

INTERNATIONAL MONETARY FUND



RECENT DEVELOPMENTS AND CURRENT INITIATIVES

Statistics Department
2011





A MESSAGE FROM THE DIRECTOR



I am pleased to describe our department's services and products in this year's *Recent Developments and Current Initiatives*.

Our department provides an important service to the IMF membership and the international community by facilitating the provision of comprehensive, timely, comparable, and consistent data across countries. The global financial crisis demonstrated the lack of data in key areas that might have helped authorities measure and understand the risks to the international system that arose from increasingly integrated economies and financial markets. The Statistics Department is leading international initiatives to address data gaps which are relevant to the work of the IMF in multilateral and bilateral surveillance. This includes working with other IMF departments, other international agencies, and the Financial Stability Board (FSB) to implement the recommendations to address data gaps endorsed by the Group of 20 economies (G-20) ministers of finance and central bank governors in November 2009, and the International Monetary and Financial Committee in April 2010. The Principal Global Indicators (PGI)—a one-stop external website of the Inter-Agency Group on Economic and Financial Statistics that brings key economic and financial indicators for G-20 economies in one location and is available for iPad and iPhone—and the Financial Soundness Indicators website continue to be enhanced and upgraded. These initiatives align with the priority in addressing gaps in data to help assess financial stability and vulnerability in systemically important economies and institutions.

The department continues its efforts to support the development and implementation of methodology in macroeconomic statistics and countries' participation in the Report on the Observance of Standards and Codes, the Special Data Dissemination Standard (SDDS), and the General Data Dissemination System. In February 2011, the IMF Executive Board discussed the possibility to create an SDDS Plus. The SDDS Plus would be an upper tier of the IMF's Data Standards Initiatives to help address data gaps identified during the global financial crisis.

Our capacity-building activities (technical assistance and training), especially in low income countries are expanding. A new project, the Implementation of the National Accounts and the International Comparison Program, funded by the government of Japan, was initiated for countries in Asia and the Pacific. The Enhanced Data Dissemination Initiative, funded by the United Kingdom Department for International Development, to provide the support to scale up our statistical capacity building efforts in Africa is now on its second year of implementation. In the coming months, another new project on Real Sector Statistics in Eastern Europe, also funded by the government of Japan, will be officially launched.

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Selected Abbreviations

1993 SNA = System of National Accounts 1993; 2008 SNA = System of National Accounts 2008; BOPSY = Balance of Payments Statistics Yearbook; BPM5 = Balance of Payments Manual, fifth edition; BPM6 = Balance of Payments and International Investment Position Manual, sixth edition; CDIS = Coordinated Direct Investment Survey; DOTS = Direction of Trade Statistics; DOTSY = Direction of Trade Statistics Yearbook; DQAF = Data Quality Assessment Framework; GDDS = General Data Dissemination System; GFSM 2001 = Government Finance Statistics Manual 2001; GFSY = Government Finance Statistics Yearbook; FDI = Foreign Direct Investment; FSIs = Financial Soundness Indicators; IAG=Inter-Agency Group on Economic and Financial Statistics; IFS = International Financial Statistics; MFSM = Monetary and Financial Statistics Manual; ROSC = Report on the Observance of Standards and Codes; SDDS = Special Data Dissemination Standard; SRF = Standardized Report Form.



SECTION 1

Introduction

This report, prepared on the occasion of the IMF's 2011 Annual Meetings, summarizes the activities of the IMF's Statistics Department during the past year, as well as the direction and main priorities in the near term. It is designed to provide member countries and the international statistical community with an overview of the department's work program to assist countries more effectively in developing their statistical capacity and strengthening collaboration.

The Statistics Department provides statistical products and services that respond to the analytical and policy needs of the IMF, member countries, and the international community. This year's report reflects the department's initiatives to respond to demands arising from the global economic crisis and the alignment of its core areas of activity with the strategic directions of the IMF in an environment of reduced resources following a major downsizing in 2008 as well as major institutional reforms.

The Statistics Department's activities encompass the following:

- Addressing data gaps;
- Data management and publications;
- Standards for data dissemination;
- Support of surveillance;
- Statistical methodologies;
- Capacity building (technical assistance and training);
- International statistical coordination and cooperation; and
- Outreach.

The main elements of ongoing and planned work relating to each of these activities are presented in the next sections.



Response to the Financial Crisis

Over the past two years, the Statistics Department in cooperation with other international agencies has been working to fill the data gaps that emerged from the financial crisis of 2008–2009. In particular, ensuring availability of sufficient, consistent, and comparable information to better assess risks and understand cross-border financial linkages in an increasingly integrated global environment calls for strengthened collaboration between international institutions and national authorities. The Statistics Department is playing a leadership role in promoting such collaboration to address the data gaps identified in the report of G-20 ministers of finance and central bank governors in 2009 (the G-20 data gaps initiative) (see <http://www.imf.org/external/np/g20/pdf/102909.pdf>).

During November 2010 through March 2011, the Statistics Department undertook consultative bilateral missions to G-20 countries to discuss data priorities and action needed. As part of the consultative approach, the Statistics

Department hosted a conference for senior officials in Washington, D.C. in March 2011 to take stock of the advancements being made, discuss main messages of G-20 bilateral consultations, and identify issues requiring further action and priorities going forward. Among the key messages emerging were the need to maintain the momentum of the G-20 data gaps initiative in order to meet the G-20 mandate, foster continuing progress, and keep communication between experts and policymakers. Also highlighted was the need to set priorities given resource constraints, coordinate implementation of related recommendations, and improve coordination at the international level to reduce duplication of effort (see <http://www.imf.org/external/np/seminars/eng/2011/datagaps/index.htm>).

The Inter-Agency Group on Economic and Financial Statistics (IAG), which the IMF chairs, is the main coordinating body for the G-20 data gaps initiative. The IAG involves the Bank for International Settlements (BIS), the European Central Bank (ECB), Eurostat, the IMF, the



G-20 Senior Officials Conference



IAG Meeting in Washington, D.C.

Organisation for Economic Co-operation and Development (OECD), the United Nations Statistics Division (UNSD), and the World Bank. The work has benefited from consultations and coordination among the members of the IAG and is well documented in the progress report submitted to the G-20 ministers of finance and central bank governors in June 2011 (see <http://www.imf.org/external/np/g20/pdf/063011.pdf>). The report identified key challenges including the need to sustain efforts to close gaps in existing data collections, improve data on the activities of nonbank financial institutions, harmonize data collections from the G-20 economies, ensure adequate resources for statistical work, and appropriate access to granular financial data. The G-20 data gaps initiative has received support from the IMF Executive Board as well as the International Monetary and Financial Committee.

On May 18, 2011, IMF Executive Board discussed the Statistics Department's paper on progress made in closing the identified data gaps related to financial interconnectedness, par-

ticularly with reference to the data template for the global systemically important financial institutions (G-SIFIs) and commended the Statistics Department's ongoing efforts, while noting the need to take due account of the reporting burden, confidentiality concerns, and legal constraints of national authorities (see <http://www.imf.org/external/np/sec/pn/2011/pn1161.htm>).

Data Availability

The main objectives of the IAG are to improve inter-agency cooperation and data availability in financial and related statistics by mobilizing existing resources and building on the comparative advantages of each agency, and to support data sharing in a coordinated manner. In this regard, the IAG launched the PGI website (www.principalglobalindicators.org) in April 2009 (Figure 1). The website provides selected statistical tables to facilitate the monitoring of economic and financial developments for the G-20 economies, including cross-country table of key indicators in comparable units of measure, long runs of historical data through

real-time access to the underlying PGI database, and a visual display of key indicators.

In April 2011, access to PGI data was further enhanced by the release of a downloadable iPad/iPhone application and an SDMX web service, as well as a redesign of the home page to facilitate navigation. The “PGI Data Explorer” application provides remote access to PGI data using an interface specially designed to maximize users experience for iPad/iPhone hand-held devices (Figure 2). The SDMX web service leverages the benefits of the SDMX standards by providing a computer-to-computer interface that allows data users to update their own databases as frequently as the PGI dataset is updated.¹

In addition to these technical enhancements, the PGI website benefited from increased country coverage with the addition of the five non-G-20 member economies of the Financial Stability Board, the addition of cross-country comparable fiscal data on general government, and links to cross-country data on property prices and on cross-border exposures.

¹Information on the SDMX data exchange standards is available at www.SDMX.org. The IMF is a sponsor of the SDMX initiative and its effort in the development and promotion of these standards is described in Section 3 of this note.

Figure 1. Updated PGI Website



Figure 2. PGI Data Explorer for iPads and iPhones





SECTION 3

Data Management and Publications

IMF Data Warehouse

The IMF Data Warehouse continues to provide a central repository of ordered economic data. There has been an expansion in the range of tools available for users to easily access the data.

Most visibly, the new IMF eLibrary Data website (<http://elibrary-data.imf.org>), released in the spring of this year, provides users outside the IMF with access to an increasing proportion of the IMF’s published data (Figure 3). The published databases of the Statistics Department are now available to data subscribers using this tool. This is an initial step of an organizational strategy to centralize the IMF’s externally disseminated data from the IMF Data Warehouse.

The data warehouse continues to store and surface the data for the Principal Global Indicators (PGI) initiative, most notably in the new PGI mobile application, which is fed in real-time using the data warehouse’s SDMX web service.

The IMF Data Warehouse is also available within the IMF and contains core datasets that provide

a highly comparable collection of macroeconomic and financial data and supporting metadata.

Statistical Data and Metadata Exchange (SDMX) Initiative

SDMX, a standard to foster increased efficiency in the electronic exchange of data among international organizations and from national data-producing agencies, continues to evolve. In May 2011, the IMF and World Bank co-hosted the third SDMX Global Conference in Washington, D.C., which was attended by around 280 participants from 90 countries. The Conference covered all aspects of SDMX, including a review of SDMX activities over the last ten years, the business case for adopting SDMX, showcasing SDMX implementations in national and international organizations, examples of how to get started with SDMX, an interactive discussion on the future of SDMX, and capacity building workshops on the technical standards and content guidelines. The SDMX sponsors used the occasion of the conference to announce the establishment of two Working Groups (i.e., the SDMX Technical Standards Working Group and the SDMX Statistical Working Group) that will further promote a global participation in, as well as guide the development of, the SDMX standards and guidelines.

The Conference provided an opportunity for the Statistics Department to demonstrate how it leveraged the SDMX standards to better respond to internal as well as external data sharing needs. Internally, SDMX has been implemented to facilitate the flow of data between various platforms used in the IMF. Externally, SDMX is used to bring data from the PGI dataset to the PGI visualization tool and to the PGI application for hand-held

Figure 3. Screen Shot of IFS Data Available from IMF eLibrary Data





SDMX Sponsors Panel at the SDMX Global Conference

devices (iPad/iPhone). Both implementations resulted in important resource savings for the Statistics Department. In addition, the Conference provided the opportunity to announce the launch of the PGI SDMX web service (available at <http://sdmxws.imf.org/Gateway2/home.aspx>), which is a computer-to-computer interface that users can leverage to automate daily retrievals from the PGI dataset to maintain their internal database current.

During the past year, the Statistics Department took advantage of the SDMX standards to improve efficiency of data exchange with the BIS and other regional and international organizations.

Statistical Publications and Data Dissemination

An important goal of the statistical publications program is to achieve the widest possible coverage of member countries and to present country data in internationally comparable form. This has encouraged members to adopt internationally recognized statistical standards and to report statistics in a regular and timely manner. The Statistics Department continually works with member countries to expand their data coverage and improve timeliness, and may also collect official data from country websites. Improvements in technology and capacity building in countries have yielded significant progress on data timeliness. As an example, this year's *International Financial Statistics*

Yearbook (IFS) had improved timeliness for key indicators compared to last two years, as illustrated in Figure 4.

The Statistics Department produces four main statistical publications:

- *International Financial Statistics (IFS)*
- *Balance of Payments Statistics Yearbook (BOPSY)*
- *Direction of Trade Statistics (DOTS)*
- *Government Finance Statistics Yearbook (GFSY)*

These publications are available in print, online at <http://elibrary-data.imf.org>, and CD-ROM. A complete presentation of IMF statistical publications is included in the IMF Publications Catalog, available from Publications Services (telephone: +1-202-623-7430; e-mail: publications@imf.org); or on the IMF website (<http://www.imf.org>).

Key indicators from selected databases are available on the IMF's website in the IMF Data Mapper, the IMF's data visualization tool. The *IFS* currently contains financial and economic statistics for 180 member countries and for the Central African Economic and Monetary Community, the Eastern Caribbean Currency Union, the Euro Area, Hong Kong SAR, Macao SAR, the West African Economic and Monetary Union, the West Bank and Gaza, and four non-members (Anguilla, Aruba, Montserrat, and the Netherlands Antilles).



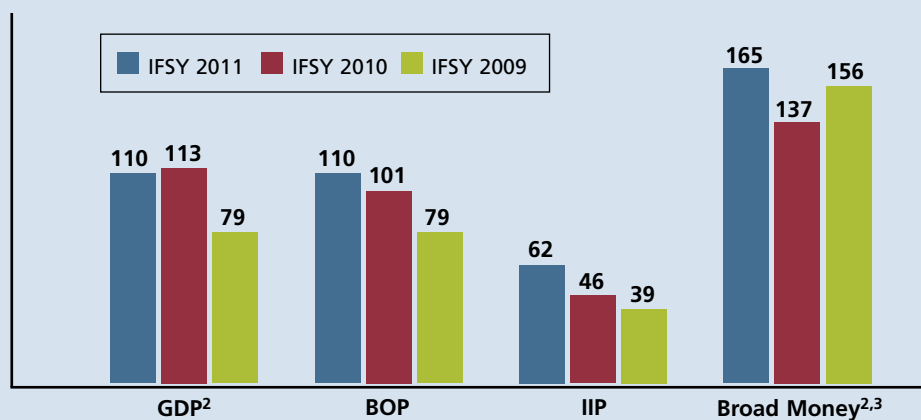
The *GFSY* provides annual government finance statistics for nearly 125 jurisdictions presented at the level of the consolidated general government, along with relevant subsectors (e.g., central government). These data are also released in electronic form on a quarterly basis and in the IMF Data Mapper on the IMF’s website. The data are supplemented by summary monthly and quarterly statistics in the *IFS*.

The *DOTS* database offers two sets of trade information. *The Yearbook (DOTSY)* provides annual bilateral trade data on the value of imports and exports of goods for 184 jurisdictions and major regional groups. Exports and imports are based upon both country data and estimation procedures designed to reduce gaps in reported values. The Quarterly *DOTS (DOTQ)* provides data for 159 jurisdictions and major regional areas. These data are also released in electronic form (online database and CD-ROM), which are updated monthly. The data are widely used for trade policy analysis.

The *BOPSY* publication contains data on balance of payments statistics for 178 jurisdictions and on international investment position (IIP) statistics for 124 jurisdictions, virtually all reported in the format recommended in the fifth edition of the *Balance of Payments Manual (BPM5)*. Supplementing the annual publication are the electronic products (online database and CD-ROM), which are updated monthly.

Additional online databases are now available free of charge from the eLibrary Data website, including the Financial Access Survey, Coordinated Portfolio Investment Survey, and Coordinated Investment Survey. Additional datasets will be added over time.

Figure 4: Increased Timeliness of *IFSY* Key Indicators¹



Notes:

1. Timeliness reflects number of countries for which data published in *IFSY* is up to period $t-1$.
2. The timeliness of GDP and broad money reflects countries that reported latest data to STA or have made data available on official websites.
3. Lower count of broad money in *IFSY 2010* is partially attributed to the transition of countries to SRF.

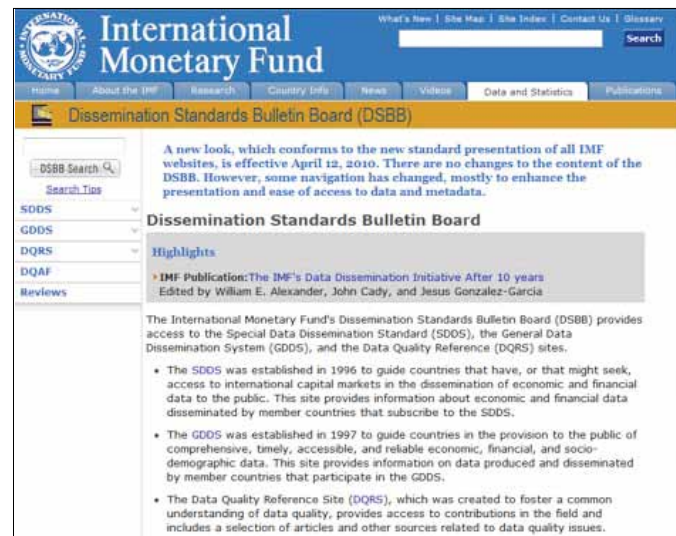


Standards for Data Dissemination

The Special Data Dissemination Standard (SDDS) was established in March 1996 to guide members that have, or that might seek, access to international capital markets in providing their economic and financial data to the public. The General Data Dissemination System (GDDS), established in December 1997, is intended to guide all members of the IMF and forms the other tier of the IMF's data dissemination initiative. Both the SDDS and the GDDS promote the dissemination of timely and comprehensive statistics and thereby contribute to the formulation of sound macroeconomic policies and efficient functioning of financial markets. As of July 2011, there are 68 SDDS subscribers and 100 GDDS participants—accounting for about 90 percent of the IMF's member countries. The data dissemination initiative is intended to evolve along with the changing needs of policy makers and other users, which are evaluated during periodic reviews by the IMF's Executive Board. The most recent of which was the Seventh Review conducted in December 2008, followed by two Executive Board discussions: on *Broadening Financial Indicators in the Special Data Dissemination Standard* in March 2010, and of an *Interim Report for the Eight Review of the Fund's Data Standards Initiatives* in February 2011 (discussed below under the sections on the SDDS and the GDDS).

The SDDS

Currently, over one-third of the IMF member countries subscribe to the SDDS. Countries subscribe to the SDDS voluntarily and undertake to observe its requirements with respect to the coverage, periodicity, and timeliness of the economic and financial data and the dissemination of advance release calendars. In addition, SDDS subscribers undertake to pursue good



practices with respect to the integrity and other quality aspects of the data and provide information about their data dissemination practices and compilation methodologies (“metadata”) for posting on the Dissemination Standards Bulletin Board (DSBB) on the IMF website at <http://dsbb.imf.org>. Subscribers also maintain a National Summary Data Page on an Internet website, which contains the most recent data; the DSBB is electronically linked to these websites. The Statistics Department supports potential subscribers through its surveillance missions.

Experience with the SDDS

An indicator of the impact of the SDDS is the improvement in subscribers' ability to meet release dates. During the first quarter of 2011, approximately 90 percent of monthly and quarterly data categories were released on the date announced. By comparison, in 2000 only about 72 percent of monthly and 68 percent of quarterly data categories were released as announced in countries' advance release calendars. Annual

reports on individual subscribers' observance of SDDS undertakings are posted on the DSBB since 2007; observance reports for 2010 were posted on the DSBB in May 2011.

At the Seventh Review of the IMF's Data Standards Initiatives in December 2008, the Executive Board considered proposals for further refinement of these initiatives. Executive Directors supported efforts to enhance quality aspects of the SDDS, by encouraging subscribers to undertake and publish periodic data quality assessments and requiring subscribers to indicate in the metadata where national statistical practices deviate from internationally accepted statistical methodologies. In March 2010, the IMF's Executive Board discussed the Statistics Department's paper, *Broadening Financial Indicators in the Special Data Dissemination Standard*. The paper proposed and Board approved the inclusion of financial indicators in the SDDS. Following the discussion, the Board supported the proposal to incorporate seven financial soundness indicators (FSIs) and a new table on external debt on a remaining maturity basis in the SDDS on an encouraged basis. The Board also agreed to modify the SDDS to prescribe, with a four-year transition period, International Investment Position data with quarterly periodicity and timeliness to improve the usefulness of these data for surveillance.

In February 2011, the IMF's Executive Board discussed an *Interim Report for the Eight Review of the Fund's Data Standards Initiatives* prepared by the staff of the Statistics Department. Discussions of the interim report included several possible proposals that could be made at the time of the *Eighth Review of the Fund's Data Standards Initiatives*. The interim report explored the possibility to create an SDDS Plus as part of the IMF's data standards initiatives. The SDDS Plus would be an upper tier of the IMF's data standards initiatives to help address data gaps identified during the global financial crisis. The SDDS Plus would be designed to be fully consistent with the IMF's mandate on the stability of the international monetary system

and on surveillance, and would aim to support other IMF initiatives. The Board broadly supported further work on enhancements to the SDDS and the SDDS Plus, and looked forward to considering concrete proposals at the time of the Eighth Review in 2012.

The GDDS

The GDDS is a framework to help participating countries improve their macroeconomic and socio-demographic statistics in a structured manner. The GDDS facilitates the comparison of a country's current statistical practices with internationally recognized good practices and the preparation of a country's strategic plan on how to make improvements in its statistical system. It guides countries in their efforts to produce and disseminate data in accordance with good quality standards. The GDDS promotes the application of established methodological principles, the adoption of sound compilation practices, and the observance of procedures that ensure professionalism and objectivity. The GDDS covers the four macroeconomic sectors—real, fiscal, financial, and external—and socio-demographic data—population, education, health, and poverty. The IMF collaborates with the World Bank, particularly on socio-demographic data categories.

Since August 2010, three countries—Guyana, Kosovo, and Solomon Islands—started participating in the GDDS—raising the total to 100 GDDS participants as of July 2011. Metadata for participants are posted on the DSBB upon participation; countries are expected to update their metadata at least once a year. GDDS metadata, including plans for improvement, are publicly available on the DSBB.

The Executive Board's Seventh Review of the Data Standards Initiatives supported the recasting of the GDDS in closer conformity to SDDS specifications, but reiterated that greater emphasis on data dissemination should not come at the expense of the developmental aspects of the GDDS. GDDS participants are encouraged to provide advance release calendars and create national summary data pages covering the same

Country Coverage of EDDI Project



21 SDDS data components, with somewhat less ambitious timeliness and periodicity. In 2010, the Statistics Department converted all GDDS metadata into a coded format that follows the Data Quality Assessment Framework; a similar project on SDDS metadata was completed in 2008. The converted GDDS metadata are posted on the DSBB, and users can search these metadata using the three-digit DQAF codes.

Using the GDDS framework, the United Kingdom Department for International Development (DFID) has supported work to develop and disseminate data and metadata,

and develop and implement plans for statistical improvement in Africa, especially by Anglophone and neighboring countries. This work, which began in 2002, has reached a third phase. The GDDS Phase I project (2002–2006) for 15 Anglophone-African countries led to all but one participating in the GDDS. With this foundation, participating countries have begun a systematic process to improve their macroeconomic and social statistics. The GDDS Project Phase II: Modules for Strengthening Statistics that was funded with US\$8 million from DFID for three years (2006–2009) concluded on September 30, 2009. The Phase II project was expanded to 22 countries, including all of the Anglophone African countries¹ and was implemented jointly by the IMF and the World Bank.

A new DFID-financed project, the Enhanced Data Dissemination Initiative (EDDI), provides an additional US\$7.5 million over five years (2010–2014) and covers 23 countries (adding Burundi). The focus of the EDDI includes: (1) making significant progress toward SDDS graduation in target countries; (2) improving data dissemination in line with the recent revisions to the GDDS; and (3) supporting the statistical programs of various regional groups. (See Box 1.)

¹In addition to the 15 countries that participated in Phase I, namely Botswana, Eritrea, Ethiopia, Ghana, Kenya, Liberia, Lesotho, Malawi, Namibia, Nigeria, Sierra Leone, Sudan, Swaziland, Zambia, and Zimbabwe, the Phase II project includes Mauritius, Mozambique, Seychelles, Tanzania, the Gambia, Uganda, and South Africa.

Box 1. Enhanced Data Dissemination Initiative Project

Now into its second year, the Enhanced Data Dissemination Initiative (EDDI) funded by the United Kingdom Department for International Development (DFID) has achieved its objectives for the first year and established a sound foundation for the remaining four years of the project. Opening workshops were conducted for each of the eleven modules in the project in which individual work plans were agreed for each country in the module. Follow up technical assistance missions are already well underway to assist countries to achieve the objectives set out in the work plans. In several modules, "mentor countries" participated, providing concrete "how to" examples that the other countries have appreciated. Some of the main objectives and expected outputs of EDDI can be grouped according to the following themes that relate closely to the needs and priorities of economic policymakers in the participating countries.

Regional Harmonization

EDDI is working closely with several regional organizations to assist and support them in their efforts to achieve regional harmonization of economic statistics based on international standards. For example, the East African Community (EAC) has set an objective to form a monetary union by 2013. To support this objective the EDDI monetary statistics module held

a workshop in March 2011 that identified gaps and areas for harmonization of monetary data in the EAC countries, agreed on future technical assistance needs and specific data issues required for harmonization, and prepared a general action plan for harmonization of monetary and financial statistics in the EAC countries. Following this workshop the EAC Secretariat worked with each of the participating countries to develop their own individualized work plans to achieve harmonization. The work plans are being presented and discussed at a follow up workshop in August 2011 during which the overall integrated work plans will be agreed for implementation for completion before 2013 in order to facilitate the formation of the EAC Monetary Union. The EDDI modules for national accounts and government finance statistics are also working with EAC countries toward statistical harmonization.

The Southern African Customs Union (SACU) is also aiming to achieve a monetary union. Based on the EAC experience, similar workshops are planned with SACU for next year by the EDDI monetary statistics harmonization module. In addition, a separate EDDI SACU module has begun work to assist in the harmonization of statistical treatment of SACU transactions in the balance of payments, national accounts, and government finance statistics areas. The initial work-

shop was held in January 2011 that discussed and agreed on a general work plan for the remaining years of the project.

Financial Crisis Vulnerabilities

In the wake of the recent financial crisis, economic policymakers have placed a high priority on obtaining the data and information they need to analyze financial and economic developments that may put their countries at risk. Two EDDI modules are specifically focused on these types of data: (1) the Financial Soundness Indicators (FSI) module and (2) the Private Capital Flows Enterprise Surveys (PCFS) module that focuses on conducting PCFSs in the six participating countries in order to compile International Investment Position and other external sector statistics.

The FSI module is working with 14 African countries to compile and publish FSIs. An opening workshop in 2010 provided a hands-on training environment with each country using its own data. South Africa served as a mentor country having already successfully published FSIs. By the end of 2010 almost all of these countries had appointed FSI Coordinators and two (Mauritius and Seychelles) had begun to compile and report FSIs to the IMF for publication. A follow-up workshop was held in July 2011 which confirmed that countries have made significant

progress since the previous workshop and that it is now expected that 6–7 more countries will begin to report FSIs to the IMF for publication.

All participating countries in the PCFS module are conducting PCFSs in 2011. An opening workshop in 2010 and subsequent individual missions to each country have helped prepare them to launch these surveys and analyze and use the results when they are completed. Uganda has served as the mentor country for this module, having successfully developed and conducted its own PCFS several years ago, followed by regular repeated surveys every year and quarter.

More Timely and Frequent Data for Policymakers

No indicator is more important for economic policymakers than economic growth. In most African countries this indicator is only available on an annual basis. The EDDI quarterly national accounts module (QNA) is working with seven countries on compiling reliable QNA in both current and constant prices. An opening workshop in September 2010 was followed by a series of missions to each country and a follow-up workshop in May 2011. Four countries have already started to publish QNA at constant prices and almost all countries are targeted to publish QNA in both constant and current prices by the end of 2012.



SECTION 5

Support of Surveillance

Review and Research Activities

The Statistics Department participates in core IMF activities relating to bilateral and multi-lateral surveillance, including global market surveillance and support of macroeconomic adjustment programs. It reviews staff reports prepared in the context of Article IV consultations to be submitted to the Executive Board for countries where data provision to the IMF has serious shortcomings that significantly hamper surveillance. The focus is to ensure that the reports (i) describe accurately the timeliness, periodicity, coverage, and other aspects of the quality of data on which the analysis is based; (ii) present a strategy for improvement in appropriate cases; and (iii) indicate the authorities' data dissemination policies.

Staff of the Statistics Department participates in the IMF's program of research on operational matters and policy. They also produce research papers which are published in publications of the IMF and other institutions. (See Box 2.)

Data Quality

The Statistics Department is engaged in actively supporting overall strategies and action plans for enhancing data quality in member countries. In its efforts to promote data quality with member countries, the department makes extensive use of the Data Quality Assessment Framework (DQAF) that it has developed as a tool to provide a systematic approach to assessing data quality. Documentation is available on the DSBB (<http://dsbb.imf.org>). The DQAF brings together a structure and common language for good practices and internationally accepted concepts and definitions in statistics, including those of the United Nations *Fundamental Principles of Official Statistics* and the SDDS/GDDS. The

methodology helps to identify and document in a systematic manner practices in statistical production, ranging from institutional arrangements to data collection, compilation, and dissemination. The intent is to keep the framework current in reflecting internationally recognized good statistical practices as they evolve. The DQAF is currently undergoing review and revision to reflect updated methodologies in the *System of National Accounts 2008* and *Balance of Payments and International Investment position Manual*, sixth edition as well as to broaden the coverage of the assessment to include the Other Financial Corporations in the Monetary and Financial Statistics sector.

The DQAF can be used by national producers of official statistics as a tool to document and monitor data quality, by international organizations for their assessment of countries' data quality, and by other data users, including those in the private sector.

Reports on the Observance of Standards and Codes

The Report on the Observance of Standards and Codes (ROSC) initiative was launched as a prominent component of efforts to strengthen the international financial architecture. It covers 12 standards, including data standards. The department has scaled down the number of data module assessments in recent years because of resource constraints. In the last 12 months ending September 2011, data module ROSCs and updates for four G-20 economies were published. These countries are Australia, Korea, Mexico, and Russia.¹ Assessments will continue to focus on G-20 economies and other emerging

¹Data module ROSCs for Korea, Mexico, and Russia are reassessments of ROSCs conducted in the early 2000s.

Box 2. Published Research Papers by Staff of the IMF Statistics Department

House Price Indices: Does Measurement Matter?

Author: Mick Silver

World Economics, vol. 12, no. 3, July–September, 2011

An understanding of deviations from equilibrium prices in housing markets requires reliable and, for international comparisons, consistently-measured, residential property price indices (RPPIs). These indices are particularly prone to methodological differences, which can undermine both within-country and cross-country analysis. Against this background, three case studies are considered to illustrate the problem—RPPIs for the United Kingdom, the United States, and the Russian Federation.

IMF Applications of Purchasing Power Parity Estimates

Author: Mick Silver

IMF Working Paper Series, WPI/10/253, November 2010 (also forthcoming *World Bank PPP Handbook*).

The IMF's main uses of the International Comparison Program's (ICP) estimates of purchasing power parity (PPP)-adjusted Gross Domestic Product (GDP) are as an element of the formula used to help guide decisions on its members' quotas and in the World Economic Outlook (WEO). The paper outlines these uses and considers measurement issues particularly salient to IMF usage including: PPP imputations for member countries not participating in the ICP; PPP estimates for non-benchmark years; timeliness and periodicity of PPP estimates; economy groupings; and transparency.

Balance Sheet Vulnerabilities of Mauritius During a Decade of Shocks

Authors: Patrick Imam and Rainer Köhler

IMF Working Paper Series, WPI/10/148, June 2010

After reviewing the economic reform strategy of Mauritius for 1999 to 2009 in the face of several external shocks, the authors apply a balance sheet analysis (BSA) focusing on currency, maturity, and intersectoral mismatches. Although the incomplete coverage of balance of payments and external debt statistics (information on global business corporations is inadequate) and lack of corporate data (the

nonfinancial sector is not fully and regularly surveyed) are major problems, the BSA could still be applied given that financial sector data in Mauritius are of good quality. Financial corporations' data are being compiled using the Standardized Report Forms—the key data source for BSA matrices—developed by the IMF's Statistics Department. The paper finds that the currency and maturity mismatches have fallen across various sectors, and the intersectoral risks to each analyzed sector's balance sheet appear controllable. The authors conclude that from a BSA perspective, the macroeconomic vulnerabilities of Mauritius seem manageable, though vulnerabilities remain, and data gaps mean that more work will be needed to support these findings.

The Rights and Wrongs of Unit Value Indices

Author: Mick Silver

Review of Income and Wealth, vol. 56, no. 777, pages 206–223, June 2010

There are two sides to unit value indices. The first is their widespread and unwarranted use based on customs data as surrogates for price relatives of product groups of exports and imports. For the aggregation of heterogeneous items, superlative price indices are best and unit value indices are biased. The second is the widespread and unwarranted use of price indices for homogeneous items, for which unit value indices are best and superlative price indices are biased. Then there is the "in-between": the case of broadly comparable items. This paper examines such issues.

Market Microstructure of the Foreign Exchange Markets: Evidence from the Electronic Broking System

Authors: Yuko Hashimoto and Takatoshi Ito

Chapter of a book: In Greg N. Gregoriou and Razvan Pascualu (eds.), *Financial Econometrics Modeling: Market Microstructure, Factor Models and Financial Risk Measures*

New York: Palgrave Macmillan: 66–91. 2011

As electronic brokerage has become the dominant method for transactions in foreign exchange markets, interbank transaction patterns have dramatically

Box 2. (continued)

changed. Until a few years ago, banks' dealers who received customer orders were allowed to hold their own proprietary positions for profit-taking. Now, dealers have only very small amounts of their own proprietary positions and responsibility for proprietary trading has been transferred to an independent department. Those units increasingly use computer models to seek profit opportunities in the very short-run. This article describes the changing structure of the foreign exchange market and evolving trading behavior using one-second sliced transaction data obtained from the actual trading platform.

Random Walk or a Run—Market Microstructure Analysis of the Foreign Exchange Rate Movements based on Conditional Probability

Authors: Yuko Hashimoto, T. Ito, T. Ohnishi, M. Takayasu, H. Takayasu, T. Watanabe

Refereed Journal: *Quantitative Finance*, December 2010, 1–13

Using tick-by-tick exchange rates data recorded on the actual transaction platform, a 'run'—continuous increases or decreases in prices for the past several ticks—does have some predictable information on the direction of the next price movement. Deal price movements tend to continue a run once it has started. Hence, a random walk hypothesis is refuted. In addition,

longer continuous increases of the price tend to be followed by a larger reversal. The findings suggest that those market participants who have access to real-time transaction data may have an advantage in predicting exchange rate movements, which lend support to the momentum trading strategy.

Effects of Japanese Macroeconomic Statistic Announcements on the Dollar/Yen Exchange Rate: High-Resolution Picture

Authors: Yuko Hashimoto and Takatoshi Ito
Refereed Journal: *Journal of The Japanese and International Economies*, Volume 24, Issue 3, September 2010, 334–354.

Using high-frequency transaction data of the actual trading platform, we examine the market impact of Japanese macroeconomic statistics news within minutes of their announcements on the dollar/yen exchange rate. Macroeconomic statistics surprises that consistently have significant effect on dollar/yen returns include GDP, industrial production, price indices and balance of payments data. The announcement itself, in addition to the magnitude of the surprise, is found to increase the number of deals and price volatility immediately after the announcement. Most effects, when significant, take place within 30 minutes of statistics announcements.

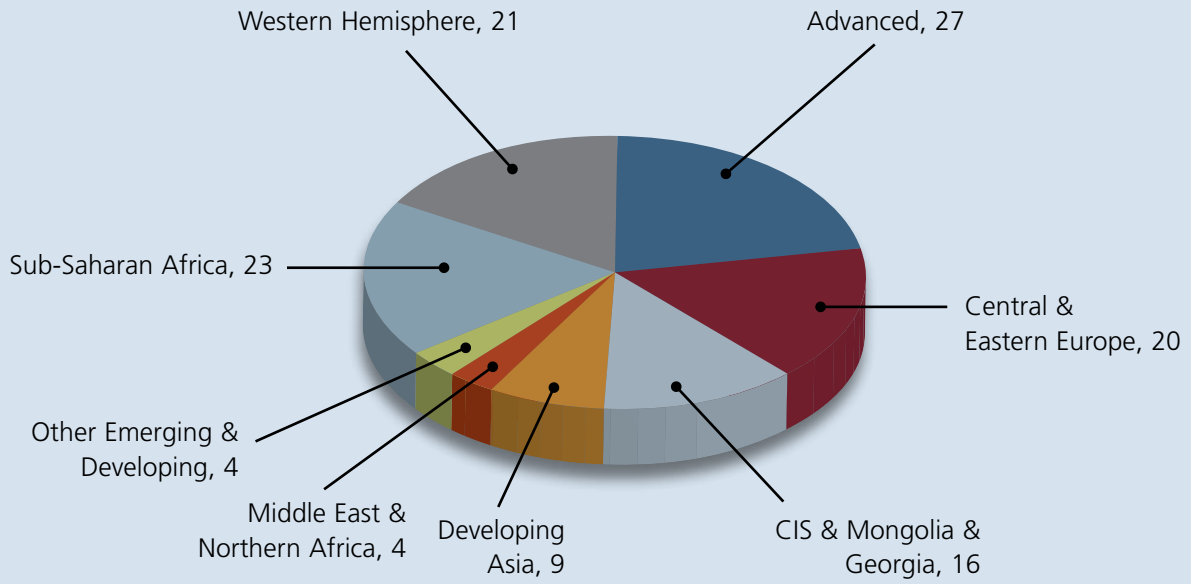
and priority countries, including countries that likely to qualify for subscription to the SDDS in the near future.

Data module assessments are undertaken using the DQAF. The DQAF helps to identify the deviations of countries' statistical practices against internationally accepted practices and

ways to improve the quality of statistical products and institutions.

As of September 2011, 126 data module ROSCs had been completed, including updates and reassessments. (See Box 3.) Links to the published modules can be found on the IMF website at <http://dsbb.imf.org> (go to DQRS).

Box 3. Data Module ROSCs Completed, by Country Groups



Source: Statistics Department
Covers all data module ROSCs, including updates and reassessments completed through September 2011.
Country groups based on the *World Economic Outlook* classification.



SECTION 6

Statistical Methodologies

The Statistics Department is actively engaged in developing statistical methodologies that enhance international comparability, support the efficient use of statistical resources, and promote the analytical usefulness of statistics. The IMF's expertise is primarily in the national accounts, prices, fiscal, monetary, financial soundness indicators, and external sector statistics (balance of payments, international investment position, external debt, and international reserves). The IMF statistical methodologies are harmonized with the principles of the *System of National Accounts* and the *Balance of Payments and International Investment Position Manual*, and they underpin the IMF's data standards.

National Accounts and Prices Statistics

Under the mandate of the United Nations Statistical Commission (UNSC), the Intersecretariat Working Group on National Accounts (ISWGNA), comprising representatives of the five international organizations (Eurostat, the IMF, the OECD, the UN, and the World Bank) that prepared the *1993 SNA*, performed a systematic and comprehensive review of the manual. The IMF played a major role, in particular, drawing on its expertise in financial and balance of payments issues. The revised system of national accounts was completed in early 2009. While preserving the conceptual framework and most existing recommendations of the current system of national accounts, the review focused on selected issues regarding the treatment of nonfinancial assets, the public sector, financial sector accounts, and balance of payments. (See Box 4.)

The IMF worked with the ISWGNA partners in developing the *2008 SNA* implementation

guidance that was endorsed by the UNSC in its 42nd session in 2011 (available at <http://unstats.un.org/unsd/nationalaccount/imp.asp>). The implementation program provides guidance for monitoring the implementation of the *2008 SNA*, milestones to assess the scope of accounts that are compiled by countries, minimum set of accounts that need to be compiled, a recommended set of accounts, and a desired set of accounts. To assess the compliance with major *2008 SNA* concepts, the ISWGNA developed a set of questions. The quality of the national accounts dimension is to be assessed using the IMF data quality assessment framework. The IMF is assisting countries to implement the *2008 SNA* through its technical assistance and training programs.

The IMF is working with other international organizations in the IAG on various working groups to follow up on recommendations of the G-20 data gaps initiative. Among these recommendations is Recommendation 15 on promoting compilation and dissemination of the sectoral national accounts, balance sheets, and flow of funds. The IMF is leading the working group on developing and implementing a strategy to improve data compilation and dissemination of these important data sets.

A conference on "Strengthening Sectoral Position and Flow Data in the Macroeconomic Accounts" was organized by the IMF and the OECD from February 28 to March 2, 2011 as part of the work program to implement Recommendation 15. The objectives of the conference were to share experiences, discuss the information gaps, and agree on priorities on the compilation and dissemination of an internationally comparable minimum set of sectoral balance sheets and accumulation accounts. The

Box 4. Updated International Standards for National Accounts Statistics *System of National Accounts 2008*

In 2009, the UNSC adopted a new version of the international standard for national accounting, the *System of National Accounts 2008 (2008 SNA)*. The *2008 SNA* supersedes the *1993 SNA*, the standard prevailing for the last fifteen years. The UNSC initiated the review of the *1993 SNA* at its 2003 meeting. On the recommendation of the ISWGNA, the UNSC decided at its 2004 meeting that the *1993 SNA* be updated on 44 conceptual issues, which framed the current revision.

The IMF, through the Statistics Department, is a permanent member of the ISWGNA. The chairmanship of the ISWGNA rotates among the five institutions usually on an annual basis. The UNSC appointed an Advisory Expert Group on national accounts to advise

the ISWGNA on selecting and resolving the 44 revision issues for submission to the UNSC.

The *2008 SNA* contains significant advances and clarifications on the treatment of capital (including research and development, knowledge capital, military hardware, and recognition of assets in the form of contracts, leases, or licenses), financial services, special purpose entities used for financial purposes, liabilities associated with pension schemes, guarantees, and aspects of globalization, such as outsourcing of manufacturing and merchanting. The *2008 SNA* is available in hardcopy and electronic copy (<http://unstats.un.org/unsd/nationalaccount/sna2008.asp>).



Deputy Managing Director Min Zhu addresses participants at the Conference on Strengthening Sectoral Position and Flow Data in the Macroeconomic Accounts.

conference also provided a forum for participants to share their current practices in several important subjects related to the compilation and use of integrated balance sheets and accumulation accounts for institutional sectors.

The participants welcomed the conference as providing a good opportunity to discuss the

status of the availability of sectoral accounts. The conference was seen as a timely event that will help countries to develop plans for strengthening sectoral accounts particularly in view of ongoing efforts to implement the *2008 SNA* and European System of Accounts 2010. There was also an understanding that countries are at different stages of implementation of the sectoral accounts. Designing and implementing changes to or initiating new data collection systems for sectoral accounts are costly and priorities must therefore be established among the various potential improvements.

At the same time, it is apparent that at present there are many gaps in sectoral accounts and it will take some time to fill them. The way forward would have to be pragmatic, starting out with a realistic and coordinated effort. The conference agreed on the basic outline of a reporting template for sectoral national accounts and balance sheets and the timeframes and priorities for implementation. The template will serve a basis for a minimum set of internationally comparable sectoral accounts. The template guidance includes four building blocks: (i) minimum sector and subsector breakdowns; (ii) transactions breakdowns of the current and capital accounts;

Box 5. *Export and Import Price Index Manual: Theory and Practice*

The *Export and Import Price Index (XMPI) Manual* is a much needed update of the United Nations' *Strategies for Price and Quantity Measurement in External Trade*, Series M, No. 69, 1981 and provides a detailed account of the theory and practice of compiling export and import price indices.

The *XMPI Manual* was written under the aegis of the Inter-Secretariat Working Group on Price Statistics (IWGPS). Six international agencies concerned with inflation and inflation policies are represented on the IWGPS—Eurostat, the ILO, the IMF, the United Nations Economic Commission for Europe, and the World Bank. The IMF's Statistics Department was the lead agency responsible for several chapters, editing, and publishing

the manual. The XMPI manual benefited contributions from recognized experts in the field drawn mainly from statistical offices and universities and from consultations with a large number of compilers and users.

The *XMPI Manual* covers theoretical and practical issues of compiling export and import price indices including uses, source data, sampling, scope, valuation, transfer pricing, classification, aggregation formulas, and the treatment of missing values, seasonal goods, and quality changes.

The *XMPI Manual* is available in electronic version (<http://www.imf.org/external/data.htm#guide>) and in hard copy.

(iii) financial instrument classification (including debt on remaining maturity and currency composition); and (iv) classification of nonfinancial assets.

The relevant international organizations (ECB, Eurostat, OECD, IMF, BIS) have started to follow-up on these recommendations in a coordinated fashion. The program and papers presented during the conference are available on the conference website at <http://www.imf.org/external/np/seminars/eng/2011/sta/index.htm>.

The development of sectoral accounts, balance sheets, and flow of funds within the framework of the *2008 SNA* also provides an overarching framework for data on balance of payments and international investment position, securities statistics, government finance statistics, and monetary statistics. The reporting templates on all these datasets are also being harmonized with the template on sectoral accounts, which will ensure data consistency across economic sectors and statistics domains. The development of a full-fledged sectoral accounts and flow of funds will help better understand financial connections within the economy and with the rest of the world, real and financial linkages, and the

role played by non-bank financial institutions in the financial sector and in the economy.

There is an agreement on the compilation of sectoral accounts and sectoral financial positions and flows on a quarterly frequency with a timeliness of one quarter. The targeted countries are those in the G-20 and other advanced countries. As far as possible the agreed work on sectoral accounts will be integrated with the implementation of the *2008 SNA* by 2014 in many economies. However, the plan is to start the collection of available sectoral accounts during the coming year using existing data collection systems in place at the ECB, Eurostat, and OECD.

The Inter-Secretariat Working Group on Price Statistics was formed in 1998 to oversee authorship of manuals on international best practices in concepts and the compilation of prices statistics. The Statistics Department contributed to the production and publication of manuals on the consumer price index (CPI), producer price index (PPI), and export and import price indices (XMPI). The *CPI Manual* is available in Arabic, Chinese, English, French, Spanish, and Russian. The *Export and Import Price Index Manual*, available in English, was published by the IMF in 2009. (See Box 5.)



First Meeting of the GFS Advisory Committee

The Intersecretariat Task Force on Merchandise Trade Statistics, chaired by the World Trade Organization (WTO), undertakes a range of work in harmonizing and developing methodology for international trade statistics. The Statistics Department has actively participated in this task force's initiatives to develop international handbooks on concepts and compilation methods for merchandise trade statistics and to reconcile merchandise trade data collected by the IMF, the UN, and the WTO.

The Statistics Department continued its contribution to the Technical Advisory Group of the International Comparisons Program (ICP) based at the World Bank. The ICP produces international price indices called purchasing power parities that allow comparison of GDP volume levels among countries for a benchmark year, most recently for 2005. In December 2007, the ICP issued purchasing power parities from its 2005 benchmark round that were subsequently used in the *World Economic Outlook* and *IFS* publications. The new price indices also were used to produce the ICP's GDP volume data for IMF member countries at purchasing power parity, one of the elements in the revised quota formula determining the voice each member country has on the IMF Executive Board (see www.imf.org/external/np/exr/facts/quotas.htm). The Statistics Department remains engaged with the ICP's forthcoming 2011–2012 round. To complement the ongoing ICP project, the Statistics Department launched a technical assistance program on the *Implementation of the System of National Accounts and the International Comparison Program* in January 2011 with financial support from the government of Japan. (See Box 6.)



One-on-one country consultation during the opening workshop of the *System of National Accounts and the International Comparison Program*

Government Finance Statistics

The Statistics Department has actively promoted the use of fiscal international methodological guidelines to provide standard frameworks for monitoring fiscal policies in a world of diverse degrees of fiscal decentralization and terminologies. *The Government Finance Statistics Manual 2001 (GFSM 2001)* is being updated, and the GFS Advisory Committee established, with its first meeting held in February 2011, to mainly harmonize the GFSM with the recent changes in the *2008 SNA*,¹ as well as to provide input on GFS issues generally. The updated manual will maintain an integrated flow to changes in stock in a statistical framework needed to assess whether member countries are facing fiscal liquidity and/or sustainability chal-

¹The GFSM is being updated and GFS compilers are encouraged to participate on the Government Finance Statistics Discussion Forum (<http://forums.imf.org/gfsm/forum.php?styleid=3>).

Box 6. Implementation of the System of National Accounts and the International Comparison Program

In January 2011, the Statistics Department launched a program, the Implementation of the *System of National Accounts (SNA)* and the *International Comparison Program (ICP)*. The government of Japan, through the Administered Account for Selected Fund Activities—Japan, is providing the funding for this program.

The overall objective of the program is to build statistical capacity by improving the accuracy of price statistics and national accounts estimates in participating Asian and Pacific countries. The project complements the ongoing ICP effort managed by the World Bank and coordinated within the region by the Asian Development Bank. Both national accounts and price statistics are used by the ICP to produce purchasing power parities which facilitate more meaningful comparisons of economic growth between countries and serve a number of important analytical uses, including the calculation of the IMF quota which determines the voting power of IMF-member countries.

The program will consist of several workshops and technical assistance missions through the end of 2013.

Participating Countries and Institutions

Participating countries include: Bhutan, Cambodia, Fiji, Indonesia, Maldives, Mongolia, Nepal, Sri Lanka, and Vietnam. Philippines and Thailand have recently been invited to participate in the project as well. IMF staff and experts work with the agencies responsible for compiling the national accounts and price statistics to build capacity and implement sustainable improvements. Training on compiling national accounts and price statistics will be provided also to Pacific countries.

Work Plans

The focus of the technical assistance on national accounts and price statistics varies by country and is driven by the individual needs of participat-

ing countries. Each country has developed a work plan defining and identifying their specific needs with regards to improving national accounts estimates and price statistics. Examples of focus areas for national accounts include: improving accuracy of GDP constant and/or current price estimates, implementing the *2008 SNA*, compiling institutional sector accounts, compiling sectoral balance sheets, developing/improving quarterly GDP estimates, and addressing specific compilation challenges and issues. Examples of focus areas for price statistics include: improving and updating the consumer price index (CPI), expanding geographic coverage of the CPI, improving or developing a producer price index (PPI), developing construction price indices, developing or improving import and export price indices, and addressing compilation challenges and issues (e.g., quality adjustment, seasonal items, etc.).

Progress

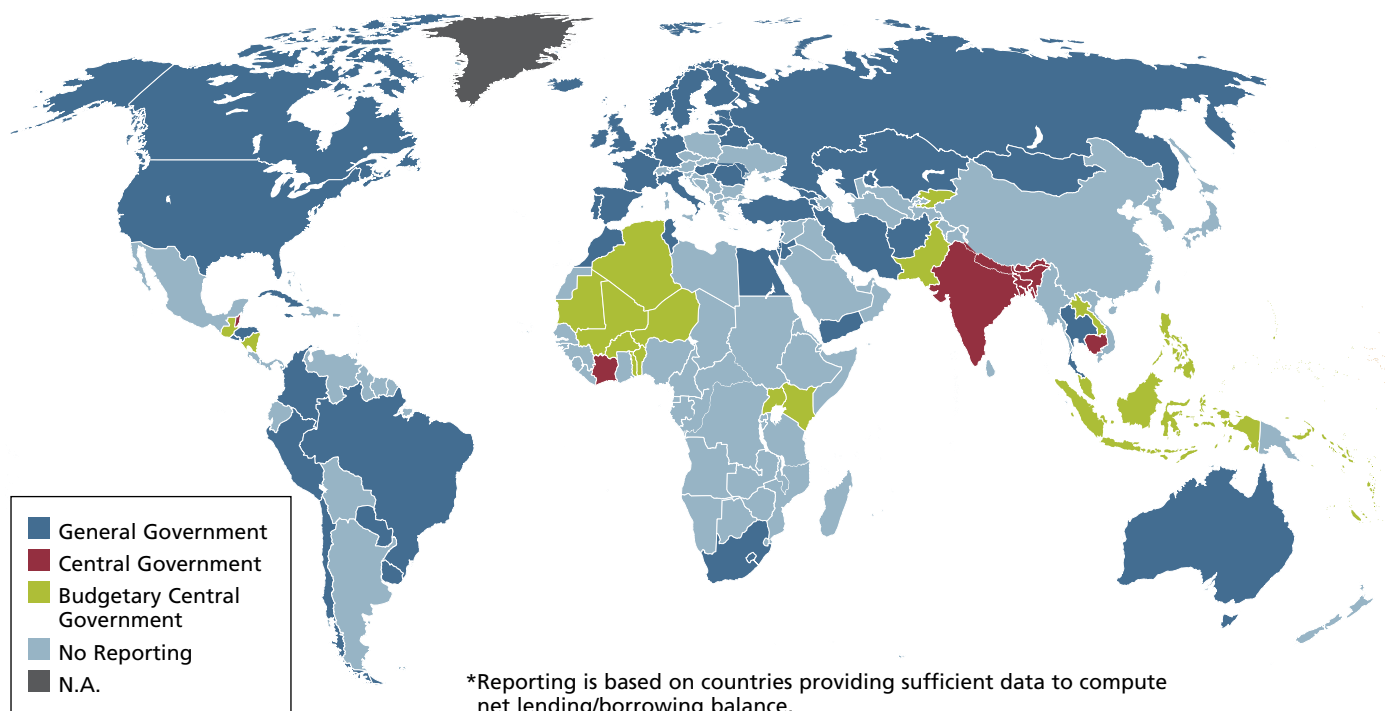
An opening workshop held in Bangkok in April 2011 officially launched this program. During the opening workshop, IMF staff took stock of current methods used to compile national accounts and price statistics in the participating countries and assisted the participating countries in developing the country-specific work plans, which defines technical assistance needs.

Following the opening workshop, the first round of technical assistance missions began. To date, a number of successful missions have been completed to assist countries with meeting their stated needs. In Bhutan, IMF staff assisted with developing a PPI, updating/revising the CPI, and developing quarterly national accounts estimates. Maldives is currently in the process of updating and revising the PPI and CPI, and in Sri Lanka work has begun to improve the accuracy of national accounts estimates.

lenges. *The GFS Compilation Guide for Developing Countries 2011*, funded by the DFID, is being finalized to provide simple steps in modifying fiscal data from national presentation to the

GFSM 2001 frameworks. *The Public Sector Debt Statistics: Guide for Compilers and Users 2011* has been launched and will help guide analysts on vulnerable areas related to the debt structure.

Figure 5. Government Finance Statistics: Annual Data Reporting by Level* (in 2009)



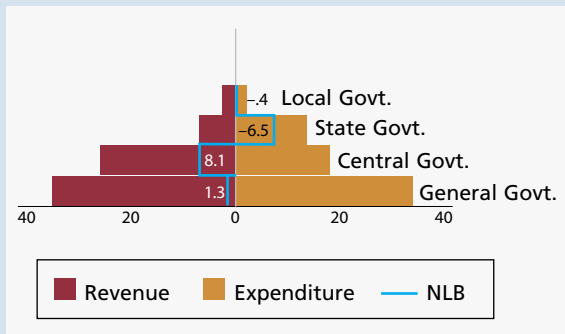
In addition, a *GFS Quarterly Compilation Guide* is being drafted to provide the procedures for improving the processing of high frequency data for general government.

Several countries have responded to the Statistics Department's request on using international frameworks to disseminate their fiscal data. (See Figure 5.) Currently, the Statistics Department is processing government data for publication in the *Government Finance Statistics Yearbook (GFSY)* (138 countries mainly from Europe region), and the *International Financial Statistics* (135 countries, of which 108 have high frequency data). The *GFSY* time series is being improved by lengthening the series from 1972 to current, addressing missing data, and next, will provide metadata to explain structural breaks in the series. Following the IMF's Board decision to include the *GFSM 2001* presentation of fiscal tables in the staff reports (as at July 21, 2011), 12 countries have a *GFSM* presentation in their staff report and 59 country desk economists are receiving technical support to convert the tables. The Statistics Department in collaboration with

the World Bank has established an online access to public sector debt on which 33 countries have posted their debt data (<http://www.worldbank.org/qpsd>).

The Statistics Department continues to provide technical support, contribute to inter-agency collaboration initiatives, and conduct research work in the GFS area. (See Box 7.) Two new seminars were introduced: Public Sector Debt Statistics and Workshops for Managers. In addition, the Statistics Department is engaged in bilateral technical missions, some of which are being provided under regional arrangements such as the EDDI, Monetary and Economic Community of Central Africa, and some through the IMF Regional Technical Assistance Centers. The Statistics Department collaborates with the IMF Fiscal Affairs Department on developing statistics that is integrated in the public finance management arrangements. The Statistics Department is also involved in addressing the recommendations of the G-20 data gaps initiatives, spe-

Box 7. Government Finance Statistics: Recent Research Papers



The Statistics Department seeks to enhance awareness on the depth and multi-dimensional government data compiled by the authorities and disseminated in the *Government Finance Statistics Yearbook (GFSY)*, *International Financial Statistics*, and the *Online Public Debt Database*. The following papers were recently issued:

- *The IMF's Government Finance Statistics Yearbook Maps of Government for 74 Countries*: A useful but little known feature of the IMF's GFSY is the information on the structure of governments.

Institutional tables, included in the GFSY, provide detail on the central, state, and local levels of governments, social security, and extrabudgetary units. Maps of the various levels of government for 74 countries are presented to illustrate the usefulness of this database and make it more accessible to users. The maps provide information about how centralized or decentralized government finances and employment are and their size relative to the overall economy. Government map data facilitate the monitoring of fiscal policy and fiscal rules

- *Measuring Fiscal Decentralization—Exploring the IMF's Databases*: This paper presents data on fiscal decentralization for about 80 countries over a period of about 20 years (1990–2008) from the IMF's GFSY, the only global database with fiscal data for several levels of government. The findings are shown by degree of economic development, constitutional power arrangements, and geographic area, broadly confirming key factors identified in the literature as determining the extent of fiscal decentralization.

cifically Recommendation 17 on plans to compile quarterly general government data based on the *GFSM 2001* framework and Recommendation 18 on participating in the online public sector debt database.

Monetary and Financial Statistics

Currently, 124 countries report monetary statistics to the IMF based on the standardized report forms (SRFs). These forms were designed to facilitate the compilation and dissemination of monetary data in accordance with the internationally accepted methodology—the *Monetary and Financial Statistics Manual (MFSM)* and the *Monetary and Financial Statistics: Compilation Guide (MFSCG)*—while at the same time reducing reporting burdens for member countries and enhancing cross-country comparability. Implementation of the SRFs has required that additional guidance on technical

and methodological issues be provided to data compilers in reporting countries. Data reported using the SRFs are published monthly in *IFS*. In addition, SRFs provide a substantial portion of the information needed for the IMF's balance sheet approach which itself supports vulnerability analysis and serves as a primary source for the development of integrated monetary databases (common data source for IMF Statistics Department and area departments).

The focus of methodological work in the area of monetary and financial statistics has shifted toward expansion of the coverage of other financial corporations. Currently, about 30 out of 124 SRF-reporting countries report other financial corporations data and outreach is underway to increase the number of reporting countries. Finally, work has been initiated on a medium-term project aiming to integrate into a single volume the *MFSM* and *MFSCG* while incorporat-

ing revisions consistent with the methodologies of the 2008 SNA and *Balance of Payments and International Investment Position*, sixth edition. Consultations with international experts are planned at an *MFSM* Expert Group Meeting scheduled for February 2012.

Financial Soundness Indicators

As part of the IMF's ongoing contributions to strengthening the architecture of the international monetary system, the Statistics Department has continued to upgrade the publicly available FSI website (<http://fsi.imf.org>). The publicly disseminated FSIs, ranging from regulatory capital adequacy ratios to real estate prices, can assist in analyzing the soundness of financial institutions as a sector and the conditions of the counterpart corporate and household sectors and relevant markets. FSIs complement other assessments of soundness such as early warning indicators and macroeconomic vulnerability exercises, and support macroprudential analysis and financial sector surveillance.

Currently, the website contained FSI data from 63 countries, a number that is expected to continue to increase over the period ahead. Most contributing countries have submitted all 12 core FSIs relating to deposit-taking institutions (i.e., banks), and many have supplied some of the 28 additional indicators that members are encouraged to submit relating to deposit-taking institutions, other financial corporations, nonfinancial corporations, households, market liquidity and real estate markets.

In addition to the numerical information, the FSI database includes the metadata provided by countries to provide information about national practices that govern the compilation of FSIs. The data can be searched and sorted, using criteria chosen by the user from the set of metadata categories. This permits the retrieval of data that are comparable across countries, and/or across time, for the chosen metadata categories. The Statistics Department has been utilizing the FSI database, supplemented where necessary with national websites and information provided by IMF desk economists, to produce the FSI

Country (ISO 3166 Country Code)	Date (latest data available)	Indicator Name	Regulatory ratio to risk-weighted assets	Regulatory tier 1 capital to risk-weighted assets
Armenia	01/2010	CR001	11.7	9.8
Brazil	01/2010	CR001	18.5	14.9
Canada	04/2010	C	12.2	9.8
France	9/2009	CR001	12.0	9.0
Germany	01/2010	C	16.7	10.0
India	4/2010	CR001	13.0	9.1
Indonesia	4/2010	C	17.0	10.8
Italy	4/2010	CR001	19.1	11.1
Korea (Republic of)	02/2010	CR001	14.0	10.0
Mexico	10 Jun 10	CR001	17.0	10.0
Russia	04/2010-1	C	18.0	10.1
Saudi Arabia	4/2010	CR	17.0	10.2
Turkey	01/2010	C	19.0	10.1
United Kingdom	04/2010-1	CR001	13.3	10.0
United States	04/2010	CR001	10.0	11.0

tables associated with the IMF's *Global Financial Stability Report* since the Spring 2011 edition.

The next steps in the work on FSIs include the expansion of the FSI database by having additional member countries report their FSIs for dissemination on the FSI website. Moreover, existing reporters are being encouraged to rapidly build time series of FSI data. It is also envisaged that the list of FSIs will be reviewed—taking into consideration, inter alia, the lessons of the recent financial crisis—with a view to (1) amending, if needed, the current allocation between core and encouraged FSIs and (2) incorporating new FSIs in the current list. Proposals for amendments will be initially developed by international experts at the Financial Soundness Indicators Reference Group (FSIRG), scheduled to meet at the IMF in November 2011. Any FSIRG proposals for amendments to the list of FSIs will be discussed widely within the IMF and thereafter presented to the IMF Executive Board for approval.

Financial Access Survey

On June 30, 2011 the online Financial Access Survey (FAS) database at <http://fas.imf.org>



was updated with results of the 2011 FAS. This database provides financial access indicators and accompanying metadata developed through the Access to Finance Project with initial financial support from the government of The Netherlands. The FAS database is also available through the IMF eLibrary.

About 140 countries participated in the 2011 FAS, and the FAS website now contains annual data for about 160 respondents covering a seven-year period (2004–2010) for key indicators of geographic and demographic outreach of financial services, as well as the underlying data. The reach of financial services is measured by bank branch network, availability of automated teller machines, and by four key financial instruments: deposits, loans, debt securities issued, and insurance.

Securities Statistics

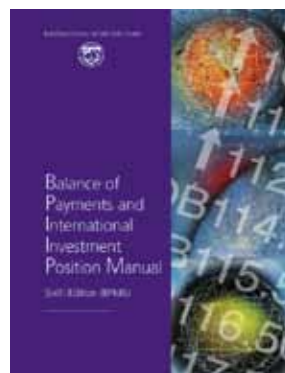


The BIS, ECB, and the IMF jointly published the *Handbook on Securities Statistics*. The *Handbook* is the first publication of its kind dealing exclusively with the conceptual framework for the compilation and presentation of securities statistics. It directly

addresses a recommendation of one of the G-20 working groups concerning the need to fill data gaps and strengthen data collection. Part 1 of the *Handbook*, dealing with statistics on debt securities issues, was published in May 2009. Part 2 of the *Handbook*, published in September 2010, provides a conceptual framework for the position and flow statistics on debt securities holdings based on the *2008 SNA* and *BPM6*. It goes partly beyond these standards by elaborating on additional issues such as debt securities holdings by issuer, currency, maturity, type of interest rate, and country. Special attention is also paid to specific operations related to debt securities holdings such as reverse transactions, short-selling, depository receipts, stripped securities, and nominee accounts.

Part 3 of the *Handbook* will cover the issuance and holdings of equity securities. In this regard, an Expert Group Meeting will be held at the IMF in October 2011 to discuss a draft of Part 3 of the *Handbook*. The *Handbook* is available in electronic version at <http://www.imf.org/external/np/sta/wgsd/index.htm>.

Balance of Payments and Other External Sector Statistics



Balance of Payments and International Investment Position Manual (BPM6)

International guidance for compiling balance of payments statistics must be updated on a regular basis to keep abreast of the changing nature of international transactions and the increasing data needs of users. In this regard, the *BPM6* was released in hard copy in 2009 as an update to the *BPM5* (released in 1993). The *BPM6* retains the basic framework of the *BPM5*, and the revision was undertaken in parallel with the update of the *SNA*, thereby enhancing the harmonization of macroeconomic statistics. The *BPM6* also takes into account the methodological guidelines presented in other statistical manuals, including *External Debt*

Statistics: Guide for Compilers and Users (2003) (*Debt Guide*), the *MFSM*, and the *GFSM 2001*.

The *BPM6* is available on the IMF website at www.imf.org/external/pubs/ft/bop/2007/bopman6.htm. Hardcopies are available from the IMF Bookstore and can be ordered online. The *BPM6* is also being translated into additional languages (Arabic, Chinese, French, Russian, and Spanish), and these versions will be available toward the end of 2011.

A strategy for implementing the *BPM6* has been adopted with the following key elements:

- Development of the *BPM5* to *BPM6* conversion matrix: The conversion matrix maps *BPM5* items to the corresponding *BPM6* items, and provides concise comments on the nature of the changes. The matrix has been disseminated to compilers and is also available on the IMF's *BPM6* website at <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>.
- Conversion of the data in the *IFS* and *BOPSY* to a *BPM6* presentational format. For this purpose, the Statistics Department converts countries' data to a *BPM6* format using standard conversion rules that are broadly applicable to countries in different parts of the world and in various stages of development. Starting with the August 2012 release of the *International Financial Statistics and Balance of Payments Statistics*, and following consultation with countries, the balance of payments and international investment position data will be disseminated by the IMF according to *BPM6*.
- Preparation of the *BPM6 Compilation Guide*: The *BPM6 Compilation Guide* will be an update to the current *Balance of Payments Compilation Guide*. Draft chapters of the *BPM6 Compilation Guide* will be posted on the internet as a "living document" as soon as they become available.
- Technical assistance and training: The Statistics Department will continue to provide technical assistance and training to support countries in implementing the *BPM6*. The

new manual is now used as the basis for all technical assistance and training activities in external sector statistics.

International Investment Position (IIP) Statistics



As of July 2011, 124 jurisdictions report IIP data for publication in the *BOPSY* and the *IFS*. In March 2010, the IMF's Executive Board approved the prescription of quarterly IIP data for the SDDS subscribers with quarterly timeliness, effective

four years after the Board decision. To assist data compilers in preparing and disseminating quarterly IIP data, in March 2011, the Statistics Department completed a document on how to compile IIP statistics: "Quarterly International Investment Position Statistics: Data Sources and Compilation Techniques." The document is available on the IMF website at <http://www.imf.org/external/np/sta/iip/2011/030111.htm>.

There are currently 66 jurisdictions reporting quarterly IIP data to the Statistics Department.

In line with Recommendation 12 of the G-20 data gaps initiative, the IMF continues its work on the IIP pipeline project to increase the number of countries providing annual and quarterly IIP data to the IMF for re-dissemination. In addition, countries are being encouraged to adopt the *BPM6* enhancements to the IIP statistics as soon as feasible.

External Debt Statistics

In joint efforts with the BIS, the OECD, and the World Bank, the Statistics Department continues to work on the enhancement of the Joint External Debt Hub (JEDH) website, which was established in 2006 to provide a one-stop source for comprehensive external debt statistics. The JEDH features comprehensive national external debt data provided by over



60 economies, mainly subscribers to the SDDS; data from creditor and market sources for external debt and selected foreign assets for more than 200 economies; and information describing the data provided (metadata).

As part of the project launched by the IMF and the World Bank in February 2008 to facilitate the timely dissemination, on a voluntary basis and in standard formats, of public sector external debt data, GDDS participants were encouraged to report data to the World Bank's Quarterly External Debt Statistics database (QEDS). The project focuses on the dissemination of stock data on public and publicly-guaranteed external debt disaggregated by maturity. It also encourages participating countries' dissemination of other external debt data in line with the GDDS framework. As of July 2011, 27 GDDS countries reported data for the first quarter of 2010. Among this group of GDDS countries, 12 also report gross external debt by sector as required for SDDS subscribers.

STA has started, in consultation with the Task Force on Financial Statistics, an update of the *Debt Guide* to take account of changes introduced by the *BPM6* and *2008 SNA*. Changes proposed to the *Debt Guide* are discussed in the paper *Update of the External Debt Guide on Issues Emerging from BPM6* available on the IMF website at <http://www.tffs.org/method.htm>. A draft of the updated *Debt Guide* is expected to be posted for public comment around September 2012, with a pre-publication version to be released in 2013.

Reserve Assets and Sovereign Wealth Funds

The IMF has been collecting quarterly data on the currency composition of official foreign exchange reserves (COFER) since the 1960s from individual countries on a strictly confidential basis, with dissemination limited to selected aggregates only. The database distinguishes offi-

cial reserves denominated in U.S. dollars, euros, pounds sterling, Japanese yen, Swiss francs, and other currencies. In response to heightened policy and public interest, aggregate COFER data are posted quarterly on the IMF website (<http://www.stg-ext/external/np/sta/cofer/eng/index.htm>). At present, there are 139 reporters, consisting of member countries of the IMF, nonmember countries/economies, and other foreign exchange reserves holding entities (33 advanced economies, 105 emerging and developing economies, and one international organization).

As of July 2011, the number of reporters disseminating data on international reserves and foreign currency liquidity (Reserves Template) on the IMF's website has reached 73. Reserves Template data are available at <http://www.imf.org/external/np/sta/ir/index.htm>.

The Statistics Department, in collaboration with other departments in the IMF, is also working on issues relating to sovereign wealth funds (SWFs). Following from the *Santiago Principles*, the *BPM6* provides a fuller discussion of where to classify external assets held by these funds. It also provides guidance on the sectoral breakdown and functional allocation of SWFs, and allows for a voluntary disclosure of SWF assets not included in official reserves. The Statistics Department emphasizes the importance of including SWFs in macroeconomic statistics in its technical assistance and training missions to member countries.

Update to the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)*

The Statistics Department has initiated a consultative process to update the *Guidelines*. In this process, an important role is being played by the Reserve Assets Technical Expert Group. During the period since the *Guidelines* was released (2001), the IMF has identified several places where the text in the *Guidelines* could be updated or clarified. Some changes are needed to ensure consistency with the Data Template itself, which was modified in December 2008 as a consequence of an IMF Board Decision to

strengthen the effectiveness of Article VIII section (5) of the IMF Articles of Agreement. In addition, some clarifications in the Guidelines are necessary to ensure consistency with the text of the *BPM6*, to take account of staff experience in monitoring submission of the Data Template by the SDDS subscribers, and to take account of new developments in the areas of reserve assets and international liquidity.

The Coordinated Portfolio Investment Survey (CPIS)

The CPIS collects information on individual economy holdings of portfolio investment securities—equity and debt securities—valued at market prices at the end of each year, cross-classified by the country of the issuer of the securities. The coverage of the CPIS is augmented with information on the geographic breakdown of securities held as countries' foreign exchange reserve assets and security holdings of selected international organizations (these data are not disclosed at a detailed level, as the data are reported on a confidential basis). The results of the 2009 CPIS, the ninth of an annual series, were posted on the IMF's external website at <http://www.imf.org/external/np/sta/pi/geo.htm> in November 2010 (with further updates in June 2011). Seventy-four economies participated in the 2009 CPIS. Consistent with the advice of the Task Force on IIP/CPIS Data Enhancements and other data users, and with the agreement of the IMF Committee on Balance of Payments Statistics, the IMF will implement further CPIS data enhancements, by increasing the frequency (from annual to semiannual) and timeliness (a dissemination lag of less than nine months) of the data, and collecting data on the institutional sector of the foreign debtor on an encouraged basis. Efforts would also be made to increase the number of CPIS participating countries.

The Coordinated Direct Investment Survey (CDIS)

In consideration of the growing needs of policymakers and other users of statistics for comprehensive and comparable data on foreign

direct investment (FDI), the coordinated direct investment survey (CDIS) was launched in 2007. The CDIS, which is the only worldwide survey of foreign direct investment (FDI) positions, has the objective to improve the quality of FDI data at global and bilateral levels.

In December 2010, the Statistics Department released the CDIS preliminary results covering investment positions as at end-2009 for 72 participating economies. New and/or revised results for 2009, as provided by 84 participating economies (12 more than the preliminary release) were published in July 2011. (See Box 8.) The results were published in a form of an online database publicly available at <http://cdis.imf.org> and through IMF elibrary. It presents detailed data on “inward” direct investment (i.e., direct investment into the reporting economy) cross-classified by economy of investor, and data on “outward” direct investment (i.e., direct investment abroad by the reporting economy) cross-classified by economy of investment. All participants in the CDIS provided data on their inward direct investment and 59 participants also provided data on their outward direct investment. The CDIS database contains breakdowns of direct investment position data, including, in most instances, separate data on equity and debt positions. The July 2011 release includes “mirror data” for the first time (i.e., data on direct investment positions obtained from counterpart economies' data), which may then be compared to an economy's own estimates vis-à-vis the counterpart. Derived data often are useful in highlighting data gaps or errors, and therefore also where follow up efforts may prove beneficial.

At its meeting in November 2009, the IMF Committee on Balance of Payments Statistics agreed with an IMF proposal to conduct the CDIS on an annual basis, thereby making the 2009 CDIS the first of an annual series. During 2011 and early 2012, the Statistics Department is holding a series of regional post-survey workshops. The purpose of these workshops is to review results from the 2009 CDIS with the participating countries (such as by examining the methods used to collect and process results),

Box 8. 2009 Coordinated Direct Investment Survey (CDIS)

The Statistics Department has conducted a CDIS for the reference year ending December 31, 2009 in collaboration with its interagency partners, which include the ECB, the OECD, the Statistical Office of the European Communities, the United Nations Conference on Trade and Development, and the World Bank.

The purpose of the CDIS is to improve the coverage and comparability of IIP statistics on FDI. All participants in the CDIS provided information on the stock of inward FDI as at end-December 2009 by counterpart economy, broken down between debt and equity, wherever possible. In addition, economies that are able to provide information on the stock of outward FDI provided these data on the same bases as for inward FDI.

This initiative is resulting in substantial improvements in the quality of FDI data and is providing national compilers and users of statistics with a valuable database on FDI positions by individual counterpart economy using common valuation principles. The partner economy data is also useful in monitoring cross-border bilateral exposures.

The Statistics Department has prepared a survey guide that sets out the principles under which the survey was conducted. The guide includes model survey forms and other practical guidance for those economies that do not have experience in conducting a direct investment survey. The survey guide can be found at www.imf.org/cdis. It is available in English, Arabic, Chinese, French, Russian, and Spanish.

Content of CDIS

The CDIS is harmonized, using the same reference date, the same valuation principles, and the same sources of

information (valuing equity positions based on the books of direct investment enterprises) for both inward and outward foreign direct investment. The survey identifies direct investment relationships using the new guidelines that are included in the *BPM6* and the *OECD Benchmark Definition of Foreign Direct Investment*, fourth edition.

Economies participating in the CDIS are making efforts to improve their compilation of direct investment statistics, such as by more comprehensively identifying direct investors and direct investment enterprises, or by more fully identifying intercompany debt positions that should be excluded from direct investment under these international standards, such as financial intermediary-to-financial intermediary debt positions. Economies also provided information on improvements to data on direct investment that arise, at least in part, from their participation in the CDIS. This information indicates that well over half of the CDIS participating economies improved their direct investment data collection and processing systems, and that a number of economies substantially improved these systems.

Data Reporting and Dissemination

Initial results as at end-2009 were requested from participating economies by end-September 2010 and these were released in the middle of December 2010. New and/or revised results for 2009 were requested by end-March 2011 and released in July 2011.

The survey will be conducted annually, with revised data released semi-annually. Preliminary results of the CDIS for end-2010 will be requested from participating economies by end-September 2011 and are expected to be released towards the end of 2011.

address any problems that they encountered, and discuss any hurdles that may have impeded or prevented participation by those countries that did not yet participate.

Remittances

In collaboration with its partners, the Statistics Department completed work on the *International*

Transactions in Remittances: Guide for Compilers and Users (RCG). The *RCG* was launched in June 2009 and presents concepts, definitions, and classifications relating to the coverage and estimation of remittances. The *RCG* identifies the main remittances compilation methods currently being used by compilers and seeks to address the need for practical compilation guidance to improve the quality of estimates. It is the first manual provid-



Balance of Payments Committee Meeting in Washington, D.C.



ing compilation guidance for remittances and is also the first compilation guide based on the concepts set out in the *BPM6*. The English version of the *RCG* is available in hardcopy and on the IMF website at <http://www.imf.org/external/np/sta/bop/remitt.htm>.

Efforts are now turning to implementing the methods described in the *RCG*, improving the quality of remittances data, including estimates of bilateral flows, and translating the *RCG* into additional languages (Arabic, Chinese, French, Russian, and Spanish).

Statistics on International Trade in Services

The Statistics Department continues to participate in the inter-agency Task Force on Statistics of International Trade in Services (TFSITS). The TFSITS has completed the *2010 Manual on Statistics of International Trade in Services (2010 MSITS)*, which updates the *MSITS* that was released in 2002. The *2010 MSITS* is consistent with the *BPM6* and *2008 SNA* in the concept of services; however, it uses a broader concept of international trade than that presented in

the *BPM6*. In addition to international trade in services in the conventional sense of transactions between residents and nonresidents, it covers services delivered through locally established, but foreign-controlled enterprises, as well as cases where individuals are present abroad to supply a service. The *2010 MSITS* was adopted by the UN Statistical Commission in February 2010 and is available in electronic format at <http://unstats.un.org/unsd/trade-serv/TFSITS/manual.htm>. The *2010 MSITS* is expected to be available in hardcopy toward the end of 2011.

The IMF Committee on Balance of Payments Statistics

In all of the above areas, STA works closely with the IMF Committee on Balance of Payments Statistics (Committee). The Committee was established by the IMF's Executive Board in 1992 to improve the availability, consistency, and reliability of balance of payments and international investment position (IIP) statistics worldwide. The Committee includes members from all regions of the world and income levels, as well as other regional and international organizations. The papers, summary of discussions, and Annual Reports are posted on the IMF website at <http://www.imf.org/external/bopage/bopindex.htm>.



SECTION 7

Capacity Building (Technical Assistance and Training)

The Statistics Department's technical assistance program is characterized by the promotion of internationally accepted statistical methodologies and compilation practices, emphasis on regional projects and working with regional institutions, and collaboration with other donors and providers of technical assistance. To complement technical assistance, it conducts training in all key macroeconomic statistical areas.

The technical assistance activities of the Statistics Department provide comprehensive support to member countries in improving the range and quality of statistics they produce to meet user needs. The Regional Technical Assistance Strategy Notes prepared by the IMF area departments in coordination with other departments, including the Statistics Department, outline short- and medium-term technical assistance priorities for the regions and provide a unifying framework for the delivery of technical assistance. Planning and



Resident advisors, including the multisector statistics advisor, confer during the PFTAC Steering Committee meeting in Vanuatu.

prioritization are further informed by diagnostic missions (e.g., multisector statistics mission), Reports on the Observance of Standards and Codes (ROSCs), and consultation with the Regional Technical Assistance Centers (RTACs). The focus of technical assistance in macroeconomic statistics is on low-income and post conflict countries that are committed to GDDS participation and to the adoption of the GDDS as the framework for their statistical development. Evaluating the effectiveness of technical assistance remains an integral component of the overall program, ensuring that resources dedicated to this important member service deliver the expected knowledge transfer and strengthened capacity.

Statistical Domains Covered

The Statistics Department offers advice in the following statistical domains:

- national accounts
- price statistics
- government finance statistics
- monetary and financial statistics
- financial soundness indicators
- balance of payments
- international investment position
- external debt
- remittances
- international services
- foreign direct investment
- data dissemination

Technical assistance focuses on developing new data series and improving the accuracy and reliability of existing series. Emphasis is also given to various aspects of statistical manage-

ment and organization as well as enhancing accessibility and serviceability of data. To help improve the collection, compilation, and dissemination of official statistics, the Statistics Department provides on-the-job training and practical hands-on help. As member countries have gained greater and more efficient access to the Internet and e-mail facilities, the department makes use of “remote technical assistance” that enables countries to implement improvements to national systems more interactively.

Modes of Delivery

The main vehicle for the delivery of technical assistance continues to be short-term single-topic missions conducted by IMF staff and externally recruited experts. These missions often originate in, and are part of, comprehensive medium-term country projects designed by multi-sector statistics missions or as follow-up to ROSC assessment missions.

An important component of the department’s technical assistance program is to complement its short-term missions with the placement of long-term statistical advisors in the RTACs. As of August 2011, the Statistics Department has 10 resident long-term experts in the RTACs.

Regional Approach

The Statistics Department has adopted an explicit regional approach to provide strategic regional and country perspectives to its technical assistance program. The regional approach strengthens the coordination with the IMF area departments in setting up technical assistance priorities and in implementing the program of technical assistance for each fiscal year. A regional manager provides leadership for the technical assistance program in each of the five regions.

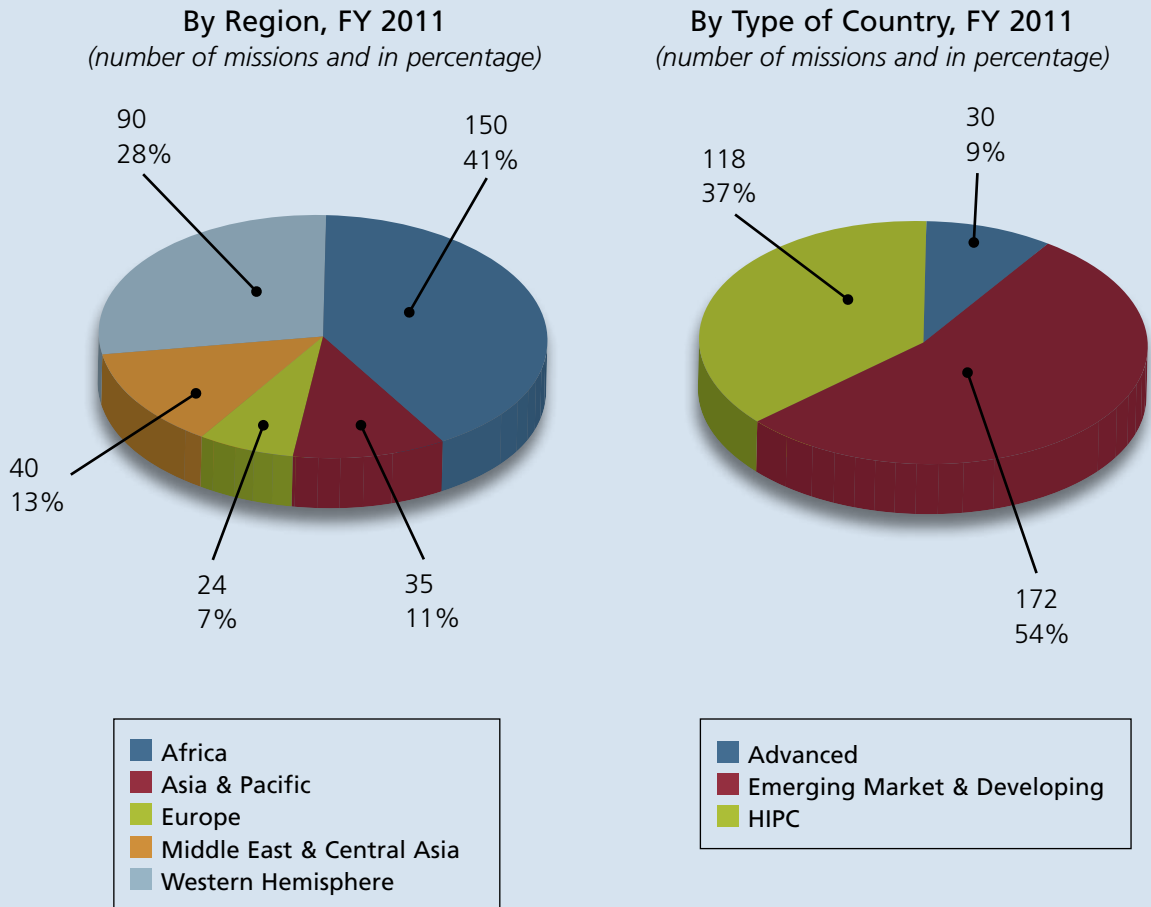
Technical assistance in Africa continued to receive the most resources, boosted by the EDDI Project funded by DFID. (See Box 9.) The Western Hemisphere region is the second largest recipient. In FY 2011, a regional program for countries in Asia and the Pacific was initiated

with funding from the government of Japan to implement the System of National Accounts and the International Comparison Program. A new regional capacity building program for the sustainable compilation of real sector statistics in nine Eastern European countries, also funded by the government of Japan, is being launched in FY 2012.

Financing, Efficiency, Sustainability, and Evaluation of Technical Assistance

External funding through the RTACs, multi-donor trust funds, and bilateral sub-accounts increasingly finances a larger part of the IMF’s capacity-building efforts. For the Statistics Department, external financing is expected to grow from about 40 percent of capacity building activities in FY 2011 to about 57 percent in FY 2012. In terms of technical assistance field delivery, 70 percent is externally financed and 82 percent is provided by experts. The expert roster is expected to continue expanding to meet the growing demand for externally financed technical assistance programs. To foster improved relationship with donors, the Statistics Department endeavors to improve efficiency, accountability, and sustainability of its technical assistance programs. To enhance efficiency, the Statistics Department is in the process of improving management of technical assistance processes by centralizing some areas of technical assistance administration to reduce overlap of such activities within the department. To enhance accountability, the implementation of the Statistics Department’s technical assistance programs will be increasingly oriented towards achieving outcomes and delivering results. The objective is to provide a better and more transparent basis to achieve increased accountability for the use of funds, be it from the IMF’s or from donors’ budgets. Important factors affecting sustainability are taken into account in considering and planning a technical assistance program (or mission), such as the availability of national counterparts, source data, and suitable experts. Follow-up technical assistance is decided on the basis of important factors, including countries’ progress in implementing recommendations of previ-

Box 9. Technical Assistance Delivery



ous technical assistance missions (or so called benchmark actions).

Finally, the Statistics Department is placing strong emphasis on evaluating the effectiveness of its capacity building efforts, especially in countries that have received intensive technical assistance. Evaluation missions are a key feature. In FY 2011, evaluation of technical assistance and training in Albania and Georgia was conducted; the report is available on [imf.org](http://www.imf.org) (<http://www.imf.org/external/pp/longres.aspx?id=4532>). Over the medium-term, two internal evaluation missions per year will be conducted by the Statistics Department on its technical assistance programs, covering two geographic regions at a time. Evaluation reports will be published for transparency (subject to approval by the country authorities). The Statistics Department participates in external evaluations of its bilateral programs and other modes of evaluation such as inspection visits of statistical advisors in the RTACs.

36 Recent Developments and Current Initiatives



Balance of Payments Statistics Course in Dalian, China

Training

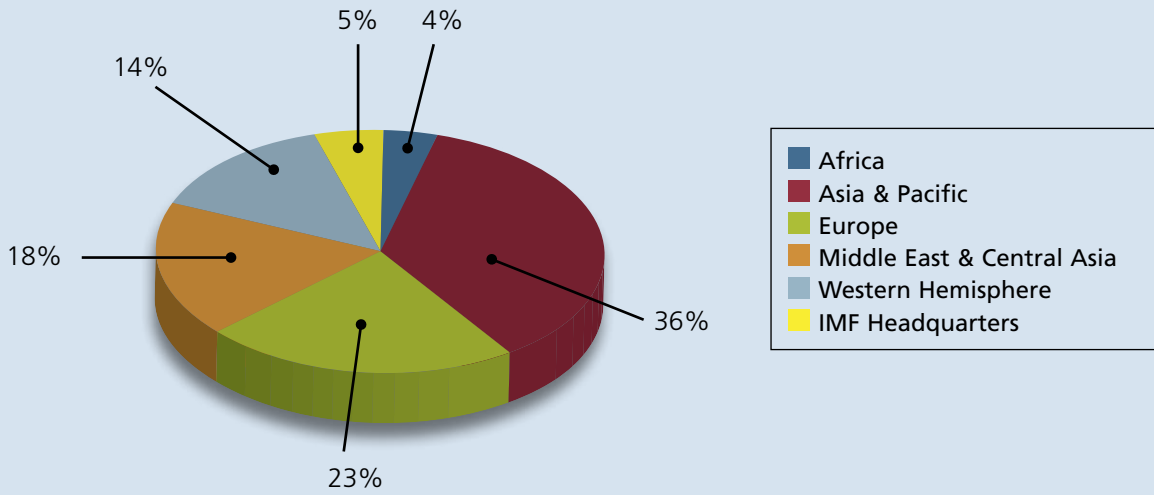
The Statistics Department is the second largest provider of training courses next to the IMF Institute. Its training program continues to be strengthened to serve as a main vehicle for advancing the adoption of internationally accepted statistical methodologies. Training courses offered through the IMF Institute and Regional Training Centers (INS-RTCs) generally consist of a series of lectures, discussions, practical exercises, and case studies on the relevant macroeconomic statistics areas. In FY 2011, two new seminars were introduced, the Public Sector Debt Statistics and Workshops for Managers. The Statistics Department will pilot a new training course on *Linkages of Macroeconomic Accounts Statistics* during October 24–November 4, 2011 at the Singapore Training Institute. This course is designed for macroeconomists and will underscore the linkages among the macroeconomic accounts statistics—national accounts statistics, external sector statistics, government finance statistics, and monetary and financial statistics. It will aim to deepen participants’ understanding of the international standards underpinning

the macroeconomic accounts statistics and will illustrate the importance of the system of national accounts as the overarching framework for the statistics. It will also emphasize the financial links as a basis for flow of funds and financial programming. For information on IMF training courses at the headquarters and Regional Training Centers, contact the IMF Institute for a catalog (fax: +1-202-623-6490, or <http://www.imf.org>).

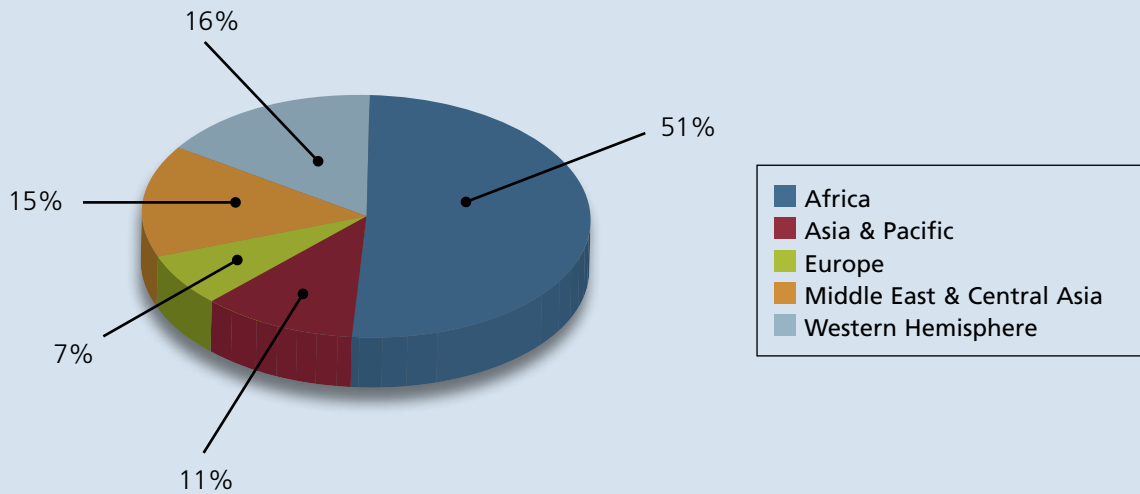
Outside the INS-RTCs, the Statistics Department also organizes regional seminars in many countries (called outreach seminars) as well as country-specific seminars, often with active participation of regional organizations or member countries.

By region, Asia receives the most number of training courses conducted by the Statistics Department through the INS-RTCs since there are three training centers in the region (in China, India, and Singapore) compared to one each in other regions. Meanwhile, Africa gets the lion share of outreach seminars. (See Boxes 10 and 11.)

**Box 10. Courses on Macroeconomic Statistics at
INS-RTCs, CY 2011**



**Box 11. Courses on Macroeconomic Statistics at
Non-INS-RTCs, FY 2011**





International Statistical Coordination and Cooperation

The Statistics Department continues to play an active role in conjunction with a number of multilateral and regional organizations engaged in promoting sound statistical practices:

- Chairs the IMF Committee on Balance of Payments Statistics, the Task Force on Finance Statistics, the Working Group on Securities Databases, and the Inter-Agency Group on Economic and Financial Statistics.
- Participates in interagency task forces—statistics of international trade in services, international (merchandise) trade statistics, and public sector accounting—and two intersecretariat working groups—national accounts and prices.
- Participates in the Committee for the Coordination of Statistical Activities, a group comprising representatives of all multinational, supranational, and regional organizations undertaking significant statistical work.
- Participates in meetings of the United Nations Statistical Commission, UN regional statistical commissions, and statistical committees organized by the OECD, Eurostat, and the ECB.
- Closely cooperates with the World Bank and with PARIS21, notably in workshops to promote countries' participation in the GDDS.
- Collaborates with the World Bank on the International Comparisons Program.
- Continues to work with the BIS, the Commonwealth Secretariat, OECD, and UNCTAD, in various areas, including external debt statistics, government finance, foreign direct investment, and financial accounts statistics.
- Collaborates with the International Public Sector Accounting Standards Board.
- Participates, together with the BIS, the ECB, Eurostat, the OECD, the UN, and the World Bank, in the SDMX initiative to facilitate exchange of statistical information among national and international agencies.
- Collaborates with international bodies such as the Irving Fisher Committee on Central Bank Statistics and the International Research for Income and Wealth.
- Collaborates with the Statistical Institute for Asia and the Pacific (SIAP-ESCAP) in building capacity for official statistics in the region.



SECTION 9

Outreach

The Statistics Department organized and co-hosted seminars and conferences in FY 2011. In the context of the World Bank-IMF Annual Meetings, it organized a seminar, *Financial Stability: The Data Challenge*. The seminar panelists included four

central bank governors (Indonesia, Mexico, Switzerland, and Tunisia). The then Deputy Managing Director Murillo Portugal moderated the panel discussion. The panelists shared their views on emerging data needs and priorities useful for identifying risks in the financial sector.



Seminar on Financial Stability: The Data Challenge



World Bank-IMF Celebration of World Statistics Day



The Statistics Department co-hosted with the World Bank a conference to mark the first ever celebration of World Statistics Day on October 20, 2010 in Washington, D.C. Panelists at the conference, consisting of chief statisticians of national statistics offices, policy makers, academicians, and researchers offered

suggestions on how to make the world statistical system more robust and better equipped to cope with the new and diverse needs and sources for data. The conference raised awareness of the many achievements of official statistics and the core values of service, integrity, and professionalism.

To showcase its products and services, the Statistics Department publishes articles in IMF magazines—the *IMF Survey* (online) and *Finance and Development (F&D)*. The Statistics Department writes feature articles using data from its databases every quarter in the Data Spotlight section of *F&D*.





IMF Statistics Department in Action



◀ Ms. Burgi-Schmelz meets the new Managing Director, Christine Lagarde



▲ International Conference on Russian State Statistics and Challenges of the 21st Century, Moscow



▲ Conference on Strengthening Sectoral Position and Flow Data in the Macroeconomic Accounts, Washington, D.C.



◀ The Statistics Department's Soccer Team



▲ Workshop at the Balance of Payments Statistics Course, Dalian



▲ Workshop on Harmonization of Monetary Data, Nairobi



▲ Principal Global Indicators exhibit at a Joint World Bank-IMF Library event



▲ Ms. Burgi-Schmelz and Deputy Managing Director Nemat Shafik at an IMF event



▲ Workshop on Remittances, Accra



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