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**2003 Survey of Implementation of Methodological Standards for Direct Investment  
(SIMSDI): Progress Report**

**Prepared by the Statistics Department  
International Monetary Fund**

The views expressed in this paper are those of the author and should not be attributed to the International Monetary Fund, its Executive Board, or its management.

## 2003 SURVEY OF IMPLEMENTATION OF METHODOLOGICAL STANDARDS FOR DIRECT INVESTMENT (SIMSDI): PROGRESS REPORT

### I. BACKGROUND

1. In May 1997, with the approval of the IMF Committee on Balance of Payments Statistics (the Committee) and the OECD Working Party on Financial Statistics (WPFS)<sup>1</sup>, the IMF and the OECD launched the first Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI). The aim of the survey was to determine the extent to which countries had adopted the international standards for compiling foreign direct investment (FDI) statistics as set out in the fifth edition of the IMF's *Balance of Payments Manual (BPM5)* and the third edition of the OECD's *Benchmark Definition of Foreign Direct Investment*. The results of that survey, to which 114 countries responded, were published in 2000 in a joint IMF/OECD report, copies of which were posted on the IMF and OECD websites and sent by the IMF to all its member countries.
2. In 2000 the Committee and the WPFS agreed that the information obtained from the 1997 SIMSDI should be updated, and that a new survey should be launched at the end of 2002 that would incorporate revisions to the content and the presentation of the 1997 questionnaire to take account of the methodological changes that have been implemented in recent years.<sup>2</sup>
3. As an interim measure, the information from the 1997 SIMSDI was updated as at the end of 2001 for 61 countries—the 30 OECD countries and 31 other countries, including all subscribers to the Special Data Dissemination Standard (SDDS) at that point in time. For the first time, the IMF also prepared summary metadata that described the practices of each country and clearly indicated whether or not those practices were in accordance with the international methodology. Cross-country comparison tables were also prepared for the participating countries.
4. The metadata summaries and cross-country comparison tables for the 56 of the 61 countries that had agreed to their information being released to the general public<sup>3</sup> were posted on the IMF website in October 2002, and a joint IMF/OECD report on the outcome of the 2001 SIMSDI update, which included cross-country comparison tables for all 61 participating countries, was published in October 2003. Copies of that publication, *Foreign Direct Investment Statistics: How Countries Measure FDI, 2001*, were also posted on the IMF and OECD websites and sent by the IMF to all its member countries.

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<sup>1</sup> Now known as the OECD Workshop on International Investment Statistics (WIIS).

<sup>2</sup> The launch date was changed to the end of 2003 at the 2001 Committee meeting.

<sup>3</sup> Five countries chose to make their information available only to national compilers of FDI statistics and staff of international agencies.

5. The results of the 2001 SIMSDI update have been used in papers discussed by the IMF Executive Board at a seminar on FDI held in late 2003<sup>4</sup>, and published by the IMF in September 2004.<sup>5</sup> The information from the 2001 update was also used to identify aspects of the present methodology that would be reviewed in the process of revising *BPM5*.

## II. IMPLEMENTATION OF THE 2003 SIMSDI SURVEY

6. Following revision of the questionnaire during 2002 by an international group of FDI experts, and approval by the Committee and OECD WIIS, the 2003 SIMSDI survey was launched in December 2003. Questionnaires were sent to a total of 166 countries—the 30 OECD countries, and 136 other IMF member countries. Respondents to this voluntary survey were asked to describe their countries' practices as at the end of 2003, and to return the completed questionnaires to the relevant agency by the end of March 2004, in the case of the IMF, and by April 2, 2004, in the case of the OECD.

7. Completed questionnaires were received from 112 countries, comprising 29 of the 30 OECD countries, and 83 other countries. The respondents covered all regions—the 112 respondents included 22 of the 23 industrial countries, 24 of the 29 European countries, 26 of the 36 Western Hemisphere/Caribbean countries, 16 of the 29 Asian/Pacific countries, 19 of the 51 African countries, and 5 of the 16 Middle East countries.<sup>6</sup>

8. One hundred countries agreed to their information being released as summary metadata on the IMF website, and a further four had yet to decide<sup>7</sup>—only eight countries decided not to make their information available to the general public.

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<sup>4</sup> IMF Statistics Department, 2003. *Foreign Direct Investment Trends and Statistics, Foreign Direct Investment Trends and Statistics: A Summary* (see <http://www.imf.org>)

<sup>5</sup> Neil Patterson, Marie Montanjees, John Motala, Colleen Cardillo, 2004, *Foreign Direct Investment: Trends, Data Availability, Concepts, and Recording Practices* (Washington, D.C.)

<sup>6</sup> The regional breakdown is that used in the 2003 edition of the *Balance of Payments Statistics Yearbook*.

<sup>7</sup> All OECD countries are required by the WIIS to make their information available to the general public.

### III: PROGRESS IN PROCESSING THE RESULTS OF THE 2003 SURVEY

9. The task of processing the results of the 2003 survey is a very large undertaking. The questionnaire is long and complex and several rounds of queries are usually required to clarify all aspects of the responses, to address internal inconsistencies, and to obtain the authorities' approval of the metadata.<sup>8</sup>

10. Because of unexpected constraints in staff resources available (only one person was available part time to work on reviewing questionnaires and preparing metadata), and widespread public interest in gaining access to the latest metadata, the IMF decided to establish priorities for processing the questionnaires. Highest priority was given to preparing the metadata for those 56 countries that participated in the 2001 update of the SIMSDI to ensure that the now outdated metadata that were posted in 2002 on the IMF's website would be updated as soon as possible. Second priority would be given to processing the questionnaires of the other countries that had indicated willingness for their metadata to be made available to the general public. The final group of countries would be those that had requested that their information only be released to other national compilers or staff of international organizations.

11. Draft 2003 metadata were prepared by the IMF for 61 countries, responses to queries and comments on the draft metadata were received from 56 countries, and "final" metadata approved for release by 54 countries. These approved metadata were posted on the Fund's external website in several batches in May and early June 2005.

12. Those 54 countries for which metadata were posted comprise 28 OECD countries<sup>9</sup> and 26 other countries.<sup>10</sup> Forty-nine of these countries also participated in the 2001 SIMSDI update. Metadata for five countries were shown for the first time.

13. As a result of a shift in priorities at the IMF, the position of the staff member who worked on the metadata was abolished at the end of April 2005, although work on SIMSDI was arranged for one more month to enable the posting of these metadata.

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<sup>8</sup> A database that corresponds to the 2003 questionnaire was developed by the IMF, and a system to compile output tables covering all aspects of the questionnaire, as well as cross-country comparison tables suitable for publication, was developed.

<sup>9</sup> Australia, Austria, Belgium, Canada, Czech Republic, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United States, and United Kingdom.

<sup>10</sup> Argentina, Azerbaijan, Brazil, Colombia, Costa Rica, Croatia, Ecuador, Estonia, Guatemala, Hong Kong SAR, India, Indonesia, Israel, Kazakhstan, Latvia, Malaysia, Mozambique, Peru, Philippines, Romania, Russia, Singapore, Slovenia, South Africa, Thailand, and Tunisia.