New Developments in BIS International Financial Statistics

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BIS International Financial Statistics

1. International banking statistics

1.1 Data coverage

Efforts are continuing to increase the number of reporting countries both in the *locational* and *consolidated* banking statistics: the *locational* statistics focus on cross-border banking assets and liabilities and are consistent with balance of payments principles; the *consolidated* statistics provide a measure of the country risk exposure of national banking systems; the data are compiled on a worldwide consolidated basis with inter-office accounts being netted out.

Since 1998, 23 new countries have been invited to participate in the statistics (3 developed countries, 6 offshore centres and 14 developing countries). So far, 10 new countries have joined the locational statistics and 7 countries the consolidated banking statistics. India, Jersey, Guernsey and the Isle of Man became members in the locational statistics as of the end of last year and India also joined the consolidated statistics. The BIS is currently receiving partial data from eight additional countries on a regular basis. The following countries plan to provide sufficient detail for inclusion in the worldwide aggregates and BIS publications by the end of this year: Bermuda, Brazil and Chile.

Currently, 32 countries and centres participate in the *locational* banking statistics and 24 in the *consolidated* banking statistics.

1.2 Data quality

Data quality has further improved as a detailed instrument breakdown (loans, securities, other assets and liabilities) is now in principle available for all reporting countries except two smaller offshore centres for the *locational* banking data. A number of countries also improved their reporting of country and currency breakdowns in the *locational* banking statistics. In the area of the *consolidated* banking statistics, only seven smaller of the 23 reporting countries do not yet provide data on an ultimate risk basis, but nearly all who do supply such data provide them consistent with BIS definitions.

Following the introduction of the joint BIS-IMF-OECD-World Bank statistics on external debt in March 1999 and a recommendation of the FSF Working Group on Capital Flows later that year, the BIS initiated a research project in the summer of 2000 to ascertain the main reasons for discrepancies between creditor and debtor data on short-term external debt. The BIS banking and securities statistics represent the most important components of these data. Based on discussions with around 30 emerging market countries, the reporting central banks for the international banking statistics and the four international organisations contributing to the joint external debt statistics, the BIS prepared a report which provides an analysis of the main reasons for the discrepancies between creditor and debtor data. The report also offers various options on how to address the discrepancies in the future. The latest version of the report was discussed with 12 emerging market countries, six developed countries and three international organisations in a workshop organised by the BIS in April of this year. The workshop participants decided that the report should be updated to include comments raised during the meeting. Also, participating emerging market countries offered to provide more recent data and to supplement the report with contributions on the methodology, issues and expected improvements of their own external debt statistics from debtor sources. The BIS plans to publish the final version of the report later this year.

In the summer of 2000, a working group of the Committee on the Global Financial System issued a report recommending that the *consolidated* banking statistics be structured to provide more detailed and comprehensive data on country risk exposures. Consequently, a group of statistical experts from
reporting central banks has developed an implementation plan for the new statistics which will be become effective as of end-2004. The new statistics will cover all relevant aspects of country risk exposures including guarantees, unused credit facilities and derivatives exposures. The BIS has drafted new guidelines and report forms for the consolidated statistics which will be finalised by the end of this year.

1.3 Data availability

Timeliness of the data has further improved as all countries by now provide their data to the BIS via electronic means. Most countries, except two offshore centres, are now in a position to report their locational banking data within 12-14 weeks and all countries in principle report their consolidated banking data within 12 weeks. One reporting centre, the Cayman Islands, has moved from annual to quarterly reporting. Availability of the data has been further improved as the BIS now releases a full set of its published data back to 1977 free of charge on its website.

Later this year, a new version of the Guide to the BIS International Financial Statistics will be issued. The guide will describe the sources, compilation and publication of the three main sets of BIS international financial statistics: international banking, international and domestic securities and derivatives and foreign exchange statistics. In addition, the guide will include a separate chapter on the uses of the statistics and a comprehensive review of data quality issues. Furthermore, the BIS in planning to update the detailed tables on country practices in its Guide to the International Banking Statistics.

2. Securities statistics

2.1 Data coverage

The BIS undertakes continuous efforts to increase the number of reporting countries in the area of domestic debt securities. While the country coverage of BIS international securities data from commercial sources is complete, the coverage of BIS domestic securities data, which are mainly collected from central bank sources, is currently limited to 22 developed countries, two offshore centres and 17 developing countries.

2.2 Data quality

Data quality has further improved as the BIS is regularly reconciling international debt securities data from four different commercial data sources and eliminating overlaps between the international and domestic securities databases based on comparisons with individual securities data which are available from official data sources in various countries. As of end of last year, the BIS has expanded the business sector breakdown for its international securities statistics which now includes a breakdown of borrowers by business sector of the borrower himself in addition to the previously existing breakdown by business sector of the parent company of the borrower. In addition, the distinction between short-term and medium-term notes has been adjusted to balance of payments concepts. It is now not anymore based on the type of program or facility but on the original maturity of the drawings.

Earlier this year, the BIS has begun to collect comprehensive data on Brady bonds issues and securities issues as a result of major debt restructuring programs from commercial data sources and incorporated them in its securities databases. Later this year, we plan to implement further refinements of the sector classification of our securities statistics which will include a distinction between private and public sector banks, private and public other financial institutions and private and public corporates.

2.3 Data availability

Since December 2001, the BIS is publishing a full country and currency breakdown and a full back-run of its data series on domestic and international securities free of charge on its website. The data go in principle back to 1987 and in a few cases to 1966.
3. Foreign exchange and derivatives statistics

3.1 Data coverage

A record 48 countries participated in the turnover part and 40 countries participated in the amounts outstanding part of the last triennial central bank survey of foreign exchange and derivatives activity that was coordinated by the BIS in April and at end-June 2001. The survey was conducted for the sixth time. It covered the collection of turnover data of foreign exchange spot and foreign exchange and interest rate OTC derivatives transactions on a locational basis. In addition, it covered notional amounts and gross market values outstanding of foreign exchange, interest rate, equity, commodity, credit and “other” OTC derivative instruments on a worldwide consolidated basis with inter-office deals being netted out.

The BIS collects semi-annual statistics of OTC derivatives markets which comprise data on notional amounts and gross market values outstanding of foreign exchange, interest rate, equity and commodity derivatives from currently 61 reporting dealers in the Group of Ten countries on a worldwide consolidated basis. Furthermore, the BIS collects and publishes quarterly data on turnover and amounts outstanding of exchange-traded currency, interest rate and equity index derivatives.

3.2 Data quality

The foreign exchange turnover part of the next triennial FX and derivatives survey in 2001 was expanded to cover in total 28 individual currencies, many of them emerging market currencies. The currency breakdown of turnover data on interest rate derivatives was also expanded and covered in total 16 individual currencies.

The Markets Committee at the BIS which is overseeing the turnover part of the triennial survey on FX and derivatives market activity is currently reviewing the format of the survey. Proposals that are being discussed include a move from the current locational to centralised and consolidated reporting, the limitation of the number of reporting institutions to the most important dealers, the replacement of the current geographical breakdown by time zone data, adjustments to the current definition of trades from the location of the sales person to that of the client, the settlement, the account book or the price setting, a higher frequency of the survey and the use of alternative commercial data sources for the collection of data. There will be a meeting of an experts group of the Markets Committee on 11 October at the BIS to review the various proposals and to make recommendations to the Markets Committee for the future format of the survey. The next triennial survey is currently scheduled for April and at-end June 2004.

3.3 Data availability

The preliminary results of the turnover part of the triennial survey were published in October 2001 and those of the amounts outstanding part in December of last year. The final results were published on 18 March 2002 more than six weeks earlier than the final results of the last survey in 1998.

The publication lag of the semi-annual OTC derivatives statistics has gradually been reduced from almost six to four and a half months since the introduction of the statistics at end-June 1998. A further reduction to four months might be feasible in the near future.

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