing cross-country comparability. Implementation of the SRFs has required that additional guidance on technical and methodological issues be provided to data compilers in reporting countries. Monetary statistics based on the SRFs are published monthly in *IFS*. In addition, SRFs provide a substantial portion of the information needed for the IMF’s balance sheet approach, which itself supports vulnerability analysis and serves as a primary source for the development of integrated monetary databases (common data source for STA and IMF area departments).



Launch of the GFS Technical Assistance Program for Asian Countries held in Bangkok in March 2012.



Deputy Managing Director Min Zhu delivered the opening remarks at the *MFSM* Expert Group meeting in February 2012.

The focus of methodological work in the area of monetary and financial statistics has shifted toward expansion of the coverage of other financial corporations. Currently, about 33 out of 133 SRF-reporting countries report other financial corporations data and outreach is underway to increase the number of reporting countries. Finally, work has been initiated on a project aiming to integrate into a single volume by end-2013 the *MFSM* and *MFSCG* while incorporating revisions consistent with the methodologies of the 2008 *SNA* and *BPM6*. Consultations with international experts took place during the *MFSM* Expert Group Meeting at IMF Headquarters in February 2012. The meeting—attended by 42 par-

ticipants from 32 countries and eight international or regional agencies—discussed a wide range of issues related to the revision of the *MFSM* and *MFSCG*. Further consultations are envisaged.

Financial Soundness Indicators

As part of the IMF's ongoing contributions to strengthening the architecture of the international monetary system, STA continues to upgrade the publicly available FSI website (<http://fsi.imf.org>). The publicly disseminated FSIs, ranging from regulatory capital adequacy ratios to real estate prices, can assist in analyzing the soundness of financial institutions as a

sector and the conditions of the counterpart corporate and household sectors and relevant markets. FSIs complement other assessments of soundness, such as early warning indicators and macroeconomic vulnerability exercises, and support macroprudential analysis and financial sector surveillance.

Currently, the website contains FSI data from 74 countries, a number that is expected to continue to increase over the period ahead. Most contributing countries have submitted all 12 core FSIs relating to deposit-taking institutions (i.e., banks), and many have supplied some of the 28 additional indicators that members are encouraged to submit relating to deposit-taking institutions, other financial corporations, nonfinancial corporations, households, market liquidity, and real estate markets.

In addition to the numerical information, the FSI database includes the metadata provided by countries on national practices that govern the compilation of FSIs. The data can be searched and sorted, using criteria chosen by the user from the set of metadata categories. This permits the retrieval of data that are comparable across countries, and/or across time, for the chosen metadata categories. STA has been utilizing the FSI database, supplemented where necessary with national websites and information provided by IMF desk economists, to produce the FSI tables associated with the IMF's *Global Financial Stability Report*.

The next steps in the work on FSIs include the expansion of the FSI database by having additional member countries report their FSIs for dissemination on the FSI website (<http://fsi.imf.org>). Moreover, existing reporters are being encouraged to further build time series of FSI data. STA is currently reviewing the list of FSIs—taking into consideration, inter alia, the lessons from the financial crisis—with a view to (1) amending, if needed, the current allocation between core and encouraged FSIs and (2) incorporating new FSIs in the current list. In this context, international experts comprising the Financial Soundness Indicators Reference Group (FSIRG) met at IMF Headquarters in

Country (2010)	Date latest data were available	Consolidation Base	Regulatory cover to risk-weighted assets	Regulatory tier 1 capital to risk-weighted assets
Australia	4-2010	0	17.1	13.1
Belgium	07-2011	0/0/0/0	11.8	8.7
Spain	07-2011	0/0/0/0	18.2	13.9
Canada	04-2010	0	18.8	13.1
China	4-2010	0	12.0	10.1
France	4-2010	0/0/0/0	12.4	10.2
Germany	07-2011	0	18.9	12.9

November 2011 and discussed a wide range of issues related to the revision of the *FSIs Compilation Guide*. Based on the FSIRG's *Summary of Key Points and Conclusions*, STA developed a work program that will culminate with the production of a revised *FSIs Compilation Guide* toward the end of 2013. One important area that the new guide will focus on is the improvement of disclosure of insurance companies and other nonbank financial institutions (NBFIs). Therefore, STA, in collaboration with the FSB, is working to improve the information on NBFIs and to expand the number of countries reporting FSIs for NBFIs.

Financial Access Survey

The online Financial Access Survey (FAS) database at <http://fas.imf.org> provides financial access indicators and accompanying metadata developed through the Access to Finance Project. It provides the results of the 2012 FAS, which was conducted in collaboration with the International Finance Corporation (IFC) and the Consultative Group to Assist the Poor (CGAP). The 2012 FAS was made possible with financial support from the Netherlands' Ministry of Foreign Affairs and the Australian Agency for International Development.

The FAS website contains annual data for about 160 respondents covering 2004–2011 for key indicators of geographic and demographic outreach of financial services, as well as the underlying data.



Experts from 32 countries and 10 international organizations attended the FSI Reference Group meeting at IMF Headquarters in November 2011.

The reach of financial services is measured by bank branch network, availability of automated teller machines, and by four key financial instruments: deposits, loans, debt securities issued, and insurance. The 2012 FAS questionnaire was expanded to include (1) time series for credit unions, financial cooperatives, and microfinance institutions, and (2) the separate identification of small and medium enterprises, households, life insurance, and non-life insurance companies.

Securities Statistics

The BIS, ECB, and the IMF jointly publish the *Handbook on Securities Statistics*. The *Handbook* is



the first publication of its kind dealing exclusively with the conceptual framework for the compilation and presentation of securities statistics. It directly addresses Recommendation 7 of the G-20 Data Gaps Initiative concerning the need to fill data gaps and strengthen data collection. Part 1 of the *Handbook*, dealing with statistics on debt securities issues, was published in May 2009. Part 2 of the *Handbook*, published in September 2010, provides a conceptual framework for the position and flow statistics on debt securities holdings based on the 2008 SNA and *BPM6*. It goes partly beyond these standards by elaborating on additional issues such as debt securities holdings by issuer, currency, maturity,

type of interest rate, and country. Special attention is also paid to specific operations related to debt securities holdings such as reverse transactions, short-selling, depository receipts, stripped securities, and nominee accounts.

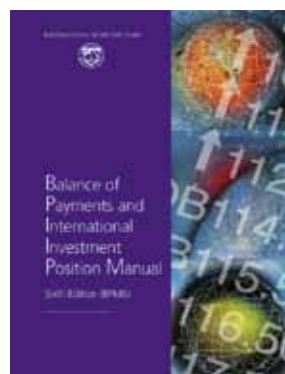
Part 3 of the *Handbook* will cover the issuance and holdings of equity securities. In this regard, an Expert Group Meeting was held at IMF Headquarters in October 2011 to discuss a draft of Part 3 of the *Handbook*. It is expected that Part 3 of the *Handbook* will be published in the autumn of 2012.

Parts 1 and 2 of the *Handbook* are available in electronic version at <http://www.imf.org/external/np/sta/wgsd/index.htm>.

Balance of Payments and Other External Sector Statistics

Balance of Payments and International Investment Position Manual (BPM6)

International guidance for compiling balance of payments statistics must be updated on a



regular basis to keep abreast of the changing nature of international transactions and the increasing data needs of users. In this regard, the *BPM6* was released in hard copy in 2009 as an update to the *BPM5* (released in 1993). The *BPM6*

Box 7. Conversion of the External Accounts to *BPM6*

Release of balance of payments and IIP data on a *BPM6* presentational basis

Beginning with the August 2012 releases of the *IFS* and the on-line *Balance of Payments Statistics Database*, STA disseminates balance of payments and IIP data from 2005 forward in accordance with the methodology of the *BPM6*.

With the change-over of countries' data to the *BPM6* presentational basis, the IMF continues to publish data for its membership on a basis that is consistent across countries and across time periods. Such data consistency is required to perform cross-country data comparisons, track growth rates across time, and produce regional or global data aggregates.

As countries are adopting the new methodological standard at different times, STA has been working with three groups of countries for presenting their data on a *BPM6* basis: (i) countries that report data to the IMF on a *BPM6* basis; (ii) countries that report data to STA based on *BPM5* and agreed to the "generic conversion" of their data to a *BPM6* basis by STA for the IMF's publication purposes; and (iii) countries that customize their *BPM5*-based data by adjusting the results from the "generic conversion." In the "generic conversion," STA uses conversion rules for re-arranging the *BPM5* data to a *BPM6* presentational basis. The rules are broadly applicable to countries in different parts of the world and in various stages of development, keeping the balances on current account, capital account, and financial account unchanged.

Mindful of the IMF-wide "Go Green" initiative, the hard copy of the 2012 *Balance of Payments Statistics Yearbook (BOPSY)* has been streamlined. However, to

meet various users' demands, the full detail for the external accounts is available on-line.

Launch of new electronic metadata questionnaires

STA developed a new, web-based balance of payments and IIP metadata questionnaire. These electronic questionnaires facilitate the reporting and processing of the metadata. The metadata, which had been published in *BOPSY Part 3*, will be available only on-line and in CD-ROM. The 2012 *BOPSY Part 1* and *Part 2* will be available in hard copy, online, and in CD-ROM.

New *BPM6* report forms for data compilers

STA developed new report forms that cover all *BPM6* standard components as well as selected memorandum and supplementary items. The new report forms are consistent with Appendix 9 of *BPM6*. They are available on the Integrated Correspondence System.

Outreach

STA will continue to engage in technical assistance, training, and discussions with data compilers and users inside and outside the IMF to promote and explain the impact of *BPM6* on time series and methodology. With the aim of facilitating user understanding of the changes brought by *BPM6* and from data conversion, STA has also prepared a list of FAQs which are available on the IMF website at <http://www.imf.org/external/pubs/ft/bop/2007/bpm6faq.pdf>.

Looking ahead

STA will be converting *BPM5* data to a *BPM6* presentational format until countries implement *BPM6* and provide STA with their own *BPM6* estimates.

retains the basic framework of the *BPM5*, and the revision was undertaken in parallel with the update of the *SNA*, thereby enhancing the harmonization of macroeconomic statistics.

The *BPM6* is available on the IMF website at www.imf.org/external/pubs/ft/bop/2007/bop-man6.htm. Hardcopies are available from the IMF

Bookstore and can be ordered online. The *BPM6* has been translated into Arabic, Chinese, Russian, and Spanish, and these versions have been posted on the IMF website. The French language version will be available toward the end of 2012.

The implementation of the *BPM6* encompasses several major steps, including:



Handbook's Expert Group Meeting at IMF Headquarters in November 2011

- Conversion of the balance of payments and international investment position data to a *BPM6* presentational format. Most economies accepted STA's offer to convert their *BPM5* basis data to a *BPM6* format using standard conversion rules that are broadly applicable to countries in different parts of the world and in various stages of development. Beginning with the August 2012 releases of the *IFS* and on-line *Balance of Payments Statistics Database*, the balance of payments and international investment position data from 2005 onward will be disseminated by the IMF according to *BPM6*. About 20 countries have already implemented the *BPM6* framework and reported their own *BPM6* estimates to STA.
- Preparation of the *BPM6 Compilation Guide*. The *BPM6 Compilation Guide* will be an update to the current *Balance of Payments Compilation Guide*, which is based on *BPM5*. Draft chapters of the *BPM6 Compilation Guide* have been posted on the internet as a "living document" for worldwide comments. A pre-publication draft of the *BPM6 Compilation Guide* is expected in June 2013.
- Technical assistance and training: STA continues to provide technical assistance and train-

ing to support countries in implementing the *BPM6*. The new manual is now used as the basis for all technical assistance and training activities in external sector statistics. STA's efforts in capacity building of member countries received a further boost with the recent approval of a three-year program—Improving External Sector Statistics in Asia Pacific Region—under the Japan Administered Account for Selected IMF Activities.

International Investment Position (IIP) Statistics

As of July 2012, 131 jurisdictions, including all G-20 economies, report IIP data for publication in



the *BOPSY* and the *IFS*. STA continues its efforts to increase the number of economies reporting IIP data through its IIP Pipeline Project, an initiative to assist a subset of economies in compiling IIP statistics, notably those economies that STA considers could

potentially develop such data in the near future. In the IIP World and Regional aggregates pub-



STA Presentation to IMF Staff on the Impact of *BPM6* on Measures of Capital Flows in June 2012

lished in *BOPSY, Part 2*, reported IIP data account for approximately 97 percent of the estimated global totals for IIP assets and liabilities.

The efforts to increase quarterly IIP reporting continue, in line with Recommendation 12 of the G-20 Data Gaps Initiative and the IMF Executive Board decision in 2010, which approved the prescription of quarterly IIP for SDDS subscribers with quarterly timeliness, effective four years after the Board decision. There are currently 76 jurisdictions reporting quarterly IIP data to STA.

The publication *Quarterly International Investment Position Statistics: Data Sources and Compilation Techniques*, published in March 2011 to assist data compilers in preparing and disseminating quarterly IIP data, is now available in six languages on the IMF website at <http://www.imf.org/external/np/sta/iip/2011/030111.htm>.

Countries are being encouraged to adopt the *BPM6* enhancements to the IIP statistics as soon as feasible. To this end, the new *BPM6* IIP report forms prepared by STA allow for the collection of important data such as currency composition of assets and liabilities and reserve-related liabilities, short-term.

Statistics on External Debt

The Quarterly External Debt Statistics (QEDS) database continues to expand (www.worldbank.org/qeds). The number of SDDS reporters to the QEDS has increased to 68 (compared to 70 SDDS subscribers) in June 2012.



In joint efforts with the BIS, the OECD, and the World Bank, STA continues to work on the enhancement of the Joint External Debt Hub (JEDH) website. The JEDH, which was established in 2006 to provide a one-stop source for comprehensive external debt statistics, features comprehensive national external debt data provided by over 108 economies; data from creditor and market sources for external debt and selected foreign assets for more than 200 economies; and information describing the data (metadata). Recently, some changes were made to the JEDH creditor/market table for a better presentation of the data.

STA has started, in consultation with the Task Force on Financial Statistics, an update of



The Task Force on Financial Statistics discussed the updating of the *External Debt Statistics Guide* at IMF Headquarters in March 2012.

the *External Debt Statistics Guide (Guide)* to take account of changes introduced in the *BPM6* and *2008 SNA*. The first complete draft of the updated conceptual framework of the *Guide* is expected to be posted for worldwide comments in September 2012, and the pre-publication version is to be released in 2013.

Reserve Assets and Sovereign Wealth Funds

The IMF has been collecting quarterly data on the currency composition of official foreign exchange reserves (COFER) since the 1960s from individual countries on a strictly confidential basis, with dissemination limited to selected aggregates only. The database distinguishes official reserves denominated in U.S. dollars, euros, pounds sterling, Japanese yen, Swiss francs, and other currencies. In response to heightened policy and public interest, aggregate COFER data are posted quarterly on the IMF website (<http://www.stg-ext/external/np/sta/cofer/eng/index.htm>). At present, there are 145 reporters, consisting of member countries of the IMF, nonmember countries/economies, and other foreign exchange reserves holding entities (34 advanced economies, 110 emerging and developing economies,

and one international organization). To further improve the analytical usefulness of COFER data, STA launched a COFER data initiative in late 2011 aimed at expanding the country coverage and currency coverage of COFER data. As part of this initiative, a survey to all current COFER reporters was conducted and the outcome of the survey will inform the way forward.

As of July 2012, the number of reporters disseminating data on international reserves and foreign currency liquidity (Reserves Data Template) on the IMF website has reached 76. Reserves Template data are available at <http://www.imf.org/external/np/sta/ir/index.htm>.

STA, in collaboration with other IMF departments, is also working on issues relating to sovereign wealth funds (SWFs). Following from the *Santiago Principles*, the *BPM6* provides a fuller discussion of where to classify external assets held by these funds. It also provides guidance on the sectoral breakdown and functional allocation of SWFs, and allows for a voluntary disclosure of SWF assets not included in official reserves. Further, the updated *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template*

provides guidance on the recording of SWFs in the Reserves Data Template, in particular when assets in a SWF are of material significance and not included in official reserves. STA emphasizes the importance of including SWFs in macroeconomic statistics in its technical assistance and training missions to member countries.

Update to the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)*

In collaboration with the Reserve Assets Technical Expert Group, STA completed the work on



the update to the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)*. The update benefited from worldwide comments. During the period since the *Guidelines* was released in 2001, the IMF has

identified several places where the text in the *Guidelines* could be updated or clarified. Some changes were needed to ensure consistency with the Data Template itself, which was modified in December 2008 as a consequence of an IMF Board Decision to strengthen the effectiveness of Article VIII section (5) of the IMF Articles of Agreement. In addition, some clarifications in the *Guidelines* were necessary to ensure consistency with the text of the *BPM6*, to take account of staff experience in monitoring submission of the Reserves Data Template by SDDS subscribers, and to take account of new developments in the areas of reserve assets and international liquidity. The updated *Guidelines* include three new appendices: Appendix VI, “Reserve Assets and Currency Unions,” provides further methodological guidance for reserve assets in the circumstances where an economy is a member of a currency union; Appendix VII, “Frequently Asked Questions on the Characteristics of Reserve Assets,” provides information to assist countries in identifying reserve assets; and Appendix VIII, “Statistical

Treatment of Lending to the IMF, Lending to IMF Managed Trusts, and Special Drawing Rights,” clarifies the statistical treatment in cases where the IMF is actively engaged as a principal, manager, or administrator of positions or transactions. A pre-publication draft of the *Guidelines* (subject only to final editing for publication in book form) is available at <http://www.imf.org/external/np/sta/ir/IRProcessWeb/dataguide.htm>.

STA offered in June 2012, at the IMF-Singapore Training Institute, the first in a series of seminars on *Measuring Reserve Assets*. The seminar follows the recent updating of the international statistical standards for identifying and compiling data on international reserves.

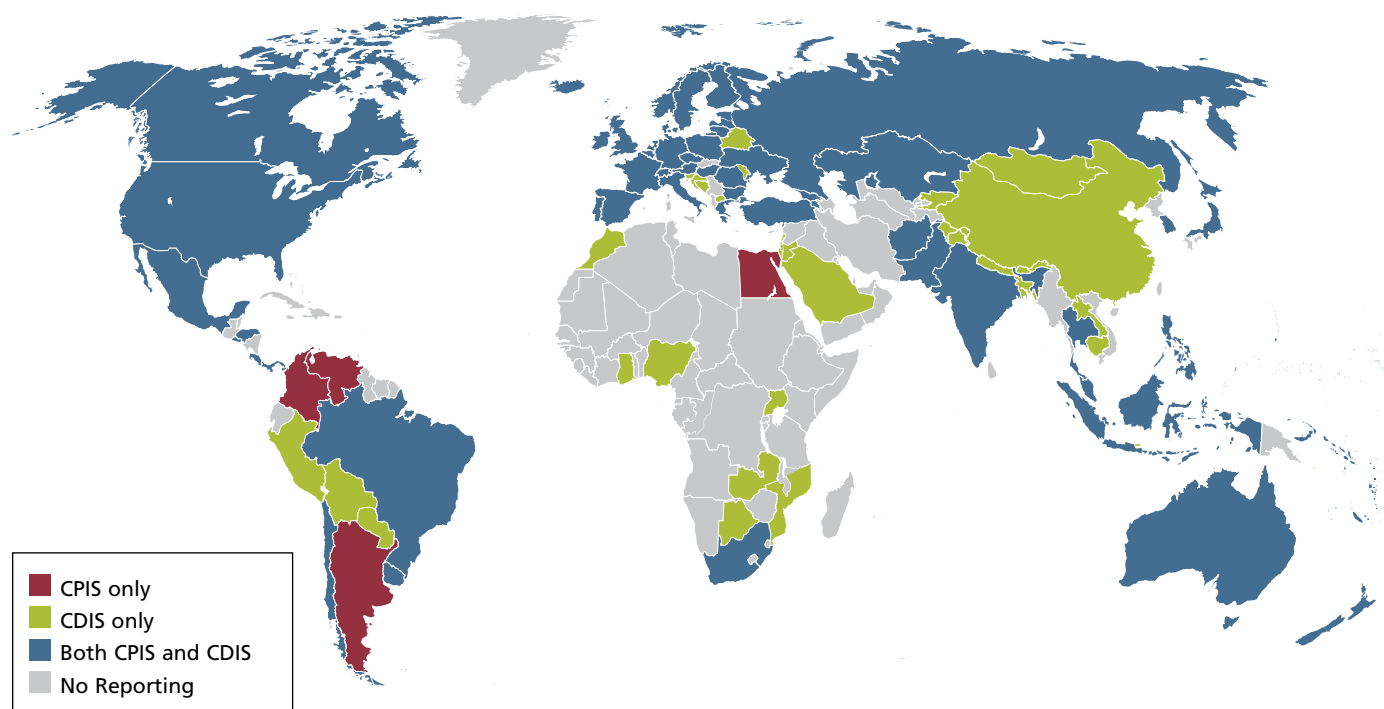
The Coordinated Portfolio Investment Survey (CPIS)

The CPIS collects information on individual economy holdings of portfolio investment securities—equity and debt securities—valued at market prices at the end of each year, cross-classified by the economy of the issuer of the securities. The coverage of the CPIS is augmented with information on the geographic breakdown of securities held as economies’ foreign exchange reserve assets and security holdings of selected international organizations (these data are not disclosed at a detailed level, as the data are reported on a confidential basis). The results of the 2010 CPIS, the tenth of an annual series, were posted on the IMF’s external website at <http://www.imf.org/external/np/sta/pi/geo.htm> in November 2011 (with further updates in June 2012). Seventy-five economies participated in the 2010 CPIS.

STA introduced in 2011 a new online CPIS database that leverages current technologies for data and metadata dissemination. In September 2011, an iPhone/iPad application of the IMF eLibrary was launched, and CPIS data were included.

Following consultations with reporting economies and with other stakeholders, and endorsement of the IMF Committee on Balance of Payments Statistics, the IMF will implement a number of important CPIS data enhancements beginning with the June 2013 measurement

Figure 5. Reporting to the IMF’s Coordinated Direct and Portfolio Investment Surveys (end-2010)



date. The enhancements include increasing the frequency (from annual to semiannual) and timeliness (a dissemination lag of less than nine months) of the data, and collecting data on short or negative positions, and on the institutional sector of the foreign debtor, on an encouraged basis. Further, with the aim of aligning the outputs with user demands for more granular data on a “from-whom-to-whom” basis, the revised CPIS reporting forms, will obtain an additional disaggregation of the data, on the institutional sector of resident holders cross-classified by the institutional sector of the nonresident issuers of securities, for securities issued by the 25 economies with systemically important financial sectors.

The Coordinated Direct Investment Survey (CDIS)

In consideration of the growing needs of policymakers and other users of statistics for comprehensive and comparable data on foreign direct investment (FDI), the CDIS was launched in 2007. The CDIS, which is a worldwide survey

of bilateral FDI positions, has the objective of improving the quality of FDI data at global and bilateral levels.

In December 2010, STA released for the first time the CDIS preliminary results covering direct investment positions as at end-2009 for 72 participating economies. Since then, the number of participating economies has increased; as of June 2012, the CDIS database comprises direct investment positions data for 91 economies at end-2009 and for 93 economies at end-2010. Preliminary results of the CDIS for end-2011 and, if applicable, revised data for previous years are expected to be released in December 2012.

The CDIS is conducted annually since 2009, with revised data released semi-annually. Data are available at <http://cdis.imf.org> and through the IMF Data Explorer/IMF e-library. In the IMF Data Explorer (<http://www.imfdata.imf.org>), the CDIS database is accessible under predefined data reports and

under customized tables that can be generated by users. The database presents detailed data on “inward” direct investment (i.e., direct investment into the reporting economy) cross-classified by economy of investor, and data on “outward” direct investment (i.e., direct investment abroad by the reporting economy) cross-classified by economy of investment. All participants in the CDIS provided data on their inward direct investment and most participants (about two-thirds) also provided data on their outward direct investment. The CDIS database also contains breakdowns of direct investment position data, including, in most instances, separate data on equity and debt positions. It also includes “mirror data” (i.e., data on direct investment positions obtained from counterpart economies’ data), which may then be compared to an economy’s own estimates vis-à-vis the counterpart. Derived data often are useful in highlighting data gaps or errors, and therefore also where follow up efforts may prove beneficial.

Remittances

STA published the *International Transactions in Remittances: Guide for Compilers and Users (RCG)*



in 2009. The *RCG* presents concepts, definitions, and classifications relating to the coverage and estimation of remittances. The *RCG* identifies the main remittances compilation methods currently being used by compilers and seeks to address the need for practical compilation guidance to improve the quality of estimates. It is the first manual providing compilation guidance for remittances and is also the first compilation guide based on the concepts set out in the *BPM6*. The English, Russian, and Chinese language versions of the *RCG* are available in hard-copy and on the IMF website at <http://www.imf.org/external/np/sta/bop/remitt.htm>. Efforts are now turning to implementing the methods

described in the *RCG*, and improving the quality of remittances data, including through the development of estimates of bilateral flows. The *RCG* is also being translated into Arabic, French, and Spanish.

Statistics on International Trade in Services

STA continues to participate in the inter-agency Task Force on Statistics of International Trade in Services (TFSITS). The TFSITS has completed the *2010 Manual on Statistics of International Trade in Services (2010 MSITS)*, which updates the *MSITS* that was released in 2002. The *2010 MSITS* is consistent with the *BPM6* and *2008 SNA* in the concept of services; however, it uses a broader concept of international trade than that presented in *BPM6*. The *2010 MSITS* was adopted by the UN Statistical Commission in February 2010 and is available in hard copy as well as in electronic format at <http://unstats.un.org/unsd/tradeserv/TFSITS/manual.htm>.

The TFSITS is currently engaged in the development of a *Compilers Guide* for the *2010 MSITS* to help countries develop a high quality and effective data collection, processing, and dissemination system in compliance with the *2010 MSITS*. The preparation of the *Compilers Guide* is supported by an Expert Group, in which the IMF is represented to ensure consistency with the *BPM6 Compilation Guide* currently being prepared by STA. The first draft of the *Compilers Guide* is expected by June 2013, at about the same time as the *BPM6 Compilation Guide*.

In March 2012, STA hosted a visit of the TFSITS members representing Eurostat, OECD, UNCTAD, UN’s Statistics Division, and WTO. The discussions focused on the harmonization of trade in services statistics across various international organizations’ databases, trade in services data management in the context of the conversion to a *BPM6* presentational basis in IMF publications beginning with August 2012, and on opportunities for further cooperation among international organizations involved in international trade in services.



The TFSITS discussed the harmonization of trade in services statistics across international organizations' databases at IMF Headquarters in March 2012.

The IMF Committee on Balance of Payments Statistics

In all of the above areas, STA works closely with the IMF Committee on Balance of Payments Statistics (Committee). The Committee was established by the IMF's Executive Board in 1992 to improve the availability, consistency, and reliability of balance of payments and international investment position statistics worldwide and foster greater coordination of data collection among countries. The Committee's terms



Balance of Payments Committee Meeting in Moscow in October 2011

of reference was updated in 2011 to clarify its mandate. The revised terms of reference indicates that the Committee also advises the IMF on how to respond to data gaps in external sector accounts. The Committee includes members from all regions of the world and income levels, as well as participants from other regional and international organizations. The papers, summary of discussions, and Annual Reports are posted on the IMF website at <http://www.imf.org/external/bopage/bopindex.htm>.

Box 8. Fostering Consistency Across Macroeconomic Datasets

Establishment of STA's Cross-Sector Consistency Group

Data inconsistencies exist for many countries regardless of their size and level of development. In recognition of this, and of the importance of cross-sector consistency among the different areas of macroeconomic statistics (real sector, external sector, fiscal sector, and monetary and financial sector) for sound analysis, STA established in early 2012 the Cross-Sector Consistency Group (CSCG). The objective of the CSCG is to enhance the consistency among macroeconomic datasets to facilitate economic analysis and support IMF surveillance of member countries. The CSCG provides a forum for identifying and discussing data inconsistencies, and developing plans and taking actions to address inconsistencies in collaboration with the reporting countries.

Close collaboration and coordination with national and international agencies

Close collaboration with reporting countries, other international organizations, and IMF area departments is essential to the success of this initiative. More specifically, a number of agencies within a country may be involved in compiling macroeconomic statistics for the respective member country and these agencies need to work together to resolve any inconsistencies identified by the CSCG. In addition,

other international organizations—namely, the ECB and Eurostat—also have projects underway to identify and resolve inconsistencies in data provided by their members. The ECB and Eurostat have indicated their support for STA's initiative, and the CSCG is coordinating with them to follow-up with member countries on some common issues. The work of the CSCG also benefited from the suggestions and strong support from the IMF Committee on Balance of Payments Statistics, which includes members from all regions of the world and representative of other international and regional organizations. IMF area departments also have a keen interest in the work of the CSCG and have suggested countries and data series where inconsistencies need to be addressed.

Progress achieved and way forward

A great deal of work is underway in identifying and addressing data inconsistencies. Through meetings with country delegations at the 2012 World Bank-IMF Spring Meetings, correspondence with reporting countries, and STA's technical assistance missions, considerable progress has been made. Country officials have responded positively to the data inconsistencies identified by the CSCG and have taken actions to resolve them. Continuing efforts will be made to sustain progress in addressing data inconsistencies.

Capacity Building (Technical Assistance and Training)

STA's technical assistance program is characterized by the promotion of internationally accepted statistical methodologies and compilation practices, emphasis on regional projects and working with regional institutions, and collaboration with other donors and providers of technical assistance. To complement technical assistance, it conducts training in all key macroeconomic statistical areas.

The technical assistance activities of STA provide comprehensive support to member countries in improving the range and quality of statistics they produce to meet user needs. The Regional Technical Assistance Strategy Notes prepared by the IMF area departments in coordination with other departments, including STA, outline short- and medium-term technical assistance priorities for the regions and provide a unifying framework for the delivery of technical assistance. Planning and prioritization are further informed by diagnostic missions (e.g., multisector statistics mission), ROSCs, and consultation with the Regional Technical

Assistance Centers (RTACs). The focus of technical assistance in macroeconomic statistics is on low-income and post-conflict countries that are committed to GDDS participation and to the adoption of the GDDS as the framework for their statistical development. Evaluating the effectiveness of technical assistance remains an integral component of the overall program, ensuring that resources dedicated to this important member service deliver the expected knowledge transfer and strengthened capacity.

Statistical Domains Covered

STA offers advice in the following statistical domains:

- national accounts
- price statistics
- government finance statistics
- monetary and financial statistics
- financial soundness indicators
- balance of payments statistics
- international investment position
- external debt
- remittances
- international services
- foreign direct investment
- data dissemination

Technical assistance focuses on developing new data series and improving the accuracy and reliability of existing series. Emphasis is also given to various aspects of statistical management and organization as well as enhancing accessibility and serviceability of data. To help improve the collection, compilation, and dissemination of official statistics, STA provides on-the-job training and practical hands-on help. As member countries



STA's RTAC Advisors with the STA Director During Their Visit to IMF Headquarters in March 2012

have gained greater and more efficient access to the Internet and e-mail facilities, the department makes use of “remote technical assistance” that enables countries to implement improvements to national systems more interactively.

Modes of Delivery

The main vehicle for the delivery of technical assistance continues to be short-term single-topic missions conducted by IMF staff and externally recruited experts. These missions often originate in, and are part of, comprehensive medium-term country projects designed by multisector statistics missions or as follow-up to ROSC assessment missions.

An important component of the Department’s technical assistance program is to complement its short-term missions with the placement of long-term statistical advisors in the RTACs. As of July 2012, STA has 10 resident long-term experts in the RTACs.

Regional Approach

STA has adopted an explicit regional approach to provide strategic regional and country perspectives to its technical assistance program. The regional approach strengthens the coordination with the IMF area departments in setting up technical assistance priorities and in implementing the program of technical assistance for each fiscal year. A regional manager provides leadership for the technical assistance program in each of the five regions.

In FY2012, technical assistance in Africa continued to receive the most resources, boosted by the EDDI Project for Anglophone African countries funded by DFID as well as the four regional technical assistance centers in Africa. The share of Africa accounts for 39 percent of total field time in person years. (See Box 9.) The Western Hemisphere region was the second largest recipient, accounting for 25 percent. It is expected that in the coming year, Africa will continue to be the largest recipient of technical assistance, followed by Asia, mainly due to the three new programs financed by the government of Japan.

As of July 2012, five Japanese-funded regional programs have been launched:

- Implementation of the System of National Accounts and the International Comparison Program in Asia
- Capacity Building for Sustainable Compilation of Real Sector Statistics in South-Eastern Europe
- Regional Government Finance Statistics in Mainland Asia and the Pacific
- GDDS Program in Asia Pacific and Middle East/Central Asia Regions
- Improving External Sector Statistics in Asia Pacific

As of July 2012, STA has five long-term experts, four of which are regional advisors for the above Japanese-funded programs. Further, one long-term expert, who provides technical assistance to the Central Bank of South Sudan, is financed by the Belgian government.

Financing, Efficiency, Sustainability, and Evaluation of Technical Assistance

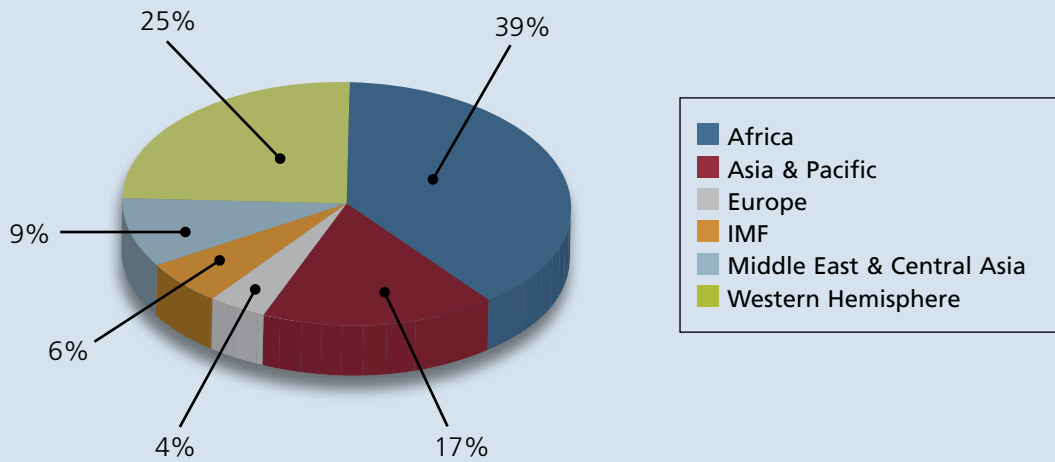
External funding through the RTACs, multi-donor trust funds, and bilateral sub-accounts increasingly finances a larger part of capacity-building efforts in the Fund. For STA, external financing has gone up from FY2011. A significant increase in externally funded technical assistance is expected in FY2013, due to the expansion of Japanese-funded programs and concomitant increase in long-term experts.

To enhance accountability, the implementation of STA’s technical assistance programs will be increasingly oriented towards achieving outcomes and delivering results. As part of an IMF-wide initiative, STA is collaborating with other IMF departments in implementing a Results-Based Management (RBM) framework for technical assistance and training. The objective is to provide a better and more transparent basis to achieve increased accountability for the use of funds, be it from the IMF or from donors.

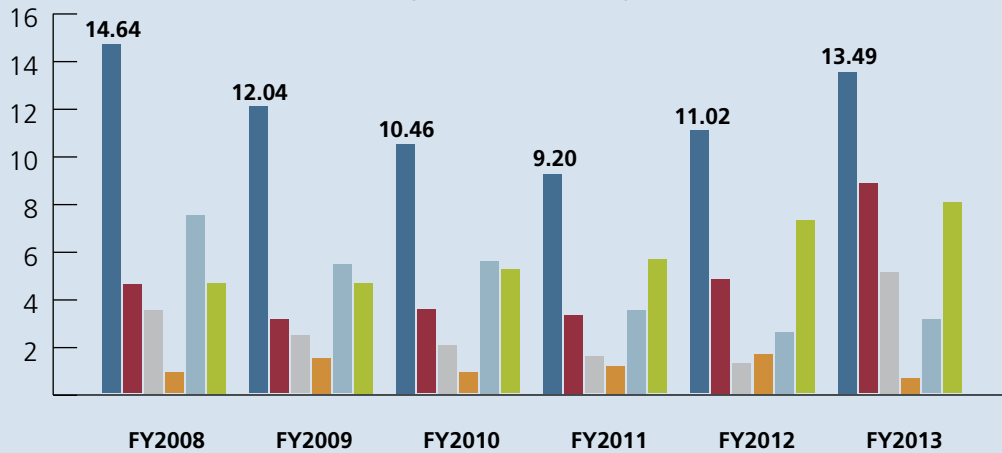
STA places strong emphasis on evaluating the effectiveness of its capacity building efforts,

Box 9. Technical Assistance Delivery by Fiscal Year

TA and Training Delivery in Field Time by Region, FY 2012



TA and Training Delivery in Field Time by Region (in Person Years)



especially in countries that have received intensive technical assistance. Evaluation missions are a key feature. In FY2012, a technical assistance evaluation mission was conducted in Peru, which started to apply the RBM framework (<http://www.imf.org/external/pubs/cat/longres.aspx?sk=26165.0>). Over the medium term, at least one to two internal evaluation missions per

year will be conducted by STA on its technical assistance programs, covering different geographic regions at a time. Evaluation reports are published for transparency (subject to approval by the country authorities). STA participates in external evaluations of its bilateral programs and other modes of evaluation such as inspection visits of statistical advisors in the RTACs.



External Debt Course at IMF Headquarters

Important factors affecting sustainability are taken into account in considering and planning a technical assistance program (or mission), such as the availability of national counterparts, source data, and suitable experts. Follow-up technical assistance is decided on the basis of important factors, including countries' progress in implementing recommendations of previous technical assistance missions (or so-called benchmark actions).

Training

STA is the second largest provider of training courses next to the Institute for Capacity Development (ICD). STA's training program continues to be strengthened to serve as a main vehicle for advancing the adoption of internationally accepted statistical methodologies as well as promoting the awareness of interlinkages of data across macroeconomic sectors. Training courses offered through ICD and Regional Training Centers (ICD-RTCs) generally consist of a series of lectures, discussions, practical exercises, and case studies on the relevant macroeconomic statistics areas.

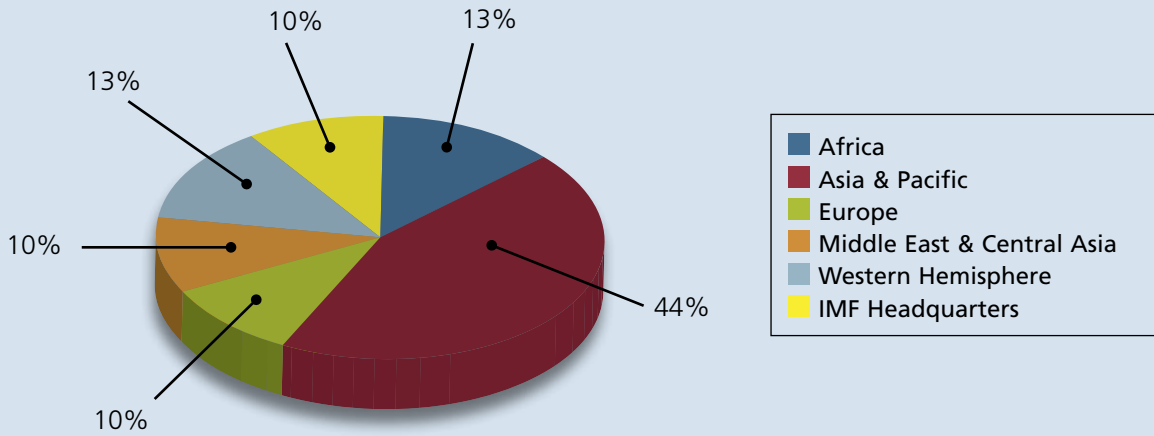
In FY2012, STA introduced two new courses—*Linkages of Macroeconomic Accounts* and *Sectoral Balance Sheets and Accumulation Accounts*. The *Linkages of Macroeconomic Accounts* is designed for macroeconomists and underscores the linkages among the macroeconomic statistics—national accounts statistics, external sector statistics, government finance statistics, and monetary and

financial statistics. It aims at deepening participants' understanding of the international standards underpinning the macroeconomic accounts statistics and illustrates the importance of the system of national accounts as the overarching framework for the statistics. It also emphasizes the financial links as a basis for flow of funds and financial programming. The *Sectoral Balance Sheets and Accumulation Accounts* aims at providing participants with skills to compile the complete sequence of sectoral accumulation of accounts within the integrated framework of the *2008 SNA*. In FY2013, STA will offer a new course on external debt statistics. For information on IMF training courses at the Headquarters and Regional Training Centers, contact ICD for a catalog (fax: +1-202-623-6490, or <http://www.imf.org>).

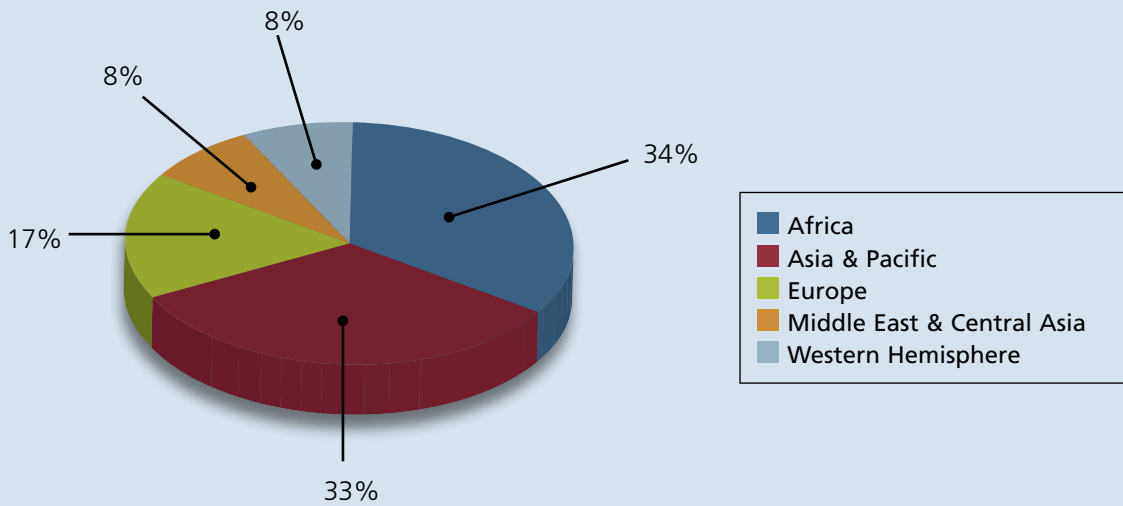
Outside the ICD-RTCs, STA also organizes regional seminars in many countries (called outreach seminars) as well as country-specific seminars, often with active participation of regional organizations or member countries. Interlinkages across sectors are also emphasized in the outreach program.

By region, Asia receives the most number of training courses conducted by STA through the ICD-RTCs since there are three training centers in the region (in China, India, and Singapore) compared to one each in other regions. Meanwhile, Africa, and Asia and Pacific received the largest share of outreach seminars. (See Boxes 10 and 11.)

Box 10. Courses on Macroeconomic Statistics at ICD-RTCs, FY2012



Box 11. Training on Macroeconomic Statistics at Non-ICD-RTCs, FY2012



International Statistical Coordination and Cooperation

STA continues to play an active role in conjunction with a number of multilateral and regional organizations engaged in promoting sound statistical practices:

- Chairs the IMF Committee on Balance of Payments Statistics, the Task Force on Finance Statistics, the Working Group on Securities Databases, the Inter-Agency Group on Economic and Financial Statistics, and the SDMX initiative to facilitate exchange of statistical information among national and international agencies.
- Collaborates with the FSB on the G-20 Data Gaps Initiative.
- Participates in FSB working groups on G-SIFIs and Legal Entity Identifiers.
- Participates in meetings of the UN Statistical Commission, UN regional statistical commissions, and statistical committees organized by the OECD, Eurostat, and the ECB.
- Participates in interagency task forces—statistics of international trade in services, international (merchandise) trade statistics, and public sector accounting—and two intersecretariat working groups—national accounts and prices.
- Closely cooperates with the World Bank and with PARIS21, notably in workshops to promote countries' participation in the GDDS.
- Participates as a member of the Executive Committee and various Task Teams of PARIS21, including on the implementation arrangement of the Busan Action Plan for Statistics.
- Participates as a member of the Executive Board in the International Comparisons Program.
- Continues to work with the BIS, the Commonwealth Secretariat, OECD, and UNCTAD, in various areas, including external debt statistics, government finance, foreign direct investment, and financial accounts statistics.
- Collaborates with the International Public Sector Accounting Standards Board.
- Collaborates with international bodies such as the Irving Fisher Committee on Central Bank Statistics and the International Research for Income and Wealth.
- Collaborates with regional institutes in building capacity for official statistics such as the Statistical Institute for Asia and the Pacific (SIAP-ESCAP), the Macroeconomic and Financial Institute for Eastern and Southern Africa (MEFMI), the West African Macroeconomic Institute of Financial and Economic Management (WAIFEM), and Centro de Estudios Monetarios Latinoamericanos (CEMLA).
- Participates in the Committee for the Coordination of Statistical Activities, a group comprising representatives of all multinational, supranational, and regional organizations undertaking significant statistical work.

SECTION 9

Outreach

STA organizes and participates in seminars and conferences. In the context of the World Bank-IMF Annual Meetings in September 2011, it organized a seminar, *Casting Light on Shadow Banking: Data Needs*



Seminar on *Casting Light on Shadow Banking: Data Needs for Financial Stability*

for Financial Stability. The seminar served as a platform to exchange views with policymakers on what we need to know about shadow banking (nonbank financial institutions) and what enhanced and new statistics are needed to contribute further to monetary analysis and financial stability. High-level officials from Colombia, Japan, the United Kingdom, and the United States participated as panelists. Mr. Age Bakker, former IMF Executive Director, moderated the panel discussion. Drawing on the experiences in their countries, the panelists shared their views on the role of shadow banking in the financial crisis, what data they wish they could have had during the crisis but did not have, and ways to address their data needs. The seminar elicited huge interest from the Annual Meetings participants as indicated from the large turnout and active discussion during the seminar.

Also during the Annual Meetings in September 2011, STA presented two of its technical assistance success stories in the seminar, *Technical Assistance: Tackling the Crisis and Building Institutions for the Future.* The seminar was jointly organized by IMF departments, including STA, which are involved in providing technical assistance and training to member countries. The seminar presented how IMF technical assistance has helped member countries in building capacities to tackle and prevent crisis. It included a high-level panel discussion focusing on factors that determine the success of technical assistance.

In May 2012, a high-level conference on Macroeconomic and Financial Statistics for Evidence-Based Policymaking was organized by STA, the IMF's Middle East and Central Asian Department, and the Moroccan authorities. The conference, held in Rabat, brought together senior officials from statistical agen-



Conference on
*Macroeconomic and
Financial Statistics
for Evidence-Based
Policymaking* in Rabat,
Morocco

cies, central banks, and ministries of finance and economy from 13 Arab countries, and representatives of regional and international organizations. The objective of the conference was to find agreement on moving toward, and paving the way for, the establishment of a regional statistical institution—ArabStat. Participants discussed the major challenges inhibiting the development of macroeconomic and financial statistics in the region from the viewpoint of evidence-based policymaking. There was broad recognition that a regional official statistical organization—the proposed ArabStat—would be essential for further developing statistical systems and boosting regional statistical cooperation. A technical committee comprising national authorities, regional institutions, and the IMF, will be formed. A tentative work program has been set up, which will culminate in a final proposal on Arabstat.

To showcase its products and services, STA publishes articles in IMF magazines—the *IMF Survey* (online) and *Finance and Development (F&D)*. It writes feature articles using data from its databases in the Data Spotlight section of *F&D*. Many of STA's events and projects are covered in IMF Press Releases or appear as featured stories in the IMF's Intranet.



Seminar on *Technical Assistance: Tackling the Crisis and Building Institutions for the Future*

IMF Statistics Department in Action



▲ STA Staff on November 11, 2011 (11/11/11)



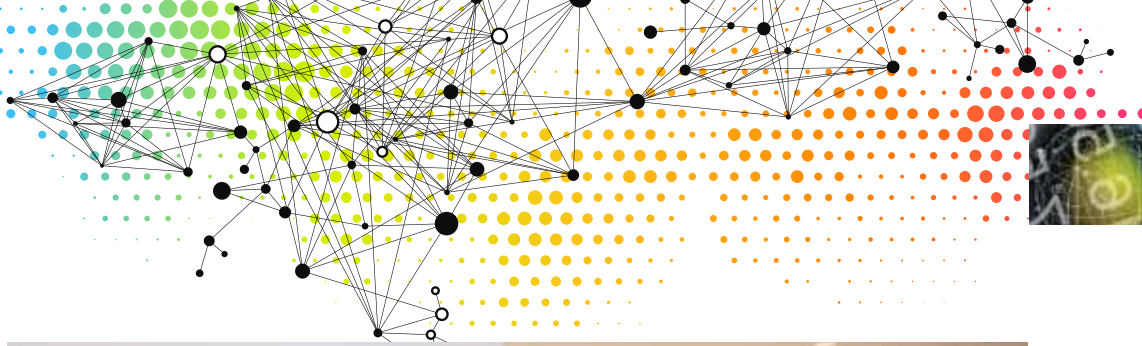
▲ STA Celebration of "Bring Your Kids to Work" Day



▲ *GFSM 2001* Presentation at the Accountants' Forum in November 2011



◀ Meeting with a Country Delegation During the World Bank-IMF Annual Meetings 2011



◀ STA Departmental Awards Ceremony



▲ A Light Moment of the STA Seminar, *Casting Light on Shadow Banking: Data Needs for Financial Stability*



▲ STA Staff at Work on the New CPIS Website



▲ STA Soccer Team at the IMF Global Stability Cup Tournament



▲ STA Director Adelheid Burgi-Schmelz discussed STA's technical assistance evaluation at the Donor's Consultative Meeting at IMF Headquarters.



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