

# **IMF Committee on Balance of Payments Statistics**

## **Annual Report 2010**

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**International Monetary Fund**

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### LIST OF ABBREVIATIONS

<i>2008 SNA</i>	<i>System of National Accounts, 2008</i>
<i>2010 BOPSY</i>	<i>Balance of Payments Statistics Yearbook, 2010</i>
BIS	Bank for International Settlements
<i>BPM5</i>	<i>Balance of Payments Manual, fifth edition</i>
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
CDIS	Coordinated Direct Investment Survey
<i>CG</i>	<i>Balance of Payments Compilation Guide</i>
CIS	Commonwealth of Independent States
CPIS	Coordinated Portfolio Investment Survey
CSDB	Centralized Securities Database
ECB	European Central Bank
FDI	Foreign Direct Investment
G-20	Group of twenty economies
GAPP	Generally Accepted Principles and Practices
GRWG	Global Remittances Working Group
IAG	Inter-Agency Group on Economic and Financial Statistics
IFSWF	International Forum of Sovereign Wealth Funds
IIP	International Investment Position
IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
IWG	International Working Group of SWFs
LCFAR	Liabilities Constituting Foreign Authorities' Reserves
MCM	IMF Monetary and Capital Markets Department
<i>MSITS</i>	<i>Manual on Statistics of International Trade in Services</i>
OECD	Organization for Economic Cooperation and Development
PGI	Principal Global Indicators
<i>RCG</i>	<i>International Transactions in Remittances: Guide for Compilers and Users</i>
RESTEG	Reserve Assets Technical Expert Group
SDR	Special Drawing Right
SPR	IMF Strategy and Policy Review Department
STA	IMF Statistics Department
SWFs	Sovereign Wealth Funds
TFFS	Inter-Agency Task Force on Finance Statistics
UNCTAD	United Nations Conference on Trade and Development
WGIIS	OECD Working Group on International Investment Statistics

## EXECUTIVE SUMMARY

The Annual Report of the IMF Committee on Balance of Payments Statistics (Committee) for 2010 provides an overview of recent trends in global balance of payments and international investment position (IIP) statistics, including the latest developments in data from the Coordinated Portfolio Investment Survey (CPIS). Furthermore, the report summarizes the Committee's work program during 2010, and reviews the issues the Committee plans to address in the coming year.

The external sector statistics show the following trends:

- The number of countries reporting IIP data for publication in the *Balance of Payments Statistics Yearbook* increased from 118 at end-2009 to 123 at end-2010. Of these, the number of reporters of quarterly IIP data increased from 47 to 61 countries.
- Seventy-four economies responded to the 2009 CPIS. The timeliness of release of the CPIS data has improved since last year, with the results now disseminated less than 11 months after the end of the reference period.
- The global current account statistical discrepancy (reflecting the difference between current account receipts and payments) very slightly increased in 2009 to just over \$300 billion, or 0.8 percent of gross current account transactions. The financial account in 2009 recorded decreases in inflows and outflows in direct investment, but increases in all other components, with the exception of financial derivative liabilities. The largest increases in 2009 were in portfolio investment assets and liabilities, after a very low level of transactions in 2008. The statistical discrepancy in the financial account recorded a small decrease to \$240 billion.

The main outcomes of the Committee's medium-term work program as of end-2010 were:

- Enhancing the availability of cross-border to-whom-from-whom data, including data from the Coordinated Direct Investment Survey (CDIS). In December 2010, first preliminary results from the CDIS were disseminated for over 70 economies (increasing to over 80 economies for the revised results released in July 2011), improving the availability and quality of data on foreign direct investment.
- Continuing progress in converting IMF statistical publications to a *BPM6* presentational basis (to be implemented in 2012), and preparing a draft of the *BPM6 Compilation Guide*.
- Agreeing to enhance the frequency and timeliness of Coordinated Portfolio Investment Survey (CPIS) data, as well as enhancements to the scope and frequency of IIP data. Because the CPIS includes securities held by shadow banks, it is a unique source of information on financial interconnectedness and has been used as such in the relevant Board policy papers.
- Updating the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)* in consultation with the reconvened Reserve Assets Technical Expert Group. The schedule calls for the pre-publication draft to be posted on the IMF's website by the end of 2011.

## I. INTRODUCTION

1. The IMF Committee on Balance of Payments Statistics (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. This followed two IMF working party reports that investigated the principal sources of discrepancies in global balance of payments statistics published by the IMF.<sup>1</sup> The Committee's terms of reference and membership as at December 31, 2010 are presented in Appendices I and II, respectively. In 2010, the Committee held its twenty-third meeting during October 25–27, at the IMF Headquarters, in Washington D.C., USA. The papers and a summary of the discussion for that meeting are available at <http://www.imf.org/external/pubs/ft/bop/2010/23.htm>.

2. This Annual Report is required under the terms of reference of the Committee and is structured as follows. Section II provides an overview of recent trends in balance of payments and IIP data published by the IMF's Statistics Department (STA); Section III discusses the work program undertaken by the Committee in 2010; and Section IV reviews issues on which the Committee plans to work in 2011.

## II. RECENT TRENDS IN GLOBAL BALANCE OF PAYMENTS AND IIP DATA

3. Annual balance of payments and IIP statistics for the period 2001–09<sup>2</sup> are published in the *2010 Balance of Payments Statistics Yearbook (BOPSY 2010)*. These data support the IMF's work on economic surveillance and are used for the analyses of economies' current, capital, and financial accounts.

4. The *2010 BOPSY* covers balance of payments data reported by 177 economies, of which 123 also reported IIP data.<sup>3</sup> Information on reporting practices by economy as at end–December 2010 is available in Appendix III.

5. The *2010 BOPSY* also includes tables presenting regional and global aggregates for balance of payments data. While, in principle, at the global level the combined balances in the individual accounts for all economies and international organizations should cancel out, in practice, the data do

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<sup>1</sup> *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).

<sup>2</sup> Data for years prior to 2001 are available on the *Balance of Payments Statistics* CD-ROM.

<sup>3</sup> These number counts are based on the hard copy version of *BOPSY 2010*, published at end–November 2010. Monthly updates to *Balance of Payments Statistics* are available online at <http://elibrary-data.imf.org/FindDataReports.aspx?d=33061&e=170784>. Access to the online database is available by subscription.

not sum to zero.<sup>4</sup> The resultant global imbalances are monitored by the Committee because they provide an indication of where measurement weaknesses lie in the accounts. In 2009, the current account balance remained roughly at the same positive level as the previous year. The negative balance in the financial account decreased further, and the capital account shifted from a positive to a negative balance. Tables 1 and 2 that follow present the global balances by individual account.

6. The global aggregates of assets and liabilities in the IIP (Table 3) shows that, in 2009, recorded global assets were slightly higher than recorded global liabilities.

### A. Global Current Account

7. In 2009, the global *current account* balance was a positive \$313.1 billion, little changed from \$309.3 billion in 2008. In 2003–09, the average absolute value of the current account balance was \$198.8 billion (see Table 1).

8. The global *goods* balance rebounded to a new record high in 2009 of positive \$227.0 billion, after declining in 2008. The volume of transactions (credits (exports) and debits (imports)) fell sharply in 2009, reflecting the impact of the global economic and financial crisis.

9. The balance on *services*, which has been positive every year since 2002, declined for the second straight year, to \$117.8 billion in 2009, from \$177.0 billion in 2008. The balance was highest in 2007, at \$205.0 billion.

10. The negative balance on *income* declined in 2009, from \$40.6 billion in 2008 to \$31.2 billion in 2009. Gross income receivable (credits) and payable (debits) both fell sharply in 2009. The balance on *current transfers* fell substantially, from a positive \$24.1 billion in 2008 to a slightly negative amount in 2009, reflecting a larger decline in receivables than in payables in 2009.

### B. Global Capital and Financial Accounts

11. The balance on the *capital account*—comprising *capital transfers and acquisition and disposal of nonproduced, nonfinancial assets*—shifted from a positive \$9.5 billion in 2008 to negative \$9.5 billion in 2009, due to an increase in recorded capital account outflows and a decline in recorded capital account inflows.

12. The negative balance on the *financial account* declined for the second straight year, from \$268.1 billion in 2008, to \$239.0 billion in 2009. The balance has been negative since 2004, and peaked in 2007, at \$332.1 billion. The relatively small change in the global financial account balance in 2009 masks much larger changes in balances in the individual functional categories.

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<sup>4</sup> Measurement differences arise from incomplete coverage of transactions, inaccurate or inconsistent recording of transactions by the compiling countries (or the reporters), different classification or timing of transactions, and other measurement errors and discrepancies.

13. The negative balance on *direct investment* declined from \$214.9 billion in 2008 to \$133.5 billion in 2009. At the same time, the level of transactions in *direct investment abroad* and *direct investment in the reporting economy* both fell sharply. The balance on *portfolio investment* shifted from positive \$339.3 billion in 2008 to negative \$187.3 billion in 2009—the first time since 1998 that this balance has been negative—reflecting a sharper increase in reported purchases (assets) than in reported sales (liabilities) of portfolio investment securities. The levels of transactions in *portfolio investment assets* and *portfolio investment liabilities* both picked up in 2009, after declining to small fractions of their usual levels in 2008 due to the global financial crisis. Nonetheless, the level of transactions in *portfolio investment* in 2009 (with increases in assets of \$1,714.8 billion, and increases in liabilities of \$1,527.4 billion) remained well below the levels in other recent years.

14. The balance on *financial derivatives* reversed sign, from negative \$329.5 billion in 2008 to positive \$155.4 billion in 2009.<sup>5</sup>

15. The balance on *other investment* increased from a positive \$59.6 billion in 2008 to a positive \$211.0 billion in 2009. Before 2008, this balance had been negative. *Other investment* primarily consists of transactions in loans and deposits.

16. The negative balance on *reserve assets and liabilities constituting foreign authorities' reserves* rose from \$122.6 billion in 2008 to \$284.7 billion in 2009.

17. *Net errors and omissions* (reflecting the sum of global current, capital, and financial account balances, with the sign reversed) have been within a relatively narrow range (compared to gross transactions) in recent years, ranging from -\$12.3 billion in 2003 to +\$109.4 billion in 2004. Net errors and omissions were -\$64.6 billion in 2009, compared to -\$50.7 billion in 2008. These relatively small levels should be viewed with caution as, for many periods, increasingly positive balances on the current account were offset by increasingly negative balances on the financial account.

### C. Revisions

18. Data revisions decreased the level of imbalances in the current account for the years 2004 through 2007, and increased it slightly for 2003 and 2008 (see Figure 1). The revisions resulted in increases in the balances in the goods and income accounts in all years except 2008, whereas they resulted in reductions in the balance on services. In the financial account, data revisions resulted in increases in the balances for the years 2005–07, and in decreases in 2003, 2004, and, more substantially, 2008 (see Figure 2). The revisions to the financial account balances in 2008 were concentrated in *financial derivatives* and *other investment*.

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<sup>5</sup> Financial derivatives are often recorded on a net basis by the compiling economy (that is, transactions in assets are netted against transactions in liabilities), and so the balances in assets and in liabilities in this series should be viewed with caution.

**Table 1. Global Balances on Current Account, 2003–09**  
(In billions of U.S. dollars)

	2003	2004	2005	2006	2007	2008	2009	Average Absolute Value 2003-2009
<b>Current account balance<sup>1</sup></b>	<b>-21.5</b>	<b>51.9</b>	<b>86.3</b>	<b>238.2</b>	<b>371.4</b>	<b>309.3</b>	<b>313.1</b>	<b>198.8</b>
Balance on goods	58.4	35.0	48.9	118.1	181.6	148.7	227.0	<b>116.8</b>
Credit	7,479.8	9,083.5	10,390.9	12,017.3	13,885.9	16,005.3	12,415.8	
Debit	7,421.4	9,048.5	10,342.0	11,899.2	13,704.3	15,856.6	12,188.9	
Balance on services	7.5	51.5	74.0	125.4	205.0	177.0	117.8	<b>108.3</b>
Credit	1,881.4	2,274.1	2,538.2	2,874.6	3,453.2	3,883.4	3,423.6	
Debit	1,873.9	2,222.7	2,464.2	2,749.1	3,248.2	3,706.4	3,305.8	
<i>of which:</i>								
Transportation	-79.4	-99.4	-111.0	-121.3	-126.8	-156.2	-131.0	<b>117.9</b>
Travel	29.8	47.2	45.6	64.3	71.0	87.2	77.8	<b>60.4</b>
Government services	-33.5	-39.5	-41.1	-47.5	-50.6	-68.9	-71.0	<b>50.3</b>
Other services	90.7	143.2	180.5	229.8	311.4	314.9	242.0	<b>216.1</b>
Balance on income	-77.7	-17.3	-16.2	-24.8	-24.6	-40.6	-31.2	<b>33.2</b>
Credit	1,498.6	1,890.9	2,430.9	3,128.5	4,040.6	4,015.6	2,911.3	
Debit	1,576.3	1,908.2	2,447.1	3,153.3	4,065.3	4,056.3	2,942.4	
<i>of which:</i>								
Compensation of employees	-7.8	-5.8	-8.1	-9.8	-14.1	-22.2	-20.6	<b>12.6</b>
Reinvested earnings	94.3	136.5	34.6	181.2	212.5	192.7	204.9	<b>151.0</b>
Other direct investment income	-44.9	-26.0	87.7	-79.4	-128.0	-95.3	-116.2	<b>82.5</b>
Portfolio and other investment income	-119.2	-122.0	-130.4	-116.9	-95.1	-115.9	-99.3	<b>114.1</b>
Balance on current transfers	-9.8	-17.3	-20.4	19.5	9.5	24.1	-0.5	<b>14.4</b>
Credit	511.2	607.1	694.3	767.7	876.3	981.2	913.6	
Debit	520.9	624.4	714.7	748.2	866.8	957.1	914.1	
<b>Memorandum items<sup>2</sup></b>								
Current account balance as percent of gross current account transactions	0.1	0.2	0.3	0.6	0.8	0.6	0.8	
Goods balance as percent of gross goods transactions	0.4	0.2	0.2	0.5	0.7	0.5	0.9	
Services balance as percent of gross services transactions	0.2	1.1	1.5	2.2	3.1	2.3	1.8	
Income balance as percent of gross income transactions	2.5	0.5	0.3	0.4	0.3	0.5	0.5	
Current transfers balance as percent of gross current transfer transactions	0.9	1.4	1.4	1.3	0.5	1.2	0.0	

Source: *Balance of Payments Statistics Yearbook*, Volume 61, Part 2, 2010.

Note: On the current account, a negative sign indicates an excess of debits (i.e., imports or payments) over credits (i.e., exports or receipts).

<sup>1</sup> The term balance in this table refers to global reported credits minus debits.

<sup>2</sup> Percentages were calculated by dividing the balance for the respective account by the average of credits and debits for that account.



**Table 2. Global Balances on Capital and Financial Accounts, 2003–09**  
(In billions of U.S. dollars)

	2003	2004	2005	2006	2007	2008	2009	Average Absolute Value 2003-2009
<b>Capital account balance</b>	<b>-20.7</b>	<b>-0.8</b>	<b>30.2</b>	<b>17.0</b>	<b>-17.2</b>	<b>9.5</b>	<b>-9.5</b>	<b>15.0</b>
Credit	57.6	72.8	122.8	140.0	104.1	113.6	104.6	
Debit	78.3	73.6	92.6	123.0	121.3	104.1	114.1	
<b>Financial account balance</b>	<b>54.5</b>	<b>-160.5</b>	<b>-110.1</b>	<b>-205.2</b>	<b>-332.1</b>	<b>-268.1</b>	<b>-239.0</b>	<b>195.6</b>
Direct investment	-18.1	-238.1	90.7	21.9	-118.9	-214.9	-133.5	<b>119.4</b>
Abroad	-666.9	-1,008.1	-1,067.5	-1,502.9	-2,485.1	-2,091.0	-1,251.2	
In the reporting economy	648.8	770.0	1,158.2	1,524.8	2,366.3	1,876.1	1,117.8	
Portfolio investment	156.7	240.6	225.1	124.1	176.7	339.3	-187.3	<b>207.1</b>
Assets	-1,432.9	-1,906.7	-2,560.4	-2,835.2	-2,521.8	29.9	-1,714.8	
Liabilities excluding LCFAR <sup>1</sup>	1,589.5	2,147.3	2,785.5	2,959.3	2,698.5	309.3	1,527.4	
Liabilities including LCFAR	1,820.0	2,532.6	3,193.4	3,480.7	3,622.1	1,189.2	2,252.7	
LCFAR in Portfolio investment	230.4	385.3	407.9	521.4	923.6	879.9	725.3	
Financial Derivatives	-9.2	-18.1	-13.2	76.6	-123.9	-329.5	155.4	<b>103.7</b>
Assets	263.4	292.0	450.4	362.5	446.8	867.8	893.0	
Liabilities	-272.7	-310.1	-463.6	-285.9	-570.7	-1,197.3	-737.6	
Other investment	-27.0	-112.7	-352.9	-306.1	-91.5	59.6	211.0	<b>165.8</b>
Assets	-1,046.6	-2,223.4	-2,957.2	-3,464.4	-5,741.0	819.7	2,001.9	
Liabilities excluding LCFAR <sup>1</sup>	1,019.6	2,110.6	2,604.3	3,158.4	5,649.5	-760.1	-1,790.9	
Liabilities including LCFAR	1,263.1	2,309.8	2,773.4	3,360.3	5,832.6	-949.5	-1,776.7	
LCFAR in Other Investment	243.5	199.2	169.1	202.0	183.2	-189.4	14.2	
Reserves plus LCFAR	-47.8	-32.2	-59.8	-121.7	-174.5	-122.6	-284.7	<b>120.5</b>
Reserves	-521.7	-616.7	-636.8	-845.1	-1,281.3	-813.1	-1,024.2	
LCFAR	473.9	584.5	576.9	723.4	1,106.8	690.5	739.5	
Net errors and omissions <sup>2</sup>	-12.3	109.4	-6.5	-50.0	-22.1	-50.7	-64.6	

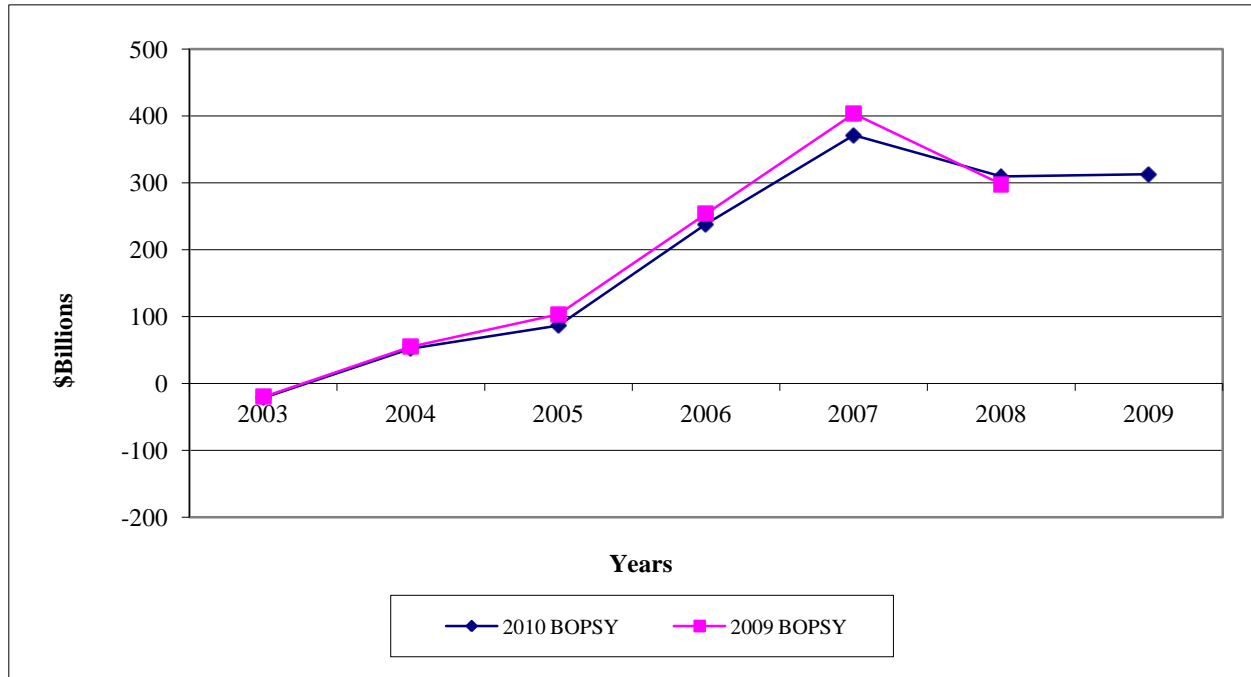
Source: *Balance of Payments Statistics Yearbook*, Volume 61, Part 2, 2010.

Note: In the financial account, a negative sign indicates an excess of recorded outflows (i.e., increases in assets or decreases in liabilities); the absence of a sign in the balances indicates an excess of recorded inflows (i.e., decreases in assets or increases in liabilities).

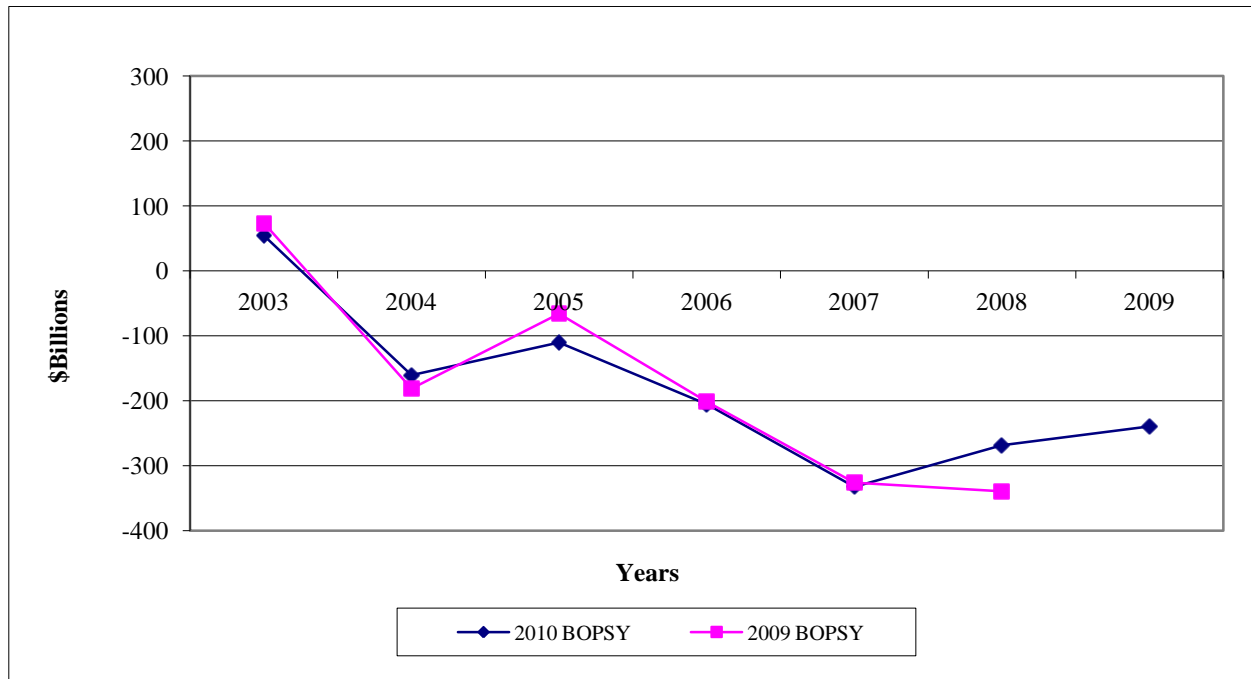
<sup>1</sup> Liabilities constituting foreign authorities' reserves. The data in liabilities constituting foreign authorities' reserves were derived from information collected by the IMF from a sample of large reserve-holding countries. These data were used to adjust portfolio and other investment liabilities to align the data better with corresponding asset series.

<sup>2</sup> The sum of recorded transactions with sign reversed.

**Figure 1. Current Account Balances, 2003–09<sup>6</sup>**



**Figure 2. Financial Account Balances, 2003–09<sup>6</sup>**



<sup>6</sup> BOPSY refers to the *Balance of Payments Statistics Yearbook*, which is usually published at end-November of each year.

#### D. World and Regional IIP Aggregates, and Recent Trends in IIP Data

19. In 2009, STA developed world and regional IIP aggregates—similar to the coverage in the balance of payments world and regional tables—by including estimates for nonreporting economies. World and regional data for 2002–08 were published for the first time in the *2009 BOPSY*, and revised and updated data for 2003–09 were published in the *2010 BOPSY*. Estimates for individual nonreporting countries are not published.
20. World assets increased from \$46.5 trillion in 2003 to \$102.0 trillion in 2009 (see Table 3). World assets declined in 2008 partly due to the global financial crisis but rebounded to a new high in 2009.
21. Advanced Economies accounted for approximately 90 percent of global external assets at year end 2003–09. The level of global assets by Advanced Economies rebounded in 2009 after a sharp decline in 2008; however, it did not reach the 2007 level. The level of global assets by Emerging and Developing Economies also rose; this has been the circumstance in every year since the series begins in 2002. Of these economies, Developing Asia showed the largest percentage and dollar value increases.
22. World liabilities increased from \$48.5 trillion in 2003 to \$101.7 trillion in 2009. Similar to the pattern in assets, world liabilities declined in 2008.<sup>7</sup> World liabilities exceeded assets in 2003–08, although the gap between assets and liabilities has been narrowing. In 2009, world liabilities were lower than world assets.
23. In Advanced Economies, liabilities exceeded assets in 2003–08, and assets exceeded liabilities in 2009. In Emerging and Developing Economies, Central and Eastern Europe and the Western Hemisphere had larger liabilities than assets, and the Middle East had larger assets than liabilities, during the entire period 2003–09.

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<sup>7</sup> The difference between assets and liabilities at the global level reflects errors in data provided by economies that reported IIP data, errors in the estimations that were made for nonreporting economies, the inclusion of data for monetary gold in global assets but not in global liabilities, and the omission of data (neither reported nor estimated) for a small number of economies.

**Table 3. Global IIP—Aggregates Reported and Estimated, 2003–09**  
(In billions of U.S. dollars)

	2003	2004	2005	2006	2007	2008	2009
<b>Assets</b>							
World Total	46,536	56,174	62,674	79,797	101,077	98,545	101,985
Advanced Economies	42,928	51,754	57,218	72,519	91,083	87,926	90,126
Emerging and Developing Economies	3,608	4,420	5,456	7,278	9,994	10,619	11,859
Developing Asia	1,212	1,515	1,877	2,518	3,542	4,057	4,748
Europe	627	792	978	1,426	2,079	2,086	2,258
Central and Eastern Europe	242	315	362	540	759	791	832
CIS and Mongolia	386	477	616	886	1,320	1,295	1,426
Middle East and Northern Africa	909	1,111	1,441	1,906	2,543	2,538	2,681
Sub-Saharan Africa	182	239	279	354	436	447	499
Western Hemisphere	678	763	882	1,074	1,395	1,491	1,672
<b>Liabilities</b>							
World Total	48,530	58,354	64,222	81,201	102,161	99,190	101,699
Advanced Economies	43,716	52,825	57,935	73,461	91,883	89,295	90,247
Emerging and Developing Economies	4,814	5,529	6,287	7,740	10,277	9,895	11,452
Developing Asia	1,385	1,547	1,768	2,183	2,735	2,908	3,355
Europe	1,017	1,307	1,582	2,200	3,264	2,814	3,279
Central and Eastern Europe	585	765	877	1,207	1,713	1,692	1,889
CIS and Mongolia	433	542	705	992	1,551	1,122	1,390
Middle East and Northern Africa	609	688	780	976	1,295	1,428	1,479
Sub-Saharan Africa	387	449	478	486	585	524	666
Western Hemisphere	1,415	1,537	1,679	1,896	2,399	2,222	2,672
<b>Total Assets as Percentage of Total Liabilities</b>	<b>95.9%</b>	<b>96.3%</b>	<b>97.6%</b>	<b>98.3%</b>	<b>98.9%</b>	<b>99.3%</b>	<b>100.3%</b>

Source: *Balance of Payments Statistics Yearbook*, Volume 61, Part 2, 2010.

### E. Coordinated Portfolio Investment Survey (CPIS)

24. The CPIS has become an important source of portfolio investment data used for monitoring cross-border exposures at bilateral levels. Following its initial launch in 1997, the IMF has conducted the CPIS annually since 2001. The various surveys show positions data for equity securities, long-term debt securities, and short-term debt securities for over 70 large asset-holding economies.<sup>8</sup> Liability positions as at end-year can therefore be derived for all economies from data supplied by participating economies regardless of whether an individual economy participated in the survey (results are available at <http://www.imf.org/external/np/sta/pi/datarstl.htm>.)

25. At the end of 2009, cross-border holdings of securities reported in the CPIS amounted to \$37.2 trillion, representing an increase of 21 percent in the value of holdings from the end-2008 level, almost reversing the decline in value of holdings in 2008 associated with the global crisis. This increase was due to a large increase in holdings of equity securities, from \$9.8 trillion in 2008 to \$13.7 trillion in 2009, as well as an increase in holdings of debt instruments, from \$21.0 trillion at end-2008 to \$23.6 trillion at end-2009.

26. Table 4 provides the results of the 2009 CPIS for the 10 largest holders, and, on the basis of data on holdings from all CPIS participants, also identifies the 10 largest issuers of securities (derived liabilities data). Holdings of portfolio investment assets remain concentrated in a few economies, of which the top 10 economies account for about 70 percent of total holdings worldwide.

27. The timeliness of release of the CPIS data has improved over time, with the results for end-2009 made publicly available less than 11 months after the end of the reference period. Seventy-three economies reported data in the 2009 CPIS, the same number as in the prior year.

28. In regard to other CPIS data enhancements, the creation of a *Task Force on IIP/CPIS Data Enhancements* (Task Force) was endorsed by the Committee in 2009 to follow up on recommendations included in the joint IMF/FSB report, *Financial Crisis and Information Gaps*.<sup>9</sup> Two of the twenty recommendations in the report pertain to enhancing CPIS data. In early 2010, STA organized the Task Force and consulted its members, as well as IMF internal data users and CPIS participating economies, on possible enhancements to the CPIS in the areas of frequency, timeliness, and scope, in order to improve the usefulness and relevance of CPIS (and IIP) data. Further details on these enhancements are indicated in Section III B (paragraphs 47 through 49).

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<sup>8</sup> The IMF also asks economies to provide a geographical breakdown of securities held as reserve assets (SEFER) and a similar survey is undertaken for securities held by selected international organizations (SSIO).

<sup>9</sup> Prepared by IMF staff and FSB Secretariat in October 2009 and available at <http://www.imf.org/external/np/g20/pdf/102909.pdf>.

**Table 4. Top Ten Holders (Reported Data) Cross-Classified by Top Ten Issuers (Derived Data), at Year-End 2009**

*(In billions of U.S. dollars)*

Issuers \ Holders	United States	United Kingdom	France	Japan	Luxembourg	Germany	Ireland	Netherlands	Italy	Switzerland	Other	Total
United States	n.a.	807.1	218.0	919.3	433.6	198.6	442.5	350.7	119.4	145.5	3,648.5	7,283.2
United Kingdom	958.3	n.a.	244.2	182.5	223.3	202.0	346.7	135.5	69.7	62.8	977.3	3,402.3
Germany	289.5	250.6	337.5	202.7	360.5	n.a.	102.2	165.8	111.7	105.5	959.3	2,885.4
France	356.6	193.7	n.a.	155.7	285.0	272.2	120.5	180.8	149.4	102.6	829.1	2,645.6
Luxembourg	94.4	89.4	143.3	80.6	n.a.	435.6	46.8	80.4	264.7	141.8	487.9	1,864.8
Netherlands	232.9	164.5	292.0	83.7	141.2	228.3	56.7	n.a.	91.2	69.3	446.0	1,806.4
Italy	78.5	130.0	336.8	75.9	173.8	188.5	150.0	96.6	n.a.	3.5	336.5	1,570.0
Cayman Islands	373.3	114.5	61.4	403.7	57.2	29.0	35.1	21.6	5.4	32.1	355.7	1,489.0
Spain	113.5	89.0	284.8	38.2	97.4	230.3	73.5	72.4	41.3	4.6	244.5	1,289.6
Ireland	120.0	190.0	137.0	51.1	73.4	160.9	n.a.	53.9	74.9	29.0	294.0	1,184.1
Other	3,335.9	1,006.9	823.5	652.4	848.1	562.6	428.1	332.0	188.8	379.4	3,265.84	11,823.5
<b>Total</b>	5,952.9	3,035.8	2,878.5	2,845.9	2,693.4	2,507.9	1,802.1	1,489.8	1,116.5	1,075.8	11,845.2	37,243.8
n.a.=not applicable												

### III. WORK PROGRAM UNDERTAKEN BY THE COMMITTEE IN 2010

29. The work undertaken by the Committee in 2010 reflected the priorities established in the medium-term work program developed at the end of 2009. A top priority and highlight of the year was the release of the results of the 2009 Coordinated Direct Investment Survey (CDIS) in December 2010, reflecting fulfillment of an ambitious multi-year effort to improve the quality of data on foreign direct investment at global and bilateral levels.

30. The Committee also gave high priority to IIP and CPIS data enhancements, and implementation of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)*. The process of updating the *Reserve Assets Template Guidelines* started.

#### A. Implementation of the *BPM6*

##### *Conversion of Statistics in IMF Publications*

31. At the 2009 meeting the Committee agreed that data should be presented in IMF statistical publications solely on a *BPM5* basis until 2012, at which date the featured presentational basis would change from *BPM5* to *BPM6*. For the changeover to *BPM6* in 2012, some issues remained. In March 2010, the *Working Group-BPM6 Conversion* was established<sup>10</sup> to advise STA and the Committee on these issues. Also, the IMF prepared a questionnaire that was completed by all Committee members. The issues included:

##### *Conversion of BPM5 data to BPM6 basis*

32. With Committee agreement, the IMF circulated detailed *BPM5-to-BPM6* bridging tables to members for comment. These tables demonstrate how the IMF could rearrange data items in the *BOPSY* from the current *BPM5* presentational basis to the desired new *BPM6* presentational basis. The Committee agreed that, in IMF publications, it should be clearly indicated on what basis— e.g., *BPM5* or *BPM6* basis—the underlying data are supplied by a given country.

##### *Length of an historical time series on a BPM6 basis*

33. There was broad Committee support for converting historical *BPM5* data to a *BPM6* presentational basis, rather than having users develop their own time series by combining *BPM5* with *BPM6* basis data. Most members of the Committee supported having at least five years of historical data, but a longer time period would be desirable.

##### *Whether to have an overlapping period on a BPM5 basis going forward*

34. With regard to any periods in 2012 or later where data on both a *BPM5* basis and *BPM6* could overlap, the Committee generally was in favor of presenting the data solely on a *BPM6* basis. However, if countries had not converted by then (e.g., EU countries and Japan do not intend to

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<sup>10</sup> The Working Group was chaired by the IMF and consisted of four Committee members and the ECB.

convert until 2014), the Committee supported a suggestion that the IMF consider posting both *BPM6*-basis and *BPM5*-basis data on its website.

#### *Data dissemination*

35. The Committee unanimously agreed that a single hardcopy on a *BPM5* or *BPM6* presentational basis be released. Supplementary data based on the other standard, as mentioned above, might be posted on the IMF website.

#### *Increasing user awareness*

36. The Committee emphasized the need for increasing user awareness by the IMF and country authorities before the publication of *BPM6* data. The IMF is to engage in discussions and training activities with data compilers and users (including other IMF departments) to promote and explain the major changes incorporated in *BPM6*. Also, papers on *BPM6* implementation presented by Committee members at the 2009 and 2010 meetings have been posted on the IMF website. (See <http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm>.)

#### ***Summary of BPM6 Implementation Plans by Countries and Regional Organizations***

37. Papers were received from the ECB and Eurostat (joint authors), Statistics Canada, and the Bank of Japan. These papers are available at <http://www.imf.org/external/pubs/ft/bop/2010/23.htm>). The U.S. Bureau of Economic Analysis reported that it had published an article describing plans for the US to move external sector statistics to a *BPM6* basis.<sup>11</sup> The Committee was informed of plans related to the implementation of the *BPM6* in the six countries of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates), including the organization of a workshop to discuss and agree on a strategy, and the potential creation of a Task Force on *BPM6* matters.

#### ***Progress on the BPM6 Compilation Guide***

38. The *Balance of Payments Compilation Guide (CG)* provides practical guidance on how to use data sources and methods to compile the balance of payments and IIP statistics. The current *CG*, published in 1995, is being updated to reflect the many important methodological changes introduced in *BPM6* and to identify sources of information that are useful in compiling data on a *BPM6* basis. In particular compilation guidance has been sought in regard to data on transactions in goods that are processed for an explicit fee without changing ownership; direct investment, for which the IMF's CDIS metadata questionnaire on country practices that will provide useful information; and exceptional financing, where compilation techniques may differ between countries. The IMF is also looking to the Committee members to provide case studies.

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<sup>11</sup> A link to this article is provided on the IMF website for the *BPM6 Compilation Guide* ([www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm](http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm)).



39. In order not to delay the release of the complete first set of chapters in 2011, the IMF suggested that additional compilation guidance be posted on the recently launched website as soon as material becomes available ([www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm](http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm)).

40. It was recognized that the *BPM6 CG* will have to be careful not to unintentionally introduce methodological changes.

### ***The Measurement of Financial Intermediation Services Indirectly Measured (FISIM)***

41. The IMF presented a paper outlining FISIM concepts according to *BPM6* and the *2008 SNA*. The paper also provided guidance on compilation procedures and data sources that will be incorporated in the *BPM6 CG*. An international task force (chaired by the ISWGNA<sup>12</sup>) and a European task force are currently seeking to clarify the guidance on selecting a reference rate for estimating FISIM. In this respect, the paper for the Committee sought to provide examples of reference rates that could be used and sources of data. The IMF advised that text on reference rates should be considered indicative, pending the decision of the ISWGNA on the recommendations of the international FISIM task force, which will take account of the work of the European task force.

### ***Statistical Data and Metadata eXchange (SDMX) Overview and the Electronic Exchange of BPM6 Data***

42. The IMF presented an overview of the SDMX and its benefits in the transmission of balance of payments data by member countries. The SDMX is sponsored by seven international agencies<sup>13</sup> and used by some of the members that must report data to these organizations, by these agencies in exchanging data between themselves, and by other organizations. SDMX is supported by the United Nations Statistical Commission and is increasingly used by national statistical authorities. The main purpose in establishing the SDMX is to have one standard data transmission format that can be used by all international organizations. The ECB and Eurostat rely extensively on SDMX, whereas the IMF relies on SDMX for a selected number of countries at this stage.

43. In order to support transmission of balance of payments data under SDMX a data structure definition (DSD) is needed. The IMF worked with the ECB and Eurostat in preparing draft concepts and code lists for the *BPM6*-based DSD that was released for public review in early 2011. Final balance of payments codes are expected to be available later in 2011, following the formal consultation/review required by the SDMX process.

44. The IMF expects that from 2011 onwards, CPIS data can be transmitted in SDMX format and a web service will come on stream.

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<sup>12</sup> The ISWGNA is the Intersecretariat Working Group on National Accounts. It is comprised of Eurostat, IMF, OECD, United Nations and World Bank.

<sup>13</sup> These organizations are BIS, ECB, Eurostat, IMF, OECD, United Nations, and World Bank.

### ***Progress on the Implementation Program for the SNA 2008***

45. The UN representative gave a report on the UN initiatives to assist countries in developing the statistical and institutional capacity to (a) make conceptual changes from the *1993 SNA* to the *2008 SNA* and (b) improve the scope, detail and quality of the national accounts and supporting economic statistics. The plan specifies no timeline for countries to implement the *2008 SNA* but it is expected that, from 2014 onwards, many Member States will change over to the *2008 SNA*. The full report is available at <http://www.imf.org/external/pubs/ft/bop/2010/23.htm>.

### **B. Issues Arising from the Global Financial Crisis**

#### ***Report of the Task Force on IIP/CPIS Data Enhancements, and the Initial Results of the Consultations with CPIS Participating Countries***

46. At the 2009 Committee meeting, the IMF outlined statistical initiatives it was undertaking in response to the global crisis. In November 2009, STA and the Financial Stability Board (FSB) Secretariat, in consultation with official data users in G-20 economies and key international organizations, produced a report, *Financial Crisis and Information Gaps*, that identified data gaps and contained twenty recommendations to address them. Three recommendations from that report aim at strengthening existing data initiatives on cross-border financial linkages and have specific relevance to the Committee's work:

- *Recommendation 10*: All G-20 economies are encouraged to participate in the IMF's Coordinated Portfolio Investment Survey (CPIS) and in the BIS's International Banking Statistics (IBS). The IMF and the BIS are encouraged to continue their work to improve the coverage of significant financial centers in the CPIS and IBS, respectively.
- *Recommendation 11*: [...] The IMF, in consultation with the IMF's Committee on Balance of Payments Statistics, to strive to enhance the frequency and timeliness of the CPIS data, and consider other possible enhancements, such as the institutional sector of the foreign debtor.
- *Recommendation 12*: The IMF to continue to work with countries to increase the number of International Investment Position (IIP) reporting countries, as well as the quarterly reporting of IIP data. The *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*) enhancements to the IIP should be adopted by G-20 economies as soon as feasible.

The Committee endorsed in 2009 the creation of a Task Force to help address the above recommendations.

#### ***Enhancements to the CPIS (Recommendations #10 and #11)***

47. Following consultation with Task Force members, data users within the IMF, and CPIS participating economies, the Committee agreed on the following:

*(i) Increasing the frequency of currently annual data to semi-annual data.*

*(ii) Accelerating the current timeliness of reporting CPIS data to the IMF by three months, and accelerating the timeliness for processing and disseminating the CPIS data on the IMF website.*

48. This enhancement would imply that, when the CPIS frequency changes to semi-annual, positions as at end-June will be reported to the IMF in mid-January and the IMF will strive to accelerate the processing of the CPIS data to within seven weeks of the due date for delivery of these data. In the meantime, further efficiency gains for users are expected in mid-2011 with a new IT platform to facilitate access to the data.

*(iii) Broadening the scope of currently voluntary items.*

Already a significant number of countries<sup>14</sup> provide data on the currency of denomination of holdings, and on the institutional sector of the holder. While there were reservations among Committee members over the increased burden, it was agreed to widen the number of voluntary items and collect information on the institutional sector of the foreign debtor—at least for general government, financial corporations, and non-financial corporations sectors—and on short or negative positions. It was recognized that information on the institutional sector of the foreign debtor would provide important insight into the different risk profiles to which the security holding country is exposed, while short positions can also mask risk profiles if only net rather gross holdings data are compiled.

49. The Committee discussed a suggestion to broaden the scope of the CPIS to obtain information on the ultimate nationality of holders of securities. Under this proposal, security holdings on a residence basis would be disaggregated according to the nationality of the owner of the holder of securities, i.e., the CPIS participants would need to collect data according to the country of foreign owner of a resident enterprise that holds securities, if the resident enterprise is majority owned by the foreign owner. At this time, Committee members were not supportive of this broadening.

*Enhancements to the IIP (Recommendation #12)*

50. The Committee supported an increased emphasis on the reporting of quarterly IIP data and on IMF efforts to increase the availability of bilateral IIP data, in particular by large economies vis-à-vis their major IIP partners. These data support surveillance activities.

51. The *BPM6* enhancements to the IIP, including the currency composition of debt assets and liabilities, will be included in the new report forms to be introduced in 2012. However, Committee members cautioned that some enhancements could be costly and burdensome for data collecting agencies.

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<sup>14</sup> For 2009 data, 35 countries reported data on the currency of denomination of holdings, and 49 countries reported data on the institutional sector of the holder.

## *IIP—Initiatives to Improve Data Availability and Timeliness*

### *Initiative to Improve Data Availability: IIP Pipeline Project*

52. STA has continued its efforts to increase the number of countries reporting IIP data through its IIP Pipeline Project, an initiative to assist a subset of countries in compiling IIP statistics, notably those countries that STA considers could potentially develop such data in the near future. By end-2010, the total number of countries reporting IIP data was 123, up from under 40 economies in 1998. To complement work on the IIP Pipeline Project, STA coordinates with other technical assistance providers, particularly in the case of countries in the process of developing an IIP statement. One of the tasks of the recent project of the United Kingdom's Department for International Development for African countries—DFID III—is to assist in the development of an IIP statement in the international format that can be submitted to STA for redissemination.

53. Also from a regional perspective, technical assistance provided to countries in the Middle East by the Middle East Regional Technical Assistance Center includes in most cases IIP development and improvement. In Asia, the Pacific Financial Technical Assistance Centre also encourages the compilation of IIP statistics by the economies that it serves.

### *Initiatives to Improve Timeliness*

54. Another initiative that will increase the availability of IIP data was the IMF Executive Board decision in March 2010 to enhance the SDDS by prescribing the quarterly reporting of IIP data. After a four-year transition period ending at end-September 2014, subscribers will be required to disseminate IIP data with quarterly periodicity and quarterly timeliness. Currently, the SDDS prescribes an annual periodicity and nine months timeliness. Moving to quarterly IIP data will improve the usefulness of these data for analysis and surveillance.

55. The number of economies reporting quarterly IIP data to STA has increased by fourteen in 2010 and, as of July 2011, totals 66 quarterly reporters, of which 46 are SDDS subscribers. Therefore an additional 22 SDDS subscribers will need to develop and disseminate quarterly IIP data with quarterly timeliness within the next three years.

### *A Guide to Compiling Quarterly IIP Statistics*

56. Some countries have noted that the compilation of quarterly IIP data will be challenging. In order to address their concerns, STA has prepared a pamphlet called *Quarterly IIP Statistics: Data Sources and Compilation Techniques*.<sup>15</sup> This pamphlet, released in March 2011, outlines strategies for building this dataset, including estimation techniques, and contains Frequently Asked Questions

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<sup>15</sup> The pamphlet is posted on the IMF website at <http://www.imf.org/external/np/sta/iip/2011/030111.htm>.

and case studies. It also discusses revision practices, which are essential considerations in connection with the compilation and release of timely high frequency data. Several Committee members provided useful input that was included in the pamphlet.

***Bilateral Cross—Border Holdings and Global Imbalances: A View on the Eve of the Global Financial Crisis***

57. The IMF’s Research (RES) Department presented its project on constructing a dataset of bilateral assets and liabilities data for major “players” (US, euro area, Japan, China, some financial centers, etc.) using 2007 data (see BOPCOM–10/15, <http://www.imf.org/external/pubs/ft/bop/2010/23.htm>).

58. The dataset was constructed by using several data sources: FDI data produced by Eurostat, OECD, and UNCTAD; IMF’s CPIS data; and BIS locational banking statistics. RES noted that the exercise led to some conclusions on data weaknesses, such as some important countries missing from certain datasets, the availability of only annual frequency of certain data, the absence of information on currency of denomination or on sectors, and the fact that the data often do not reflect ultimate exposures. Also, high frequency position data are deemed very important, particularly for volatile categories such as other investment and portfolio investment, and not necessarily for foreign direct investment.

***Understanding Financial Interconnectedness***

59. The IMF Strategy, Policy, and Review (SPR) Department made a presentation on financial interconnectedness, a topic that was discussed by the IMF Executive Board in October 2010 (see BOPCOM–10/23, <http://www.imf.org/external/pubs/ft/bop/2010/23.htm>).

60. The presentation focused on the importance of understanding financial interconnectedness, and supported the need to further strengthen the ability to track systemic risk, identify the “fault lines” along which financial shocks propagate, inform spillover analyses, and improve bilateral and multilateral surveillance. The presentation noted that the vast majority of global finance is intermediated by a handful of large, complex financial institutions that transact across a few payment and settlement systems, and that principally operate out of a small set of countries that serve as global common lenders and borrowers.

61. It was emphasized that in order to further develop an accurate understanding of financial interconnectedness and the buildup of systemic risk concentrations, data gaps need to be bridged and additional tools be developed. In this respect, the importance of CPIS data, BIS banking data, and data on funds (money market, mutual, hedge, pension, and exchange-traded funds) was highlighted.

**C. Coordinated Direct Investment Survey (CDIS)**

62. The IMF provided the Committee with an update on the collection of data on the CDIS. The CDIS is an IMF-led world-wide data collection covering inward and outward direct investment

positions, by immediate counterpart economy, broken down between equity and debt. At its meeting in 2009, the Committee decided that the CDIS should be undertaken on an annual basis, so the information collected for the first survey (as of end-2009) was the first in an annual series.

63. The initial response to the survey was very strong. Seventy two economies provided preliminary results on inward direct investment and 52 economies provided preliminary results for outward direct investment positions by the end of November 2010. In addition, 63 economies provided metadata. The data and metadata were posted on the IMF's website before the end of 2010 (see <http://cdis.imf.org>). Twelve additional economies provided data for the July 2011 CDIS release, which meant that data for 84 economies were included in the mid-year release.

64. The Committee agreed with the IMF's proposed outreach program in 2011. Economies that had previously indicated they wished to participate but have not submitted any results will be contacted to explore how they could participate in future surveys. In addition, the IMF is planning to conduct a series of regional workshops in 2011<sup>16</sup> to review with participants their results, and explore what avenues there are to improve further their results through such efforts as expanding coverage (particularly for special purpose entities), greater follow up with nonrespondents, more rigorous application of the standards, particularly on valuation, and encouraging participants to try to reconcile large data differences with major counterparties. In addition, economies that did not participate in the CDIS would indicate what impediments they faced and be guided on how they may be able to overcome them.

65. The IMF developed new systems for processing and disseminating the CDIS results (data and metadata). The new software for processing the data allows IMF staff to identify more readily where there may be concerns about a participant's response, and the new software for disseminating the data allows users to manipulate the data as they choose. The IMF released the improved dissemination software at the beginning of July 2011, when the more complete and revised data for the CDIS were released.

#### **D. Update of the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)***

66. *The IMF introduced to the Committee the work schedule of STA on the update of the Guidelines.* In December 2008, the Executive Board approved changes to the Data Template itself through a decision to clarify and enhance the requirements for data provision to the Fund.<sup>17</sup> At that same time, the Board also endorsed the proposal to update (not completely redraft) the *Guidelines*.

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<sup>16</sup> As of July 2011, regional workshops were conducted for Europe, Latin America, Anglophone Africa, Asia, and Caribbean countries, respectively.

<sup>17</sup> In May 2008, in the context of the Review of Data Provision to the Fund for Surveillance Purposes, the Executive Board agreed to clarify and enhance the requirements for data provision to the Fund (as set out in Article VIII, Section (5) of the IMF's Articles of Agreement) to capture exchange-traded futures, including those settled in domestic currency, and expand the coverage of reserve-related liabilities, inter alia. (See PIN No. 08/60 at <http://www.imf.org/external/np/sec/pn/2008/pn0860.htm>.)

67. Since the release of the *Guidelines* in 2001, the IMF has identified places where the *Guidelines* text might be improved or augmented. The update will take into account methodological issues compiled by staff in monitoring SDDS subscribers reporting on the Data Template, innovative schemes in the areas of reserve assets and international liquidity requiring further guidance, as well as clarifications to promote consistency with *BPM6*.

68. The revision process started with the reconvening the Reserve Assets Technical Expert Group (RESTEG), STA's key advisory group on reserve asset issues. RESTEG includes national agencies compiling balance of payments and international reserves data, and international agencies.

69. The revised draft core text was shared with RESTEG and world-wide in February 2011 and comments are expected during the first half of 2011. The second draft would be shared with RESTEG in the second half of 2011. Updates to the existing five appendices and three new appendices have been prepared by STA for sharing with RESTEG and world-wide. With the agreement of RESTEG, the schedule foresees the pre-publication draft to be posted on the IMF's website at the end of 2011.

70. Some Committee members stressed the urgency for completing the revision of the *Guidelines*, as many answers to reserve asset questions cannot be found in the current text.

#### **E. Remittances**

71. The IMF informed the Committee of recent developments and future plans following the release and the posting of the *Remittances Compilation Guide (RCG)* in 2009. The translations of the *RCG* into Arabic, Chinese, French, Russian, and Spanish have commenced, and are planned to be finished after final review and approval of the *BPM6* translations.

72. Three specialized seminars were conducted since the Committee meeting in 2009: (i) in Ljubljana, Slovenia, for the South, South-Eastern, Caucasus and Central Asian countries; (ii) in Guatemala city, Guatemala, for Central American countries, and (iii) in Abu Dhabi, U.A.E., for Middle Eastern and North African countries. Remittances concepts are also explained during seminars on *BPM6*, as well as during IMF technical assistance missions.

73. The IMF updated the Committee on work undertaken by the *Global Remittances Working Group (GRWG)*, coordinated by the World Bank. Under the World Bank's leadership, the website for remittances metadata on compilation methodology, developed in consultation with STA, is expected to be launched in 2011. The World Bank may also reconvene its technical working group in 2011.

74. The IMF also informed the Committee about the World Bank's *Migration and Remittances Peer-Assisted Learning Network (MiRPAL)* Project for Europe and the Central Asia Region, aimed at improving the environment for migrant workers as well as the quality of remittances data. The IMF participated in several initiatives, including MiRPAL video conferences, and a thematic workshop in Russia. More video conferences and the second thematic workshop are planned for 2011. Some Committee members expressed their interest in participating in this project.

75. The IMF confirmed its supportive role, with the World Bank taking the lead in initiatives on remittances.

### **F. Sovereign Wealth Funds**

76. The IMF briefed the Committee on recent developments in the area of Sovereign Wealth Funds (SWFs). At the time of the 2010 Committee meeting, the International Forum of SWF (IFSWF) was completing a survey conducted by the IMF's Monetary and Capital Markets Department (MCM) about the implementation of the 2008 Generally Accepted Principles and Practices (GAPP, also called Santiago Principles), which included mention of data dissemination issues. The IMF has a continuing interest in advancing statistical data improvements consistent with GAPP 5.<sup>18</sup>

77. The Committee was informed of the outcomes of the IFSWF meeting in April 2010, where IFSWF members reaffirmed their commitments to follow the GAPP and noted improvements in their application of the GAPP. Some SWFs have improved their dissemination of information and data on SWFs, such as by issuing reports/reviews and increasing the amount of information on their websites. However, further improvement in data coverage and dissemination is needed. STA supports this goal, such as by emphasizing the importance of including SWFs in macroeconomic statistics in its technical assistance and training missions.

### **G. Other Papers and Reports**

78. The Committee received papers on various other issues related to its work. These are available on the Committee's website at <http://www.imf.org/external/pubs/ft/bop/2010/23.htm> and include the following:

- IMF Progress Report on the Work of the Task Force on Finance Statistics;
- BIS International Banking Statistics;
- OECD Report on Recent Activities of the OECD Working Group on International Statistics;
- Statistics Canada Report on Government Involvement in Private Enterprises;
- UNCTAD World Investment Report;
- BIS Report on Handbook on Securities Statistics;
- OECD Report on Work of the Task Force on Statistics of International Trade in Services; and
- IMF Report on Recent Developments and Current Initiatives of the IMF STA Department.

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<sup>18</sup> GAPP 5: "The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic datasets."



#### IV. FUTURE WORK PROGRAM

79. Appendix IV sets out the medium-term work program of the Committee, as discussed at its 2010 meeting. Subjects are ranked by priority, but the rankings are not intended to reflect the absolute importance of each subject, but rather to reflect the relative priority assigned to each topic by the Committee, given the limited time and resources.

80. The Committee proposed no changes in the priorities that are assigned to topics and proposed no new topics. Implementing the *BPM6*, the *BPM6 Compilation Guide* and the *Reserve Template Guidelines* remain top priorities. Substantial work will be undertaken during the next year to update both the *CG* and the *Guidelines*.

81. The CDIS remains a top priority, with preliminary results of the 2010 survey being targeted for release at end-2011. The IMF will continue actively engaging with countries to facilitate improvement in their data on foreign direct investment.

82. Another top priority item in the proposed Work Program is enhancing the quality and availability of data from the CPIS. The outcome of the discussion at the 2010 Committee meeting, and feedback from CPIS participating countries, will inform the way forward. The Committee emphasized at its 2008 annual meeting the importance of improving the quality and availability of these data, and the Committee elevated this topic to top priority last year, partly in consideration of the interest expressed by the G-20 economies and other data users in enhancing CPIS data. This item therefore retains the top priority that was assigned to it in 2009.

83. The further development of annual and quarterly IIP data is also proposed as a top priority, the same priority status as 2009. There has been increased emphasis on enhancing IIP data—this is also a G-20 data improvement initiative.

84. All medium priority items remain unchanged from last year.

**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 (e.g., 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. MEMBERSHIP OF THE IMF COMMITTEE ON  
BALANCE OF PAYMENTS STATISTICS AS OF DECEMBER 31, 2010**

**Chair**

Adelheid Burgi-Schmelz  
IMF, Statistics Department

Lidia Troshina  
Central Bank of Russia

**Members**

Ernest Addison  
Bank of Ghana

Stefaans Walters  
Reserve Bank of South Africa

Sabir Said Al-Harbi  
Ministry of National Economy  
Oman

Graeme Walker<sup>1</sup>  
Office for National Statistics  
United Kingdom

Loida Cruz  
Bangko Sentral ng Pilipinas  
Philippines

Robert Yuskavage  
Bureau of Economic Analysis  
USA

Zhi Wei Chen  
State Administration of Foreign Exchange  
People's Republic of China

***Representatives of International Organizations***  
Ayse Bertrand  
Organization for Economic Cooperation and  
Development

Tatsuhiko Hagitani  
Bank of Japan

Werner Bier<sup>2</sup>  
European Central Bank

Azizulah Khattak  
State Bank of Pakistan

Daniela Comini  
Statistical Office of the European Commission

Ralph Kozlow  
IMF, Statistics Department

Masataka Fujita<sup>1</sup>  
United Nations Conference on Trade and  
Development

Patrick O'Hagan  
Statistics Canada

Andreas Lindner  
Organization for Economic Cooperation and  
Development

Hidehiro Osuga  
Ministry of Finance  
Japan

Philippe Mesny  
Bank for International Settlements

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

Herman Smith  
United Nations

Eduardo Rodriguez-Tenés  
Bank of Spain

***Secretariat (IMF, Statistics Department)***  
Thomas F. Alexander

Almut Steger  
Deutsche Bundesbank  
Germany

Cornelia L. Hammer

<sup>1</sup> Did not attend 2010 meeting of the Committee.

<sup>2</sup> Accompanied by Rodrigo Oliveira.

**APPENDIX III. REPORTING OF BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT  
POSITION DATA TO THE IMF STATISTICS DEPARTMENT<sup>1,2</sup>**

Country Name	WHAT IS REPORTED								
	BOP					IIP			
	Version		Most Recent Year	Frequency		IIP Data	Most Recent Year	Frequency	
	BPM5	Other		Q	A			Q	A
Afghanistan, I.R. of		X	1989		X				
Albania	X		2009	X		X	2008		X
Algeria		X	1991		X				
Angola	X		2009		X	X	2009		X
Anguilla	X		2009		X				
Antigua & Barbuda	X		2009		X				
Argentina	X		2009	X		X	2009		X
Armenia	X		2009	X		X	2009	X	
Aruba	X		2009	X		X	2009		X
Australia	X		2008	X		X	2008	X	
Austria	X		2009	X		X	2009		X
Azerbaijan	X		2009	X		X	2008	X	
Bahamas, The	X		2009	X					
Bahrain	X		2009		X	X	2009	X	
Bangladesh	X		2009	X		X	2009	X	
Barbados	X		2009		X				
Belarus	X		2009	X		X	2009	X	
Belgium <sup>3</sup>	X		2009	X		X	2009	X	
Belize	X		2009	X					
Benin	X		2008		X	X	2008		X
Bermuda	X		2009	X					
Bhutan	X		2009		X				
Bolivia	X		2009	X		X	2009	X	
Bosnia and Herzegovina	X		2009	X		X	2009		X
Botswana	X		2009		X	X	2009		X
Brazil	X		2009	X		X	2009	X	
Brunei Darussalam	X		2009	X					
Bulgaria	X		2009	X		X	2009	X	
Burkina Faso	X		2008		X	X	2008		X
Burundi	X		2009		X	X	2009		X
Cambodia	X		2009	X		X	2008	X	
Cameroon	X		2009	X					
Canada	X		2009	X		X	2009	X	
Cape Verde	X		2009	X		X	2008		X
Central African Republic	X		1994		X				
Chad	X		1994		X				
Chile	X		2009	X		X	2009	X	
China P.R.: Mainland	X		2009		X	X	2009		X
China P.R.: Hong Kong SAR	X		2009	X		X	2009	X	
China P.R.: Macao SAR	X		2009		X				
Colombia	X		2009	X		X	2009	X	

Country Name	WHAT IS REPORTED								
	BOP					IIP			
	Version		Most Recent Year	Frequency		IIP Data	Most Recent Year	Frequency	
	BPM5	Other		Q	A			Q	A
Comoros		X	1995		X				
Congo, Republic of	X		2007		X				
Costa Rica	X		2009	X		X	2009	X	
Côte d'Ivoire	X		2009		X	X	2009		X
Croatia	X		2009	X		X	2009	X	
Cyprus	X		2009	X		X	2009		X
Czech Republic	X		2009	X		X	2009	X	
Denmark	X		2009	X		X	2009	X	
Djibouti	X		2009		X	X	2009		X
Dominica	X		2009		X				
Dominican Republic	X		2009		X	X	2009		X
Eastern Caribbean Currency U	X		2009		X				
Ecuador	X		2009	X		X	2009		X
Egypt	X		2009		X	X	2009		X
El Salvador	X		2009	X		X	2009	X	
Equatorial Guinea	X		1996		X				
Eritrea	X		2000	X					
Estonia	X		2009	X		X	2009	X	
Ethiopia	X		2009	X					
Euro Area	X		2009	X		X	2009	X	
Faroe Islands <sup>4</sup>	X		2003		X				
Fiji	X		2009	X					
Finland	X		2009	X		X	2009	X	
France	X		2009	X		X	2009		X
French Polynesia	X		2009		X				
Gabon	X		2005		X				
Gambia, The	X		2009	X					
Georgia	X		2009	X		X	2009	X	
Germany	X		2009	X		X	2009	X	
Ghana	X		2009		X				
Greece	X		2009	X		X	2009	X	
Grenada	X		2009		X				
Guatemala	X		2009	X		X	2009		X
Guinea	X		2009	X		X	2008		X
Guinea-Bissau	X		2008		X	X	2008		X
Guyana	X		2008		X				
Haiti	X		2009		X	X	2009		X
Honduras	X		2009	X		X	2009	X	
Hungary	X		2009	X		X	2009	X	
Iceland	X		2009	X		X	2009	X	
India	X		2009	X		X	2009	X	
Indonesia	X		2009	X		X	2009		X
Iran, I.R. of	X		2000		X				
Iraq	X		2008		X				
Ireland	X		2009	X		X	2009		X
Israel	X		2009	X		X	2009	X	

Country Name	WHAT IS REPORTED								
	BOP					IIP			
	Version		Most Recent Year	Frequency		IIP Data	Most Recent Year	Frequency	
	BPM5	Other		Q	A			Q	A
Italy	X		2009	X		X	2009		X
Jamaica	X		2009		X	X	2009		X
Japan	X		2009	X		X	2009		X
Jordan	X		2009	X		X	2008		X
Kazakhstan	X		2009	X		X	2009	X	
Kenya	X		2009		X				
Kiribati		X	1994		X				
Korea	X		2009	X		X	2009	X	
Kosovo	X		2009	X					
Kuwait	X		2009		X	X	2009		X
Kyrgyz Republic	X		2009	X		X	2009		X
Lao, P.D.R.	X		2009	X					
Latvia	X		2009	X		X	2009	X	
Lebanon	X		2009	X					
Lesotho	X		2009	X		X	2009	X	
Liberia	X		2009		X				
Libya	X		2009		X				
Lithuania	X		2009	X		X	2009	X	
Luxembourg	X		2009	X		X	2009	X	
Macedonia, FYR	X		2009	X		X	2008		X
Madagascar	X		2005	X					
Malawi		X	2002		X				
Malaysia	X		2009	X		X	2009		X
Maldives	X		2009		X	X	2009		X
Mali	X		2008		X	X	2008		X
Malta	X		2009	X		X	2009		X
Mauritania		X	1998		X				
Mauritius	X		2009	X		X	2009	X	
Mexico	X		2009	X		X	2009		X
Moldova	X		2009	X		X	2009	X	
Mongolia	X		2009	X					
Montenegro, Rep. of	X		2009		X				
Montserrat	X		2009		X				
Morocco	X		2009	X		X	2009		X
Mozambique	X		2009	X		X	2009		X
Myanmar	X		2006	X		X	2006	X	
Namibia	X		2009	X		X	2009	X	
Nepal	X		2009	X					
Netherlands	X		2009	X		X	2009	X	
Netherlands Antilles	X		2009	X					
New Caledonia	X		2009		X				
New Zealand	X		2009	X		X	2009	X	
Nicaragua	X		2009	X		X	2009		X
Niger	X		2008		X	X	2008		X
Nigeria	X		2009	X		X	2009		X
Norway	X		2009	X		X	2009		X

Country Name	WHAT IS REPORTED								
	BOP					IIP			
	Version		Most Recent Year	Frequency		IIP Data	Most Recent Year	Frequency	
	BPM5	Other		Q	A			Q	A
Oman	X		2009		X				
Pakistan	X		2009	X		X	2009	X	
Panama	X		2009	X		X	2009	X	
Papua New Guinea	X		2009	X					
Paraguay	X		2009	X		X	2009	X	
Peru	X		2009	X		X	2009	X	
Philippines	X		2009	X		X	2009		X
Poland	X		2009	X		X	2009	X	
Portugal	X		2009	X		X	2009		X
Romania	X		2009	X		X	2009	X	
Russian Federation	X		2009	X		X	2009		X
Rwanda	X		2009		X	X	2009		X
Samoa	X		2009	X					
Sao Tome and Principe	X		2009		X				
Saudi Arabia	X		2009	X					
Senegal	X		2008		X	X	2008		X
Serbia	X		2009	X		X	2009	X	
Seychelles	X		2009	X					
Sierra Leone	X		2009		X	X	2009		X
Singapore	X		2009	X		X	2009		X
Slovak Republic	X		2009	X		X	2009	X	
Slovenia	X		2009	X		X	2009	X	
Solomon Islands	X		2009	X		X	2009	X	
Somalia		X	1989		X				
South Africa	X		2009	X		X	2008		X
Spain	X		2009	X		X	2009	X	
Sri Lanka	X		2009	X					
St. Kitts & Nevis	X		2009		X				
St. Lucia	X		2009		X				
St. Vincent & the Grenadines	X		2009		X				
Sudan	X		2009	X		X	2009		X
Suriname	X		2009	X					
Swaziland	X		2009		X	X	2009		X
Sweden	X		2009	X		X	2009	X	
Switzerland	X		2009	X		X	2009	X	
Syrian Arab Republic	X		2008		X	X	2008		X
Tajikistan	X		2009	X					
Tanzania	X		2009		X	X	2009		X
Thailand	X		2009	X		X	2009		X
Togo	X		2008		X	X	2008		X
Tonga	X		2008	X					
Trinidad & Tobago	X		2008		X				
Tunisia	X		2009		X	X	2009		X
Turkey	X		2009	X		X	2009		X
Turkmenistan	X		1997	X					
Uganda	X		2009	X		X	2009		X

Country Name	WHAT IS REPORTED								
	BOP					IIP			
	Version		Most Recent Year	Frequency		IIP Data	Most Recent Year	Frequency	
	BPM5	Other		Q	A			Q	A
Ukraine	X		2009	X		X	2009	X	
United Kingdom	X		2009	X		X	2009	X	
United States	X		2009	X		X	2009		X
Uruguay	X		2009	X		X	2009		X
Vanuatu	X		2007	X		X	2006	X	
Venezuela	X		2009	X		X	2009	X	
Vietnam	X		2009	X					
West Bank and Gaza	X		2008		X				
Yemen, Republic of	X		2009	X		X	2007	X	
Zambia	X		2009		X				
Zimbabwe		X	1994	X					
<b>Total</b>	<b>182</b>	<b>8</b>		<b>124</b>	<b>66</b>	<b>123</b>		<b>61</b>	<b>62</b>

**Notes:**

Q - Quarterly

A - Annual

<sup>1</sup> In *BOPSY 2010* country pages (printed version) are provided for 177 economies, of which 123 reported IIP.

Economies report IIP data with varying degrees of comprehensiveness.

<sup>2</sup> The cutoff date for this report is *BOPSY 2010*, i.e., October 19, 2010.<sup>3</sup> Balance of payments data prior to 2002 cover Belgium-Luxembourg.<sup>4</sup> 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 2010**

<b>Subject</b>	<b>Issue</b>	<b>Action</b>
TOP PRIORITY		
<i>Balance of Payments and International Investment Position Manual (BPM6)</i>	Implementation of the <i>BPM6</i>	IMF and Committee member(s) report on progress in adopting the new standards.  IMF to continue developing data collection and processing systems for <i>BPM6</i> , including developing the SDMX data structure and codes.
<i>BPM6 Compilation Guide</i>	Preparing the <i>BPM6 Compilation Guide</i>	IMF to prepare a draft of the <i>BPM6 Compilation Guide</i> for the 2011 annual meeting of the Committee.
Reserve assets	<i>Reserve Template Guidelines</i> to be updated. Advice provided to countries regarding statistical treatment of reserve assets.	IMF reports on progress in updating <i>Guidelines</i> and on other initiatives in the reserve assets area.
Coordinated direct investment survey (CDIS)	Results of the 2009–2010 CDIS	IMF reports on release of initial results from the 2010 CDIS, and updated results of the 2009 CDIS.
Coordinated portfolio investment survey (CPIS)	Enhance the quality and availability of CPIS data	IMF reports on continuing development and implementation of enhancements to CPIS data, with reference to recommendations in the IMF/FSB Secretariat reports to G-20 Finance Ministers and Central Bank Governors.  IMF to publish initial results of the 2010 CPIS and updated results of the 2009 CPIS.
International investment position (IIP)	Further development of annual and quarterly IIP estimates	IMF reports on developments and enhancements in IIP estimates, with reference to recommendations in the IMF/FSB Secretariat reports to G-20 Finance Ministers and Central Bank Governors.

## MEDIUM PRIORITY

International trade in services	Revision of <i>Manual on Statistics of International Trade in Services (MSITS)</i>	Report by OECD on activities of the Task Force on Statistics of International Trade in Services, and on the revision of <i>MSITS</i> .
Sovereign wealth funds	Report on progress	Report by IMF
Remittances	<i>Remittances Compilation Guide (RCG)</i>	IMF to report on work on progress in the remittances area
Research topics	Report on long-term research program in consultation with Inter-Secretariat Working Group on National Accounts	Report by IMF
Securities statistics	<i>Handbook on Securities Statistics (SH)</i> , Working Group on Securities Databases and progress on the Centralized Securities Database (CSDB)	Report by BIS, ECB, and/or IMF on <i>SH</i> . Report by ECB on CSDB.
Global discrepancies	Developments in discrepancies in global balance of payments statistics	Report by IMF
External debt	Improve reporting of external debt data	IMF reports on work on improving External Debt data, with reference to the work of the Task Force on Finance Statistics and progress on IIP data enhancements (see above)
International financial statistics	Developments in banking and related statistics	Report by BIS