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**IMF Occasional Report on Activities Relating to External Debt Statistics,
April 2007–March 2008**

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

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I. UPDATE ON SDDS AND GDDS

1. Since the previous TFFS meeting in March 2007, no additional countries have subscribed to the IMF's Special Data Dissemination Standards (SDDS) keeping to 64 the number of subscribers at end-March 2008. Except for few cases, SDDS countries have continued meeting the prescription for external debt—only two countries do not disseminate a breakdown by sector and instrument in their national websites. Nevertheless, these countries provide the prescribed SDDS breakdown to the World Bank's Quarterly External Debt Statistics (QEDS) database. As advanced in the previous TFFS meeting, annual compliance reports by individual countries for 2006 were produced the IMF's Statistics Department (STA) and posted in the IMF website in June 2007. Similar reports for 2007 will be posted during the first half of 2008.
2. Further progress was made in the participation by countries to the General Data Dissemination System (GDDS) since the last TFFS meeting, with three economies (Macao SAR in August 2007, Syria in December 2007, and Saudi Arabia in March 2008) participating, thus bringing the total number to 91 at the end of March 2008. The GDDS has public and publicly-guaranteed as core external debt data category. The data are not reported by GDDS participants to the IMF though 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 early this year, the World Bank's Quarterly External Debt Statistics (QEDS) database was extended to include public and publicly guaranteed data for a selected number of GDDS countries.
3. In order to improve the GDDS performance and relevance, STA has recently prepared a paper for the IMF Executive Board identifying the need to make a number of changes to the GDDS framework including strengthening the data dissemination aspect, and simplifying and reformulating the data categories to more closely aligned with those of the SDDS. The IMF Executive Board suggested STA to invite GDDS participants and users to send comments by June 30, 2008.

II. METHODOLOGICAL WORK

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

4. Around sixty sets of comments were received from the worldwide consultation after a first draft version of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* was posted on the IMF external website in March 2007. From June to September 2007, IMF staff revised the draft *BPM6* to take into account comments received and developments on the *1993 System of National Account (SNA) Revision 1*. A revised draft was discussed by the IMF Committee on Balance of Payments Statistics (the Committee) at its meeting in October 2007. The Committee resolved the relatively few key issues emerging from the worldwide consultation that needed Committee discussion.

5. In March 2008, a revised draft will be posted on the IMF external website at <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>, reflecting the decisions reached and taking account of recent work of the International Trade in Services Task Force, and on the fourth edition of the OECD *Benchmark Definition of Foreign Direct Investment (BD4)*. The Committee meeting in October 2008 will receive and discuss a near ‘final’ version of *BPM6* for approval, after which the intention is to post an electronic final version on the IMF’s external website by end-2008. The hardcopy is to be published in 2009.

6. The Committee also discussed a paper setting out a strategy for the *BPM6* implementation at the international level. Central to the implementation strategy is the changeover of data in the *Balance of Payments Statistics Yearbook (BOPSY)* to the presentation of the data according to *BPM6*. The Committee noted that effective implementation would require coordination with the implementation of related datasets, such as the *1993 SNA Rev1*, and the OECD’s *BD4* for direct investment statistics. Provisionally, 2012 or 2013 are set as the possible dates for converting the *BOPSY* to *BPM6*.

B. Issues on external debt statistics emerging from *BPM6*

7. The Fund has been working 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*. As indicated in last year’s paper TFFS 07/20 on the update of *BPM5*, the *External Debt Guide* remains largely consistent with the new standards. Only a limited number of changes in *BPM6* will require methodological changes in the *External Debt Guide*, while most changes in *BPM6* will imply either minor modifications in concepts and classification or clarifications/precisions in the methodological treatment.

8. A paper on the changes in *BPM6* affecting the *External Debt Guide* (TFFS 08/21) has been prepared and is scheduled to be discussed in the morning of April 4, 2008. 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 between completion of *BPM6* at end-2008 and when the *External Debt Guide* is updated.

C. Public sector debt statistics guide

9. In response to the demand of several agencies, STA raised for discussion at the March 2007 TFFS meeting the need for a guide on public sector debt statistics that would provide a conceptual framework for the Public Debt Template (PDT). The members agreed in principle with the need for such a guide, which could be based on the principles of the *External Debt Guide*. Most members expressed a willingness to be involved in its preparation, but requested a project outline before making any commitments. In this connection, it was agreed that the IMF would prepare a brief project outline on which agencies (including the IMF itself) could make a decision about their level of potential participation. The outline (TFFS 08/20) will be presented to the TFFS for review and comments during this morning of April 4, 2008. Following revision and approval of the outline, members will be requested to volunteer their services to prepare specific chapters of the guide.

III. EXTERNAL DEBT DATA AVAILABILITY

A. JEDH Issues

10. A new version of the Joint External Debt Hub (JEDH) went public at end-January 2008, following a soft launch procedure; i.e., it was posted on the dedicated website without any publicity. The publicity, in the form of a joint IMF-World Bank press release, came one month later, when it was coupled with the announcement of the extension of the QEDS database to GDDS participants.

11. The new JEDH incorporates all the improvements previously agreed within the TFFS, essentially the inclusion of Berne Union data on insured export credit exposures and changes in the layout of the creditor/market table to accommodate an additional column to display four quarters instead of three, and two additional lines on total liabilities to BIS reporting banks, previously included in the Joint Debt Statistics table, but left out of the initial version of the creditor/market table.

12. These enhancements were the results of collaborative efforts between the BIS and the Berne Union, the IMF (STA), and the World Bank. For STA, this meant working with the BIS to review and validate the Berne Union data, essentially through plausibility checks (comparison with last available corresponding OECD data, and inter-temporal evolutions), and with the World Bank to review and test the physical changes to the JEDH.

13. Finally, STA also devoted some time to answering the queries received in the JEDH shared mailbox (4-5 on average, each month). A paper on JEDH—developments since the last TFFS meeting (TFFS 08/12) has been prepared and is scheduled to be discussed in the morning of April 3, 2008.

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. During 2007, there were slightly under 5,000 QEDS hits per month. In particular, since the 2007 TFFS meeting 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. The project benefited from comments made by the IMF's Policy and Development Review Department (PDR) as well as from comments made by ComSec and UNCTAD in determining the priority list of countries to be invited to participate in the first stage of the project.

15. The QEDS database was expanded to GDDS countries on February 27, 2008, when data from a selected number of LICs were posted in the QEDS website. The World Bank will present to the TFFS the progress made in the project and the way forward for discussion in the morning of April 3, 2008.

IV. AVAILABILITY OF OTHER DATA

A. Public Sector Debt Statistics

16. The draft Public Debt Template (PDT), developed by the STA and PDR in response to the increased demand from a variety of users for public debt data, provides a comprehensive analytical framework for compiling and disseminating public debt statistics; thus, strengthening the statistical foundation of fiscal sustainability and vulnerability analysis. The draft PDT is aligned with the Government Finance Statistical Manual (*GFSM 2001*), the *External Debt Guide*, and the *System of National Accounts 1993 (1993 SNA)*.

17. The prototype data-compilation and reporting exercise conducted by STA in 2005 and 2006 on a limited number of countries met with limited success, with only six countries reporting data to STA. Given this experience, the TFFS agreed in March 2007 with the Fund's proposal to populate the PDT first with data currently available to the international agencies and to avoid making requests to countries for additional data at this stage. To facilitate this work, a subgroup on Public Debt Statistics was created, chaired by the IMF and comprising the World Bank, Commonwealth Secretariat, and UNCTAD.

18. Responding to the need to develop a broad range of statistics to the area departments of the IMF that could be used for macroeconomic analysis, STA has focused its most recent efforts on tailoring the PDT to reflect economic and financial characteristics common to groups of countries belonging to the same region. As a first step, staff have customized the PDT for countries in Africa and Central America and have populated the templates with data from existing sources. The preliminary results of this exercise will be presented to the TFFS for review in the morning of April 3, 2008. Members will be asked for their views on the development of a public sector debt statistics database, based on a strategy of customizing the PDT to reflect regional economic and financial characteristics.

B. SDMX Project

19. 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. An updated draft SDMX Content-Oriented Guidelines (February 2008) has been released on the SDMX website (<http://SDMX.org>) for a three-month public comment period ending on May 31, 2008. Within the framework proposed by the Guidelines, SDMX sponsoring institutions are collectively identifying cross-domain concepts that are commonly used in SDMX messages and will facilitate information-sharing about these domain-specific developments through the SDMX website (e.g., announcement of new activities, maintenance activities, opportunities to provide expert input and links to domain-specific websites). SDMX developments are currently taking place in the following statistical subject-matter domains: national accounts, balance of payments, commodity trade statistics, external debt statistics, education statistics, food and agriculture statistics, labor statistics, and millennium development goals indicators.

20. Using the Guidelines' framework, the IMF has developed a draft "Data Structure Definition" for the electronic exchange of balance of payments, IIP, and international

reserves data (more details are available at http://sdmx.org/wp-content/uploads/2008/02/sdmx_bop.doc) that is being reviewed by the ECB and Eurostat, which are involved in developing SDMX exchange structures for the external sector domain.

21. At the 39th session of the United Nations Statistical Commission (February 26-29, 2008), SDMX was recognized as the preferred standard for the exchange and sharing of data and metadata. The Commission also encouraged implementation by national and international statistical organizations.

C. Survey on External Sector Data Collection by TFFS Agencies

22. At the request of the IMF Committee on Balance of Payments Statistics (the Committee) in its October 2006 meeting, STA undertook to obtain an initial overview of the external sector data collected by international agencies, with the view to help achieve greater coordination by international agencies in their collection of data from countries. Taking this work forward, STA, in consultation with other agencies, designed a survey form seeking voluntary information on data collected by six international agencies. The initial results of the survey were discussed at the TFFS meeting last year, with the final report presented to the Committee in October 2007 (see document TFFS 08/22).

23. The Committee agreed on the need for international agencies to collaborate on the supply of external sector data, particularly in planning for the implementation of *BPM6*. Following the meeting, IMF staff have begun contacting other international agencies involved in balance of payments statistics work to set up a small network of contacts to help ensure that there is coordination among international agencies during the implementation of *BPM6*. One way in which inter-agency cooperation can be advanced and strengthened is through the SDMX project, which allows uniform data coding across agencies and provision of underlying methodology through metadata.

D. Progress of Fund Work on the CDIS

24. The IMF will undertake a Coordinated Direct Investment Survey (CDIS) with respect to the reference year ending December 31, 2009. The purpose of the CDIS is to improve the comprehensiveness and consistency of direct investment position statistics in the international investment position and by counterpart economy.

25. Specifically, the objectives of the CDIS are to collect the following data items:

- 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).
- Data for both inward and outward direct investment positions are sought; nonetheless, for countries where outward direct investment is not material, data covering only inward direct investment positions may be provided.

26. A pragmatic strategy has been adopted to implement the CDIS that is made up of four pillars: (i) producing a CDIS Guide; (ii) extending invitations to participate in the CDIS; (iii) raising awareness and conducting outreach and training activities; and (iv) engaging international and regional organizations in actively supporting the CDIS.

27. Much work on these pillars has recently been accomplished.

- The IMF formed a task force to provide input in the drafting of a survey guide. The drafting has been completed and it is expected that the guide will be posted on a newly created public website of the IMF in March 2008.
- In August 2007, the IMF Managing Director sent invitations to all IMF members and to a few nonmember economies. Over 120 economies have indicated interest in participating in the survey.
- A series of regional seminars is being organized. The first was held in Slovenia in March 2008, and there may be eight more by July 2008.
- Selected international organizations have been actively involved throughout the CDIS implementation process, including the OECD, the Statistical Office of the European Communities, ECB, and UNCTAD.

28. The CDIS is modeled along the lines of the Coordinated Portfolio Investment Survey (CPIS), which the IMF has conducted on an annual basis since 2001. Information on the geographical distribution of the stock of inward and outward FDI 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.

V. EXTERNAL DEBT DATA QUALITY

A. IIP and External Debt Comparison Work

29. In early 2006, STA initiated the implementation of a project to assess the consistency of external debt data reported by SDDS countries to the QEDS and corresponding data series produced by countries and reported in the international investment position (IIP). The project was geared towards improving countries' external debt and IIP data for effective use in economic surveillance work. Comparator tables were produced for all countries that reported both external debt data for the QEDS and IIP data for *BOPSY 2005* and *BOPSY 2006*. When appropriate, these tables were sent to countries for verification of the discrepancies particularly in sector, maturity, and instrument classification. Main differences were reviewed, and for some countries, specific actions for closing the gaps were identified. A brief paper on the subject was distributed during the previous TFFS meeting (TFFS 07/14).

30. Looking ahead, STA will continue giving high priority to assessing the consistency of these data as part of its external debt quality work program. The preparation of these comparator tables has been already included in the work program of STA's Statistical Information Management Division (SIMD) for 2008. To this end, a semi-automated IT

application is already available to produce comparator tables as requested by STA economists as part of their country data work on external sector statistics.

VI. CAPACITY BUILDING

A. Regional Training on External Debt Statistics

31. The IMF, with the collaboration of other members of the TFFS, has continued to promote the *External Debt Guide* through regional training courses. During April 2007-March 2008, the IMF conducted three courses on external debt statistics at Headquarters (Washington D.C., September 2007), the Joint Vienna Institute (Vienna, October 2007), and the Joint Africa Institute (Tunis, November 2007). These courses focused on providing training in the methodology and practices of compiling and disseminating external debt statistics to about 100 mid-level compilers from 63 countries.

32. The IMF also continued its collaboration in regional training activities on external debt issues led by other TFFS agencies. The IMF provided two-to-three days training on external debt methodology and compilation practices in regional courses organized by UNCTAD (Panama City, April 2007), mainly for Spanish-speaking countries in Central America and the Caribbean, and by COMSEC (Perth, August 2007) from Commonwealth member countries in the Asia Pacific region. Through these two seminars training on external debt issues was provided to about 50 government officials from 18 countries.

33. Looking ahead, the IMF will conduct during 2008 one regional training course on international investment position (IIP) and external debt statistics for south Asian and east African countries to be held the Joint India-IMF Training Program (Pune, September 2008). Two additional courses on external debt statistics are being considered during 2009, one for Portuguese-speaking African countries (Lisbon, April 2009) and one at IMF Headquarters (Washington D.C., October 2009). The dates of these courses will be confirmed in due course and TFFS agencies would be invited to participate as in previous such courses.