

**Eighteenth Meeting of the
IMF Committee on Balance of Payments Statistics
Washington D.C., June 27—July 1, 2005**

Report of the Inter-Agency Task Force on Finance Statistics—April 2005

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

Inter-Agency Task Force on Finance Statistics Meeting in April 2005

1. *As part of the continuing inter-agency collaboration on the work on external debt statistics, the Inter-Agency Task Force on Finance Statistics (TFFS) held its annual meeting at the Commonwealth Secretariat in London in April 25-26, 2005. During the meeting, representatives of participating TFFS agencies¹ deliberated on a number of issues related to their work on debt including the Fund's draft Data Quality Assessment Framework (DQAF) for External Debt Statistics, the status of the World Bank Quarterly External Debt Statistics (QEDS), recent developments in the production of the BIS-IMF-OECD-World Bank Joint Debt Statistics Table (JDS), the status of the SDMX Joint External Debt hub (JEDH), development of comparator external debt tables for JEDH, and public sector debt statistics templates. Other issues also discussed by the TFFS included the balance sheet approach and its implications for external debt statistics, progress with the work of updating BPM5—particularly issues that have implication on the External Debt Statistics: Guide for Compilers and Users, HIPC and exceptional financing in the balance of payments statistics (a paper for discussion in the agenda of BOPCOM), and recent activities of the TFFS agencies in the area of external debt statistics including technical assistance and training. This report is provided to BOPCOM members for information.*

I. DEVELOPMENT OF EXTERNAL DEBT STATISTICS DQAF

2. The TFFS members discussed and supported the finalization of the External Debt Statistics DQAF which was developed by the Fund to fill an existing gap in external debt statistics, particularly in the area of data quality. The External Debt Statistics DQAF is based on the general DQAF architecture developed by the Fund in 2003 and adds to the six other DQAF sets available for macro-economic statistics². It is envisaged that the External Debt Statistics DQAF will be a useful tool, not only potentially for the Fund work on the data module of the Reports on Observance of Standards and Codes (ROSCs), but also for other international agencies, governments institutions and national bodies interested in assessing the quality of external debt statistics.

II. WORLD BANK DEBTOR DATABASE

The TFFS noted with great appreciation the successful collaboration of the World Bank and the Fund in launching the QEDS database in November, 2004. The launch of QEDS brought to fruition the initiative of TFFS to assemble in one place detailed external debt data (debtor data) published individually by SDDS subscribing countries. The debtor database is located at:

¹ The TFFS agencies represented in the April meeting were the BIS, Commonwealth Secretariat, European Central Bank, IMF, OECD, World Bank and UNCTAD—the remaining agencies, Eurostat and Paris Club Secretariat did not attend.

² The other DQAFs are the Consumer Price Index, Producer Price Index, National Accounts, Government Finance, Monetary, and Balance of Payments statistics.

http://www.worldbank.org/data/working/QEDS/sdds_main.html. The availability of comparable external debt data in one central location is beneficial in facilitating time series analysis and cross-country data comparison. The TFFS noted that as of April 2005, over 50 countries had signed to the QEDS and virtually all currently provide data—although with some degree of unevenness. All countries provide data sought in Table 1 of the QEDS’ tables, which is consistent with the SDDS prescribed external debt items, and 16 report the foreign and domestic currency breakdown and 9 report a external debt service schedule. The TFFS was of the view that going forward more priority should be given to increasing the number of reporting countries particularly large debtors—including those outside SDDS—and the reporting of tables beyond Table 1, particularly the SDDS encouraged items, and remaining maturity.

III. JOINT DEBT STATISTICS

3. The April meeting of the TFFS considered the OECD decision in January 2005 to suspend work on external debt statistics due to budget constraints. Recognizing that the OECD’s decision would impact on the work of international community on external debt, the TFFS resolved to continue the production of OECD data series in the JDS table but in a streamlined manner through inter-agency cooperation.

4. The Fund presented a draft revised JDS table (see attached)—the first since the JDS table was launched in 1999—featuring 26 lines (almost double those in the current JDS table) covering data on loans, trade credits, debt securities, and the Fund’s CPIS data (the counterparty of creditor assets) as supplementary item given its annual frequency. The TFFS supported the revised table and agreed that it should be launched at the time of launching the JEDH at the end of 2005 (see below). The TFFS agreed that industrial countries should also be added to the list of countries for which data are presented.

IV. STATUS REPORT ON THE SDMX JOINT EXTERNAL DEBT HUB

5. The TFFS noted the progress in the work of developing the SDMX Technical Standards and the JEDH, which is being undertaken by the SDMX Pilot Project Team—involving the BIS, IMF, OECD and World Bank. The intention is that the JEDH would include both the JDS and QEDS databases.

6. As reported to BOPCOM in October 2004 (BOPCOM-04/42), the SDMX project has two parts—the technical design of the standards for data exchange, and the pilot implementation of the JEDH. SDMX Technical Standards Version 1.0 have been approved by the ISO Technical Specification paving the way for the next phase of the project. The work on developing JEDH is progressing as scheduled, and in the April meeting the TFFS had the opportunity to preview the demonstration of the prototype JEDH website accessing information directly from the Web. Noting that there is evidence that the JEDH project is feasible and will eventually lead to lower costs in data dissemination, the TFFS supported further development and testing of JEDH but underscored the need for more work on data quality assurance (including business rules) and the need for the TFFS to review and agree the comprehensive

statistical concepts (*key families*) of JEDH. With regard to the latter, the TFFS members would jointly own the *key families* and would determine and approve any enhancements.

V. DEVELOPING COMPARATOR EXTERNAL DEBT TABLES FOR THE JEDH

7. The Fund presented a discussion paper—“Developing Comparator External Debt Tables for the SDMX Hub”—which was produced in close consultation with the BIS and the World Bank as part of the work commissioned by the TFFS in May 2004 for advancing the SDMX project. With the development of SDMX technology, and the intention to include debtor and creditor data in one hub, the next phase of the work is emerging—user comparisons of debtor and creditor data. Against this background, the development of a comparator table and associated metadata by the TFFS would help structure the comparisons being made and anticipate frequently asked questions about the differences between the datasets.

8. The paper explored pertinent issues in the comparison using a sample of five countries—each with data reported both in QEDS and JDS. The main proposal in the paper was that comparisons should be undertaken in a phased manner i.e., at the first phase comparison could be undertaken at the instrument level for three instruments—loans, debt securities and trade-related credits—and in the second phase extended to sector and maturity level. The TFFS agreed to this proposal in taking forward the work. It was also agreed that a letter explaining the JEDH and comparison tables would be sent to countries whose debtor and creditor data are to be available in the JEDH before it goes live.

VI. PUBLIC SECTOR DEBT STATISTICS TEMPLATES

9. As part of the undertaking of the Fund during the May 2004 TFFS meeting to investigate modalities for collaboration on the development of a comprehensive framework for compiling public debt data from country authorities, the Fund developed and presented to TFFS draft public sector debt templates for consideration. The draft templates are based on the concepts outlined in the *Government Finance Statistics Manual (GFS2001)*, *BPM5* and the *Debt Guide* and are consistent with debt data requirements under the SDDS and GDDS subscribers. Currently the SDDS prescribes the dissemination of data on central government debt, including guaranteed debt. For the public sector external debt component, the draft templates follows sectoral classification of institutions in *BPM5* and the *Debt Guide*, except for commercial banks (depository corporations), which are not shown separately.

10. The draft templates are divided into two complementary blocks: Template A and its subsections covers high-frequency (quarterly) data of the general government and monetary authority that are useful in conducting vulnerability and debt sustainability analysis; while Template B is broader in scope and focuses on annual data, including financial assets, to arrive at a net debt position of the public sector, which is useful for balance sheet analysis. The work of the Fund on developing public sector debt templates was well received by the TFFS. The Fund is to undertake pilot studies to test the templates in a sample of countries over the coming months.