

**Twenty-Sixth Meeting of the
IMF Committee on Balance of Payments Statistics
Muscat, Oman
October 28–30, 2013**

**Conversion of Balance of Payments /IIP Statistics to a
BPM6 Basis**

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

CONVERSION OF BALANCE OF PAYMENTS AND IIP STATISTICS TO A *BPM6* BASIS

1. At its meeting in January 2013, the IMF Committee on Balance of Payments Statistics (Committee) was updated on the work that had been completed and work that still remained on converting balance of payments and international investment position (IIP) statistics to the basis of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* basis.¹ The main purpose of this paper is to update the Committee on progress in implementing *BPM6* since the January 2013 meeting.

Background

2. The Committee was informed in January 2013 that, beginning with the August 2012 releases of the *IFS*, the on-line *Balance of Payments Statistics* database, and the 2012 *BOPSY*, STA is disseminating data on external sector accounts from 2005 forward on a *BPM6* basis. As of August 2013, about 30 countries have implemented the *BPM6* framework and report their own *BPM6* estimates to STA. (See Table 1 showing country reporting practices.) Many countries that currently compile data on a *BPM5* basis, including most developed countries, plan to implement *BPM6* by end-2014. STA has been closely working with countries to assist in their migration to *BPM6*. Special attention has been given to *BPM6* data reported by countries for the first time to ensure they are in line with methodologies and the presentational basis in *BPM6*.

3. Due to the implementation of new, web-based balance of payments and IIP metadata questionnaires, the metadata, which had been published in *BOPSY Part 3*, are available only online and in CD-ROM beginning with the 2012 *BOPSY* (released in December 2012). The 2012 *BOPSY Part 1* and *Part 2* are available in hard copy, online, and in CD-ROM. As of August 2013, more than 100 countries report their metadata to STA using the new, web-based metadata questionnaire.

4. STA also developed new *BPM6*-basis report forms. They are available on the Integrated Correspondence System and are used for reporting by countries that implemented the *BPM6* framework. The forms include all standard components and selected memorandum and supplementary items of the balance of payments and IIP statistics and are consistent with Appendix 9 of *BPM6*.

5. To assist data compilers and users inside and outside the IMF, STA has been actively engaged in providing technical assistance, training, and other support to promote and explain the *BPM6* methodology. With the aim of facilitating user understanding of the changes brought by *BPM6* and from data conversion, as noted in BOPCOM-12/04, STA prepared a

¹ See BOPCOM-12/04, “*Conversion of Statistics in IMF Publications to a BPM6-basis, including Frequently Asked Questions on Conversion*”.

set of FAQs that are available on the IMF website at <http://www.imf.org/external/pubs/ft/bop/2007/bpm6faq.pdf>.²

6. Work is now underway in preparing the conversion of the *World Economic Outlook (WEO)* publication, and related frameworks used by area departments in their country data work, to a *BPM6* basis.

Data for the period prior to 2005

7. As noted, in August 2012, STA began disseminating data on a *BPM6* basis. This data series starts with data for 2005. However, STA converted the entire series of *BPM5*-basis data which, for some countries, extends backwards in time for several decades. The estimates for this period were produced by applying the “generic” conversion formula that was used to initially convert the data for 2005 onward.³ Data for the pre-2005 period are available internally within the Fund.

8. There have been a number of demands for *BPM6* basis data for years prior to 2005. For example, for IMF quota calculation purposes, a longer time series was requested. To meet this request, STA provided selected *BPM6* basis data items to the IMF Finance Department for all countries for 1999-2004.

9. Also, a number of outside researchers have approached STA to request access to the pre-2005 *BPM6*-basis estimates. Unlike the estimates for 2005 forward, countries have not been invited to review and approve the pre-2005 *BPM6*-basis estimates.

10. STA is now considering allowing the public to access its pre-2005 *BPM6*-basis estimates. Part of STA’s rationale is that these estimates could be replicated by the public, because the *BPM5*-basis estimates for this time period, and STA’s conversion formulas, are both available to the public, and the pre-2005 *BPM6*-basis estimates were derived by applying the conversion formulas to pre-2005 *BPM5*-basis estimates. These estimates would be accessible to the public, but clearly differentiated from the estimates for 2005 forward. STA is investigating various dissemination options to ensure that the approach adopted would unambiguously distinguish between pre-2005 *BPM6*-basis estimates (which countries were not asked to verify) and those for 2005 forward (which countries are asked to verify).

² The FAQs are updated periodically. They will be updated following the October 2013 Committee meeting, to provide further information on the *BPM6* sign convention (see BOPCOM–13/13).

³ Some countries adjusted the results of the generic conversion, or provided their own *BPM6* estimates to STA, for publication.

Collaboration with other Fund departments

11. STA is closely collaborating with the IMF Research Department (RES) in its endeavor to implement the *BPM6* framework in its publication, *World Economic Outlook (WEO)*, probably in October 2014. For example, STA is assisting RES in identifying data items to include in *WEO*, and in determining the historical time series that *WEO* would release on a *BPM6* basis. RES is also consulting with IMF area departments on these matters.

12. In August 2012, a STA-African Department (AFR) project was launched to assist country teams in presenting and reporting balance of payments data on a *BPM6* basis. For this purpose, a joint STA-AFR working group was established that prepared a work plan. The work has advanced and accomplishments include (i) designing a new *BPM6*-based DMX template and a draft generic *BPM6*-based balance of payments table for staff reports; (ii) developing routines for populating the AFR databases by pulling data from STA databases and from *BPM5*-based country reports of historical balance of payments data and balance of payments forecasts; and (iii) testing the conversion of balance of payments data provided by African country desk economists on a *BPM5* basis to a *BPM6* basis and developing a conversion template to be implemented for all African countries.

13. STA has also engaged in discussions with the World Bank on converting external debt data into a *BPM6* basis; this project is described in BOPCOM-13/28, *Progress Report on Work of the Interagency Task Force on Finance Statistics*.

Other matters

Migrants' transfers

14. The “generic” conversion formula was developed to maintain consistency between the *BPM5*- and the *BPM6*-basis balances on current, capital, and financial accounts. For this reason, STA decided to include the *BPM5*-basis estimates of migrants' transfers in its *BPM6*-basis estimates of capital account transactions. However, as agreed by the Committee at its meeting in 2011, to better align the converted *BPM6* estimates with *BPM6* concepts, STA will exclude the data on migrants' transfers from the “generic” *BPM6* estimates for *BOPSY* 2014. For countries still providing data to the IMF on a *BPM5*-basis, this will result in adjusting net errors and omissions by the same amount.

Currency composition and other financial corporations

15. At its meeting in January 2013, the Committee discussed and broadly supported the initiative to compile data on IIP assets and liabilities by composition of currency, and to compile estimates of the other financial corporations sector. Some Committee members noted that work on compiling data on currency composition would be done in the medium-

term or later.⁴ Although a number of countries have indicated they have plans to produce estimates of the currency composition of their IIP, no country has yet submitted currency composition data to STA for publication. STA will start disseminating currency composition data in its publications following the submission of the data from a number of countries.

16. The Committee also underscored at its January 2013 meeting the importance of producing data on other financial corporations. Several countries have now reported these data to STA in their *BPM6* report forms, and these data have been disseminated in STA's statistical publications. STA will continue to emphasize the importance of compiling these data for surveillance and analytical purposes.

Questions for the Committee:

1. *Have Committee members encountered unanticipated conversion problems that they wish to highlight?*
2. *Do Committee members have comments on STA's plan to allow the public to access pre-2005 BPM6-basis estimates?*

⁴ A few noted that data on the currency composition of IIP liabilities are more readily available than those of the IIP assets.

Country Name	WHAT IS REPORTED ^{i, ii}														
	BOP					IIP					CPIS ⁱⁱⁱ			CDIS	
	Basis		Period	Frequency		Basis		Period	Frequency		Reporter	Sectoral	OFIs	Inward	Outward
	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual					
Georgia		X	2012	X			X	2012	X				X		
Germany	X		2012	X		X		2012	X		X	X	X	X	
Ghana	X		2012		X	X		2011		X					
Greece	X		2012	X		X		2012	X		X	X	X	X	
Grenada	X		2012		X										
Guatemala	X		2012	X		X		2012	X				X	X	
Guinea	X		2011	X		X		2011		X					
Guinea-Bissau	X		2010		X	X		2010		X			X		
Guyana	X		2012		X										
Haiti	X		2012	X		X		2012		X					
Honduras	X		2012	X		X		2012	X				X	X	
Hungary	X		2012	X		X		2012	X		X	X	X	X	
Iceland	X		2012	X		X		2012	X		X	X	X	X	
India		X	2011	X			X	2012	X		X	X	X	X	
Indonesia	X		2012	X		X		2012		X	X	X	X		
Iran, I.R. of	X		2000		X										
Iraq	X		2012		X	X		2012		X					
Ireland	X		2012	X		X		2012	X		X	X	X	X	
Israel	X		2012	X		X		2012	X		X	X	X	X	
Italy	X		2012	X		X		2012	X		X	X	X	X	
Jamaica		X	2012	X			X	2012	X						
Japan	X		2012	X		X		2012	X		X	X	X	X	
Jordan	X		2012	X		X		2012	X						
Kazakhstan	X		2012	X		X		2012	X		X	X	X	X	
Kenya	X		2012		X										
Kiribati	X		1994		X										
Korea	X		2012	X		X		2012	X		X	X	X	X	
Kosovo	X		2012	X		X		2012	X		X	X	X	X	
Kuwait		X	2012		X		X	2012		X	X	X	X	X	
Kyrgyz Republic	X		2012	X		X		2011	X				X	X	
Lao, P.D.R.	X		2011	X											
Latvia	X		2012	X		X		2012	X		X		X	X	
Lebanon	X		2012	X						X	X	X			
Lesotho	X		2012	X		X		2012	X						
Liberia	X		2011		X										
Libya	X		2011		X										
Lithuania	X		2012	X		X		2012	X		X	X	X	X	

Country Name	WHAT IS REPORTED ^{i, ii}														
	BOP					IIP					CPIS ⁱⁱⁱ			CDIS	
	Basis		Period	Frequency		Basis		Period	Frequency		Reporter	Sectoral	OFIs	Inward	Outward
	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual					
Luxembourg	X		2012	X		X		2012	X		X			X	X
Macedonia, FYR	X		2012	X		X		2012	X					X	X
Madagascar	X		2005	X											
Malawi	X		2012		X	X		2012		X					
Malaysia		X	2012	X			X	2012		X	X	X		X	X
Maldives	X		2012		X	X		2011		X					
Mali	X		2010		X	X		2010		X				X	X
Malta	X		2012	X		X		2012	X		X			X	X
Mauritania	X		1998		X										
Mauritius	X		2012	X		X		2012		X	X			X	X
Mexico	X		2012	X		X		2012	X		X	X	X	X	X
Moldova	X		2012	X		X		2012	X					X	
Mongolia	X		2012	X		X		2011	X		X	X			
Montenegro, Rep. of	X		2012	X										X	
Montserrat	X		2012		X										
Morocco	X		2012	X		X		2012		X				X	
Mozambique	X		2012	X		X		2011		X				X	X
Myanmar	X		2011	X		X		2011	X						
Namibia	X		2011	X		X		2011	X						
Nepal	X		2012	X										X	
Netherlands	X		2012	X		X		2012	X		X	X	X	X	X
Netherlands Antilles	X		2009	X											
New Caledonia	X		2011		X										
New Zealand	X		2012	X		X		2012	X		X			X	X
Nicaragua		X	2012	X			X	2012	X						
Niger	X		2010		X	X		2010		X					
Nigeria	X		2012		X	X		2012		X				X	
Norway	X		2012	X		X		2012		X	X	X	X	X	X
Oman	X		2012		X										
Pakistan	X		2012	X		X		2012	X		X	X	X	X	X
Panama	X		2012	X		X		2012	X		X			X	
Papua New Guinea	X		2010		X										
Paraguay	X		2012	X		X		2012	X					X	
Peru	X		2012	X		X		2012	X						
Philippines		X	2012	X			X	2011		X	X			X	X
Poland	X		2012	X		X		2012	X		X	X	X	X	X
Portugal	X		2012	X		X		2012	X		X	X	X	X	X

Country Name	WHAT IS REPORTED ^{i, ii}														
	BOP					IIP					CPIS ⁱⁱⁱ			CDIS	
	Basis		Period	Frequency		Basis		Period	Frequency		Reporter	Sectoral	OFIs	Inward	Outward
	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual					
Qatar	X		2012	X											
Romania	X		2012	X		X		2012	X		X	X	X		
Russian Federation		X	2012	X			X	2012		X	X	X	X	X	
Rwanda	X		2012		X	X		2012		X			X		
Samoa		X	2011	X									X	X	
Sao Tome and Principe	X		2012	X											
Saudi Arabia		X	2012	X			X	2011		X					
Senegal	X		2010		X	X		2010		X			X	X	
Serbia	X		2012	X		X		2012	X				X		
Seychelles		X	2012	X									X		
Sierra Leone	X		2011		X	X		2011		X					
Singapore		X	2012	X			X	2012		X	X		X		
Sint Maarten	X		2012	X											
Slovak Republic	X		2012	X		X		2012	X		X		X	X	
Slovenia	X		2012	X		X		2012	X		X		X	X	
Solomon Islands	X		2011	X		X		2011	X						
Somalia	X		1989		X										
South Africa	X		2012	X		X		2012		X	X	X	X	X	
Spain	X		2012	X		X		2012	X		X	X	X	X	
Sri Lanka	X		2012	X											
St. Kitts & Nevis	X		2012		X										
St. Lucia	X		2012		X										
St. Vincent & the Grenadines	X		2012		X										
Sudan	X		2012	X		X		2012		X					
Suriname	X		2012	X		X		2012	X						
Swaziland	X		2010		X	X		2010		X					
Sweden	X		2012	X		X		2012	X		X	X	X	X	
Switzerland	X		2012	X		X		2012	X		X		X	X	
Syrian Arab Republic	X		2010		X	X		2010		X					
Tajikistan	X		2012	X											
Tanzania	X		2012		X	X		2012		X					
Thailand		X	2012	X			X	2012		X	X	X	X	X	
Timor-Leste	X		2012		X	X		2012		X					
Togo	X		2010		X	X		2010		X			X	X	
Tonga	X		2009	X											
Trinidad & Tobago	X		2011		X	X		2011		X					
Tunisia	X		2012		X	X		2012		X					

Country Name	WHAT IS REPORTED ^{i, ii}														
	BOP					IIP					CPIS ⁱⁱⁱ			CDIS	
	Basis		Period	Frequency		Basis		Period	Frequency		Reporter	Sectoral	OFIs	Inward	Outward
	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual	BPM5	BPM6	Most Recent Complete Year	Quarterly	Annual					
Turkey	X		2012	X		X		2012	X		X	X	X	X	X
Turkmenistan	X		1997		X										
Uganda	X		2012	X		X		2012	X					X	
Ukraine		X	2012	X			X	2012	X		X	X		X	
United Kingdom	X		2012	X		X		2012	X		X	X	X	X	X
United States		X	2012	X			X	2012	X		X			X	X
Uruguay	X		2012	X		X		2012		X	X	X		X	
Vanuatu	X		2011	X		X		2011	X						
Venezuela	X		2012	X		X		2012	X		X	X	X	X	
Vietnam	X		2012	X											
West Bank and Gaza	X		2011		X	X		2011		X				X	
Yemen, Republic of	X		2011	X		X		2007		X					
Zambia	X		2012		X	X		2012		X				X	X
Zimbabwe	X		1994		X										
Total	165	31		131	65	112	25		82	55	73	55	49	100	71

Notes:

ⁱ In *BOPSY 2013* country pages (printed version) are provided for 184 economies, of which 137 reported IIP. Countries report IIP data of varying comprehensiveness.

ⁱⁱ BOP and IIP data are based on *BOPSY 2013* (cutoff date of October 16, 2013). CPIS and CDIS participation is based on 2011 data (cutoff date of June 2013).

ⁱⁱⁱ Sectoral data are reported in CPIS Table 3 and OFI data are a subset of the data reported in CPIS Table 3.

^{iv} Balance of Payments data prior to 2002 cover Belgium-Luxembourg.