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Recent Developments and Current Initiatives

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

INTERNATIONAL MONETARY FUND



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Statistics Department
2010



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A MESSAGE FROM THE DIRECTOR



I am pleased to describe our department's services and products in this year's *Recent Developments and Current Initiatives*.

Our department provides an important service to the IMF membership and the international community by facilitating the provision of comprehensive, timely, comparable and consistent data across countries. The global financial crisis demonstrated the lack of data in key areas that might have helped authorities measure and understand the risks to the international system that arose from increasingly integrated economies and financial markets. The Statistics Department is leading international initiatives to address data gaps which are relevant to the work of the IMF in multilateral and bilateral surveillance. This includes working with other IMF departments, other international agencies, and the Financial Stability Board 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. The Principal Global Indicators—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 in one location—and the Financial Soundness Indicators website continue to be enhanced and upgraded. These initiatives align with the priority in addressing gaps in data to help assess financial stability and vulnerability in systemically important economies and institutions.

The department continues its efforts to support the development and implementation of methodology in macroeconomic statistics and countries' participation in the Report on the Observance of Standards and Codes, the Special Data Dissemination Standard (SDDS), and the General Data Dissemination System, the latter forming the basis for our capacity-building activities (technical assistance and training), especially in low income countries. A new five-year Enhanced Data Dissemination Initiative, launched in April 2010 and funded by the United Kingdom Department for International Development, will provide the support to scale up our statistical capacity building efforts in Africa. The SDDS has been further strengthened with the IMF's Executive Board approval in March 2010 to broaden the coverage and timeliness of financial indicators.

I hope you are now very curious to read more about our activities in this note!

Adelheid Burgi-Schmelz
Director
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CONTENTS



Contents	Page
A Message From the Director	2
Section 1. Introduction	4
Section 2. Response to the Financial Crisis	5
Section 3. Data Management and Publications	7
Section 4. Standards for Data Dissemination	10
Section 5. Support of Surveillance	15
Section 6. Statistical Methodologies	19
Section 7. Capacity Building and Training	29
Section 8. International Statistical Coordination and Cooperation	34

Boxes

Box 1. GDDS Phase II Project for Anglophone Africa	13
Box 2. Enhanced Data Dissemination Initiative Project	14
Box 3. Selected Research Papers by Staff of the IMF Statistics Department	16
Box 4. Data Module ROSCs Completed, by Country Groups	18
Box 5. Updated International Standards for National Accounts Statistics	20
Box 6. <i>Export and Import Price Index Manual: Theory and Practice</i>	21
Box 7. Government Finance Statistics: Current Initiatives—Reference Materials.	22
Box 8. 2009 Coordinated Direct Investment Survey (CDIS)	27
Box 9. Technical Assistance Delivery.	31
Boxes 10–11. Courses on Macroeconomic Statistics in 2009–10	33

Selected Abbreviations

1993 SNA = System of National Accounts 1993; 2008 SNA = System of National Accounts 2008; BOPSY = Balance of Payments Statistics Yearbook; BPM5 = Balance of Payments Manual, fifth edition; BPM6 = Balance of Payments and International Investment Position Manual, sixth edition; CDIS = Coordinated Direct Investment Survey; DOTS = Direction of Trade Statistics; DOTSY = Direction of Trade Statistics Yearbook; DQAF = Data Quality Assessment Framework; GDDS = General Data Dissemination System; GFSM 2001 = Government Finance Statistics Manual 2001; GFSY = Government Finance Statistics Yearbook; FDI = Foreign Direct Investment; FSIs = Financial Soundness Indicators; IFS = International Financial Statistics; MFSM = Monetary and Financial Statistics Manual; ROSC = Report on the Observance of Standards and Codes; SDDS = Special Data Dissemination Standard; SRF = Standardized Report Form.



SECTION 1

Introduction

This report, prepared on the occasion of the IMF's 2010 Annual Meetings, summarizes the activities of the IMF's Statistics Department 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.

The Statistics Department 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 respond to new demands arising from the ongoing global economic crisis and the alignment of its core areas of activity with the strate-

gic directions of the IMF in an environment of reduced resources following a major downsizing in 2008 as well as major institutional reforms.

The Statistics Department's activities encompass the following:

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

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



Response to the Financial Crisis

The 2007–09 financial crisis pointed to important data and information gaps that hindered the appropriate identification of financial sector vulnerabilities. In November 2009, the Statistics Department and the Financial Stability Board (FSB) Secretariat, and in consultation with official users of economic and financial data in G-20 economies and key international organizations, produced a report for the G-20 ministers of finance and central bank governors outlining 20 recommendations to address data gaps (see report at <http://www.imf.org/external/np/g20/pdf/102909.pdf>). They are clustered around four themes: strengthening data essential for effectively capturing and monitoring the build-up of risk in the financial sector; improving data on international financial network connections; strengthening data needed to monitor the vulnerability of domestic economies to shocks; and promoting effective communication of official statistics to enhance awareness of available data for policy making purposes.

Addressing Data Gaps

Following the adoption of recommendations to address data gaps by the G-20 ministers of finance and central bank governors (G-20 data gaps initiative), the Statistics Department and the FSB Secretariat organized a high-level conference in Basel during April 8–9, 2010, hosted by the Bank for International Settlements (BIS). The participants noted that implementing some recommendations posed challenges and agreed that there was need for prioritization and additional resources for statistical functions (see <http://www.imf.org/external/np/seminars/eng/2010/infogaps/index.htm>). The most challenging recommendations to implement, such as gaining a better understanding

of financial networks, are among the most important for financial stability analysis. These views were reflected in the June 2010 G-20 progress report submitted to the G-20 ministers of finance and central bank governors for their meeting in Busan, South Korea (see <http://www.imf.org/external/np/g20/pdf/102909.pdf>). The Statistics Department plans to visit and discuss with the G-20 authorities the challenges, resource implications, and reporting involved in implementing the action plans set out in the June 2010 progress report. These discussions will form the basis of the next progress report requested by the G-20 finance ministers and central bank governors for June 2011. The report is expected to provide detailed information on progress in data compilation and dissemination for each G-20 economy (see related article at: <http://www.imf.org/external/pubs/ft/fandd/2010/09/index.htm>).

Data Availability

In late 2008, the IMF created the Inter-Agency Group on Economic and Financial Statistics (Inter-Agency Group) involving the BIS, the European Central Bank (ECB), Eurostat, the Organization for Economic Co-operation and Development (OECD), the United Nations (UN), and the World Bank. The main objectives 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. The G-20 data gaps work has benefitted from consultations and coordination among the members of the Inter-Agency Group.

The Inter-Agency Group launched the Principal Global Indicators (PGI) website

(www.principalglobalindicators.org) in April 2009. The website provides selected statistical tables to facilitate the monitoring of economic and financial developments for the group of 20 (G-20) economies. In December 2009, a major update of the PGI website was released. Several new features have been introduced, including:

- additional cross-country tables of key indicators with more data transformations to facilitate cross-country analysis
- longer runs of historical data through real-time access to the underlying PGI database
- improved user interface with expandable navigation tree
- on-line access to referential metadata (information about the data)
- visual display of key cross-country indicators.

The PGI site gives prominence to cross-country indicators, emphasizing the comparability of data. The intuitive navigation tree on the left-hand side of the data table provides access to over forty cross-country tables that display data using comparable and harmonized units of measure. All the tables allow users to select units of measure provided in a drop-down menu; to display longer time series, if needed; and to download data into Excel. Referential metadata, which provide information on the data sources, economic concepts, and national practices used in compiling the data, are available by clicking on the various red “i”s that appear in the tables.

The website will continue to be enhanced over time. New indicators will be added including increased coverage of national data available from the G-20 economies.





Data Management and Publications

Economic Data and Metadata Warehouse (IMF.Stat)

The IMF Data Warehouse is the Fund's central repository of ordered economic data. The Data Warehouse's core datasets provide a highly comparable and comprehensive collection of macroeconomic and financial data and supporting metadata, including selected data from high-value commercial sources such as Bloomberg and Haver. These data are surfaced across many platforms and in many ways, including in initiatives such as the Principal Global Indicators (for users external to the IMF).

Work is near completion on the new IMF Data Explorer tool, which provides a platform for the speedy development of external and internal data and metadata sites (using the IMF Data Warehouse), in response to statistical information needs driven by the rapidly changing economic environment.

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 has developed a draft encoding structure for statistical agencies to report government finance statistics (GFS) using SDMX. The information was posted to and comments sought from both the SDMX website (www.SDMX.org) and the SDMX Users Forum (www.sdmxusers.org/forum). The Forum provides a virtual discussion space for individuals and organizations interested in SDMX and/or in the process of implementing SDMX. It is a place where issues, questions, and ideas can be brought forward for discussion by the SDMX community and

experts. Once finalized, this encoding structure for GFS data will be made available to data reporters using the Statistics Department's data reporting system (available at www.imf.org/external/np/sta/ics).

During the past year, the Statistics Department took advantage of the SDMX standards to improve the efficiency of its data exchange with the BIS. In addition, the department introduced an SDMX "web service" on top of the PGI website. This computer-to-computer data retrieval system allows users to set systems to automatically pull data from the PGI website. The Statistics Department is using it for the PGI data visualization tool—Data Mapper—where the data are pulled "on-the-fly" from the PGI dataset in the format needed by Data Mapper. This is one of the many benefits offered by the SDMX technology.

In May 2011, the IMF and World Bank will co-host the third SDMX Global Conference in Washington, D.C. It will highlight the business case for adopting the SDMX standards with presentations targeted to decision makers from national and international data producing agencies. In addition, the conference will provide an opportunity to discuss the SDMX standards and guidelines and their implementation at international and national levels, before a diversified audience, including statisticians and technical experts.

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 interna-

tionally recognized statistical standards and to report statistics in a regular and timely manner. The Statistics Department continually works with member countries to expand their data coverage and improve timeliness, and may also collect official data from country websites. As an example, this year's International Financial Statistics (IFS) Yearbook had improved timeliness for key indicators (GDP and Current Account). The IFS Yearbook was also produced one month earlier than in the past years. Countries that adopt the internet-based Integrated Correspondence System to submit data electronically to the IMF have seen the benefits of more timely data in the monthly IFS. In addition, the coverage of monetary and fiscal data continues to improve (See Figure 1).

The Statistics Department 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, 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>).

An important development has been the presentation of key indicators from selected databases in the IMF's data visualization tool, the IMF Data Mapper, available on the IMF's website. The visual representation of statistics enhances the accessibility and offers a more compelling view of the data.

The *IFS* currently contains financial and economic statistics for 180 member countries and for the Central African Economic and Monetary Community, the Eastern Caribbean Currency Union, the Euro Area, Hong Kong SAR, Macao



SAR, the West African Economic and Monetary Union, the West Bank and Gaza, and four non-members (Anguilla, Aruba, Montserrat, and the Netherlands Antilles) (See Figure 2).

The *BOPSY* publication contains data on balance of payments statistics for 176 jurisdictions and on international investment position (IIP) statistics for 123 jurisdictions, virtually all reported in the format recommended in the fifth edition of the *Balance of Payments Manual (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 127 jurisdictions presented at the level of the consolidated general government, along with relevant subsectors (e.g., central government). The data are supplemented by summary monthly and quarterly statistics in the *IFS*.

The *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

Figure 1.
Increase in coverage of IFS data

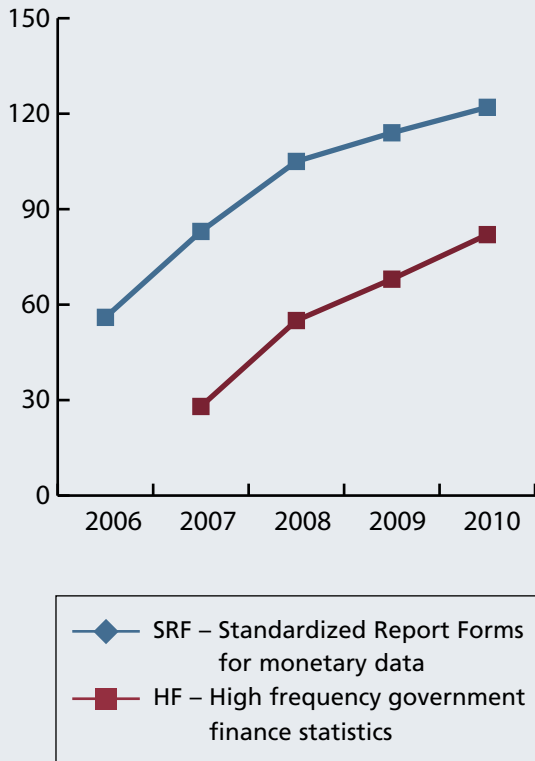
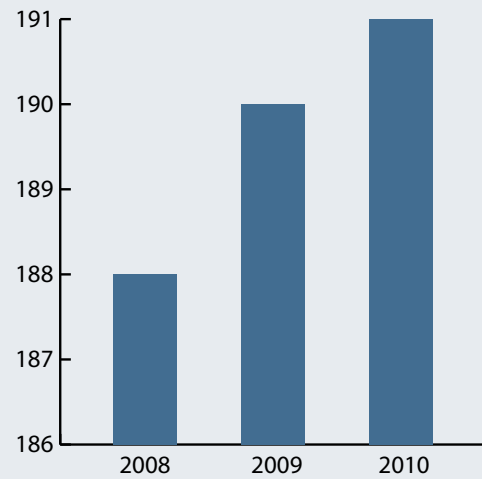


Figure 2.
Countries and Jurisdictions in IFS



imports are based upon 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.



SECTION 4

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), established in December 1997, is intended to guide all members of the IMF and forms the other tier of the IMF's data dissemination initiative. Both the SDDS and the GDDS 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 July 2010, there are 68 SDDS subscribers and 97 GDDS participants—accounting for about 88 percent of the IMF's member countries. The data dissemination initiative is intended to evolve along with the changing needs of policy makers and other users, which are evaluated during periodic reviews by the IMF's Executive Board. The most recent of which was the Seventh Review conducted in December 2008, followed by an Executive Board discussion on *Broadening Financial Indicators in the Special Data Dissemination Standard* in March 2010 (discussed below under the sections on the SDDS and the GDDS).

The SDDS

Currently, over one-third of the IMF member countries subscribe to 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. 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 on an Internet website, which contains the most recent actual data; the DSBB is electronically linked to these websites. The Statistics Department supports potential subscribers through its surveillance missions.

Experience with the SDDS

An indicator of the impact of the SDDS is the improvement in subscribers' ability to meet release dates. During the second quarter of 2010, approximately 90 percent of monthly and quarterly data categories were released on the date announced. By comparison, in 2000 only about 72 percent of monthly and 68 percent of quarterly data categories were released as announced in countries' advance release calendars. Annual reports on individual subscribers' observance of SDDS undertakings are posted on the DSBB; observance reports for 2009 were posted on the DSBB in May 2010.

At the Seventh Review of the Fund's Data Standards Initiatives in December 2008, the Executive Board considered proposals for further refinement of these initiatives. Executive Directors supported efforts to enhance quality aspects of the SDDS, by encouraging subscribers to undertake and publish periodic data quality assessments and requiring subscribers to indicate in the metadata where national statistical practices deviate from internationally accepted statistical methodologies. In March 2010, the IMF's Executive Board discussed the Statistics Department's paper, *Broadening Financial Indicators in the Special Data Dissemination Standard*. The paper



proposed and Board approved the inclusion of financial indicators in the SDDS. Following the discussion, the Board supported the proposal to incorporate seven financial soundness indicators (FSIs) and a new table on external debt on a remaining maturity basis in the SDDS on an encouraged basis. The Board also agreed to modify the SDDS to prescribe, with a four year transition period, IIP data with quarterly periodicity and timeliness to improve the usefulness for these data for surveillance.

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 April 2009, six countries—Algeria, Bhutan, Haiti, Iraq, Libya, and Serbia—started participating in the GDDS, while three participants—Malta, Jordan, and Georgia graduated to the SDDS—raising the total to 97 GDDS participants as of August 2010. Metadata for participants are posted on the DSBB upon participation; countries are expected to update their metadata at least once a year. GDDS metadata, including plans for improvement, are publicly available on the DSBB.

The Executive Board's Seventh Review of the Data Standards Initiatives supported the recasting of the GDDS in closer conformity to SDDS specifications, but reiterated that greater emphasis on data dissemination should not come at the expense of the developmental aspects of the GDDS. GDDS participants will be encouraged to provide advance release calendars and create national summary data pages covering the same 21 SDDS data components, with somewhat less ambitious timeliness and periodicity. In 2010, the Statistics Department has converted all GDDS metadata into a coded format that follows the Data Quality Assessment Framework; a similar project on SDDS metadata was completed in 2008. GDDS participants are revising and updating these converted metadata for accuracy.

The GDDS Project Phase II: Modules for Strengthening Statistics that was funded by US\$8 million from the United Kingdom Department for International Development (DFID) for three years (2006–2009) concluded on September 30, 2009. The project has been implemented jointly by the IMF and the World Bank. It builds on the results of the DFID-funded GDDS Phase I project (2002–2006) for

15 Anglophone-African countries, which 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 Phase II project was expanded to 22 countries, including all of the Anglophone African countries.¹ (See Box 1.)

A new DFID–financed project, called the Enhanced Data Dissemination initiative (EDDI), provides an additional US\$7.5 million over five years (2010–2014) and covers 23 countries. 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 2.)

Country coverage of EDDI Project



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.

Box 1. GDDS Phase II Project for Anglophone Africa Modules for Strengthening Statistics

The three-year project, concluded in September 2009, introduced an innovative approach to statistical capacity building in Africa based on modules. The modules consist of groups of five to six countries with similar technical assistance needs in the same areas of statistics.

Topics covered

IMF modules: balance of payments, national accounts, government finance, and monetary statistics, as well as data dissemination and management of statistical systems

World Bank modules: population, health, labor, justice and security, and agricultural statistics.

Features

- modules were chosen by the countries
- focused on achieving specific results
- IMF conducted over 80 country missions and 15 workshops

Highlights of Results

Monetary Statistics Module:

Kenya: a more comprehensive reporting system for the traditional banking system introduced and now fully functional.

Namibia: a reporting system for the broader financial system developed.

Regional level: an action plan developed for the harmonization of monetary statistics in the East African community.

Balance of Payments Module:

Regional level: a workshop held for six countries (**The Gambia, Ghana, Kenya, Mauritius, Mozambique, and Nigeria**) to demonstrate a low-cost, streamlined enterprise survey of cross-border capital flows that Uganda developed and successfully implemented. This example of south-south cooperation supported by the project proved useful to the countries in developing international investment positions, a key output of the project.

National Accounts Module:

Nigeria: progress in expanding the use of existing source data for petroleum sector to improve national accounts.

The Gambia: use of an economic census to create a new benchmark for annual GDP.

Government Finance Statistics Module:

Seychelles: a fully automated bridge table completed to move information from Treasury database into the presentation table consistent with the Government Financial Statistics Manual 2001 (GFSM 2001); detailed monthly data on consolidated central government including the Social Security Fund produced.

SACU Module

Botswana, Lesotho, Namibia, South Africa, and Swaziland: a summary produced of country statistical practices with respect to SACU transactions; a matrix produced outlining how these practices lined up with international best practices, with a view to improving harmonization of statistical treatment among countries.

Box 2. Enhanced Data Dissemination Initiative Project

Improved economic policymaking, governance, and transparency in African countries require the provision of high quality and timely macroeconomic statistics. The new five-year Enhanced Data Dissemination Initiative (EDDI) funded by the United Kingdom Department for International Development (DFID) provides the support needed to ensure a scaled-up level of technical assistance and training to Africa to underpin its efforts to improve all the major areas of macroeconomic statistics.

EDDI aims to assist 23 African countries over the next five years (2010–2015) to improve statistics in national accounts, monetary sector, government finance, and balance of payments. EDDI builds on the successes of two preceding DFID-funded statistics projects for Africa implemented by the IMF between 2002 and 2009.

Target countries and institutions

Countries eligible for IMF technical assistance under EDDI are Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Seychelles, Sierra Leone, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. IMF staff and experts will work mainly with staff of central banks, ministries of finance, and national statistical offices to improve their methods and systems for producing and disseminating macroeconomic and financial data.

Regional emphasis

The new project's objectives will be consistent with those of regional organizations, such as the harmonization of statistics within the East African Community (EAC) and the South African Development Community (SADC). IMF statistics experts will under-

take technical missions to individual countries and lead regional workshops and seminars, working often in a regional context to promote an exchange of experiences and lessons learned within the regions. Close coordination with the IMF Regional Technical Assistance Centers in Africa (AFRITACs) is built into the design of the project.

Modular approach

Technical assistance will be delivered mostly in the context of modules. A module is a pre-defined cluster of activities designed to achieve specific and clearly defined results within a manageable timeframe. Modules cover selected statistical areas for improvement in the main areas of macroeconomic statistics. A module brings together a small group of countries (average 4–6) with similar starting conditions and needs, so that assistance can be provided effectively and efficiently in a sub-regional context. At the beginning of the project, each country in the module designs its own work plan consistent with the common objectives of the module. A series of technical missions is then provided, spaced to allow the countries to implement and integrate each mission's work and recommendations. Periodic workshops provide the module countries the opportunity to exchange views on progress and lessons learned. Some limited non-module technical assistance will be provided, mostly in cases of urgent needs of economic policymakers in participating countries.

Modules include the monetary, balance of payments, national accounts, and government finance statistics, as well as data dissemination and greater harmonization of the statistical treatment of transactions in the South African Customs Union.



Support of Surveillance

Review and Research Activities

The Statistics Department 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.

Staff of the Statistics Department 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 3.)

Data Quality

The Statistics Department 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 intent is to keep the framework current in reflecting internationally recognized good statistical practices as they evolve.

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 September 2010, data module ROSCs for four G-20 economies were conducted. These countries are Australia, Korea, Mexico, and Russia.¹ Assessments will continue to focus on G-20 economies and other emerging and priority countries, including countries that likely to qualify for subscription to the SDDS in the near future.

¹Data module ROSCs for Korea, Mexico, and Russia are reassessments of ROSCs conducted in the early 2000s.

Box 3. Published Research Papers by Staff of the IMF Statistics Department

Hedonic Imputation Indexes Versus Time Dummy Hedonic Indexes

Authors: Erwin Diewert, Saeed Heravi, and Mick Silver
In W. Erwin Diewert, John Greenlees, and Charles R. Hulten (eds.) *Price Index Concepts and Measurement*, NBER, Chicago: University of Chicago Press, 278–337, 2009.

Statistical offices try to match item models when measuring inflation between two periods. However, for product areas with a high turnover of differentiated models, the matched model approach fails and the use of hedonic indexes is more appropriate. There are two main hedonic approaches both of which give different answers. This study provides a formal analysis of why the results may differ and discusses the issue of choice between these approaches. An illustrative study for desktop PCs is provided.

Establishing Conversion Values for New Currency Unions: Method and Application to the Planned Gulf Cooperation Council (GCC) Currency Union

Authors: Russell Krueger, Bassem Kamar, and Jean-Etienne Carlotti
IMF Working Paper Series, WPI/09/184, August 2009

A key issue in creating a new currency union is setting the rates to convert national currencies into the new union currency. Planned unions in the Gulf region and Africa are seeking methods to set the conversion rates when their new currencies are created. A forward-looking econometric methodology examines

possible conversion rates by calculating the degree of misalignment in real effective exchange rates, and applying it to the GCC currency union. For each GCC currency, the year at which the economy is the closest to its internal and external equilibrium is identified, and then the degree of misalignment in the bilateral real exchange rate vis-à-vis the U.S. dollar is estimated based on WEO forecasts until 2013. Application of the methodology to other regions is also considered.

The Hedonic Country Product Dummy Method and Quality Adjustments for Purchasing Power Parity Calculations

Author: Mick Silver
IMF Working Paper Series, WPI/09/271, December 2009.

The 2005 International Comparison Program's (ICP) estimates of economy-wide purchasing power parity (PPP) are based on parity estimates using country product dummy (CPD) regressions. The estimates are potentially inefficient and open to omitted variable bias for two reasons. First, they use average prices across outlets as the left-hand-side variable. Second, quality-adjusted prices of non-comparable replacements cannot be effectively included. This paper provides an analytical framework based on hedonic panel data regressions for ameliorating these sources of bias and inefficiency.

Currency Unions: Key Variables, Definitions, Measurement, and Statistical Improvement

Authors: Charles Enoch and Russell Krueger

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 September 2010, 124 data module ROSCs had been completed, including updates and reassessments (see Box 4). Links to the published modules can be found on the IMF website at <http://dsbb.imf.org> (go to DQRS).

Box 3. (continued)

*Irving Fisher Committee on Central Bank Statistics
Bulletin No. 32, January 2010*

This paper reviews statistical issues related to the creation of currency unions where less than strong macroeconomic convergence between member countries exists. There are numerous statistical implications of interest in Africa, where pressures are mounting to advance union plans to reap the benefits of a union without a long wait for strict convergence.

In such situations, statistical programs and infrastructure must provide unbiased and timely signals of convergence or divergence. This provides a strong rationale for the early development of statistical systems in the union building process. This will include promoting the introduction of common statistical and accounting standards among potential union countries, and building an effective union-level statistical program. The IMF's General Data Dissemination System (GDDS) and the Special Data Dissemination Standard (SDDS) – with minor customization to union conditions – can play a central role in this regard.

Data Dissemination Standards and the Statistical Quality of the IMF's World Economic Outlook Forecasts

*Author: Mico Mrkaic
IMF Working Paper Series, WPI/10/203, March 2010*

This paper analyzes the effects of IMF member countries' participation in the IMF's Data Standards

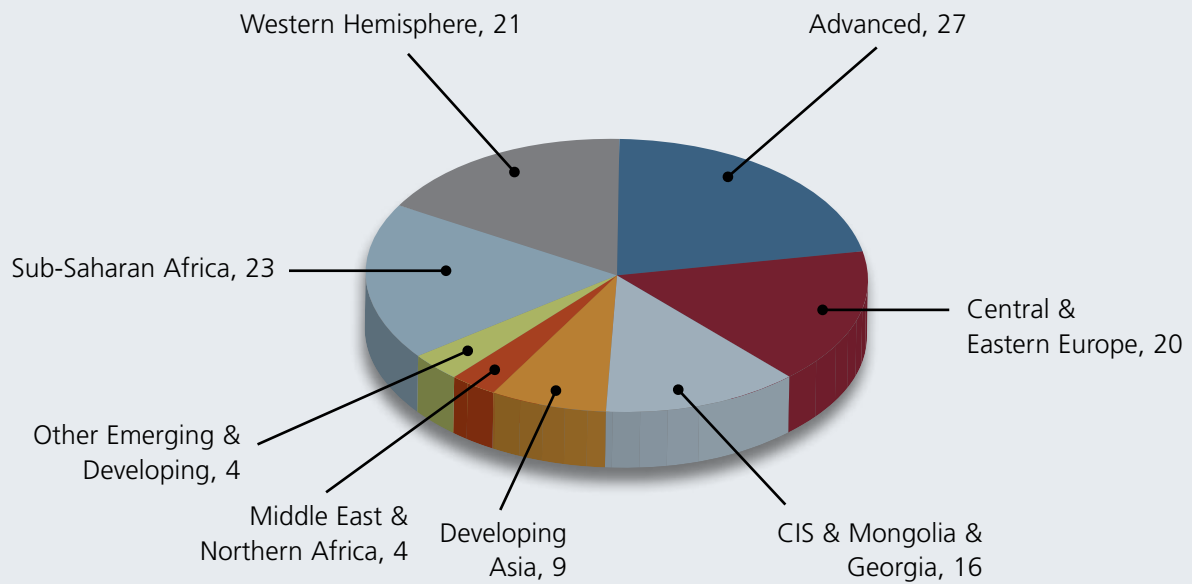
Initiatives (DSI) on the statistical quality of WEO forecasts. Results show that WEO forecasts for SDDS subscribers are in general better than for GDDS participants and those member countries that do not participate in the DSI. Policy implications are that the DSI positively affect the statistical quality of forecasts and by extension improve the necessary conditions for multilateral surveillance and the provision of member countries with high quality policy advice.

Information Content of DQAF Indicators— Empirical Entropy Analysis

*Author: Mico Mrkaic
IMF Working Paper Series, WPI/10/204, June 2010*

The study presents an analysis of the information content of IMF's Data Quality Assessment Framework (DQAF) indicators. There are significant differences in the quantity of information between DQAF dimensions and sub-dimensions. The most informative DQAF dimension is accessibility, followed by the prerequisites of quality, and accuracy and reliability. The least informative DQAF dimensions are serviceability and assurances of integrity. The implication of these findings is that the current DQAF indicators do not maximize the amount of information that could be obtained during data ROSC missions. An additional set of assessments that would refine the existing DQAF indicators would be beneficial in maximizing the information gathered during data ROSC missions. The entropy of DQAF indicators could also be used in the construction of a cardinal index of data quality.

Box 4. Data Module ROSCs Completed, by Country Groups



Source: Statistics Department

Covers all data module ROSCs, including updates and reassessments completed through September 2009.
Country groups based on the World Economic Outlook classification



Statistical Methodologies

The Statistics Department 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, fiscal, monetary and financial soundness indicators, and external sector statistics (balance of payments, IIP, external debt, and international reserves). 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) that prepared the *1993 SNA*, performed a systematic and comprehensive review of the manual. The IMF played a major role, in particular, drawing on its expertise in financial and balance of payments issues. The revised system of national accounts was completed in early 2009. While preserving the conceptual framework and most existing recommendations of the current system of national accounts, the review focused on selected issues regarding the treatment of nonfinancial assets, the public sector, financial sector accounts, and balance of payments. (See Box 5.)

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 recommendations is Recommendation 15 on promoting compilation and dissemination of the Balance Sheet Approach, flow of funds, and integrated balance sheets and accumulation accounts by institutional sector. The IMF is leading the working group on developing and implementing a strategy to improve data compilation and dissemination of these important data sets.

The Intersecretariat Working Group on Price Statistics was formed in 1998 to oversee authorship of manuals on international best practices in concepts and the compilation of price statistics. The Statistics Department 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 English, French, Spanish, Russian, and Chinese. The *Export and Import Price Index Manual*, available in English, was published by the IMF in 2009. (See Box 6.)

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. The Statistics Department 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.

The Statistics Department continued its contribution to the Technical Advisory Group of the International Comparisons Program (ICP) based at the World Bank. The ICP pro-

Box 5. Updated International Standards for National Accounts Statistics System of National Accounts 2008

In 2009, the UNSC adopted a new version of the international standard for national accounting, the System of National Accounts 2008 (2008 SNA). The 2008 SNA supersedes the 1993 SNA, the standard prevailing for the last fifteen years. The UNSC initiated the review of the 1993 SNA at its 2003 meeting. On the recommendation of the ISWGNA, the UNSC decided at its 2004 meeting that the 1993 SNA be updated on 44 conceptual issues, which framed the current revision.

The IMF, through the Statistics Department, is a permanent member of the ISWGNA. The chairmanship of the ISWGNA rotates among the five institutions usually on an annual basis. The UNSC appointed an

Advisory Expert Group on national accounts to advise the ISWGNA on selecting and resolving the 44 revision issues for submission to the UNSC.

The 2008 SNA contains significant advances and clarifications on the treatment of capital (including research and development, knowledge capital, military hardware, and recognition of assets in the form of contracts, leases, or licenses), financial services, special purpose entities used for financial purposes, liabilities associated with pension schemes, guarantees, and aspects of globalization, such as outsourcing of manufacturing and merchanting. The 2008 SNA is available in hardcopy and electronic copy (<http://unstats.un.org/unsd/nationalaccount/sna2008.asp>).

duces 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). The Statistics Department remains engaged with the ICP's forthcoming 2011–2012 round.

Government Finance Statistics

The global policy focus on the issues of fiscal stimulus and consolidation highlighted again the need for better and more comparable fiscal data, including data on government assets and liabilities. These data are essential to analyze the underlying fiscal risks as countries prepare exit strategies for government sup-

port. The recent IMF Executive Board decision to adopt the *Government Finance Statistics Manual 2001 (GFSM 2001)* as the standard for presenting fiscal data in IMF publications and reports is an important step towards addressing this need and responding to the call from the international community for strengthening surveillance.² The April 2010 edition of the *World Economic Outlook* presents fiscal data following the *GFSM 2001* format, and Article IV reports will follow the same format beginning May 2011.

The *GFSM 2001* provides a comprehensive balance-sheet-based reporting framework for compiling and disseminating fiscal statistics that are useful to design, monitor, and evaluate fiscal policy, and which are comparable across countries. The *GFSM 2001* is largely harmonized with other statistical manuals and guides, and is supplemented by other material.

²The IMF Executive Board endorsed the paper on "Government Finance Statistics to Strengthen Fiscal Analysis-SM/10/43" on February 26, 2010 (<http://www.imf.org/external/pp/longres.aspx?id=4431>).

Box 6. Export and Import Price Index Manual: Theory and Practice

The Export and Import Price Index (XMPI) Manual is a much needed update of the United Nations' Strategies for Price and Quantity Measurement in External Trade, Series M, No. 69, 1981 and provides a detailed account of the theory and practice of compiling export and import price indices.

The XMPI Manual is written under the aegis of the Inter-Secretariat Working Group on Price Statistics (IWGPS). Six international agencies concerned with inflation and inflation policies are represented on the IWGPS—Eurostat, the ILO, the IMF, the United Nations Economic Commission for Europe, and the World Bank. The Statistics Department was the lead agency responsible for several chapters, editing, and publish-

ing the manual. The IWGPS also benefits from a membership that includes recognized experts in the field drawn mainly from statistical offices and universities and from consultations with a large number of compilers and users.

The XMPI Manual covers theoretical and practical issues of compiling export and import price indices including uses, source data, sampling, scope, valuation, transfer pricing, classification, aggregation formulas, and the treatment of missing values, seasonal goods, and quality changes.

The XMPI Manual is available in electronic version (<http://www.imf.org/external/pubs/cat/longres.cfm?sk=17165.0>) and in hard copy.

At present, work is in progress in developing a *Public Sector Debt Statistics Guide*, a *GFS Compilation Guide for Developing Countries*, and an update of the *GFSM 2001*, to harmonize the manual with the recent changes introduced in the *2008 SNA*. These manuals and guides are expected to be published in 2011/2012. They are being developed in collaboration with other international institutions, country compilers, and other experts. Also, quick reference materials have been updated or are being developed for compilers and analysts: companion materials, GFS Factsheet, General Government Maps, and Frequently Asked Questions. (See Box 7.)

A program continues to be implemented to enhance the country coverage of monthly and quarterly government finance statistics using international standards, and emphasis is being placed on providing technical support to staff and member country officials to apply *GFSM 2001*. These efforts are expected to increase the number of countries using the *GFSM 2001* framework to compile and disseminate fiscal statistics. As of August 2010, about 80 countries report to the Statistics Department sub-annual data for publication in *IFS*, and 102 countries

reported data for the *2009 GFS Yearbook*. While fiscal data based on national presentations are generally available on national websites, methodological differences in these national data make cross country comparisons difficult. The standardized presentation in the department's publications addresses this shortcoming by using the *GFSM 2001* methodology and format.

Monetary and Financial Statistics

Currently, 121 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. Data reported using the SRFs are published monthly in *IFS*. In addi-

Box 7. Government Finance Statistics: Current Initiatives—Reference Materials

The Statistics Department seeks to assist countries and Fund staff to make improvements in the compilation and dissemination of fiscal statistics through the use of the Government Finance Statistics Manual 2001. Several reference materials have been developed to assist compilers and analysts on specific conceptual issues (<http://www.imf.org/external/pubs/ft/gfs/manual/index.htm>).

Additional materials will be available in the near future:

- The Public Sector Debt Statistics Guide to be published in early 2011 will provide guidance on the compilation and dissemination of debt statistics for all components of the public sector. The Guide will be the foundation for training and data collection work to improve public sector debt statistics on a global basis. A collaborative initiative with the World Bank is underway to establish a quarterly public sector debt statistics database that follows the Guide.
- The update of the Government Finance Statistics Manual 2001 will harmonize the manual with the System of National Accounts 2008.
- The Government Finance Statistics Compilation Guide for Developing Countries will focus on facilitating the adoption of the GFSM 2001 methodology in developing countries.
- General Government Maps will provide information on the institutional structure of general government in each country, as well as on institutional and transaction coverage of the government finance statistics of each member country.
- Global Government Finance Statistics Monitor will provide recent data for selected fiscal indicators, including the G-20 economies, to support the global reporting of timely fiscal data.
- An online Frequently Asked Questions facility is being developed to provide analysts with answers in accordance to the GFSM 2001 treatment of selected difficult issues encountered by compilers of government finance statistics.

tion, 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 IMF Statistics Department and area departments).

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 30 out of 121 SRF-reporting countries report other financial corporations data and outreach is underway to increase reporting countries. In addition, work has been initiated on a medium-term project aiming to integrate into a single volume the *MFSM* and *MFSCG* while incorporating revisions consistent with the methodologies of the *2008 SNA* and *Balance of Payments and International Investment Position*, 6th edition.

Financial Soundness Indicators

As part of the IMF's ongoing contributions to strengthening the architecture of the international monetary system, the Statistics Department has continued 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.

At end-September 2010, the website contained FSI data from 49 countries, a number that is expected 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 to provide information about 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.

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. Moreover, existing reporters are being encouraged to rapidly build time series of FSI data. It is also envisaged that the list of FSIs will be reviewed—taking into consideration, inter alia, the lessons of the recent 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. The proposals for amendments to the list of FSIs will be discussed widely within the IMF and with international experts over the next year and thereafter presented to the IMF Executive Board for approval.

Securities Statistics

The BIS, ECB, and the IMF jointly published 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 a recommendation of one of the G-20 working groups 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

Country (G-20 Country)	Date latest data available	Consolidation Basis	Regulatory capital to risk-weighted assets	Regulatory tier 1 capital to risk-weighted assets
Australia	01/01/10	CC/CR	11.7	9.8
Brazil	01/01/10	CC/CR	18.5	14.9
Canada	04/2009	G	12.2	9.8
France	4/2009	CC/CR	12.2	9.8
Germany	01/01/10	G	16.7	10.0
India	4/2009	CC/CR	13.0	9.1
Indonesia	4/2009	G	17.9	13.9
Italy	4/2009	CC/CR	19.1	15.1
Korea Republic	01/01/10	CC/CR	14.3	10.9
Mexico	10 Jun 10	CC/CR	17.8	13.2
Pakistan	04/2009-1	G	18.0	12.1
Saudi Arabia	4/2009	CC	17.0	14.2
Turkey	01/01/10	G	19.9	14.1
United Kingdom	04/2009-1	CC/CR	13.3	10.3
United States	04/2009	CC/CR	13.8	11.2

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.

The next part of the Handbook is envisaged to cover the issuance and holdings of other types of securities. In the future, guidance on security-by-security databases might be provided as well as metadata structure definitions that would facilitate the compilation and dissemination of securities statistics. The Handbook is available in electronic version at <http://www.imf.org/external/np/sta/wgsgd/index.htm>.

Financial Access Survey

On June 30, 2010 an online database containing the results of the inaugural Financial Access Survey conducted by the department was launched at <http://fas.imf.org>. The database provides financial access indicators and accompanying metadata developed through the Access



to Finance Project with initial financial support from the government of The Netherlands.

Designed to underpin research into the provision of consumer financial services worldwide, the Access to Finance Project was unveiled by Her Royal Highness Princess Máxima of the Netherlands, the United Nations Secretary General's Special Advocate for Inclusive Finance for Development, and IMF Managing Director Dominique Strauss-Kahn at the World Bank-IMF Annual Meetings in Istanbul in October 2009.

The database contains annual data from about 140 respondents for the six-year period 2004–2009 for key indicators of geographic and demographic outreach of financial services, as well as the underlying data. 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.

Balance of Payments and Other External Sector Statistics

Balance of Payments and International Investment Position Manual (BPM6)

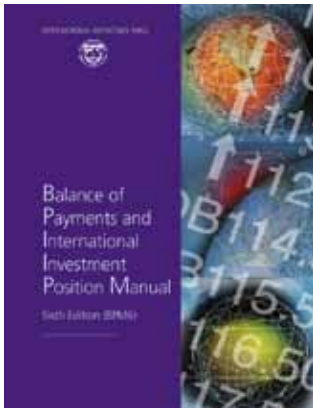
International guidance for compiling balance of payments statistics must be updated on a regular basis to keep abreast of the changing nature of international transactions and the increasing data needs of users. In this regard, the *BPM6* was

released in hard copy in 2009 as an update to the *BPM5* (released in 1993).

The release of the *BPM6* represents the culmination of several years of work by the Statistics Department in collaboration with a range of interested parties such as data users, national statistical compilers, specialized expert groups, and other international organizations. The *BPM6* 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* also takes into account the methodological guidelines presented in other statistical manuals, including *External Debt Statistics: Guide for Compilers and Users* (2003), the *MFSM*, and the *GFSM 2001*. The *BPM6* is available on the IMF website at www.imf.org/external/pubs/ft/bop/2007/bopman6.htm. Hardcopies are available from the IMF Bookstore and can be ordered online.

A strategy for implementing the *BPM6* has been adopted with the following key elements:

- Development of the *BPM5* to *BPM6* conversion matrix: The conversion matrix maps *BPM5* items to the corresponding *BPM6* items, and provides concise comments on the nature of the changes. The matrix has been disseminated to compilers and is also available on the IMF's *BPM6* website.
- Conversion of the data in the *IFS* and *BOPSY* to a *BPM6* presentational format.
- Preparation of the *BPM6* Compilation Guide: The *BPM6* Compilation Guide will be an update to the current Balance of Payments Compilation Guide. Draft chapters of the *BPM6* Compilation Guide will be posted on the internet as a "living document" as soon as they become available and the document will be completed towards the end of 2012 (pre-publication draft).
- Technical assistance and training: The Statistics Department will continue to provide technical assistance and training 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.

The general allocation of Special Drawing Rights (SDRs), approved by the IMF Board of Governors in August 2009, as well as the effectivity of the Fourth Amendment to the IMF Articles of Agreement that pro-

vides for a special one-time allocation of SDRs to countries, have important implications for the implementation of *BPM6* in the IMF's operational work and statistical publications. The Statistics Department has been providing advice on the treatment of the new allocations in macroeconomic statistics both to IMF correspondents and staff. An Annex Table of the IMF *Guidance Note on the Treatment and Use of the SDR Allocation*, issued to staff in August 2009, describes a detailed statistical treatment of SDRs.² Furthermore, the document *SDR Allocation: FAQs on Their Statistical Treatment* issued in September 2009 (<http://www.imf.org/external/np/exr/faq/sdrallocaqs.htm>), provides detailed clarifications on the statistical treatment of the SDR allocations.

International investment position statistics

At present, 123 jurisdictions report IIP data for publication in the *BOPSY* and the *IFS*. In March 2010, the IMF's Executive Board approved the prescription of quarterly IIP data for the SDDS subscribers with quarterly timeliness, effective four years after the Board decision. There are currently 59 jurisdictions reporting quarterly IIP data to the Statistics Department.

In line with Recommendation 12 of the G-20 data gap initiative, the IMF continues its work on the IIP pipeline project to increase the number

²Beginning with the October 2009 issue of the *IFS*, monetary statistics reflect the treatment of SDR allocation consistent with the *BPM6*.

of countries providing annual and quarterly IIP data to the IMF for re-dissemination. In addition, countries are being encouraged to adopt the *BPM6* enhancements to the IIP statistics as soon as feasible. As endorsed by the Committee on Balance of Payments Statistics in its 2009 meeting, a Task Force on IIP/CPIS Data Enhancements was established in March 2010 comprised of IMF staff and representatives from international organizations and countries represented on the Committee. The Task Force is advising the IMF and the Committee on ways of enhancing IIP data, such as by increasing the number of annual and quarterly IIP reporting countries, adopting the enhancements to the IIP noted in *BPM6*, promoting the availability of bilateral IIP data, and other potential enhancements.

Statistics on external debt

In joint efforts with the BIS, the OECD, and the World Bank, the Statistics Department continues to work on the enhancement of the Joint External Debt Hub (JEDH) website, which was established in 2006 to provide a one-stop source for comprehensive external debt statistics. The JEDH features comprehensive national external debt data provided by over 60 economies, mainly subscribers to the SDDS; data from creditor and market sources for external debt and selected foreign assets for more than 200 economies; and information describing the data provided (metadata).

The IMF and the World Bank have launched a project to facilitate the timely dissemination, on a voluntary basis and in standard formats, of public sector external debt data. The first phase of the project extending the World Bank's Quarterly External Debt Statistics database (QEDS) to selected groups of low-income countries was launched in February 2008. A second phase, which is aimed at getting all other GDDS participants to report data to QEDS, was launched in early 2009 and is ongoing. As of August 2010, 24 GDDS countries reported data for the first quarter of 2010. The project focuses on the dissemination of stock data on public and publicly-guaranteed external debt disaggregated by maturity. It also encourages participating countries' dissemination of other external debt data in line

with the GDDS framework. Among this group of GDDS countries, seven also report Gross External Debt by sector as required for SDDS subscribers.

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.imf.org/external/np/sta/cofer/eng/index.htm>). At present, there are 139 reporters, consisting of member countries of the IMF, nonmember countries/economies, and other foreign exchange reserves holding entities (33 advanced economies and 106 emerging and developing economies).

As of August 2010, the number of economies disseminating data on international reserves and foreign currency liquidity (Reserves Template) on the IMF's website has reached 69. Reserves Template data are available at <http://www.imf.org/external/np/sta/ir/index.htm>.

The Statistics Department, in collaboration with other departments in the IMF, 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.

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 country of the issuer of the securities. The coverage of the CPIS is augmented with information on the geographic breakdown of securities held as countries' 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 2008 CPIS, the eighth of an annual series, were posted on the IMF's external website at <http://www.imf.org/external/np/sta/pi/geo.htm> in December 2009. Seventy-four economies participated in the 2008 CPIS. Consistent with the advice of the Task Force on IIP/CPIS Data Enhancements and other data users, the IMF will promote further CPIS data enhancements. There are likely to include enhancements in the frequency, timeliness, scope, and number of CPIS participating countries.

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 coordinated direct investment survey (CDIS) was launched in 2007. The objective of the CDIS is to improve the quality of FDI data at global and bilateral levels. The CDIS will result in a comprehensive database of direct investment positions data (with reference period of end-2009), disaggregated by instrument—equity and debt—and by counterpart economy of immediate investor. The survey is being conducted in a harmonized manner, so that the same principles are applied by participants with respect to units and valuation. As of July 2010, more than 130 economies expressed an interest in participating. (See Box 8.) At its meeting in November 2009, the Committee on Balance of Payments Statistics agreed with an IMF proposal to conduct the CDIS on an annual basis, thereby making the 2009 CDIS the first of an annual series. The Statistics Department is planning to hold post-survey workshops in early 2011.

Remittances

In collaboration with its partners, the Statistics Department completed work on the *International*

Box 8. 2009 Coordinated Direct Investment Survey (CDIS)

The Statistics Department is conducting a CDIS for the reference year ending December 31, 2009 in collaboration with its interagency partners, which include the ECB, the OECD, the Statistical Office of the European Communities, the United Nations Conference on Trade and Development, and the World Bank.

The purpose of the CDIS is to improve the coverage and comparability of IIP statistics on FDI. All participants in the CDIS have agreed to collect information on the stock of inward FDI as at end-December 2009 by counterpart economy, broken down between debt and equity, wherever possible. In addition, economies that are able to provide information on the stock of outward FDI agree to provide these data on the same bases as for inward FDI.

This initiative is expected to result in substantial improvements in the quality of FDI data and provide national compilers and users of statistics with a valuable database on FDI positions by individual counterpart economy using common valuation principles. The partner economy data will be useful in monitoring cross-border bilateral exposures.

The Statistics Department has prepared a survey guide that sets out the principles under which the survey will be conducted. The guide includes model survey forms and other practical guidance for those economies that do not have experience in conducting a direct investment survey. The survey guide can be found at www.imf.org/cdis. It is available in English, Arabic, Chinese, French, Russian, and Spanish.

Content of CDIS

The CDIS is harmonized, using the same reference date, the same valuation principles, and the same sources of information (valuing equity positions based on the books of direct investment enterprises) for both inward and outward foreign direct investment. The survey identifies direct investment relationships using the new guidelines that are included in the BPM6 and the OECD Benchmark Definition of Foreign Direct Investment, fourth edition.

Economies participating in the CDIS are making efforts to improve their compilation of direct investment statistics, such as by more comprehensively identifying direct investors and direct investment enterprises, or by more fully identifying intercompany debt positions that should be excluded from direct investment under these international standards, such as financial intermediary-to-financial intermediary debt positions. Economies will also provide information on improvements to data on direct investment that arise, at least in part, from their participation in the CDIS.

Data Reporting and Dissemination

Initial results are requested by end-September 2010 for release at the end of 2010 or early in 2011. Revised and more detailed information is requested by end-March 2011, which will be released a few months later.



Transactions in Remittances: Guide for Compilers and Users (RCG). The RCG was launched in June 2009 and 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 version of the RCG was published in hardcopy in October 2009 and is posted 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, improving the quality of remittances data, including estimates of bilateral flows, and translating the RCG into additional languages (Arabic, Chinese, French, Russian, and Spanish).

Statistics on international trade in services

The Statistics Department 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 the *BPM6*. In addition to international trade in services in the conventional sense of transactions between residents and nonresidents, it covers services delivered through locally established, but foreign controlled enterprises as well as cases where individuals are present abroad to supply a service. The *2010 MSITS* was adopted by the UN Statistical Commission in February 2010, and is expected to be available in hardcopy towards the end of 2010.



Capacity Building and Training

The technical assistance activities of the Statistics Department provide comprehensive support to member countries in improving the range and quality of statistics they produce to meet user needs. Technical assistance is planned and prioritized through diagnostic missions (e.g., multisector statistics mission) and ROSCs, regional and country strategies by IMF area departments, as well as consultation with the Regional Technical Assistance Centers (RTACs). 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. The Regional Technical Assistance Strategy Notes prepared by the IMF area departments in coordination with other departments, including the Statistics Department, outline short- and medium-term technical assistance priorities for the regions and provide a unifying framework for the delivery of technical assistance. 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. To bring about lasting improvements in national statistical systems, the Statistics Department'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.

Statistical Domains Covered

The Statistics Department offers advice in the following statistical domains:

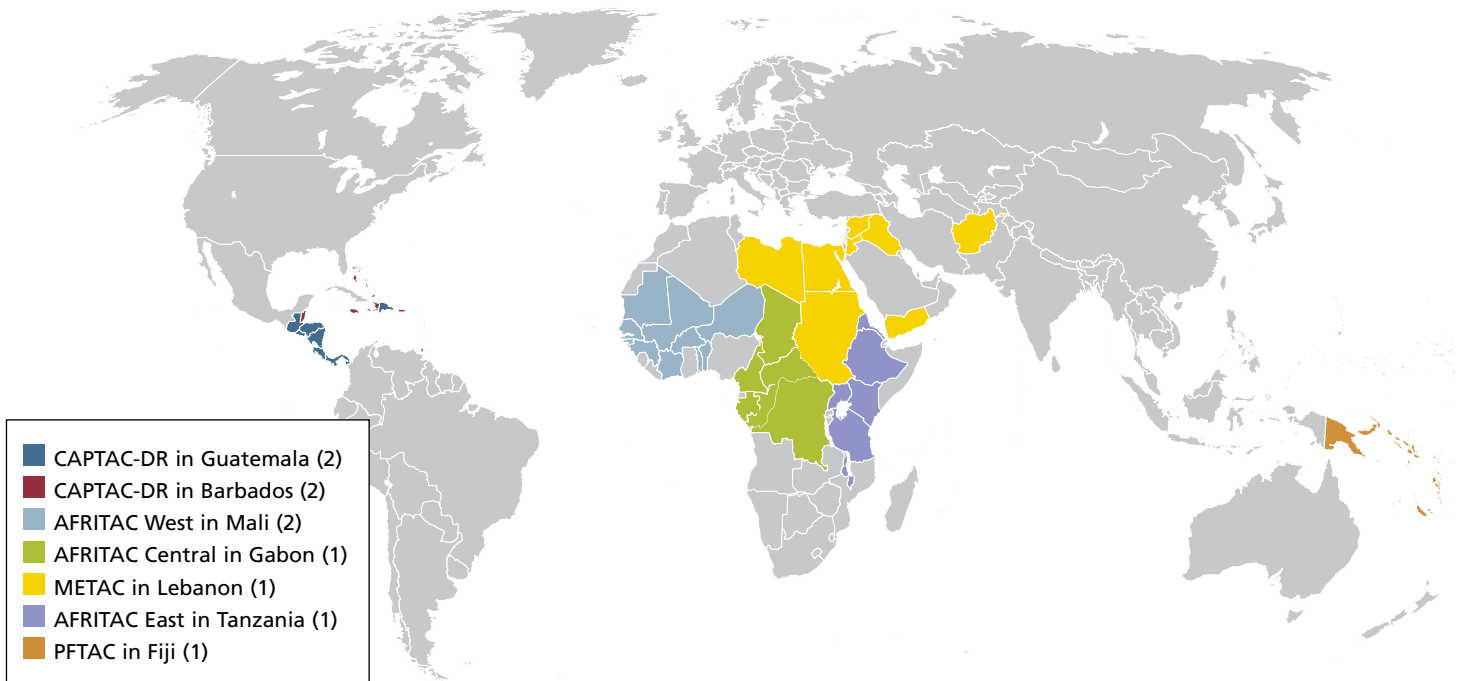
- national accounts
- price statistics
- government finance statistics
- monetary and financial statistics
- financial soundness indicators
- balance of payments
- international investment position
- external debt
- remittances
- international services
- foreign direct investment
- data dissemination

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, the Statistics Department provides on-the-job training and practical hands-on help. As member countries 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 multi-sector statistics missions or as follow-up to ROSC assessment missions.

Statistical Advisors in the RTACs



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. As of September 2010, the Statistics Department has 10 resident long-term experts in the RTACs.

Regional Approach

The Statistics Department 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.

Technical assistance in Africa continued to receive the most resources, boosted by the GDDS Project for Anglophone African countries funded by the United Kingdom's Department for International Development. (See Box 9.) The Western Hemisphere region is the second largest recipient. Two regional projects implemented in FY 2010 focused on Central American countries, involving the har-

monization of standards for compiling and disseminating government finance statistics and balance of payments statistics.

Financing and Evaluation

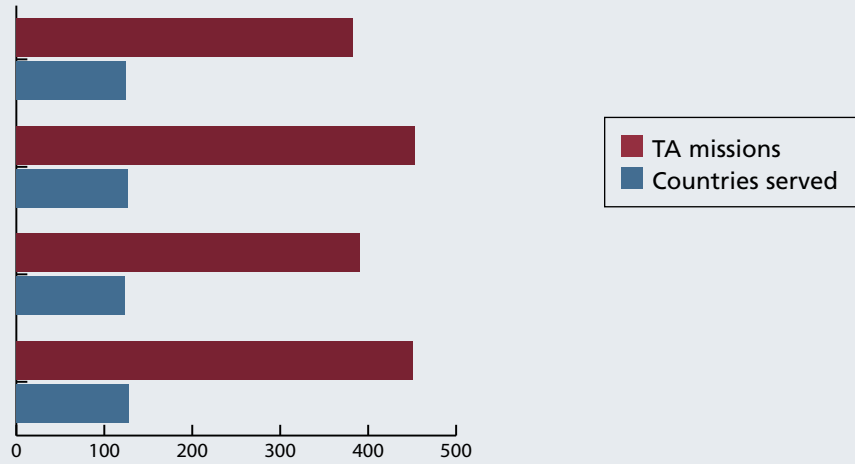
External funding of technical assistance currently accounts for more than 70 percent of technical assistance field delivery and 86 percent of the technical assistance provided by experts, while providing funding for all of the Statistics Department's long-term expert assignments.

Emphasis continues to be placed on evaluating the effectiveness of technical assistance, especially with countries that have received intensive support. Evaluation is done in several ways such as formal reviews of technical assistance programs, inspection visits, and feedback from technical assistance recipients. The evaluation of technical assistance and training by the Statistics Department in Georgia and Albania was undertaken in July 2010.

The department is examining various options for consolidating the effectiveness of the technical assistance program in the context of a new costing model (or the so called charg-

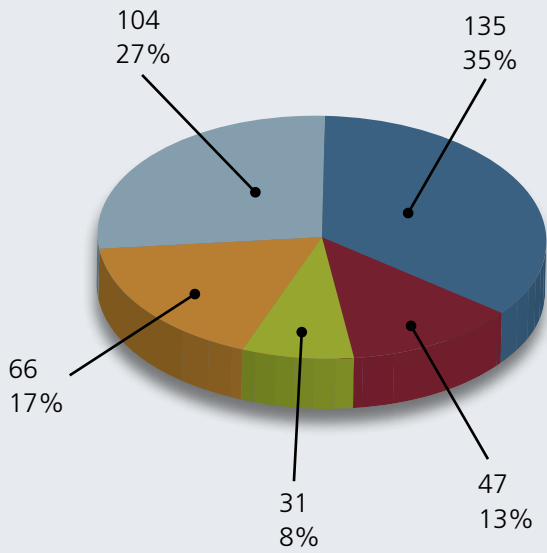
Box 9. Technical Assistance Delivery

By Fiscal Year

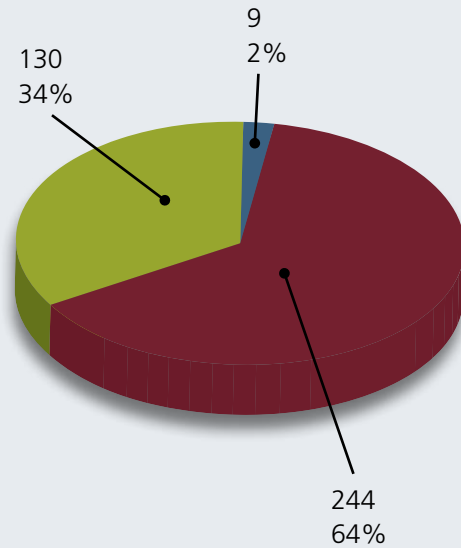


By Region, FY 2010

(in number of missions and percentage)



By Type of Country, FY 2010



ing regime), which was endorsed by the IMF Executive Board in May 2009 and expected to be implemented in May 2011.

Training

The Statistics Department is the second largest provider of training courses next to the IMF Institute. Its training program continues to be strengthened to serve as a main vehicle for advancing the adoption of internationally accepted statistical methodologies. Training courses offered through the IMF Institute and Regional Training Centers (INS-RTCs) generally consist of a series of lectures, discussions, practical exercises, and case studies on the relevant macroeconomic statistics areas. For information on IMF training courses at

the headquarters and Regional Training Centers, contact the IMF Institute for a catalog (fax: +1-202-623-6490, or <http://www.imf.org>).

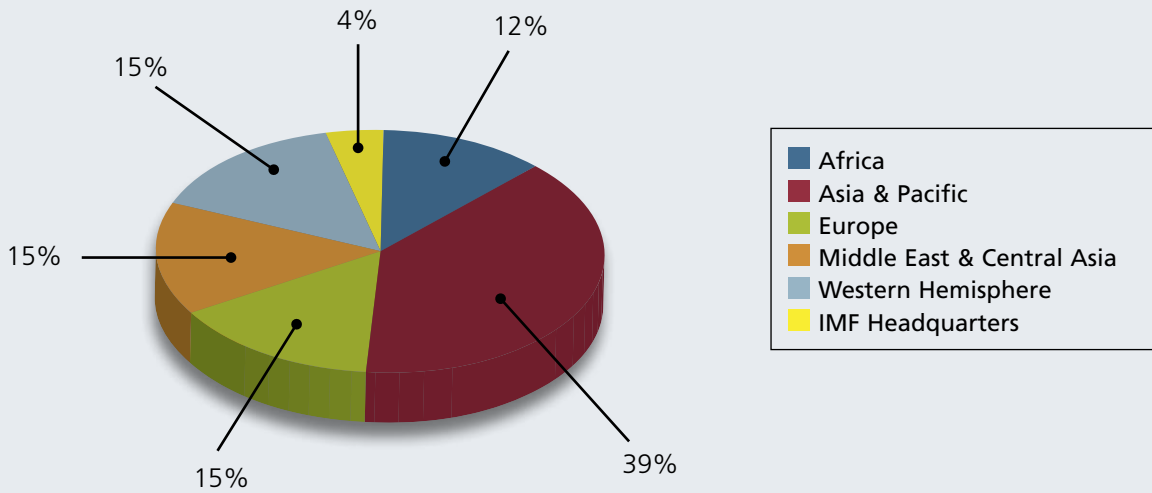
Outside the INS-RTCs, the Statistics Department also organizes regional seminars in many countries (called outreach seminars), often with active participation of regional organizations or member countries.

By region, Asia receives the most number of training courses conducted by the Statistics Department through the INS-RTCs since there are three training centers in the region compared to one each in other regions. Meanwhile, Africa gets the lion share of outreach seminars. (See Box 10 and Box 11.)

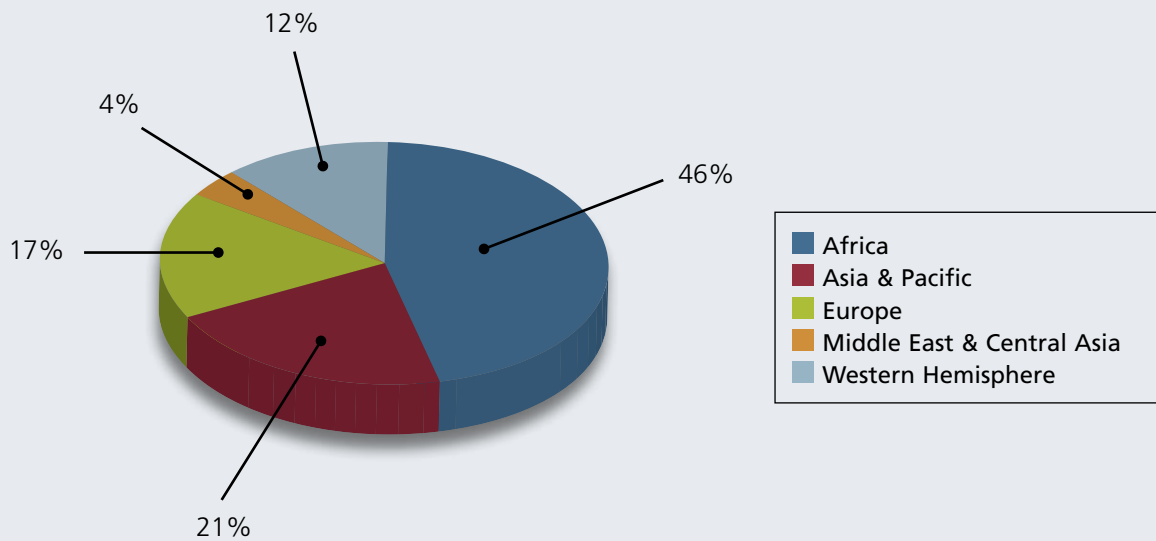


Workshop in session in the Monetary and Financial Statistics Course held at the United Arab Emirates in March–April 2010.

**Box 10. Courses on Macroeconomic Statistics at
INS-RTCs, CY2010**



**Box 11. Courses on Macroeconomic Statistics at
Non-INS-RTCs, FY2010**





SECTION 8

International Statistical Coordination and Cooperation

The Statistics Department 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, and the Inter-Agency Group on Economic and Financial Statistics.
- 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.
- 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.
- Participates in meetings of the United Nations Statistical Commission, UN regional statistical commissions, and statistical committees organized by the OECD, Eurostat, and the ECB.
- Closely cooperates with the World Bank and with PARIS21, notably in workshops to promote countries' participation in the GDDS.
- Collaborates with the World Bank on 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.
- Participates, together with the BIS, the ECB, Eurostat, the OECD, the UN, and the World Bank, in the SDMX initiative to facilitate exchange of statistical information among national and international agencies.
- Collaborates with international bodies such as the Irving Fisher Committee on Central Bank Statistics and the International Research for Income and Wealth.
- Collaborates with the Statistical Institute for Asia and the Pacific (SIAP-ESCAP) in building capacity for official statistics in the region.

The Director of the Statistics Department delivered the keynote address at SIAP's Ninth Management Seminar.





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