

Meeting of Inter-Agency Task Force on Finance Statistics
Bank for International Settlements, Basel, Switzerland
March 19-20, 2009

IMF Occasional Report: April 2008–February 2009

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

The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management.

Contents	Page
I. Update on SDDS and GDDS.....	3
II. Methodological Work	4
A. <i>Balance of Payments and International Investment Position Manual</i>	4
B. Update of the External Debt Guide on Issues Emerging from <i>BPM6</i>	4
C. Public Sector Debt Statistics Guide	4
D. Handbook on Securities Statistics.....	5
III. External Debt Data Availability.....	5
A. JEDH Issues	5
B. World Bank Debtor Database	6
C. Private Trade Finance Surveys.....	6
D. SDMX Project.....	6
IV. Availability of other data	7
A. Financial Crisis and Additional Data Needs	7
B. Public Sector Debt Template.....	7
C. IIP Data Reported to the Fund.....	7
D. Progress of Fund Work on the CDIS	8
E. CPIS Improvements Project	9
F. Reserves Data Reported to the Fund	9
V. TFFS Website	10
VI. Capacity Building.....	10
A. Training on External Debt Statistics	10

IMF Occasional Report on Activities Relating to External Debt Statistics, April 2008–February 2009

I. UPDATE ON SDDS AND GDDS

1. Since the 2008 TFFS meeting, no additional countries have subscribed to the IMF's Special Data Dissemination Standard (SDDS) keeping to 64 the number of subscribers at end-February 2009. Except for few cases, SDDS countries have continued meeting the prescription for external debt—only one country does not disseminate a breakdown by sector and instrument in its national website. Nevertheless, it provides the prescribed SDDS breakdown to the World Bank's Quarterly External Debt Statistics (QEDS) database. The IMF Statistics Department (STA) produced annual compliance reports by individual countries for 2006 and 2007, which are available at the IMF website (<http://dsbb.imf.org/Applications/web/getpage/?pagename=annualobservancereports>). Similar report for 2008 will be posted during 2009.
2. Participation by countries to the General Data Dissemination System (GDDS) since the last TFFS meeting has further increased, with three economies (San Marino in May 2008, United Arab Emirates in July 2008, and Bahrain in August 2008) participating, thus bringing the total number to 94 at the end of February 2009. The GDDS has public and publicly-guaranteed debt as core external debt data categories. The data are not reported by GDDS participants to the IMF, although metadata are posted on the IMF website. Nevertheless, annual data for GDDS participants are provided to the World Bank's Debt Reporting System (DRS), and—since February 2008—the QEDS database was extended to include public and publicly-guaranteed data for a selected number of GDDS countries.
3. In the context of its regular reviews, the Executive Board of the IMF conducted the Seventh Review of the Fund's Data Standards Initiatives in December 2008.¹ The Board approved several changes to both the SDDS and GDDS frameworks.
4. Changes to the SDDS framework include (i) SDDS countries' metadata should indicate where statistical practices deviate from internationally accepted statistical methodologies, (ii) SDDS subscribers are encouraged to periodically undertake and publish a data quality assessment, (iii) relaxation to annual certification of metadata, from quarterly certification, and (iv) the Data Template for International Reserves and Foreign Currency Liquidity (Reserves Template) be revised to cover exchange-traded futures settled in domestic currency, and some “tidying-up” revisions. Further, the Executive Board requested that staff identify some relevant financial indicators, in consultation with SDDS subscribers, that could potentially be incorporated in the SDDS on an encouraged basis, and provide specific proposals to the Board within about one year.
5. Concerning changes to the GDDS framework, the main purpose is to give more emphasis to data dissemination and facilitate graduation to the SDDS. To help implement this shift in emphasis, GDDS participants will be encouraged to develop and maintain

¹ A copy of the Review paper can be found at <http://www.imf.org/external/pp/longres.aspx?id=4305>.

National Summary Data Pages (NSDP) and Advance Release Calendars. The GDDS framework will be streamlined and aligned with the data categories in the SDDS, including especially adding the Reserves Template. Nevertheless, the GDDS will retain its voluntary nature and will continue to focus on statistical development. Thus, countries will still determine their own pace of development according to their GDDS plans for improvement.

II. METHODOLOGICAL WORK

A. *Balance of Payments and International Investment Position Manual*

5. In March 2008, a revised draft of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* was circulated to relevant parties and posted on the IMF external website. The draft was the subject of regional outreach seminars, which were attended by representatives from more than 170 economies. The seminars were used to explain the new manual and seek input on drafting matters such as clarity and level of detail. A final draft was produced in October 2008 to take into account feedback from the final round of consultation and to incorporate some changes made to the *System of National Accounts*, which was being revised at the same time. That version, with minor changes, was adopted by the IMF Committee on Balance of Payments Statistics at its meeting in November 2008. The “pre-publication draft” is available at <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>. It will be subject to professional editing for release in hardcopy later in 2009. Translations are also under way.

6. The IMF has developed plans for implementation of the new manual. The plans include updating IMF courses and seminars to the new standards, incorporating the new standards in technical assistance work, and updating supporting documentation. Planning is also under way for the updating the presentation of data in the *Balance of Payments Statistics Yearbook (BOPSY)* according to *BPM6*.

B. Update of the External Debt Guide on Issues Emerging from *BPM6*

7. The Fund concluded work on compiling a list of external debt issues for which advice to external debt compilers on the appropriate methodological treatment would need to be provided in order to be consistent with *BPM6*. Consequently, a paper on the changes in *BPM6* affecting the *External Debt Guide* (TFFS 09/13) will be presented in the morning of March 19, 2009. The paper identifies the issues to be addressed and provides an initial recommendation on their appropriate treatment in the *External Debt Guide*. This advice will be particularly relevant until the *External Debt Guide* is updated in 2013.

8. As advanced in last year’s TFFS meeting, the *External Debt Guide* remains largely consistent with the new standards. Only a limited number of changes in *BPM6* will require significant methodological changes in the *External Debt Guide*, while most changes in *BPM6* will imply either minor methodological changes, clarifications, or presentational changes.

C. Public Sector Debt Guide

9. In response to the request of the TFFS, STA staff have revised the annotated outline of the *Public Sector Debt Statistics—Guide for Compilers and Users*. The revised annotated

outline incorporates comments received from TFFS agencies during the last year, particularly focusing on the consistency with *SNA 2008* and *BPM6* methodologies (TFFS 09/11a). In addition, STA staff have prepared a draft of the first two chapters of the guide: (i) Definitions and Accounting Principles (TFFS 09/11b); and (ii) Identification of Debt Instruments and Institutional Sectors (TFFS 09/11c). Future collaboration between TFFS agencies in the preparation of the remaining chapters of the Public Sector Debt Guide will be agreed during the meeting.

D. Handbook on Securities Statistics

10. The Working Group on Securities Databases (WGSD)—reconvened in September 2007—is chaired by the IMF and includes the BIS, ECB, and the World Bank. Experts from national central banks and other international organizations were also invited to contribute to the deliberations of the WGSD. Currently, the main task of the WGSD is the preparation and dissemination of the *Handbook on Securities Statistics (Handbook)*, the first part of which focuses on debt securities issues. The first part of the *Handbook* has been drafted by the BIS, ECB, and IMF, with the BIS assuming the coordinating function. The collaboration among the three institutions is another encouraging example of a world-wide coordination in the area of statistics.

11. A first draft of part one of the *Handbook* was commented on by a Review Group in a meeting convened in October 2008 in Basel, Switzerland. The Review Group consists of experts from national central banks and relevant statistical agencies as well as international and regional organizations that have an active interest and expertise in securities statistics. The Review Group broadly agreed with the structure and content of the first draft of the *Handbook*. Their comments were geared, among others, towards achieving consistency with international statistical standards and sharpening the focus on the objective of the first part of the *Handbook*. Further comments in writing were provided following the meeting, which were then incorporated in a second draft of the *Handbook*.

12. The second draft of the *Handbook* was distributed for comments by the Review Group on February 13, 2009, and also posted on the external IMF website for review by the general public (<http://www.imf.org/external/np/sta/wgsd/index.htm>). The review period will be open until March 13, 2009. It is expected that the final version of part one of the *Handbook* will be released in April 2009. Going forward, the WGSD will consider the next chapters of the *Handbook*, which could focus on other topics related to securities issues and holdings.

III. EXTERNAL DEBT DATA AVAILABILITY

A. JEDH Issues

13. After the substantial update of the JEDH implemented in early 2008 (TFFS 08/12), no further changes have been made to the JEDH. Nevertheless, there are a number of issues that have remained outstanding since last year's meeting or that have been identified since then. A paper on JEDH—Recent Developments and Triennial Review of the Service Level

Agreement (TFFS 09/15) has been prepared and will be discussed in the afternoon of March 19, 2009.

B. World Bank Debtor Database

14. STA has continued to collaborate closely with the World Bank in promoting the availability and monitoring the quality of external debt data provided by countries for dissemination in the QEDS. In particular, work in this area has focused on the extension of the QEDS to GDDS participants in line with the main features of the joint IMF-World Bank project endorsed by the TFFS.

15. The QEDS database was successfully expanded to a selected number of GDDS countries (mainly LICs) on February 27, 2008 (www.worldbank.org/qeds). Based on this outcome, all GDDS countries were invited to participate in November 2008. The World Bank will present to the TFFS the excellent progress made in the project and the way forward for discussion in the afternoon of March 19, 2009 (TFFS 09/14).

C. Private Trade Finance Surveys

16. In response to the lack of information on trade finance, the Fund's Strategy, Policy, and Review Department (SPR), in conjunction with the Bankers Association for Finance and Trade (BAFT), has undertaken a survey of major advanced country and emerging market banks. More specifically, questionnaires were sent to advanced country and emerging market banks enquiring about current trade finance conditions compared to a year ago, and expectations for the next year. The survey focused on trends in the cost and provision of identified trade finance by banks, and the underlying reasons for these trends. The results were presented in January 2009 at a BAFT conference in London and at the meeting of the OECD's export credits group in Paris. Given the speed at which events are changing, a second survey is being considered to capture more recent developments.

D. SDMX Project

17. As one of the Statistical Data and Metadata Exchange (SDMX) initiative's sponsor organizations, the IMF has continued to be actively involved in advancing the development of the SDMX technical standards and content-oriented guidelines. In January 2009, updated versions of the SDMX Content-Oriented Guidelines (2009) and the SDMX User Guide (release 2009.1) were released on the SDMX website (<http://SDMX.org>). The Content-Oriented Guidelines recommend practices for exchanging data and metadata using the SDMX technical standards and include the provision of cross-domain concepts and code lists that will help achieve more efficient exchange of comparable statistical information. On the other hand, the User Guide aims to provide practical explanations and guidance to users and potential users of SDMX and is addressed to both the subject-matter expert and the IT specialist.

18. These releases preceded the second SDMX Global Conference, which was hosted by the OECD in Paris, during January 19-21, 2009. More than 260 experts from 75 countries and nearly 20 international organizations contributed to a highly successful conference on ways to use SDMX standards and guidelines with mainstream technology. Conference topics

focused attention on practical experiences, tools and further opportunities for exchanging data and metadata. Through more than 40 presentations, participants communicated and demonstrated how SDMX standards and guidelines support more effective statistical processes within and between institutions as well as for statistical end-users. Important contributions particularly touched on web dissemination and using SDMX in internal systems.

19. Following the development of a “Data Structure Definition” (DSD) for the electronic exchange of balance of payments, IIP, and international reserves data, the IMF has setup systems to support the processing of data provided using this DSD, as well as for the dissemination of BOP data using SDMX. On the receiving end, the IMF is taking advantage of its existing “Integrated Correspondence System” to collect and process SDMX-encoded external sector data. On the dissemination end, the SDMX data files are made available on the IMF website. Over the next two years, the IMF intends to expand both the collection and dissemination of data using SDMX, including under the Economic Data Dissemination project, which will revamp electronic data dissemination by STA.

IV. AVAILABILITY OF OTHER DATA

A. Financial Crisis and Additional Data Needs

20. Because of the continuing deterioration in the outlook for the real economy, leading policy makers are asking for yet more timely and frequent data. Against this background, the Inter-Agency Group on Economic and Financial Statistics² (Group) held its first meeting in New York in February 2009, and agreed on the need to demonstrate responsiveness to the needs of policy makers. The focus of the Group’s work is on data availability, both creating a joint website accessible by the public with key aggregates for G20 and a few other economies, and on identifying gaps in economic and financial data. A brief report on work of the Group will be presented for discussion by the IMF during the morning of March 20, 2009 (TFFS 09/19).

B. Public Sector Debt Template

21. Progress in the implementation of the Public Sector Debt Template (PDT) has been delayed partly due to rescheduling of the IMF Executive Board discussion on the use of fiscal data in surveillance work and their presentation in accordance with the *GFSM 2001*. STA staff will keep the TFFS informed of future developments on this topic.

C. IIP Data Reported to the Fund

22. In May 2008 the paper Review of Data Provision to the Fund for Surveillance Purposes (2008 Review) was presented to IMF Executive Board. Evolving data needs, including the measurement of positions and exposures vis-à-vis the rest of the world, were

² The members of the Group are the BIS, ECB, Eurostat, IMF, OECD, World Bank, and the UN. The IMF chairs the Group.

discussed. It was recognized that assessing developments in a country's IIP has become key for Fund surveillance and that developments in a country's net foreign assets are an important component of national and international stability. The Board supported giving a higher profile to IIP data, while also recognizing that some countries face capacity constraints in producing these data. One of the four data needs highlighted in the 2008 Review was the need to expand country coverage of IIP data. Significant progress has been achieved in the last ten years—from under 40 economies reporting IIP data to STA for publication in 1998 to 116 economies in 2008.

23. To address this data need, STA has launched an initiative to assist a subset of countries in compiling IIP statistics, notably those countries that STA considers could potentially develop such data in the near future. These countries have been identified on the basis of information that STA staff obtained from discussions at recent balance of payments courses or from recent technical assistance missions. As a first step, a core group of ten countries were selected to be in the pipeline to compile IIP data. To date, interest in participating in the project has been keen and a “pre-pipeline” list of countries is being maintained to fill spots in the pipeline as they become available. In addition to expanding the number of new IIP reporters, STA is continuing to encourage late IIP reporters to submit their data in a timelier manner to STA.

24. A second ongoing initiative by STA involves the development of IIP world and regional tables. The first phase of the project, to produce IIP world tables from data reported to STA by countries, has been completed and a set of tables for the period 2001-2007 has been produced. The second phase of the project will include estimations for nonreporters and late reporters to produce world and regional aggregates, similar to the coverage in the balance of payments world and regional tables (*BOPSY*, Part 2). This is a more complex and resource-intensive phase of the project.

D. Progress of Fund Work on the CDIS

25. As advised at last year's meeting, the IMF will undertake a Coordinated Direct Investment Survey (CDIS) with respect to the reference year ending December 31, 2009. The ECB, Eurostat, OECD, and UNCTAD are involved in the work on conducting the CDIS. One hundred and thirty economies have indicated interest in participating in the survey.

26. The purpose of the CDIS is to improve the comprehensiveness and consistency of direct investment position statistics in the IIP and by counterpart economy. More specifically, the objective of the CDIS is to collect for all economies, comprehensive and harmonized data on direct investment positions, broken down between equity and debt, by counterpart economy of direct investor (for inward direct investment) or of direct investment enterprise (for outward direct investment).

27. A survey guide providing the conceptual framework of direct investment and practical guidance on conducting the survey, including model forms, is available at <http://www.imf.org/external/np/sta/cdis/index.htm>.

28. During 2008, 189 participants from 128 jurisdictions attended regional seminars on CDIS. The seminars were held in Barbados (for the Atlantic and Caribbean economies); Luxembourg (for countries of the European Union and the European Free Trade Area); Malaysia (for countries of the Asian-Pacific region); Mexico (for Latin American countries); Oman (for countries of the Middle East); Slovenia (for formerly centrally planned economies of Eastern Europe that are not part of the EU and Central Asia); South Africa (for Anglophone African countries); and Tunisia (for Francophone African countries). Follow-up workshops will be held in 2009 for countries and/or regions where such workshops are deemed beneficial.

29. The CDIS is modeled along the lines of the Coordinated Portfolio Investment Survey, which the IMF has conducted on an annual basis since 2001. Information on the geographical distribution of the stock of inward and outward direct investment capital in a CDIS database will augment the bilateral position data available from the CPIS. Partner country information will be available for all countries, including those that do not participate in the survey.

30. Participants will be asked to provide preliminary data on the CDIS to the IMF by September 2010. The IMF plans to release these data towards the end of 2010 or early 2011. Revised data will be sought by March 2011 for release by the IMF in June or July 2011.

E. CPIS Improvements Project

31. The results of the 2007 Coordinated Portfolio Investment Survey (CPIS 2007) are posted on the IMF website (<http://www.imf.org/external/np/sta/pi/datars1.htm>). The survey comprises information on the stock of cross-border holdings of securities—equity and debt—valued at market prices at end-2007. The survey covered 72 economies and jurisdictions that reported their holdings of portfolio assets at end-2007 to STA. The data indicate that total portfolio investment assets grew in nominal terms by some 21 percent in 2007.

32. Participation in the CPIS has increased over the years from 29 economies in 1997 to 72 economies in 2007. Although participants now include all major industrialized economies and many emerging market economies, the survey could benefit from increased geographic coverage to include more Asian and oil producing economies. This could be done through targeted CPIS missions to increase awareness and/or during regular balance of payments missions.

33. Plans are afoot to bring about improvements in data quality as well as dissemination formats. In terms of data quality, efforts would be made to improve the coverage and timeliness of data through outreach or voluntary initiatives involving selected economies. Such efforts will combine current initiatives to improve data consistency through improved verification routines. In terms of data dissemination, there is a need to develop an interactive system for data dissemination as well as the development of a time-series software. Countries will be also be encouraged to update their CPIS metadata on a timely basis.

F. Reserves Data Reported to the Fund

34. STA plans to update the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Reserves Guidelines)* to align it with *BPM6*, and to take

account of staff experience accumulated in monitoring SDDS subscribers' observance of the Reserves Template. This work is to be conducted through the Reserve Assets Technical Expert Group (RESTEG) that was first established to help staff revise the methodology for reserve assets for *BPM6*. The work is intended to be completed during 2009.

35. As foreshadowed in the recent IMF's Executive Board discussion on the Review of Data Provision to the Fund for Surveillance Purposes, the treatment of exchange-traded futures in the Reserves Template, including those settled in domestic currency, was modified to capture these exposures and to be consistent with a recent Board decision. The changes in the Reserves Template will be effective in August 2009, for the reporting of July 2009 data, and will be incorporated in the revision of the *Reserves Guidelines*. These changes will bring consistency between the reporting of financial derivatives in the Reserves Template and the amendment to Annex A of Article VIII Section (5) of the IMF Articles of Agreement, as agreed by the Executive Board in May 2008. STA expects that these changes will result in little added reporting burden for most compilers.

V. TFFS WEBSITE

36. As agreed during the 2008 TFFS meeting, the TFFS website was launched on December 19, 2008, coinciding with the 10th year after the TFFS reconvened. The TFFS website is available at www.tffs.org. To this end, the IMF bought the domain name "tffs.org" for a ten-year period. The IMF, as the TFFS secretariat, was in the lead of the project and is responsible for managing the TFFS website. A proposal of the TFFS website was sent for comments to TFFS agencies in July 2008, based on which a mock-up was sent for approval in November 2008. All TFFS agencies provided their logos and authorized the inclusion of links to their institutional websites in the TFFS site home page.

37. The TFFS website was launched to make the relevant nonconfidential documentation available to the general public visibly under the TFFS banner. The TFFS website constitutes a chronological reporting of TFFS activities, and includes relevant documents on the (i) main activities of the TFFS, broken down into methodology, data availability, data quality, and capacity building; (ii) meeting and reports, (iii) related material, including additional documents and related sites; and (iv) contact information. Starting from the 2008 TFFS meeting, the agenda, minutes, and activity reports of the attending TFFS agencies have been posted to the TFFS website.

38. Looking forward, it would be important that TFFS agencies provide in their own websites a direct link to facilitate awareness and access by the general public to the TFFS website. A brief live presentation of the TFFS website will be made in the morning of Friday, March 20, 2009.

VI. CAPACITY BUILDING

A. Training on External Debt Statistics

39. The IMF, with the collaboration of other members of the TFFS, has continued to promote the *External Debt Guide* through training courses. As it was advanced at the 2008 TFFS meeting, training on external debt statistics has been reduced drastically in order to

accommodate training in *BPM6*. During April 2008-March 2009, the IMF conducted one regional course on IIP and external debt statistics for south Asian and east African countries held at the Joint India-IMF Training Program (Pune, September 2008). The course focused on providing training in the methodology and practices of compiling and disseminating IIP and external debt statistics to about 30 participants from central banks and ministries of finance from 10 South Asian and East African countries. The course benefited from the expertise and practical experience of staff from the BIS, ComSec, and UNCTAD.

40. The IMF also continued its collaboration in training activities on external debt issues led by other TFFS agencies. The IMF participated in a three-day seminar on the GDDS/QEDS Initiative and External Debt Reporting using the CS-DRMS organized by ComSec (London, December 2008). The main objective of the seminar was to promote the participation of the ComSec member countries in the initiative. About 40 delegates from 30 countries, the Macroeconomic & Financial Management Institute of Eastern and Southern Africa (MEFMI), and the West Africa Institute for Financial and Economic Management (WAIFEM) participated in the seminar.

41. Looking ahead, the IMF will conduct during 2009 the third biannual course on external debt statistics at Headquarters (July 2009), and one regional course on IIP and external debt statistics for African Countries. TFFS agencies would be invited to participate as in previous external debt courses.