

IMF COMMITTEE ON BALANCE OF PAYMENTS STATISTICS

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LIST OF ABBREVIATIONS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
AEG	Advisory Expert Group on National Accounts
BIS	Bank for International Settlements
<i>BD4</i>	<i>OECD Benchmark Definition of Foreign Direct Investment</i> fourth edition
<i>BOPSY</i>	<i>Balance of Payments Statistics Yearbook</i>
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual</i> , sixth edition
CDIS	Coordinated Direct Investment Survey
CPIS	Coordinated Portfolio Investment Survey
CSDB	Centralized Securities Database
DI	Direct investment
ECB	European Central Bank
Eurostat	Statistical Office of the European Communities
FDI	Foreign direct investment
G-7	Group of Seven
G-8	Group of Eight
IIP	International investment position
IMF	International Monetary Fund
ISWGNA	Inter-Secretariat Working Group on National Accounts
JEDH	Joint external debt hub
LCFAR	Liabilities constituting foreign authorities' reserves
OECD	Organisation for Economic Co-operation and Development
OFC	Offshore financial centers
QEDS	World Bank's Quarterly External Debt Statistics
RESTEG	Reserves Assets Technical Expert Group
SDRs	Special drawing rights
SEIFiC	Small economy with international financial center
SPE	Special purpose entity
TFFS	Inter-Agency Task Force on Finance Statistics
UNCTAD	United Nations Conference on Trade and Development
UNSD	United Nations Statistics Division
WEO	<i>World Economic Outlook</i>
WIIS	OECD Workshop on International Investment Statistics

EXECUTIVE SUMMARY

This report constitutes the annual report of the IMF Committee on Balance of Payments Statistics (Committee). The Committee, which held its annual meeting at the European Central Bank (ECB) in Frankfurt, Germany, in October 2006, was established in 1992 to improve the availability, consistency, and reliability of balance of payments and international investment position statistics worldwide. This annual report provides an overview of recent trends in balance of payments and international investment position statistics, discusses the Committee's work program during 2006, and reviews the issues the Committee plans to address in the coming year.

External sector statistics show the following trends:

- About 170 economies report balance of payments statistics to the IMF based on the *Balance of Payments Manual*, fifth edition (*BPM5*), and more than 100 economies report international investment position (IIP) data to the IMF, triple the number of a decade ago;
- The Coordinated Portfolio Investment Survey (CPIS), which has been conducted annually since 2001 under the auspices of the IMF, has about 70 participants, including most of the major investing economies;
- Close to 60 economies report national external debt data to the World Bank's Quarterly External Debt Statistics (QEDS) database. This information is posted on the Joint External Debt Hub (JEDH) along with creditor and market sources data for all IMF members;
- Reserves template monthly data for close to 60 economies are made available on the IMF's external website, with 119 economies supplying quarterly reserve currency composition data to the IMF; and
- Cross-border banking flows and positions from the Bank for International Settlements (BIS), covering both the quarterly locational and consolidated series, have reporters from 39 and 30 economies, respectively.

The Committee's 2006 work program covered

- The revision of the *BPM5* with Committee members reviewing the draft chapters of a revised manual in Frankfurt. Reflecting developments since the previous manual was published in 1993, the revised draft *Manual* gives greater prominence to position and financial flows data, and addresses statistical issues emerging from globalization, such as on goods for processing and the need for additional guidance on the residence concept. In 2007, the Committee will review the revised *Manual* following worldwide consultation, and consider the modalities for its implementation. The revised *Manual* will be titled *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*).

- The CPIS continues to be a major contribution to available data on cross-border securities investment, providing data on portfolio investment from the asset side, with counterparty data on the country of issuer. A conference held in 2006 at the Bank of Spain in Madrid made a number of proposals for improving the CPIS, including accelerating the dissemination of the results of the exercise, which has now been implemented.
- Further, the Committee discussed the modalities of taking forward the IMF's initiative for conducting a Coordinated Direct Investment Survey (CDIS) for a reference date of end-2009. Similar to the CPIS, the CDIS will improve IIP data availability, and, by providing information on the counterpart economies to the investment, augment the available bilateral data. In 2007, the Committee will review progress, and expects to receive a first report from the task force it created to develop a compilation guide for use by economies undertaking the survey.
- Among other issues addressed by the Committee in 2006 were the conceptual work on reserve assets and remittances. On the latter, the Committee agreed on new definitions of the various types of remittances—a draft *Compilation Guide on Remittances* is expected to be available in 2007.
- In addition to the above, the Committee's work program for 2007 includes a review of the research agenda for work post-BPM6, reporting of external sector data to international agencies with the objective of achieving greater coordination, and progress on the revision of the *Manual on Statistics of International Trade in Services*.

I. INTRODUCTION

1. The IMF Committee on Balance of Payments Statistics (Committee) was established in 1992 by the IMF to improve the availability, consistency, and reliability of balance of payments and international investment position (IIP) statistics worldwide. It was established in the wake of two IMF working party reports that investigated the principal sources of discrepancy in global balance of payments statistics published by the IMF.¹ The Committee's terms of reference and membership as of December 31, 2006, are presented in Appendixes I and II, respectively. In October 2006, the European Central Bank (ECB) hosted the Committee's nineteenth meeting in Frankfurt, Germany.

2. This annual report is required under the terms of reference and is structured as follows: Section II provides an overview of recent trends in balance of payments and IIP statistics published by the IMF's Statistics Department. Section III discusses the Committee's work program during 2006, and Section IV reviews the issues that the Committee plans to address in the coming year.

II. RECENT TRENDS IN BALANCE OF PAYMENTS AND IIP DATA

3. Annual balance of payments and IIP statistics for the period 1998–2005² are published in the *Balance of Payments Statistics Yearbook (BOPSY), 2006*. These data support the IMF's work on economic surveillance and are used for the analyses of economies' current, capital, and financial accounts.

4. *BOPSY 2006* (published version) covers balance of payments data reported by 171 economies, of which 167 reported on the basis of the IMF's *Balance of Payments Manual*, fifth edition. In addition, 105³ economies have reported IIP data. At its meeting, the Committee took stock of the progress made by economies in reporting balance of payments and IIP statistics since its establishment in 1992. The number of economies reporting IIP grew from fewer than 30 in 1992 to 35 in 1997 and tripled in less than 10 years to the current level. Information on reporting practice by economy is available in Appendix III.

5. *BOPSY 2006* also includes tables presenting regional and global aggregates. The global aggregation of the balance of payments data does not sum to zero, leaving statistical discrepancies between the various balance of payments accounts.⁴ These global discrepancies

¹ *Final Report of the Working Party on the Statistical Discrepancy in World Current Account Balances* (the so-called *Esteva Report*) (Washington: International Monetary Fund, 1987) and *Final Report of the Working Party on the Measurement of International Capital Flows* (the so-called *Godeaux Report*) (Washington: International Monetary Fund, 1992).

² Data for years prior to 1998 are available on the *Balance of Payments* CD-ROM.

³ Four economies were added to the list in early 2007 after publication of *BOPSY 2006*.

⁴ Measurement differences arise from incomplete coverage of transactions, inaccurate or inconsistent recording of transactions by the compiling economies, different classification or timing of transactions, and other measurement errors and discrepancies.

are monitored by the Committee because, although many errors and omissions may offset each other, the global discrepancies provide an indication of the measurement weaknesses and reporting gaps. Indeed, some gaps remain in data for offshore financial centers.⁵ In 2005, the global aggregation showed a narrowing on both the current and financial account discrepancies compared with 2004 (see Table 1 and Table 2).⁶

A. Global Current Account

6. The overall current account discrepancy continued its narrowing trend registering negative \$6.1 billion in 2005 compared to an average of negative \$97.6 billion (about 0.5 percent of gross current account transactions) over the period 1999–2004⁷ (Table 1). The global goods and services account registered a positive discrepancy of \$91.3 billion in 2005 (global exports larger than global imports), split more or less equally between goods and services. In contrast, the *income* account registered a mirror image negative discrepancy of \$88.9 billion (payables exceed receivables), and there was a negative discrepancy in *current transfers* of \$8.5 billion. In relative terms, the income discrepancy represented about 1.9 percent of gross income transactions in 2005.

7. Among the subcomponents of services, *transportation services* (covering freight, rentals, and passenger services) recorded a negative discrepancy of \$89.3 billion offset partially by a *travel* surplus of \$46.1 billion. However, the *other services* subcomponent experienced a large positive discrepancy, rising from \$109.7 billion in 2004 to \$137.1 billion in 2005. It is not possible to identify the sources of the discrepancy.

8. Among income components, *portfolio and other investment* showed a negative discrepancy (\$137.2 billion). This is consistent with previous years. In contrast, the positive discrepancy on direct investment earnings was noticeably lower than in the previous two years, although, unusually, *reinvested earnings* turned sharply to a negative \$12.7 billion, and *other direct investment income* turned sharply positive. This switch in trend might have resulted partly from large dividend receipts recorded by the United States in 2005, reflecting a change in the tax laws.

⁵ With regard to the coverage of offshore financial centers (OFCs), although many are included in the world tables (for example, The Bahamas, Barbados, Panama, the Netherland Antilles, Hong Kong SAR, and Macao SAR), some are not included in the IMF source balance of payments databases, even though they participate in the IMF's CPIS (Cayman Islands, Bermuda, Guernsey, Jersey, and Isle of Man).

⁶ Transactions in the financial account are recorded on a “net:gross” basis (that is, transactions in assets are netted against each other, as are transactions in liabilities, but transactions in assets are not netted against transactions in liabilities). Hence, the actual volume of cross-border transactions in such categories as portfolio investment and other investment is much larger than the values shown in Table 2. Data on “gross:gross” transactions for the financial account (that is, the recording of all transactions in the financial account on the same basis as the current account) are not reported under *BPM5*.

⁷ A negative discrepancy indicates that more debits were recorded than credits.

B. Global Capital and Financial Accounts

9. The discrepancy on the *capital account* in 2005 (negative \$11.8 billion) was close to the average discrepancy for the recent past (see Table 2).

10. Although the overall discrepancy of the *financial account* narrowed considerably in 2005, reaching negative \$29.1 billion compared to negative \$196.7 billion in 2004, there continued to be large discrepancies among the subcomponents of the financial account. The discrepancies were particularly large for portfolio investment, with \$386.9 billion more inflows than outflows, and other investment, with \$440.6 billion more outflows than inflows. In addition, the adjustment made to portfolio investment for securities held as reserve data, as in 2004, exceeded \$350 billion.⁸ The data for the adjustment come from a special survey of reserve asset instrument holdings.

11. The imbalance on *direct investment* switched from negative \$170.7 billion in 2004 to positive \$67.4 billion (inflows exceeded outflows) in 2005. Recorded inward direct investment jumped, by close to one-third in 2005. Within *portfolio investment*, bonds and notes accounted for the largest share of the discrepancy. Although considerable progress has been made in collecting data on portfolio asset position through the annual CPIS, which is conducted under the auspices of the IMF (see Section D), further work needs to be done to expand the country coverage, particularly with respect to major oil-exporting economies in the Middle East.

12. Within *financial derivatives*, the discrepancy increased to negative \$27.9 billion in 2005, reflecting increased activity. Within *other investment*, the discrepancy jumped to negative \$440.6 billion, four times its size in 2004.⁹ There was a small discrepancy on *reserve assets plus liabilities constituting foreign authorities' reserves* (LCFAR) in 2005 (negative \$14.9 billion).

C. Revisions

13. Revisions to prior years increased the current account discrepancy for all years except 2004, when the discrepancy narrowed considerably, from negative \$27.4 billion to negative \$7.3 billion. In the financial account, the largest revision in the discrepancy occurred to data for 2004 (from negative \$95.4 billion to negative \$196.7 billion, the highest discrepancy since 2000), accompanied by record high errors and omissions (\$208.2 billion). Revisions were highest in direct investment and portfolio investment, mainly reported by the industrial economies.

⁸ The adjustment excludes portfolio liabilities held by nonresidents as reserve assets from the liabilities data in the global tables, so that global portfolio assets and liabilities data are compared on the same basis. Similar adjustments are made for *other investment liabilities*, with the offsetting adjustments made to reserve assets. Failure to make such adjustments (known *reserve assets plus liabilities constituting foreign authorities' reserves*) would create large discrepancies.

⁹ Other instruments in *other investment* include trade credits, loans, and other assets and liabilities.

14. Revisions are a normal part of the process of producing statistics: they can result from a refinement of an earlier estimate, the receipt of more complete estimates, changes in methodology, or correction of errors. The IMF encourages compilers to assess whether they indicate systematic biases in preliminary estimates that can be addressed through statistical estimation techniques.

Table 1. Global Balances on Current Account, 1999–2005
(In billions of U.S. dollars)

	1999	2000	2001	2002	2003	2004	2005	Absolute Average 1999–2004
Current account balance	-110.3	-155.8	-149.1	-128.1	-35.0	-7.3	-6.1	97.6
Goods balance	23.0	-9.3	-18.1	19.4	58.6	39.7	43.3	49.4
Credit	5,642.8	6,358.0	6,095.4	6,387.5	7,465.4	9,078.5	10,322.4	...
Debit	5,619.8	6,367.3	6,113.5	6,368.1	7,406.8	9,038.8	10,279.1	...
Services balance	-11.7	-20.7	-30.2	-18.7	-4.0	26.2	48.0	18.6
Credit	1,439.6	1,522.0	1,526.2	1,640.8	1,887.1	2,265.7	2,498.0	...
Debit	1,451.4	1,542.7	1,556.3	1,659.5	1,891.1	2,239.5	2,450.0	...
Transportation	-53.5	-71.0	-67.1	-59.7	-76.5	-80.2	-89.3	68
Travel	25.9	29.5	25.4	27.5	30.9	40.2	46.1	30
Government services	-18.6	-25.9	-26.9	-34.6	-36.0	-43.6	-45.8	31.1
Other services	34.5	46.7	38.5	48.1	77.7	109.7	137.1	59.2
Income balance	-94.0	-90.7	-83.6	-111.5	-80.5	-64.0	-88.9	87.3
Credit	1,259.5	1,431.5	1,326.6	1,248.4	1,460.0	1,803.4	2,248.3	...
Debit	1,353.5	1,522.1	1,410.1	1,359.9	1,540.5	1,867.3	2,337.2	...
Compensation of employees	-6.0	-7.0	-7.9	-8.4	-8.4	-9.2	-10.4	7.8
Reinvested earnings	84.5	65.6	105.6	63.3	97.4	131.6	-12.7	91.3
Other direct investment income	-42.2	-38.4	-48.0	-29.2	-43.5	-55.0	71.4	42.7
Portfolio and other investment income	-130.3	-110.9	-133.2	-137.2	-126.0	-131.5	-137.2	128.2
Current transfers balance	-27.6	-35.1	-17.4	-17.3	-9.1	-9.1	-8.5	19.3
Credit	382.9	368.1	392.3	437.3	511.5	602.8	666.4	...
Debit	410.5	403.2	409.7	454.7	520.6	611.9	674.9	...
Memorandum items								
Current account balance as percent of gross current account transactions	0.6	0.8	0.8	0.7	0.2	0.0	0.0	0.5
Goods balance as percent of gross goods transactions	0.2	0.1	0.1	0.2	0.4	0.2	0.2	0.2
Services balance as percent of gross services transactions	0.4	0.7	1.0	0.6	0.1	0.6	1.0	0.6
Income balance as percent of gross income transactions	3.6	3.1	3.1	4.3	2.7	1.7	1.9	3.1
Current transfers balance as percent of gross current transfer transactions	3.5	4.6	2.2	1.9	0.9	0.7	0.6	2.3

Source: IMF, *Balance of Payments Statistics Yearbook, Volume 57, Part 2, 2006*.

Note: ... = data not available.

Table 2. Global Balances on Capital and Financial Accounts, 1999–2005
(In billions of U.S. dollars)

	1999	2000	2001	2002	2003	2004	2005	Absolute Average 1999–2004
Capital account balance	–18.3	14.3	–4.8	–15.2	–17.0	–4.3	–11.8	12.3
Credit	48.1	70.1	51.3	54.4	63.4	69.3	78.0	...
Debit	66.4	55.8	56.1	69.7	80.3	73.5	89.8	...
Financial account balance	44.4	232.9	159.2	179.0	96.9	–196.7	–29.1	151.5
Direct investment	3.8	188.0	82.0	80.3	–15.2	–170.7	67.4	90
Abroad	–1,098.4	–1,336.3	–723.4	–660.7	–663.4	–920.4	–934.4	...
In the reporting economy	1,102.2	1,524.3	805.3	741.1	648.2	749.6	1,001.8	...
Portfolio investment	138.0	76.3	47.8	161.4	98.5	148.8	386.9	111.8
Assets	–1,368.6	–1,307.8	–1,205.7	–744.4	–1,455.8	–1,872.8	–2,526.9	...
Liabilities excluding LCFAR ¹	1,506.5	1,384.1	1,253.4	905.8	1,554.3	2,021.5	2,913.9	...
Financial derivatives	15.5	–15.6	7.0	–11.2	–9.7	–16.5	–27.9	12.6
Assets	195.9	229.0	236.9	203.0	262.1	278.5	437.0	...
Liabilities	–180.4	–244.6	–229.9	–214.2	–271.9	–295.0	–465.0	...
Other investment	–101.4	38.5	54.5	–21.4	39.6	–101.7	–440.6	59.5
Assets	–528.4	–1,260.0	–717.6	–672.1	–1,028.4	–2,187.8	–2,962.7	...
Liabilities, excluding LCFAR ¹	427.0	1,298.5	772.1	650.7	1,068.0	2,086.0	2,522.2	...
Reserves plus LCFAR ¹	–11.5	–54.3	–32.0	–30.2	–16.3	–56.5	–14.9	33.5
Reserves	–149.8	–174.6	–151.0	–266.4	–490.1	–641.0	–524.3	...
LCFAR ¹	138.3	120.4	119.0	236.2	473.9	584.5	509.4	...
Net errors and omissions ²	84.3	–91.4	–5.2	–35.7	–45.0	208.2	46.9	78.3

Source: IMF, *Balance of Payments Statistics Yearbook*, Volume 57, Part 2, 2006.

Note: In the financial account, a negative sign indicates an excess of recorded outflows: the absence of a sign in the balances indicates an excess of recorded inflows over outflows.

LCFAR = liabilities constituting foreign authorities' reserves. ... = data not available.

¹ The data in LCFAR were derived from information collected by the IMF from a sample of large-reserve-holding economies. These data were used to adjust portfolio and other investment liabilities to align the data better with corresponding assets series.

² The sum of recorded flows with sign reversed.

D. Coordinated Portfolio Investment Survey

15. As noted above, portfolio investment continues to be a component of the balance of payments with significant measurement problems. To support the efforts of compilers, a CPIS has been conducted under the auspices of the IMF since 2001, following an initial survey in 1997. Positions data for equity, bonds, and money market instruments are collected by about 70 large-asset-holding economies, with counterpart liability economy detail.¹⁰ Essentially complete liability positions for all economies at year's end can be derived from data supplied, regardless of an economy's participation in the survey. In 2006, for the first

¹⁰ The IMF also asks the large-reserve-holding economies to provide a geographical breakdown of securities held as reserve assets (a similar survey is also undertaken for securities held by selected international organizations).

time the CPIS data were released with a timeliness of less than 12 months—an improvement of three months compared with the previous year.

16. At end-2005, cross-border holdings of securities collected in the CPIS reached \$25.7 trillion, an increase of 10 percent over the end-2004 level. Holdings of debt instruments increased by 5 percent, to \$15.3 trillion. The increase was ascribed to (1) increased cross-border activity as financial markets continued to recover from the shocks of the international financial crises of the late 1990s, and (2) rising share prices in many markets during 2005 as holdings of equities rose 19 percent, to \$10.4 trillion.

17. Table 3 shows the results of the 2005 CPIS for the 10 largest holders and issuers of securities (derived liabilities data). The table shows that portfolio investment assets remain concentrated in a few economies: out of the total reported, more than 70 percent are owned by the top 10. However, in the detailed results (available at www.imf.org/external/np/sta/pi/cpis.htm) the growing importance of the small economies with international financial centers (SEIFiCs) is evident. The combined holdings of portfolio investment assets of the seven largest SEIFiCs (The Bahamas, Barbados, Bermuda, Cayman Islands, Guernsey, Isle of Man, and Jersey) amounted to close to \$1 trillion at end-2005,¹¹ an increase of 16 percent over the previous year.

Bank of Spain Conference

18. In March 2006, the Bank of Spain hosted a conference on the CPIS to demonstrate how the data from the survey can and have been used. At this well-attended conference, speakers from the Bank of Spain, the ECB, the IMF and the Organisation for Economic Co-operation and Development (OECD) cited the CPIS as a model for international cooperation to improve statistical reporting. They also felt that the survey results are a valuable statistical source to address financial stability and globalization issues. Nonetheless, with the growth and volatility of international transactions, they noted that challenges remain to further enhance the data. These challenges include improved timeliness, improved coverage, third-party holdings, and repurchase agreements.

19. Compilers and users presented papers. Papers from the ECB, the Bank of Japan, the Bank of Spain, and the Federal Reserve Board of the United States showed how the CPIS database is used by compilers, among other things, to improve data quality of (derived) liabilities (especially by residence of counterparty for holders of bearer instruments), increase information breakdown on sector of holder, and verify (and/or improve) transactions data in the balance of payments. In regard to the latter, not only is there better coverage and detail for the CPIS in some instances than in other data sources, but where the data are collected on a security-by-security basis, interpretative variables (such as price and exchange rate

¹¹ This figure does not include the portfolio investment holdings of mutual funds in The Bahamas and the Cayman Islands. A conservative estimate of these holdings is on the order of \$500 billion. The IMF Statistics Department is helping these jurisdictions extend their coverage to include mutual funds.

changes, as well as transactions) are also used to explain changes in end-of-year positions, thereby serving as an additional quality check.

20. Home bias was much discussed—that is, in a world of efficient capital markets the proportion of one country's holdings in the securities of another should be proportional to the size of the financial market of the latter compared to the overall world capital market. One paper, from the Federal Reserve Board, noted that, given that nonresidents of the United States are underweight in their holdings of securities issued by residents of the United States, there would appear to be capacity to continue to finance the current account deficit of the United States. For more information on the conference, see www.bde.es/doctrab/confere/confee_7.htm.

Workshop for Compilers

21. The IMF Statistics Department conducted a workshop for compilers from SEIFiCs on the Isle of Man in April 2006. The workshop provided the compilers with the opportunity to share experiences and establish a network of compilers, to encourage those who have not yet decided to participate in the CPIS to do so, to see how the survey might be conducted more effectively, and to indicate what plans they had for the 2006 survey. At the workshop, some compilers indicated that they were considering expanding the coverage of their national surveys.

III. WORK PROGRAM UNDERTAKEN BY THE COMMITTEE IN 2006

22. The work undertaken by the Committee in 2006 reflected the priorities established in the medium-term work program at the end of 2005. Top priority was given to draft chapters and appendixes of the next Manual (*Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*)) and to the Coordinated Direct Investment Survey (CDIS). Twelve chapters of *BPM6* were drafted and provided to the Committee for comment. At its meeting in Frankfurt in October 2006, the Committee reviewed comments received on the draft *BPM6* and resolved outstanding issues. The Committee agreed on a draft timetable and terms of reference for the CDIS.

23. High-priority topics were remittances and reserve assets. The Luxembourg City Group was established, following the request of the G-7 finance ministers, to review national practices of measuring remittances and design a forward plan on the development of guidance on best compilation practices. For reserve assets, the IMF formed the Reserve Assets Technical Expert Group (RESTEG), drawn from users as well as reserve managers and balance of payments compilers.¹² RESTEG met and made recommendations to the Committee on updated guidelines for *BPM6* (see below).

¹² RESTEG has 25 members representing monetary authorities involved in the compilation of balance of payments statistics and international reserves, as well as participants from international agencies, including departments of the IMF involved in the analysis of international reserves.

Table 3. Geographic Breakdown of Portfolio Investment: Top 10 Economies by Holders and Issuers, at Year-End 2005
 (Preliminary Data in millions of U.S. dollars)

Issuer	Holder	United States	United Kingdom	Japan	France	Luxembourg	Germany	Ireland	Netherlands	Italy	Switzerland	Other	Total
1 United States	n.a.	556,371	747,747	202,127	303,833	135,479	283,929	281,205	111,555	99,662	2,527,475	5,249,384	
2 United Kingdom	814,784	n.a.	113,991	187,582	135,241	108,109	235,007	85,481	46,302	46,350	661,133	2,433,980	
3 Germany	213,479	108,683	158,382	198,094	258,234	n.a.	87,557	175,307	143,018	89,329	683,760	2,115,843	
4 France	269,945	72,565	125,937	n.a.	161,236	152,362	65,210	109,544	92,998	52,905	502,319	1,605,022	
5 Netherlands	191,882	132,098	69,079	192,577	95,211	135,933	38,895	n.a.	74,660	48,181	314,079	1,292,596	
6 Luxembourg	46,287	66,483	75,979	86,712	n.a.	243,817	26,362	31,083	229,974	115,009	313,223	1,234,928	
7 Italy	79,393	106,890	62,945	226,961	124,908	167,650	100,592	84,625	n.a.	10,577	265,587	1,230,128	
8 Japan	520,084	177,432	n.a.	66,668	104,740	33,222	43,051	34,336	16,450	18,558	212,222	1,226,763	
9 Cayman Islands	248,770	99,878	297,696	53,543	46,254	23,129	...	13,032	21,698	33,458	197,682	1,035,140	
10 Spain	69,821	72,637	28,916	164,829	74,683	141,282	49,123	50,164	24,181	6,236	103,546	785,418	
Other	2,136,677	899,176	434,215	477,907	536,581	418,668	249,481	226,693	221,228	206,700	1,700,278	7,507,605	
Total	4,591,122	2,292,214	2,114,888	1,857,001	1,840,921	1,559,651	1,179,206	1,091,469	982,065	726,966	7,481,304	25,716,807	

Source: IMF staff.

Note: n.a. = not applicable.

... = not available.

A. Revision to *BPM5*

The Draft Manual

24. During 2006, the Committee considered issues emerging from the revision of *BPM5* and reviewed the draft chapters, paving the way for posting of the draft manual on the IMF's external website for public comment in early 2007. The draft chapters and four appendixes were posted on the IMF's external website in March 2007

(www.imf.org/external/pubs/ft/bop/2007/bopman6.htm). The IMF Statistics Department is grateful for the work Committee members and members of the expert groups have dedicated to the revision over a number of years. The work on the revision continues to be coordinated with the review of the *System of National Accounts 1993 (1993 SNA)*.

25. The changes from *BPM5* are provided at the end of each chapter in the draft *BPM6*, and the major decisions made by the Committee were highlighted in the previous two annual reports (www.imf.org/external/bopage/arindex.htm). A summary of the Committee's discussion of reserve assets is in Box 1. Many specific issues were addressed during the revision, and three main themes emerged.

- **Globalization** has brought several issues to greater prominence. Because more individuals and companies have connections to two or more economies, additional guidance is provided on the residence concept. The residence and activities of special purpose entities and other legal structures used for holding assets that have little or no physical presence is addressed. As globalized production processes have become more important, treatments have been developed to provide a fuller and more coherent picture of outsourced physical processes (goods for processing) and sales or management of manufacturing that are separated from physical possession (merchanning). Specific guidance on the treatment of currency unions is covered in a separate appendix in the new manual.
- The increased importance of **balance sheet** analysis for understanding international economic developments in terms of vulnerability and sustainability is reflected in the draft. There is considerably more detailed guidance on the IIP, with more discussion of revaluations and other volume changes, and their impact on assets and liabilities. In addition, the results of the detailed work over the past decade on external positions (the IIP, external debt, financial derivatives, and reserve assets and potential drains) have been incorporated. In recognition of the emphasis on balance sheet aspects, *BPM6* is titled *Balance of Payments and International Investment Position Manual*.
- The growth of **financial innovation** since 1993 is reflected in the draft. Examples include fuller text on financial derivatives, index-linked securities, and gold accounts. Although the basic concepts of direct investment remain essentially unchanged, with the growth of complex cross-border company structures, guidance is provided on identifying direct investment in cases of long and complex chains of ownership. Direct investment treatments are being revised in conjunction with the OECD, which is also revising its *Benchmark Definition of Foreign Direct Investment* at the same time.

Reserve Assets

26. In 2006, the Committee also considered proposals made by RESTEG, endorsed some of the proposals, and agreed on modalities for further consultation in resolving pending issues.

27. RESTEG was established by the Committee in June 2005 to advise the Committee on technical issues related to reserves. In the period between June 2005 and October 2006, RESTEG debated 11 specific technical issues through electronic discussions and in one meeting in May 2006 (see Box 1). RESTEG sent its recommendations to the Committee, and on seven issues these were accepted by the Committee. Four issues generated further debate at the October meeting:

- The treatment of bank deposits of the monetary authorities with resident banks: There was overwhelming support among Committee members to exclude such assets from reserve assets, but some Committee members felt strongly that there should be some exceptions. It was agreed to include a specific request to reviewers of the draft *BPM6* for comments.
- Whether to include data on reserve-related liabilities in the standard components of the balance of payments and the IIP to support analysis of reserve assets: A small majority favored a memorandum item over a standard component, but as with bank deposits, the draft *BPM6* includes a specific request to reviewers for comments.
- The treatment of securities that are provided under reverse transactions: According to standard statistical methodology, such securities stay on the balance sheet of the provider (cash taker), but such an approach could imply double counting of gross reserves when the securities are recorded as reserve assets. Discussion at the Committee meeting was inconclusive, but in subsequent discussion it was agreed that such securities, and gold under gold swaps where the same issues arise, would be identified in the IIP when such assets remain in reserve assets so users can see the scale of this activity when viewing reserve asset data.
- The treatment of gold accounts: Under a recommendation from the Advisory Expert Group on National Accounts (AEG), the body that has been reviewing SNA issues, unallocated gold accounts—accounts that represent a claim against the account operator to deliver gold—are to be classified as financial assets and liabilities in deposits. This raised the question of how such accounts should be classified within reserves. Again, discussion at the Committee meeting was inconclusive, but in subsequent discussion it was agreed that unallocated gold accounts of monetary authorities with nonresident banks held as part of reserve assets should be included within monetary gold. The draft *BPM6* includes a specific request to reviewers for comments on this issue.

28. Also in its meeting, the Committee agreed that RESTEG should continue its work, and expressed its preference for finalizing the work on reserves in the new draft manual first, and then proceeding with the revision to the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)*. RESTEG is to report back to the Committee in 2007.

29. Issues papers, the papers setting out the issues for discussion, and outcome papers are posted on RESTEG's home page on the IMF's website:
www.imf.org/external/np/sta/bop/resteg.htm.

Box 1. Reserve Assets: Summary of Issues Discussed

Currency of denomination. The Committee agreed to exclude from reserves those assets denominated or indexed to the domestic currency but settled in foreign currency. The main consideration was that in a crisis the value of these assets would decline along with that of the domestic currency.

Foreign currency. The Committee agreed to support the principle of including only assets in convertible currencies in reserve assets and clarify the term “convertible” by adding “freely usable for the settlement of international transactions.” “Freely usable” was preferred to “widely traded,” which might exclude currencies that are convertible but not widely traded.

Investment funds. The Committee agreed that the key criteria used to identify official reserve assets should apply to assets held in investment funds. In particular, the need should be stressed for the monetary authorities to have control over investment funds and for the assets to be readily available to meet balance of payments financing needs in order to be included in reserve assets.

Marketability (Liquidity). The Committee agreed that the draft *BPM6* should provide a further and clearer description of the characteristics of “readily available.” The description should cover both securities and deposits, noting that some assets, such as deposits, can be liquid but not marketable.

Pledged assets. The Committee agreed to use wording from the *Guidelines* on the treatment of pledged assets in the new *BPM6*. The *Guidelines* (paragraph 72) state that “assets pledged are typically not readily available.”

Reserve-related liabilities. The Committee agreed by a small majority to include a memorandum item on reserve-related liabilities position data instead of a standard component.

Resident bank deposits. The Committee gave overwhelming support to excluding claims on bank deposits in resident banks from the balance of payments and IIP, given that the two statistical frameworks cover transactions and positions with nonresidents. Some Committee members felt strongly that there should be some exceptions. The Committee acknowledged a need for further consultation through a specific request to reviewers of the draft *BPM6*.

Reverse transactions. Committee members had mixed views on the proposed treatment of excluding securities out on repo from reserve assets and reclassifying them as portfolio investment assets. Nonetheless, it was later agreed that securities out on repo, and gold out on repo under gold swaps, would be identified in the IIP when such assets remain in reserve assets.

Special drawing rights (SDRs). The Committee agreed that a country's SDR allocation would be classified as a debt liability in the balance of payments and IIP.

Treatment of gold swaps and gold accounts. The Committee agreed to include a clearer description of the treatment of gold swaps and gold accounts, drawing as appropriate on the relevant text in the *Guidelines*. Unallocated gold accounts with nonresident banks held as part of reserve assets are to be included in monetary gold.

Treatment of pooled assets. The Committee agreed to include text on pooled assets in the draft *BPM6*. In determining whether to include pooled assets in reserves, it is important to emphasize who has control over the pooled assets, the legal framework of the arrangements, and the liquidity and ability of participants to withdraw their claims.

Introducing a Currency Composition and Remaining Maturity Breakdown into the IIP

30. Recent analytical work has brought to the fore the relevance of position data on currency composition and remaining maturity. The need for such data has been reinforced by the result of a survey on the unmet needs of IMF users of balance of payments statistics presented to the Committee at its meeting in June 2005. The Committee considered a paper from the IMF that proposed the introduction of currency composition and remaining maturity into the standard components of the IIP.

31. Committee members saw the policy need for the data on currency composition, and to a lesser extent remaining maturity, and commented that the reconciliation of the IIP with other flows required information on currency composition. However, noting the significant changes required in data collection systems, Committee members considered it premature to adopt the proposed changes. The Committee agreed that countries should be encouraged to provide these data as supplementary items. IMF staff undertook to work with the Committee to incorporate currency composition data into IIP report forms for the *BOPSY* when the new *BPM6* is implemented.

B. Coordinated Direct Investment Survey

32. The Committee discussed the modalities of taking forward the IMF's initiative for conducting a CDIS. The initiative emerged from a discussion paper prepared for an informal IMF Executive Board seminar on direct investment (DI) statistics held in November 2003 that highlighted a range of deficiencies in the available statistics on DI capital. Problem areas included discrepancies in global balance of payments statistics on DI, asymmetries in bilateral DI positions, and, notwithstanding improvements in recent years, uneven implementation of international guidelines for the recording of DI statistics recommended by the IMF and the OECD. The discussion paper proposed a feasibility study on conducting a CDIS. Such a survey could help meet the growing data requirements for more comprehensive and comparable data on direct investment.

33. Similar to the CPIS conducted in 1997, a CDIS could be expected to improve IIP data availability. In addition, a global database on the geographical distribution of the stock of DI would augment the bilateral data available from the CPIS and other data in the JEDH, further developing the database for regional and multilateral surveillance. A CDIS would contribute to improved data quality and support IMF surveillance. The Committee noted that for the survey to go ahead, strong support of major direct investing economies and international organizations is required.

34. The Committee agreed it would be feasible and beneficial to national compilers and users of DI statistics to undertake a CDIS with respect to an end-2009 reference year and noted that there was strong support for such an initiative across the IMF's membership. With close to unanimous support for the initiative from Committee members, it was decided that the project is feasible, subject to expressions of participation by a critical mass of the large direct investing economies and coordination with the IMF Statistics Department's interagency partners. The Committee agreed to a draft timetable and terms of reference for the CDIS.

35. The main features of the survey are

- data to be collected on positions (both equity and debt) for both inward and outward investment by immediate counterpart countries;
- equity to be valued at “own funds at book value”; for those investments that are listed, market valuations will be encouraged; and
- an international task force to be set up to prepare a compilation guide.

36. Following approval of the launch of the CDIS by IMF management in May 2007, the IMF will be establishing a task force to prepare a survey guide. Thereafter, the IMF will invite major investing economies (many of which are Committee members) to participate.

C. Remittances

37. The Committee was apprised of statistical developments with regard to remittances. The work arose from the meeting of the G-8 at Sea Island in 2004, which identified remittances as a potentially important private-sector-led means to help alleviate poverty, but considered the limited information available as a constraint on policymaking. The G-8 stressed the need for internationally comparable data on remittances, and subsequently the G-7 finance ministers called for the establishment of a statistical working group (now known as the Luxembourg Group), to be led by the World Bank, and which also includes the IMF and United Nations Statistics Division (UNSD), to improve remittances data.

38. In 2006, the Luxembourg Group held its first two meetings, agreeing to produce a compilation guide for remittances data. A draft is expected to be available in 2007. The IMF, together with the World Bank, offered to edit and publish the guide.

39. At its meeting in October 2006, the Committee noted the significant progress made, and discussed and agreed on the new definitions of various types of remittances.

D. Other Papers and Reports

40. The Committee also received papers and reports on various issues related to its work which are available at www.imf.org/external/pubs/ft/bop/2006/19.htm. These include

- progress on the work of updating the *1993 SNA*;
- the outcome of the AEG discussions: summary by the UNSD;
- updating international statistical standards in services: report by the OECD;
- user needs for foreign direct investment (FDI) data and an update on the progress of the *Benchmark Definition of Foreign Direct Investment (BD4)*: report by the OECD;

- treatment of intercompany transactions of financial intermediaries with nonfinancial entities: paper by the ECB;
- treatment of pass-through funds and capital in transit in FDI statistics: paper by the OECD;
- *World Investment Report, 2006*: report by the United Nations Conference on Trade and Development (UNCTAD);
- progress on the work of the Inter-Agency Task Force on Finance Statistics (TFFS), including the JEDH;
- developments in international financial statistics by the Bank for International Settlements (BIS); and
- progress on the operationalization of the ECB's Centralized Securities Database (CSDB).

E. Statistical Issues Arising from Global Balance of Payments Imbalances¹³

41. The Committee took the opportunity of its meeting in Frankfurt to hold an ad hoc ECB/IMF seminar on statistical issues for global balance of payments imbalances. As background, global current account balances by region and component are provided in Part 2 of the *BOPSY 2006* and are set out in Figures 1 and 2.¹⁴

42. Among industrial economies, since 1994, the United States has experienced an increasing deficit in its current account balance whereas the other industrial economies, as a group, experienced near balance, except in recent years (see Figure 1). By contrast, the regional totals, excluding industrial economies, show a widening positive balance for Asia (since 1999) and the Middle East (since 2001), reflecting the recovery from the Asian crisis and surpluses of oil-exporting economies (see Figure 2). The Western Hemisphere moved steadily away from a negative balance, whereas both Africa and nonindustrial economies in Europe experienced a near current account balance, with a slight positive upward trend in the three years to 2005.

43. The Committee discussed the statistical challenges relevant to the work of monitoring global balance of payments imbalances. Among those identified are the role of multinational

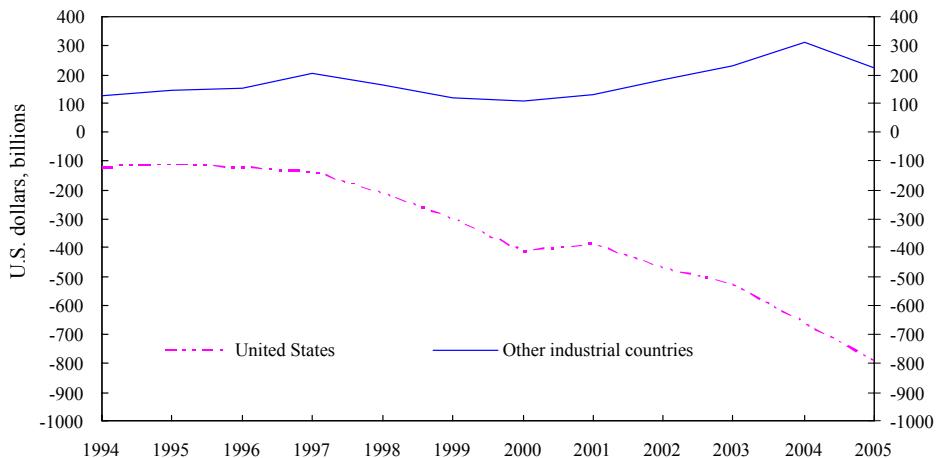
¹³ Imbalances are meant in the sense of recorded current, capital, and financial account imbalances and are not synonymous with global discrepancies discussed in Section II.

¹⁴ Tables include data provided by member economies to the IMF Statistics Department plus, to the extent possible, IMF staff estimates based largely on the IMF's *World Economic Outlook* (WEO) data, and, in a few instances, data derived indirectly from published sources. They also include data supplied by international organizations on their international transactions.

companies and their impact on current account positions through outsourcing the production of goods and service activity, the use of transfer pricing to allocate income and profits to low-tax jurisdictions (or for other reasons), and, in some instances, incomplete coverage of reinvested earnings. Also relevant is the apparent large scale of financial transactions involving offshore financial centers that do not report balance of payments and IIP data to the IMF, although some such centers are in the IMF and BIS collections of portfolio investment and international banking data, respectively.

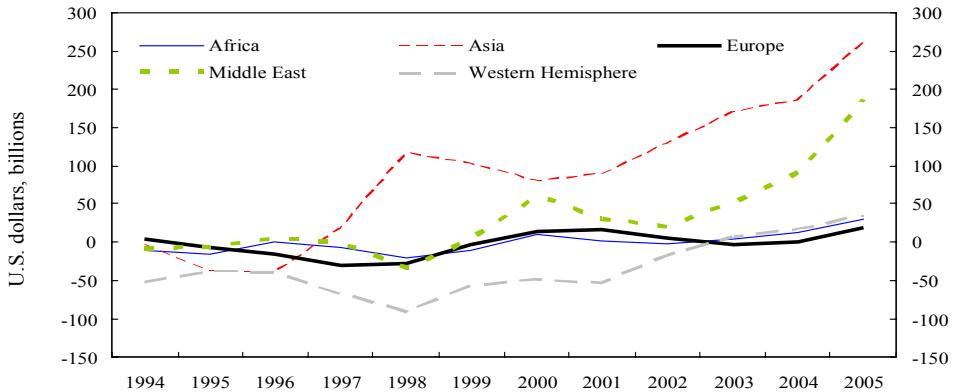
44. Further, the seminar participants emphasized the relevance of and need for more economies to invest in balance sheet information, particularly the IIP. In addition, to aid analysis and support the accuracy of the data, systemically important economies should be encouraged to compile a set of accounts that integrates the IIP with the national balance sheet, as part of a coherent system of compiling macroeconomic statistics. In this regard the seminar participants noted the excellent work of the ECB in developing integrated financial accounts (quarterly and annual balance sheet, transactions, and other flows) for the euro area. The seminar participants underscored a need to expand bilateral position information—to both support data comparisons and understand where investments are concentrated—and to enhance the importance of valuation changes on the external position and, hence, national wealth.

Figure 1. Industrial Economies: Current Account Balance



Source: IMF, *Balance of Payments Statistics Yearbook*, Volume 57, Part 2, 2006.

Figure 2. Nonindustrial Economies: Current Account Balance



Source: IMF, *Balance of Payments Statistics Yearbook*, Volume 57, Part 2, 2006.

IV. FUTURE WORK PROGRAM

45. Appendix IV sets out in detail the medium-term work program agreed to by the Committee in 2006. Subjects are ranked by priority. The rankings are not intended to reflect the absolute importance of each topic but rather to reflect the relative priority assigned to each topic by the Committee, given the limited time and resources available for research and investigation.

46. Top priorities for the Committee are the revision of the new draft *BPM6* in light of comments received from the worldwide consultation and the creation of a task force on conducting a CDIS. For the *BPM6*, the IMF Statistics Department will provide a revised version to the Committee meeting in October 2007, taking account of the comments received in the worldwide consultation.

47. High priority is accorded to remittances, reserve assets, and implementation of *BPM6*. For remittances, the Luxembourg City Group will prepare a draft compilation guide. For reserve assets, RESTEG will continue its work of advising the Committee and commence the work of revising the reserve template consistent with the decisions made by the Committee on the new *BPM6*. With the work on *BPM6* due to be completed by end-2008, the IMF will present a paper on implementation strategy to the Committee meeting in October 2007.

48. The Committee gave medium priority to continuing work on the CPIS, monitoring of global discrepancies on balance of payments, international trade in services, external debt and the IIP, and international financial statistics. For the CPIS, the IMF Statistics Department will publish the results of the 2006 survey and report on progress on the 2007 survey. The ECB will report on progress on the operationalization of its Centralized Securities Database. The Statistics Department will also present a report on the provision of external sector data to international agencies by member countries, with a view to helping achieve greater coordination among international agencies.

49. The IMF Statistics Department will prepare a paper that highlights the discrepancy, at a global level, in balance of payments statistics, and it will also report on the progress on adoption of *BPM5*. The OECD will update the Committee on the activities of the Task Force on Statistics on International Trade in Services, and the United Kingdom will report on its investigations with the United States on trade services asymmetries, as well as its ongoing exercise on bilateral exchange of FDI data with the Netherlands and Luxembourg. The IMF Statistics Department will also provide a report on the activities of the TFFS on external debt and the IIP. The BIS will report on developments in international financial statistics and on its work on debt securities statistics.

V. 2007 MEETING

50. The Committee will hold its next meeting in the week of October 29, 2007. The meeting will be held at the IMF headquarters in Washington, D.C.

Appendix I. Terms of Reference of the IMF Committee on Balance of Payments Statistics

1. The Committee will oversee the implementation of the recommendations presented in the *Report on the Measurement of International Capital Flows* and in the *Report on the World Current Account Discrepancy*, advise the IMF on methodological and compilation issues in the context of balance of payments and international investment position statistics, and foster greater coordination of data collection among countries.
2. The Committee will bring to the attention of the IMF new developments that impact on the compilation of statistics of cross-border transactions or related stocks of financial assets and liabilities, and work with the IMF in determining how these activities should be treated in accordance with *BPM5*.
3. The Committee will investigate ways in which data collection can be better coordinated among countries, with a view, *inter alia*, to facilitating the exchange of statistics among countries (for example, bilateral transactions or stock data). It will also identify related areas for study and determine how work in those areas should be carried forward.
4. In carrying forward its work, the Committee will collaborate with other national compilers and with appropriate international organizations.
5. In consultation with the IMF's Statistics Department, the Committee will determine its work program and will meet under IMF auspices at least once a year.
6. The Committee will prepare an annual report for presentation to the Managing Director of the IMF.

**Appendix II. IMF Committee on Balance of Payments Statistics
as of December 31, 2006**

Chair

Robert W. Edwards
IMF, Statistics Department

Members

Suleiman Al-Kholifey¹
Saudi Arabian Monetary Agency

Michael Atingi-Ego
Bank of Uganda

Stuart Brown
Office for National Statistics,
United Kingdom

Teresa Cornejo
Banco Central de Chile

Bronwyn Driscoll
Australian Bureau of Statistics

Robert Heath
IMF, Statistics Department

Han Hongmei
People's Republic of China

Ralph Kozlow
U.S. Bureau of Economic Analysis

Takehiro Nobumori
Bank of Japan

Lily Ou-Yang Fong
Census and Statistics Department,
Hong Kong SAR

Michael Debabrata Patra²
Reserve Bank of India

Art Ridgeway
Statistics Canada

Eduardo Rodriguez-Tenés
Bank of Spain

Takuya Sawafuji
Ministry of Finance, Japan

Sergei Shcherbakov
Central Bank of Russia

Almut Steger
German Bundesbank

Stefaans Walters
Reserve Bank of South Africa

Representatives of International Organizations³

Ayse Bertrand
Organisation for Economic Co-operation
and Development

Werner Bier
European Central Bank

William Cave
Organisation for Economic Co-operation
and Development

Ivo C. Havinga
United Nations Statistics Division

Philippe Mesny
Bank for International Settlements

Markus van Wersch
Statistical Office of the European Communities

***Representative from the Process of Reviewing the
System of National Accounts 1993***

Anne Harrison
OECD

Secretariat

John Joisce
IMF, Statistics Department

Andrew Kitili
IMF, Statistics Department

¹ Dr. Al-Kholifey was accompanied by Mr. Suleiman Al-Ofi.

² Did not attend the 2006 meeting of the Committee.

³ Mr. Masataka Fujita (UNCTAD) attended the first day of the 2006 meeting of the Committee.

Appendix III. Reporting of Balance of Payments (BOP) and International Investment Position (IIP) Data to the IMF: *BOPSY 2006*

CC	Country Name	What is Reported								
		BOP		Period	Frequency		IIP	Period	Frequency	
		BPM5	Other	Most Recent Year	Quarterly	Annual		Most Recent Year	Quarterly	Annual
512	Afghanistan, I.R. of		X	1989		X				
914	Albania	X		2005	X					
612	Algeria		X	1991		X				
614	Angola	X		2005		X	X	2005		X
312	Anguilla	X		2005		X				
311	Antigua and Barbuda	X		2005		X				
213	Argentina*	X		2005	X		X	2005		X
911	Armenia	X		2005	X		X	2005	X	
314	Aruba*	X		2005	X		X	2005		X
193	Australia*	X		2005	X		X	2005	X	
122	Austria*	X		2005	X		X	2005		X
912	Azerbaijan	X		2005	X		X	2005	X	
313	Bahamas, The*	X		2005	X					
419	Bahrain*	X		2005		X	X	2005		X
513	Bangladesh	X		2005	X		X	2005		X
316	Barbados*	X		2005		X				
913	Belarus	X		2005	X		X	2005	X	
124	Belgium* ³	X		2005	X		X	2005		X
339	Belize	X		2005	X					
638	Benin	X		2004		X	X	2004		X
218	Bolivia	X		2005	X		X	2005	X	
963	Bosnia and Herzegovina	X		2005	X					
616	Botswana	X		2005		X	X	2005		X
223	Brazil*	X		2005	X		X	2005	X	
918	Bulgaria*	X		2005	X		X	2005		X
748	Burkina Faso	X		2001		X	X	2001		X
618	Burundi	X		2005		X	X#	2003		X
522	Cambodia	X		2005	X		X	2005		X
622	Cameroon	X		2003		X	X#	1996		X
156	Canada*	X		2005	X		X	2005	X	
624	Cape Verde	X		2005	X					
626	Central African Republic	X		1994		X				
628	Chad	X		1994		X				
228	Chile*	X		2005	X		X	2005		X
924	China P.R.: Mainland	X		2005		X	X	2005		X
532	China P.R.: Hong Kong SAR*	X		2005	X		X	2005		X
546	China P.R.: Macao SAR*	X		2004		X				
233	Colombia*	X		2005	X		X	2005	X	
632	Comoros		X	1995		X				
634	Congo, Republic of	X		2005		X				
238	Costa Rica*	X		2005	X		X	2005	X	
662	Côte d'Ivoire	X		2005		X	X	2005		X
960	Croatia	X		2005	X		X	2005		X
423	Cyprus*	X		2005	X		X	2005		X
935	Czech Republic*	X		2005	X		X	2005		X
128	Denmark*	X		2005	X		X	2005	X	
611	Djibouti	X		1995		X				
321	Dominica	X		2005		X				
243	Dominican Republic	X		2005		X	X	2005		X
309	Eastern Caribbean Currency Union	X		2005		X				
248	Ecuador	X		2005	X		X	2005		X
469	Egypt*	X		2005		X				
253	El Salvador	X		2005	X		X	2005	X	
642	Equatorial Guinea	X		1996		X				
643	Eritrea	X		2000	X					
939	Estonia*	X		2005	X		X	2005	X	

CC	Country Name	What is Reported								
		BOP		Period	Frequency		IIP	Period	Frequency	
		BPM5	Other	Most Recent Year	Quarterly	Annual		Most Recent Year	Quarterly	Annual
644	Ethiopia	X		2005	X					
163	Euro area	X		2005	X		X	2005	X	
816	Faroe Islands ⁴	X		2003		X				
819	Fiji	X		1999		X				
172	Finland*	X		2005	X		X	2005	X	
132	France*	X		2005	X		X	2005		X
887	French Polynesia	X		2005		X				
646	Gabon	X		2004		X				
648	Gambia, The	X		2005		X				
915	Georgia	X		2005	X					
134	Germany*	X		2005	X		X	2005		X
652	Ghana	X		2005		X	X#	1996	X	
174	Greece*	X		2005	X		X	2005	X	
328	Grenada	X		2005		X				
258	Guatemala	X		2005	X					
656	Guinea	X		2004		X				
654	Guinea-Bissau	X		2004		X	X	2005		X
336	Guyana	X		2005		X				
263	Haiti	X		2005		X	X	2005		X
268	Honduras	X		2005		X				
532	Hong Kong SAR*	X		2005	X		X	2005		X
944	Hungary*	X		2005	X		X	2005		X
176	Iceland*	X		2005	X		X	2005		X
534	India*	X		2003	X		X	2004		X
536	Indonesia*	X		2005	X		X	2005		X
429	Iran, I.R. of	X		2000		X				
433	Iraq		X	1977		X				
178	Ireland*	X		2005	X		X	2005		X
436	Israel*	X		2005	X		X	2005	X	
136	Italy*	X		2005	X		X	2005		X
343	Jamaica	X		2005		X				
158	Japan*	X		2005	X		X	2005		X
439	Jordan	X		2005	X		X#	2005		X
916	Kazakhstan*	X		2005	X		X	2005	X	
664	Kenya	X		2005		X				
826	Kiribati		X	1994		X				
542	Korea*	X		2005	X		X	2004		X
443	Kuwait	X		2005		X				
917	Kyrgyz Republic	X		2005	X		X	2005		X
544	Lao P.D.R.		X	2001		X				
941	Latvia	X		2005	X		X	2005	X	
446	Lebanon*	X		2005	X					
666	Lesotho	X		2005	X		X#	2005	X	
668	Liberia		X	1987		X				
672	Libya	X		2005		X				
946	Lithuania	X		2005	X		X	2005	X	
137	Luxembourg*	X		2005	X		X	2005	X	
962	Macedonia, FYR	X		2005	X		X#	2005		X
674	Madagascar	X		2005	X					
676	Malawi		X	2002		X				
548	Malaysia*	X		2005	X		X	2005		X
556	Maldives	X		2005		X	X#	2005		X
678	Mali	X		2005		X	X	2005		X
181	Malta*	X		2005	X		X	2005		X
682	Mauritania	X		1998		X				
684	Mauritius*	X		2005	X		X#	2005	X	
273	Mexico*	X		2005	X		X	2005		X
921	Moldova	X		2005	X		X	2005	X	
948	Mongolia	X		2004		X				
351	Montserrat	X		2005		X				
686	Morocco	X		2005	X		X	2005		X

CC	Country Name	What is Reported								
		BOP		Period	Frequency		IIP	Period	Frequency	
		BPM5	Other	Most Recent Year	Quarterly	Annual		Most Recent Year	Quarterly	Annual
688	Mozambique	X		2005	X		X#	2005		X
518	Myanmar	X		2004	X		X#	2004	X	
728	Namibia	X		2004	X		X	2003		X
558	Nepal	X		2005	X					
138	Netherlands*	X		2005	X		X	2005		X
353	Netherlands Antilles*	X		2005	X					
839	New Caledonia	X		2005		X				
196	New Zealand*	X		2005	X		X	2005	X	
278	Nicaragua	X		2005	X					
692	Niger	X		2004		X	X	2004		X
694	Nigeria	X		2005		X	X#	1996	X	
142	Norway*	X		2005	X					
449	Oman	X		2005		X				
564	Pakistan*	X		2005	X		X	2005		X
283	Panama*	X		2005	X		X	2005	X	
853	Papua New Guinea	X		2005		X				
288	Paraguay	X		2005	X		X	2005	X	
293	Peru	X		2005	X		X	2005	X	
566	Philippines*	X		2005	X		X	2005		X
964	Poland*	X		2005	X		X	2005		X
182	Portugal*	X		2005	X		X	2005		X
968	Romania*	X		2005	X		X	2005	X	
922	Russian Federation*	X		2005	X		X	2005		X
714	Rwanda	X		2005		X	X	2005		X
862	Samoa	X		2005	X					
716	São Tomé and Príncipe	X		2002		X				
456	Saudi Arabia		X	2005		X				
722	Senegal	X		2004		X	X	2004		X
718	Seychelles	X		2005		X				
724	Sierra Leone	X		2005		X	X	2005		X
576	Singapore*	X		2005	X		X	2005		X
936	Slovak Republic*	X		2003	X		X	2003	X	
961	Slovenia	X		2005	X		X	2005		X
813	Solomon Islands	X		1999		X				
726	Somalia		X	1989		X				
199	South Africa*	X		2005	X		X	2005		X
184	Spain*	X		2005	X		X	2005		X
524	Sri Lanka	X		2005	X					
361	St. Kitts and Nevis	X		2005		X				
362	St. Lucia	X		2005		X				
364	St. Vincent and the Grenadines	X		2005		X				
732	Sudan	X		2005	X					
366	Suriname	X		2005	X					
734	Swaziland	X		2005		X	X	2005		X
144	Sweden*	X		2005	X		X	2005		X
146	Switzerland*	X		2005	X		X	2005	X	
463	Syrian Arab Republic	X		2005		X				
923	Tajikistan	X		2005	X					
738	Tanzania	X		2005		X	X#	2005		X
578	Thailand*	X		2005	X		X	2005		X
742	Togo	X		2004		X	X	2004		X
866	Tonga		X	2002	X					
369	Trinidad and Tobago	X		2004		X				
744	Tunisia	X		2005		X	X	2005		X
186	Turkey*	X		2005	X		X	2005		X
925	Turkmenistan	X		1997	X			2005		
746	Uganda	X		2005	X		X	2005		X
926	Ukraine*	X		2005	X		X	2005		X
112	United Kingdom*	X		2005	X		X	2005	X	
111	United States*	X		2005	X		X	2005		X

CC	Country Name	What is Reported								
		BOP		Period	Frequency		IIP	Period	Frequency	
		BPM5	Other	Most Recent Year	Quarterly	Annual		Most Recent Year	Quarterly	Annual
298	Uruguay*	X		2005	X		X	2005		X
846	Vanuatu*	X		2005	X		X	2003	X	
299	Venezuela*	X		2005	X		X	2005	X	
582	Vietnam	X		2005	X					
487	West Bank and Gaza	X		2004		X				
474	Yemen, Republic of	X		2005	X		X	2004	X	
754	Zambia	X		2000		X	X#	1985		X
698	Zimbabwe		X	1994	X					
Total		172	12		108	76	109		39	70

Notes:

CC = country code.

X# = country is a partial IIP reporter.

* = participated in 2005 CPIS.

¹ In *BOPSY 2006*, country pages are provided for 171 economies, of which 105 reported IIP. Countries report IIP data of varying comprehensiveness. Where these data are viewed as sufficiently comprehensive that the total assets, total liabilities, and net position are meaningful and not misleading, these aggregates are calculated and published. Otherwise, the partial IIP data are published.

² The cutoff date for this report is *BOPSY 2006*; i.e., end-year 2005 data.

³ BOP data prior to 2002 cover Belgium-Luxembourg.

⁴ Faroe Islands balance of payments data cover current account components only.

**Appendix IV. Medium-Term Work Program of the IMF Committee
on Balance of Payments Statistics: End-December 2006**

Subject	Issue	Action
TOP PRIORITY		
BPM6	Revise the new draft <i>Balance of Payments Manual</i> in light of comments received from worldwide consultation	IMF staff to prepare revised new manual
Coordinated direct investment survey	Creation of task force on conducting a coordinated direct investment survey and starting preparations for the survey	IMF to assemble a task force to prepare first draft of compilation guide
HIGH PRIORITY		
Remittances	Request by G-8 and others for improved data on remittances	Luxembourg City Group to prepare manual on best compilation practices
Reserve assets	Updating international guidelines	Technical expert group to report back recommendations to the Committee on updated guidelines for the new <i>Balance of Payments Manual</i>
Implementation of BPM6	Proposed implementation strategy for <i>BPM6</i>	Paper by IMF staff
MEDIUM PRIORITY		
International trade in services	Implementation and revision of <i>Manual on Statistics of International Trade in Services</i>	Paper by OECD on activities of the Task Force on Statistics of International Trade in Services, including plans for the revision of the <i>Trade in Services Manual</i>
Foreign direct investment	Review foreign direct investment relating to pass-through funds and capital in transit	Paper by Canada
Research topics	Agree on areas for future work	Paper by IMF
Reporting of external sector data	Review the reporting of balance of payments and other external sector data to international agencies	Paper by IMF staff
Coordinated portfolio investment survey	Results of the 2006 Coordinated Portfolio Investment Survey	IMF to publish results of 2006 CPIS and update results of 2005 CPIS
Global discrepancies	Developments in discrepancies in global balance of payments statistics	Paper by IMF staff
External debt	Improve reporting of external debt data	Paper by IMF staff on developments at Inter-Agency Task Force on Finance Statistics
International banking statistics	Developments in banking statistics	Report by BIS
Development of centralized securities database	Operationalization of the ECB centralized securities database	Report by the ECB