



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

Thimphu, Bhutan
October 29–November 1, 2019

BOPCOM—19/19
For discussion

2020 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 2020 (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. Top and medium priorities are listed within each category with no ranking.
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 2020 work program will be influenced by implementation of the Overarching Strategy on 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 and its traditional role vis-a-vis the IMF membership and the world statistical community.
3. 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 Tenth 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. Scoping of the relevant issues continues to be reflected in the Committee's proposed work program for 2020.
4. The Committee is asked to discuss and adopt the proposed work program.

I. TOP PRIORITIES

5. A top priority will be continuing the work on **identifying the overarching research topics for designing the BPM6 update strategy**. The work will scope out the key conceptual, methodological, and measurement issues in the ESS in close coordination with national accounts in a multi-year perspective, pivotal to the IMF's role in providing cutting-edge analysis and policy advice for its membership.
6. Another top priority will be the work on **addressing global discrepancies** in cross-border statistics where support will continue to be given to a more bilaterally focused approach for addressing statistical discrepancies building on the finding of the recent analysis of net errors and omissions. Committee members will be encouraged to volunteer to study their bilateral asymmetries and report their results at the 2020 Committee meeting.
7. The **recording of intellectual property products (IPP) in ESS** will be another top priority. Globalization processes resulted in substantial growth in transactions associated with IPPs and compilers face challenges in covering data on IPPs due to their complexity and

intangible nature. Therefore, there is a need for the development of guidance on data collection and compilation of statistics on cross-border IPP-related transactions.

8. The top priority will also be conducting the **preparatory work for launching a data collection on special purpose entities**. The IMF will develop a practical implementation/operational guideline for compilers and will undertake an outreach program. The implementation plan will target the first release of annual data around end-2021 for reference year 2020. The Committee will be advising on the development of practical implementation guidelines.

II. MEDIUM PRIORITIES

9. Providing guidance on the **treatment of centralized currency unions (CUs)** in macroeconomic statistics is a medium priority topic, while recognizing its high importance for CU members. The treatment of reserve assets for member states in centralized CUs and the interpretation of some concepts raised questions recently. Among the main concerns are the apportioning of pooled reserve assets of a centralized CU to member economies; the attribution of assets and liabilities of the monetary authority vis-à-vis resident units; and the consideration of when the CU central bank is “acting on its own account”. Consequently, there is a need to revisit the *BPM6* guidance. The work started in 2019 and is expected to be finalized for the 2020 Committee meeting.

10. Against the background of the increasing spotlight on the global trade system, another medium 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 developing the reporting template for GVCs data collection.

11. Continuing the work on improving the **availability of data on issuer sectors of securities** will be another medium priority topic. The results of the Proof of Concept (PoC) exercise conducted by STA, the positive feedback gathered from the PoC participants through an ex-post survey, and the analytical potential of the resulting data provide strong evidence on the usefulness of the exercise. The continuation of the project will depend on a significant number of countries (in terms of the proportion of total CPIS holdings of securities) that agree to participate in the first full exchange of information scheduled to be initiated in March 2020.

12. A medium priority will also be the work on the **remaining items included in the 2020 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. The research agenda includes initiating exploratory work on the feasibility of measuring cross border flows

and positions on **sustainable finance** (e.g., green bonds) to better inform financial stability analysis, including potential risks from climate change, and further research on the CIF/FOB adjustments in recording international trade. Emerging issues will continue being added to the research agenda as they arise.

Question for the Committee:

Does the Committee have suggestions and/or endorse the proposed work program for 2020?

**Table 1. Proposed Work Program of the IMF Committee on
Balance of Payments Statistics for 2020**

Topic	Activities	Outcomes
TOP PRIORITY		
Continue the work on identifying overarching research topics for designing the <i>BPM6</i> update strategy	Identify new overarching priority items on the research agenda for ESS in close coordination with NA.	Identified new priority items included in the research agenda for <i>BPM6</i> update.
Reducing global and bilateral data asymmetries	Volunteer members to study their bilateral asymmetries.	Paper presented at 2020 Committee meeting.
Recording intellectual property products in ESS	Establish a BOPCOM task force for developing guidance on data collection and compilation on IPPs.	Paper presented at 2020 Committee meeting.
Special purpose entities: preparatory work for launching the data collection on SPEs	Provide advice on the development of practical implementation guidelines.	Practical implementation guidelines discussed through written procedure.
MEDIUM PRIORITY		
Treatment of centralized currency unions in macroeconomic statistics	Develop guidance on treatment of centralized currency unions.	Paper presented at 2020 Committee meeting.
Global value chains (GVCs): measurement issues under current <i>BPM6</i> framework	Provide advice in developing the reporting template for GVCs data collection.	Paper presented at 2020 Committee meeting.
Enhancing balance sheet statistics and global flow of funds to provide more detailed insights on financial interconnectedness	Participate in the first full exchange of information on the list of ISIN codes associated with foreign securities held by national holders scheduled to be initiated in March 2020.	Improved quality and availability of sector of issuer data in the CPIS.
Remaining issues on the ESS research agenda	Develop guidance on topics included in the 2020 ESS research agenda, other than those identified as top priority (see above) such as sustainable finance and further research on CIF/FOB adjustment.	Guidance notes approved through written procedures and posted on <i>BPM6</i> website or BOPCOM papers approved at 2020 Committee meeting.