

**Twenty Second Meeting of the
IMF Committee on Balance of Payments Statistics
Shanghai, China, P.R., November 2–4, 2009**

**Medium-Term Work Program of the IMF
Committee on Balance of Payments Statistics, including Research Agenda**

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Medium-Term Work Program of the IMF Committee on Balance of Payments Statistics

1. The purpose of this note is to discuss the Medium-Term Work Program of the IMF Committee on Balance of Payments Statistics (Committee) for 2009. Table 1 is a reproduction of the work program that appears in the Committee's 2008 Annual Report, and Table 2 is a document for discussion that shows how the Work Program may appear for the coming year. In the past year, the Committee's work agenda has moved forward in all areas. As a result, a number of changes are reflected in the draft Work Program for 2009. The Committee is asked to adopt or suggest changes to the draft Work Program for 2009. The remainder of this note discusses the draft Work Program, and highlights changes in priorities and actions.
2. Implementing the *Balance of Payments and International Investment Position Manual (BPM6)* remains a top priority. *BPM6* was adopted by the Committee at its 2008 annual meeting. It has been further edited, an index has been added, and it is now final. It is being translated into Arabic, Chinese, French, Russian, and Spanish (initial translations of the entire manual into French, Russian, and Spanish have been concluded, but corrections are necessary); the English language version has been placed on the Committee's webpage; and a hard copy has been printed.
3. The next stage in the exercise includes making further progress in collecting and disseminating data on the basis of the new manual. In this regard, the IMF has already taken steps to record allocations of Special Drawing Rights (SDRs) on the basis of *BPM6* (see *Report on Reserve Assets*). The IMF is now developing the processing systems needed to generate and display balance of payments data in its publications on both a *BPM5* and a *BPM6* basis beginning in 2012. (Our initial view is to release data on both presentational bases on-line, whereas data on the *BPM6* basis alone may be presented in the IMF's printed publications, including *IFS* and *BOPSY*, beginning in 2012). The IMF will continue to promote the rapid adoption and implementation of *BPM6* through seminars and courses, both at IMF Headquarters and in the regional institutes, and in its technical assistance activities. Linked to this exercise is the conversion matrix that the IMF has finalized and placed on the Committee's webpage. The implementation of *BPM6* will be considerably enhanced with the preparation and distribution of the revised *Balance of Payments Compilation Guide*. Accordingly, the IMF has prepared an outline for the new Guide for Committee comment, and hopes to provide the Committee with a first draft of most of the chapters for its meeting in 2010.
4. In addition to implementing *BPM6*, a top priority is assigned to reserve assets. This work was labeled as only a medium priority in the 2008 Work Program. The substantial increase in the priority assigned to reserve assets is attributable to the very considerable amount of recent interest expressed – both within the IMF and outside – in reserve asset issues. The increased interest in reserve assets has stretched across the full gamut of assets, from the treatment of holdings and allocations of SDR, loans to

the Fund, note purchase agreements with the Fund, deposits in IMF Trust Accounts, and monetary gold. Questions have arisen about the meaning of “readily available”, “liquid”, “foreign currency”, etc. Much more attention is being paid to the level of country reserves – and the quality of country estimates of reserves – due to the global financial and economic crisis. Also, the increased level of attention correlates with the very large increase in IMF lending capacity (increasing by more than \$1 trillion), arising from new SDR allocations (totaling \$283 billion in 2009), negotiation of large loan agreements (e.g., \$100 billion with Japan), negotiations of Note Purchase Agreements with a number of IMF member countries, IMF gold sales, and work on expanding quota resources. As a consequence, IMF initiatives in the reserve asset area, including the updating of *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template*, and the provision of interpretations and advice to data users and compilers (including regularly updated FAQs, advice to mission teams, and internal collaboration to assure that all IMF departments receive prompt answers to their questions about statistical practices) acquire a much higher priority.

5. The other top priority item – the Coordinated Direct Investment Survey (CDIS) – reaches an important milestone next year. In September 2010, initial data will be reported to the IMF. In the meantime, the IMF will continue actively engaging with countries, to facilitate their participation. The IMF will also develop the collection, processing, and dissemination tools for the CDIS. A number of important successes have already been achieved in connection with this initiative, and momentum behind the project must be maintained. The Committee will be updated on this work.
6. Among the high priority items on the draft Work Program is an initiative to improve data quality for the Coordinated Portfolio Investment Survey. The Committee emphasized at its 2008 annual meeting the importance of improving the quality and availability of these data, and in promoting its use, and this item retains the high priority that was assigned to it last year.
7. One item is added to the list of high priorities: the development of world tables on the international investment position (IIP). In recognition of the increased emphasis on improving the availability of data on investment positions for surveillance and analytical purposes, two years ago STA embarked on a project to increase the number of IIP reporters which has resulted in some important successes. In addition, for countries that did not report IIP data, STA has been working closely with the IMF’s Research Department to prepare estimates. In 2009, estimates of IIPs – covering both countries that provided IIP estimates and those that did not – were published in *BOPSY* at aggregate levels for the first time. The IMF will prepare a paper to update the Committee on the status of this work at next year’s Committee meeting.
8. The other high priority item from last year – finalizing the *Remittances Compilation Guide* – was completed during 2009, and so work on remittances now moves to medium priority.

9. All other medium priority items remain unchanged from last year. The OECD will report on international trade in services (in its capacity as chair of the Task Force on Statistics of International Trade in Services); a report on sovereign wealth funds will be prepared by the IMF; a paper will be prepared by the IMF, in consultation with the InterSecretariat Working Group on National Accounts, on research topics (discussed further, below); a paper will be prepared by the BIS, ECB, and/or IMF on progress on the *Securities Handbook*, and the ECB may report on the centralized securities database; the IMF will prepare a paper on global discrepancies in the balance of payments; the IMF will report on the work of the Interagency Task Force on Finance Statistics; and the BIS will report on developments in the area of international financial statistics.

10. In regard to the long-term research program, *BPM6* identifies a number of areas for potential future work (*BPM6* paragraph 1.43). Due to the importance that the IMF and compilers attach to implementing *BPM6* as soon as practical, work on most items on the research agenda must be delayed so that countries are assured of stability in the standards that they are being asked to implement. Nonetheless, work is underway in the medium-term in a couple of the areas listed. In particular, work on more fully articulating the treatment of emission permits, and work on two items in the direct investment area (identifying ultimate investing and ultimate host economy, and on determining whether direct investment relationships can be achieved other than by economic ownership of equity, such as through warrants or repos) is underway in the medium-term. Work in these areas is coordinated with the IMF's interagency partners. The IMF will report on progress in these areas at the next Committee meeting.

Table 1. Medium-Term Work Program of the IMF Committee on Balance of Payments Statistics, End-December 2008 (as included in the 2008 Annual Report)

Subject	Issue	Action
TOP PRIORITY		
<i>Balance of Payments and International Investment Position Manual (BPM6)</i>	Final editing of <i>BPM6</i> , start work on a <i>BPM6 Compilation Guide</i> (with attention to goods for processing and foreign direct investment issues), conduct a questionnaire on implementation plans and challenges.	IMF to complete editing of <i>BPM6</i> by end-year 2009 or early-2010. Work begins on a <i>BPM6 Compilation Guide</i> . Paper by IMF on progress by economies in implementing <i>BPM6</i> .
Coordinated direct investment survey	Report on conducting the 2009 coordinated direct investment survey and preparations for the survey	IMF to prepare and disseminate additional CDIS material, including model forms and translated versions of the CDIS Guide, and to prepare a paper on progress.
HIGH PRIORITY		
Coordinated portfolio investment survey (CPIS)	Improve the quality of disseminated CPIS data.	IMF to develop, and begin implementing, a plan to improve the quality of CPIS data. IMF to publish results of 2008 CPIS and update results of 2007 CPIS.
Remittances	Request by G-8 and others for improved data on remittances	IMF to post final <i>Remittances Compilation Guide</i> on best compilation practices and provide compilation help.
MEDIUM PRIORITY		
International trade in services	Revision of <i>Manual on Statistics of International Trade in Services (MSITS)</i>	Paper by OECD on activities of the Task Force on Statistics of International Trade in Services, on the revision of <i>MSITS</i> .
Sovereign wealth funds	Report on progress	Paper by IMF
Reserve assets	<i>Reserve Template Guidelines</i>	Report on work to update <i>Guidelines</i>
Research topics	Report on long-term research program in consultation with Inter-Secretariat Working Group on National Accounts	Paper by IMF
Securities statistics	Update on the Working Group on Securities Database and progress on the CSDB	Papers by IMF and others
Global discrepancies	Developments in discrepancies in global balance of payments statistics	Paper by IMF
External debt	Improve reporting of external debt data	Paper by IMF on work of the Task Force on Finance Statistics
International financial statistics	Developments in banking statistics	Report by BIS

Table 2. Proposed Medium-Term Work Program of the IMF Committee on Balance of Payments Statistics, End-December 2009

Subject	Issue	Action
TOP PRIORITY		
<i>Balance of Payments and International Investment Position Manual (BPM6)</i>	Implementation of <i>Balance of Payments and International Investment Position Manual (BPM6)</i>	IMF to report on progress in the worldwide adoption of the new standards. <i>BPM6</i> to be distributed to balance of payments correspondents and posted on Committee webpage. IMF to continue to develop processing system for <i>BPM6</i> IMF to continue to promote the adoption and implementation of <i>BPM6</i> through seminars and courses
<i>BPM6 Compilation Guide</i>	Revision of <i>BPM6 Compilation Guide (BOPCG)</i>	IMF to begin drafting new <i>BOPCG</i> to reflect changes in methodology in <i>BPM6</i> . Substantially complete first draft to be prepared for 2010 Committee annual meeting Changes from <i>BPM5</i> to <i>BPM6</i> (as summarized in <i>BPM6</i> Appendix 8 and the <i>BPM5/BPM6</i> conversion matrix) are highlighted for data users and compilers
Reserve assets	<i>Reserve Template Guidelines</i> to be updated. Advice provided to countries regarding statistical treatment of reserve issues	Report by IMF on progress in updating <i>Guidelines</i> and on other initiatives in the reserve asset area
Coordinated direct investment survey (CDIS)	Preliminary results of the CDIS	IMF to finalize collection and validation of CDIS data, and be nearly ready to disseminate data and metadata on CDIS. IMF to report on progress by participants in reporting their preliminary results to the IMF
HIGH PRIORITY		
Coordinated portfolio investment survey (CPIS)	Improve the quality of disseminated CPIS data.	IMF to report on continuing development and implementation of improvements to the quality of CPIS data. IMF to publish results of 2009 CPIS and update results of 2008 CPIS.
International investment position	Further development of world tables on the IIP	Paper by IMF
MEDIUM PRIORITY		
International trade in services	Revision of <i>Manual on Statistics of International Trade in Services (MSITS)</i>	Paper by OECD on activities of the Task Force on Statistics of International Trade in Services, and on the revision of <i>MSITS</i> .

Subject	Issue	Action
Sovereign wealth funds	Report on progress	Paper by IMF
Remittances	<i>Remittances Compilation Guide (RCG)</i>	IMF to report on work on implementing <i>RCG</i>
Research topics	Report on long-term research program in consultation with Inter-Secretariat Working Group on National Accounts	Paper by IMF
Securities statistics	<i>Securities Handbook (SH)</i> , Working Group on Securities Database and progress on the CSDB	Paper by BIS, ECB, and/or IMF on <i>SH</i> Paper by ECB on CSDB
Global discrepancies	Developments in discrepancies in global balance of payments statistics	Paper by IMF
External debt	Improve reporting of external debt data	Paper by IMF on work of the Task Force on Finance Statistics
International financial statistics	Developments in banking and related statistics	Report by BIS