



Twenty-Eighth Meeting of the IMF Committee on Balance of Payments Statistics

Rio de Janeiro, Brazil
October 27–29, 2015

BOPCOM—15/09.b

CPIS – The Dutch Experience

CPIS – The Dutch Experience¹

The Coordinated Portfolio Investment Survey (CPIS) was launched in 1997 as a response to concerns about gaps in statistics on global capital flows. Portfolio investment across international borders had grown sharply, reflecting the liberalisation of financial markets, financial innovation and the changing behaviour of investors. The Netherlands was one of the 29 economies that participated in the first CPIS at the end of 1997.

The CPIS measures the market value of portfolio investment securities held abroad by entities that are resident in a particular country. The data, categorised by type of security, are further broken down by sector and by country of the issuer of the securities. Since 1997, the importance of securities markets has continued to grow around the world and so has the need for more harmonised, frequent and timely data on this topic. The global financial crisis has reaffirmed this need. The CPIS is a vital source of information on cross-border financial relationships, currently published by the IMF every six months and available within nine months after the reference period. A strength is that the data of many countries are easily accessible by users at one place.

In the Netherlands, the national CPIS data are published on the website of De Nederlandsche Bank (DNB). These securities statistics are greatly valued by internal (e.g. for financial stability analysis) and external users. At present, the figures are collected every month, mostly based on security-by-security information, in the balance of payments and international investment position collection framework. Foreign securities holdings in the Netherlands are high, adding up to roughly USD 2,000 billion (figure 1), mainly reflecting the substantial volume of pension assets in the Netherlands.

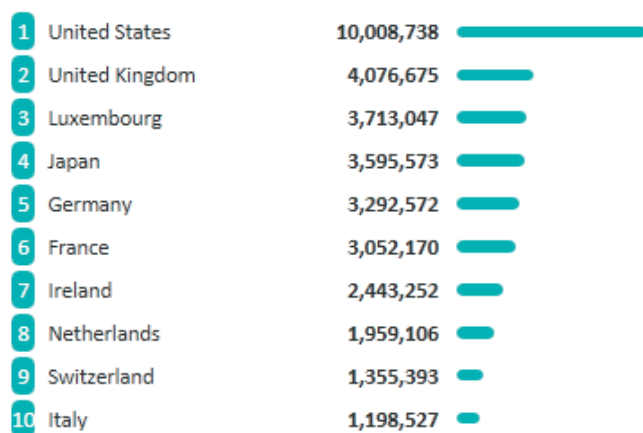


Figure 1. Total Portfolio Assets – Top 10 Reporting Economies in the World – US Dollars, Millions, June 2014 (Source: IMF CPIS, September 2015)

In collaboration with Statistics Netherlands, DNB is currently developing one comprehensive framework for producing, in a fully consistent way, both external statistics and quarterly sector accounts. The new framework will focus primarily on the production of quarterly statistics, while DNB is going to put much less effort in compiling the monthly BOP (which is still an ECB and Eurostat requirement, as a building block for the monthly euro area and EU BOP). However, as frequent data

¹ Paper prepared by Erik Bieleveldt and Rini Hillebrand, economists at the Balance of Payments and Statistical Publications department, for the Twenty-Seventh Meeting of the IMF Committee on Balance of Payments Statistics (Rio de Janeiro, October 2015).

on cross-border securities transactions and positions are essential to our users, DNB intends to continue requesting information on portfolio investments in a separate monthly survey, as much as possible on a security-by-security basis.

Given the importance our users attach to securities data and the increasing need for internationally harmonised, accessible and up-to-date data, we would like to plea for increasing the frequency and improving the timeliness of the CPIS publication. It has certainly been a good first step to increase the frequency of the CPIS to semi-annual, but users would be greatly serviced by increasing the frequency even further to once every quarter. This would be consistent with the SDDS frequency requirements for BOP/IIP – an increasing number of countries collect the CPIS data within the framework of the BOP/IIP data collection – and the minimum frequency of other SDDS indicators. We would also like to see further stepping up the speed of data publication. Publishing data within one quarter after the reference period might not yet be feasible, but the ambition could be set to publish the data after a maximum of e.g. four months. This would be a very valuable gain to users, compared to the current publication after nine months. Furthermore, as the CPIS dataset is also increasingly being used by compilers to cross-check or even compile (the geographical allocation of) the portfolio liabilities with mirror information from counterpart countries, such improvements in frequency and timeliness would also help compilers to raise the quality of their (quarterly) portfolio investment statistics and BOP/IIP. Also within DNB, CPIS mirror data are regularly used to geographically allocate portfolio investment income payments and to check the plausibility of portfolio investment liability stocks. These data are very helpful, since the portfolio investment liabilities item is one of the most challenging BOP/IIP items to compile and can only be derived indirectly (e.g. as a residual).

In the portfolio investment securities market in particular, securities change hands rapidly, which is why frequency and promptness of publication are crucial aspects for analysis and spotting trends. From the compilation side, statistics on securities are ideal for fast and high-frequency data compilation, if they can be based on security-by-security reporting. With the availability of high frequency data in a securities database, a large pool of information is available while the reporting burden for reporting agents is limited. For the Netherlands, with its monthly collection of security-by-security data, further increasing the frequency and timeliness of CPIS data would entail only a limited extra effort, while users would greatly welcome this development.