



Thirtieth Meeting of the IMF Committee on Balance of Payments Statistics

Paris, France
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BOPCOM—17/16

2018 Work Program of the IMF Committee on Balance of Payments Statistics

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1. The purpose of this paper is to discuss the proposed work program of the IMF Committee on Balance of Payments Statistics (Committee) for 2018 (Table 1). The top priority items indicate the strategic areas of focus. Medium priority items identify important work encompassing existing and new statistical initiatives that would also depend on the availability of resources.
2. STA's strategic focus is informed by the broader role the IMF plays in supporting its global membership. In this context, Managing Director's Global Policy Agenda presented at 2017 Annual Meetings stressed that to help members improve policy formulation and implementation, the Fund will strengthen its capacity development (CD) work, including in support of the Sustainable Development Goals (SDGs). A forthcoming review will focus on further integrating CD with surveillance and policy advice and better target country needs, and considering the countries' capacity. To support such efforts, the Fund is integrating the 2030 SDGs and the Financing for Development Agenda into its work that, among others, includes fostering data quality and availability.
3. Other important themes that emerge from global developments include further work on the impacts of globalization, emerging technologies, and digitalization, including identifying the best practices in the measurement of digital and informal economies.
4. The Committee is asked to adopt or suggest changes to the proposed work program for 2018.

I. TOP PRIORITIES

5. On the proposed work program for 2018, a top priority topic will be the *measurement of digital economy* in external sector statistics (ESS). The priority emerges from the rapid development of digital economy with a significant variety of types and spillovers. While several countries started already some studies in this regard, the biggest majority of countries are still to consider initiating the work for covering these activities in ESS. There is a need for conceptual and compilation guidance for defining the digital economy and its capturing in ESS.
6. The second top priority aims to improve the *coverage of informal economy* in ESS. There is continued interest in capturing the informal economy in macroeconomic statistics, as their omission create significant gaps. Informal activities are generally outside the scope of the regular data collection programs, and the boundaries of informal activities are not always clear. Therefore, covering informal activities in cross border statistics poses numerous challenges, including the lack of a consistent measurement framework across countries and the cost of data collection. There is need to fill the gaps in international accounts related to informal economy to assure the ESS comprehensiveness.

7. The third top priority aims at finalizing the work of the task force on *special purpose entities* (SPEs) (TFSPE) that was established following the decision of the 2017 Committee meeting. The work will focus on developing a definition and typology of SPEs and on establishing a strategy for addressing existing gaps that will improve the coverage of SPEs in ESS. Recent international developments have underscored that while the economic relevance of the SPEs in terms of contribution to GDP in the host economies may generally be limited, their operations generate substantial cross-border income and other flows, and become associated with sizeable cross-border assets and liabilities. Therefore, it is considered a strategic priority to fill the gaps in international accounts related to SPEs so as to better understand the impact of globalization.

8. Another top priority will be the *measurement of global value chains* (GVCs) under the current *BPM6* framework. GVCs are a consequence of the production globalization for benefiting from countries' advantages in different aspects: workforce, legal environment, taxes, proximity with suppliers or clients. Expansion of GVCs leads to an increasing share of trade in intermediate products, intra-group trade and foreign direct investment, which poses challenges in the compilation and interpretation of the traditional ESS indicators. The work will focus on identifying indicators within the existing ESS collections that would be of particular relevance for the development of indicators on GVCs.

9. Finally, there is a need to develop guidance on the treatment of *cryptocurrencies* in ESS, as well as on data collection and compilation.

II. MEDIUM PRIORITIES

10. One of the medium priority topics is the work on the remaining topics included in the *2018 ESS research agenda*. The 2016 Committee meeting endorsed the list of topics identified to be included in the research agenda, and the mechanisms and procedures to be applied in addressing the research topics and in informing the international community on new methodology/guidance. The Committee will focus on clarifying/updating/developing several ESS methodological and /or clarification issues (other than those identified as top priority) with a view to maintaining the relevance of the international accounts and to bring clarity in the treatment of complex methodological issues. The Committee will also reserve some space for addressing emerging issues.

11. The second medium priority topics is global discrepancies in cross-border statistics. Support will continue to be given to a more bilaterally focused approach for addressing statistical discrepancies and countries will be encouraged to conduct and disseminate the results of bilateral comparisons. The committee should also continue monitoring how all other items in the committee's work program may affect bilateral asymmetries.

12. Other medium-priority topics that will be covered during 2018 are to continue the work on improving the availability of data on issuer sectors through a centralized multilateral exchange of information.

13. Lastly, the committee will continue monitoring the implementation of the strategy to compile balance of payments and IIP in countries with low statistical capacity.

Question for the Committee:

Do Committee members endorse the proposed work program for 2018?

**Table 1. Proposed Work Program of the IMF Committee on
Balance of Payments Statistics for 2017**

Topic	Activities	Outcomes
TOP PRIORITY		
Measuring digital economy in ESS (including trade finance)	<p>Contribute to ongoing development work by the Inter-Agency Task Force on International Trade Statistics for (a) developing a definition and defining perimeters of digital cross-border trade, and (b) establishing a prioritized plan for advancing the work on covering digital economy in ESS;</p> <p>Comment on IMF proposal on how to measure trade finance in GVCs.</p>	<p>Report on progress in measuring digital economy in ESS presented at 2018 Committee meeting;</p> <p>Proposal presented at 2018 Committee meeting.</p>
Coverage of the informal economy in ESS	Establish a BOPCOM task force for developing guidance on data collection and compilation for informal cross-border statistics.	Strategy for collecting and compiling data on informal cross-border statistics.
Reporting framework for special purpose entities (SPE) in ESS	Finalize the work of the BOPCOM task force on SPEs, including proposing a definition and typology of SPEs. During the second year of the task force, the work will focus on actions specified in the work plan, e.g., developing an internationally accepted typology of SPEs, developing a strategy to collect and disseminate internationally-comparable statistics on SPEs, conducting a stock-taking	Final report of the task force on SPEs that will include, among others, the strategy for collecting and compiling data on SPEs, counting also on offshore jurisdictions – non-IMF members.

Topic	Activities	Outcomes
	survey of offshore jurisdictions.	
Global Value Chains (GVCs): measurement issues under current <i>BPM6</i> framework	Comment on OECD – IMF working group proposal for a reporting template to collect GVC-related information in ESS	Reporting template for collection data on GVC presented at 2018 Committee meeting
Cryptocurrencies	Develop guidance on treatment of cryptocurrencies in ESS, as well as on data collection and compilation.	Paper presented at 2018 Committee meeting.
MEDIUM PRIORITY		
Remaining issues of research agenda	Develop guidance on topics included in the 2018 ESS research agenda, other than those identified as top priority (see above).	Guidance notes approved through written procedures and posted on <i>BPM6</i> website or BOPCOM papers approved at 2018 Committee meeting.
Reducing global and bilateral asymmetries	Continue supporting the pilot project on the centralized exchange of the list of ISIN codes associated with foreign securities held by national holders.	Improved quality and availability of sector of issuer data in CPIS.
	Continue supporting the bilaterally-focused approach to addressing statistical discrepancies in global balance of payments statistics.	IMF and other international organizations to continue conducting regular studies of bilateral asymmetries.
	Continue monitoring how all items in the committee’s work program may affect bilateral asymmetries	Committee to review regularly the impact of all its activities on bilateral asymmetries

Topic	Activities	Outcomes
CPIS	Continue monitoring the implementation of the strategy to compile balance of payments and IIP in countries with low statistical capacity	Committee to review regularly the implementation of the strategy to compile balance of payments and IIP in countries with low statistical capacity
	Finalize work on reviewing the updated <i>CPIS Guide</i> .	Updated <i>CPIS Guide</i> released.