



# Thirty-Fourth Meeting of the IMF Committee on Balance of Payments Statistics

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For discussion

## **C.2 Goods, Services, and Investment Income Accounts by Enterprise Characteristics: Outcome of the Public Consultation**

Prepared by the Current Account Task Team (CATT)

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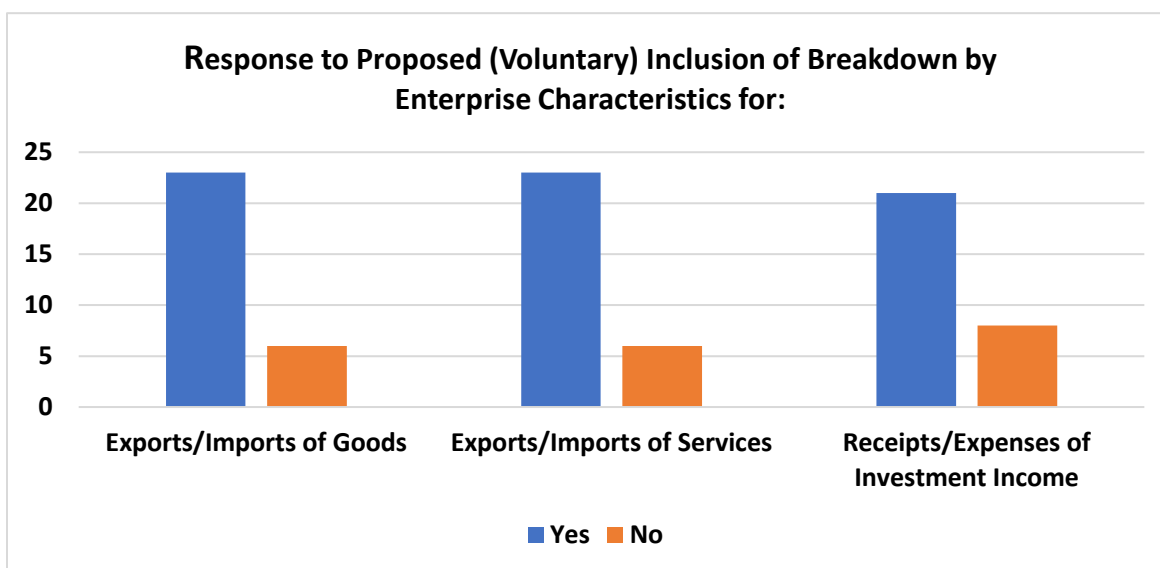


## C.2 Goods, Services, and Investment Income Accounts by Enterprise Characteristics: Outcome of the Public Consultation

Overall, the opinions on the proposal to include additional breakdown by enterprise characteristics to be reported as **supplementary items**<sup>1</sup> in the annual data collection are largely favorable. A summary of results is presented below. In the light of the wide agreement received during the public consultation, the GN is proposed to be considered by the Committee for final decision.

1. Do you agree with the proposal to include a breakdown by enterprise characteristics as part of the voluntary annual reporting template of the current account, as proposed in Annex 1 of the GN?

**Figure 1. Response to Proposed (Voluntary) Inclusion of Breakdown by Enterprise Characteristics for the Exports/Imports of Goods and Services, and Receipts/Expenses of Investment Income**



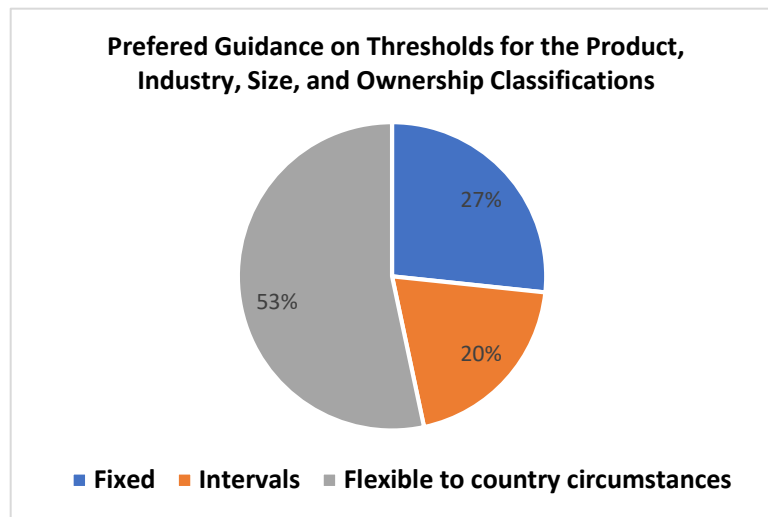
While in Europe, Trade in Goods by Enterprise Characteristics (TEC) and Services Trade by Enterprise Characteristics (STEC) are being implemented as mandatory statistics, other positive responses support the proposal under a supplementary reporting basis only. There is large agreement about the usefulness of such data for policymakers and for global economic analysis, supporting, in particular, a comprehensive analysis of the activities of MNEs or of firms by size class. At the same time, the implementation challenges should be carefully considered, in particular, for services and investment income, which would be difficult to implement in most developing countries.

2. If you support the GN's proposal, what guidance you prefer regarding the thresholds for the (i) product, (ii) industry, (iii) size, and (iv) ownership classifications?

Figure 2 shows respondent preferences for the above-referred thresholds.

<sup>1</sup> In BPM terms, *supplementary* reporting indicates items outside the standard components as in *BPM6*

**Figure 2. Preferred Guidance on Thresholds for the Classifications**



More than half of the respondents would prefer that manuals provide general criteria and allow countries to decide on the thresholds according to national circumstances. The arguments in support of fixed or accepted intervals for thresholds consider the international comparability.

### **3. What is your opinion on the practical feasibility of the proposal?**

While a voluntary annual reporting could be considered, significant practical challenges are raised with regard to the implementation of the breakdown for investment income and in many cases for services. Main issues raised are (i) the need of substantial changes to the data collection system, including increased reporting burden; (ii) confidentiality issues, in particular for small economies; (iii) the involvement of different institutions in data collection for various components; and (iv) a high degree of estimation where models have to be used. In the European context, questions have been raised regarding the potential deviations from Framework Regulation Integrating Business Statistics (FRIBS) requirements and, thus, potentially confusing to users.

### **4. Do you have any other comments/suggestions on the GN?**

Several respondents noted the potential risks of overloading the BPM framework with supplementary tables, potentially duplicating other manuals and guides, and suggested to consider moving most of the Annex 1 proposal into these subsidiary manuals and guides, such as the IMTS, MSITS, and the Guide on Measuring Global Production, leaving BPM to focus on the macro picture.