



Thirty-First Meeting of the IMF Committee on Balance of Payments Statistics

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For discussion
[REVISED]

2019 Work Program of the IMF Committee on Balance of Payments Statistics

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1. This paper discusses the proposed work program of the International Monetary Fund's (IMF) Committee on Balance of Payments Statistics (Committee) for 2019 (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. The Committee has an important role as advisor to the IMF on methodological and compilation issues related to external sector statistics (ESS). In this context, the 2019 work program will be influenced by the fact that this year marks a new turning point for the IMF's Statistics Department (STA). In the last year, the IMF conducted a thorough review of its data and statistics strategy considering the significant challenges faced by the IMF and its membership, among others, with the advent of the digital economy. At the end of this review, the IMF management recognized the role of economic data as a key institutional asset and a global public good assigning STA primary responsibility for data management in the IMF. This new mandate is being implemented under an Overarching Strategy on Data and Statistics in the Digital Age (see [IMF Executive Board Supports New Strategy for Data and Statistics in the Digital Age](#)) that integrates two important facets of STA: its mission as provider of statistical services to the mainstream of IMF operations (surveillance, use of IMF resources) and its traditional role vis-a-vis the IMF membership and the world statistical community.
3. In this context, two important data-related initiatives will engage the IMF's Executive Board attention in 2020: the review of the Data Provision to the Fund for Surveillance Purposes and the 10th Review of the Data Dissemination Standards. These reviews provide an opportunity for the IMF and the Committee to reexamine issues of data adequacy and relevance in the context of the Fund's multilateral and bilateral surveillance, while ensuring that global standards for data dissemination are attuned to user needs. Scoping of the relevant issues has started and are reflected in the Committee's proposed work program for 2019.
4. The Committee is asked to discuss and adopt the proposed work program.

I. TOP PRIORITIES

5. A top priority will be the **preparation of a backbone paper describing the overarching topics around which the Committee's research agenda** should be structured. The paper should have a multi-year scope and should link the research agenda to the main policy priorities in a fast-changing global economic and financial environment.
6. A second priority will be **improving the coverage and measurement of the informal economy in external sector statistics (ESS)**. The work of the Task Force on Informal Economy (TFIE)—established following the decision of the 2017 Committee

meeting—will enter its final year. Their work will focus on identifying and disseminating the best collection and compilation practices of informal economy data and providing broad (non-country specific) recommendations for improving current compilation methods. These practices are expected to be integrated into STA’s capacity development activities with a view to enhancing the comprehensiveness and accuracy of ESS.

7. Against the background of the increasing spotlight on the global trade system, another top priority will be to continue the work on the **measurement of global value chains (GVCs)** under the current *BPM6* framework. Expansion of GVCs leads to an increasing share of trade in intermediate products, intra-group trade and its finance, and foreign direct investment, which poses challenges in the compilation and interpretation of the traditional ESS indicators. The work will focus on supporting the OECD-IMF working group in gathering countries’ experience on better identifying the current account transactions of multinational enterprises.

8. Subject to the Committee’s approval of the proposals of the Task Force on Special Purpose Entities (SPEs), the IMF will develop an implementation plan for launching the new reporting framework for SPEs’ transactions and positions. The Committee will be advising on the implementation plan.

9. There is a need to develop further guidance on **the treatment of reserve assets in ESS for member states in centralized currency unions**, given the differences in the regulatory framework and the functioning of the existing currency unions (the Central African Economic and Monetary Community, the West African Economic and Monetary Union, and the Eastern Caribbean Currency Union). This work may not be completed in 2019.

II. MEDIUM PRIORITIES

10. As stated in the introduction, a key driver to mainstreaming the IMF’s Data and Statistics Strategy is the development of an integrated roadmap for improving data for the surveillance. With reviews of the Data Provision to the Fund for Surveillance Purposes and Data Dissemination Standards due in 2020, efforts are underway to scope emerging data needs that may better support assessments of global financial stability, including public debt transparency and vulnerabilities (with a focus on low-income countries). Accordingly, the Committee is asked to:

- a. Study the feasibility of compiling and disseminating a **full reconciliation between cross-border flows (balance of payments) and stocks (international investment position (IIP))**; and
- b. Examine the feasibility of producing **IIP data with a country breakdown (especially on external debt)**.

11. This work will not be completed in 2019. Therefore, the proposal is to assign it a medium priority in the 2019 work program and, depending on progress, reassess its priority for the 2020 work program.

12. Another medium priority topic is the work on the remaining items included in the **2019 ESS research agenda**. The Committee will focus on clarifying/developing several ESS methodological issues with a view to maintaining the relevance of the international accounts and to bringing clarity in the treatment of complex methodological issues. Emerging issues will continue being added to the research agenda as they arise.

13. Continuing the work on improving the **availability of data on issuer sectors of securities**, a proof of concept exercise will be conducted with volunteer economies, including some represented in the Committee. The results will serve as a basis for identifying the challenges of establishing a centralized database in the IMF, and for making a proposal to the Committee at its next meeting.

14. Subject to the related discussion of the Committee during the meeting, work on developing a **framework for capturing trade finance** may continue.

15. Finally, regarding 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.

Question for the Committee:

Do Committee members have suggestions and/or endorse the proposed work program for 2019?

**Table 1. Proposed Work Program of the IMF Committee on
Balance of Payments Statistics for 2019**

Topic	Activities	Outcomes
TOP PRIORITY		
Prepare the backbone paper for the ESS research agenda	Identify big priority items on the research agenda for ESS.	Backbone paper to be discussed with Committee members via written procedure prior to 2019 meeting.
Coverage of the informal economy in ESS	Finalize the work of the Task Force on Informal Economy (TFIE). During the second year of the TFIE, the work will focus on identifying the best collection and compilation practices of informal economy data and provide recommendations for improving current compilation methods.	Final report of the TFIE presented at 2019 Committee meeting. Inform the IMF's assessment of workstreams related to illicit financial flows.
Global value chains (GVCs): measurement issues under current <i>BPM6</i> framework	Provide inputs to the OECD – IMF working group on countries' experience and express views on better identifying the current account transactions of multinational enterprises.	Report on the results of stock-taking by the OECD-IMF working group presented at 2019 Committee meeting.
Special purpose entities: implementation plan for data collection framework	Provide advice on the implementation plan.	Implementation plan developed for data collection framework.
Treatment of reserve assets in balance of payments and IIP for member states within a centralized currency union	Develop guidance on treatment of reserve assets in ESS for member states in a centralized currency union.	Paper presented at 2019 Committee meeting.
MEDIUM PRIORITY		
Remaining issues on the ESS research agenda	Develop guidance on topics included in the 2019 ESS research agenda, other than	Guidance notes approved through written procedures and posted on <i>BPM6</i> website or BOPCOM papers

Topic	Activities	Outcomes
	those identified as top priority (see above).	approved at 2019 Committee meeting.
Supporting assessments of global financial stability and external vulnerabilities	Assess the feasibility of compiling and disseminating a full reconciliation between balance of payments flows and IIP.	Report on the assessment of the feasibility of compiling and disseminating a fully reconciled balance of payments and IIP presented at 2019 Committee meeting.
	Assess the feasibility of producing IIP data with a country breakdown.	Report on the assessment of the feasibility of producing IIP data with a country breakdown presented at 2019 Committee meeting.
Enhancing Balance Sheet Statistics and Global Flow of Funds to provide more detailed insights on financial interconnectedness	Support the execution of the Proof of Concept (PoC) project on the centralized exchange of the list of ISIN codes associated with foreign securities held by national holders.	Report on the PoC presented at 2019 Committee meeting. Improved quality and availability of sector of issuer data in the CPIS.
Trade finance	Contribute to the finalization of the framework for reporting of trade finance, including through pilot testing.	Progress report presented at 2019 Committee meeting.
Reducing global and bilateral data asymmetries	Continue supporting the bilaterally-focused approach to addressing statistical discrepancies in global balance of payments statistics.	International organizations to continue supporting/conducting regular studies of bilateral asymmetries.