

CURRENCY UNION TECHNICAL EXPERT GROUP (CUTEG)

OUTCOME PAPER (CUTEG) # 11-1

JANUARY 24, 2005

(1) Topic: **Intra/Extra issues at CU level**

(2) Issues – see CUTEG Draft Follow-up Paper #11

(3) Recommendations:

1. CUTEG agreed that the BOP/IIP of a CU (and EU) cannot result from the simple aggregation of national data and, therefore, the compilation of the BOP/IIP statement of a CU (and EU) has implications on the collection of data at the national level. In this regard, the issue of geographical allocation of flows, not essential for national data, becomes fundamental for the compilation of a CU BOP/IIP. In particular, the distinction between intra and extra CU transaction/positions is needed.

2. CUTEG agreed that the data categories in the BOP statement for which issues arise should be identified in the revised BOP manual and that there is a need for methodological harmonization among countries member of a CU. In some instances, such as trade, different conceptual approaches are needed compared with national bop data and these should be discussed in the revised BOP manual. Only practical CU and EU compilation issues should be dealt with in the revised BOP Compilation Guide.

3. The group noted the importance of metadata to know the different methodological approaches taken by countries and pointed to the necessity to arrange meetings or to share information to achieve greater consistency between CU member countries.

(4) Rejected Alternatives:

None.

(5) Actions

None.