

# BALANCE OF PAYMENTS STATISTICS

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END-YEAR 2005

## The Work of the IMF Committee on Balance of Payments Statistics

The IMF Committee on Balance of Payments Statistics (Committee) held its seventeenth (during October 26–29, 2004 at the South African Reserve Bank in Pretoria) and eighteenth (during June 27–July 1, 2005 at the IMF Headquarters in Washington, D.C.) meetings since the publication of the last Balance of Payments Newsletter in mid-2004. Both meetings were devoted primarily to advancing the work on the update of the Balance of Payments Manual, fifth edition (BPM5). Heavily Indebted Poor Countries (HIPC) initiative related flows, remittances and reserve assets were among the new topics on which the Committee deliberated. Other topics such as Coordinated Portfolio Investment Survey (CPIS); direct investment; and data quality were also addressed. Information on the Committee and its work program is available on its website at <http://www.imf.org/external/bopage/bopindex.htm>, as are the Committee's annual reports and selected working papers reviewed by the Committee.



IMF Statistics Department's Director Robert Edwards (R) and Assistant Director, Neil Patterson (L) during the 2005 Committee meeting.

### Updating the BPM5

The Committee made decisions on several of the recommendations made by the three technical expert groups (TEGs) established in 2004 to address more complex methodological issues for the update of the BPM5. Many of these issues also affect the revision of the *System of National Accounts 1993* (1993 SNA). In the two meetings, the Committee discussed and made decisions on several important methodological issues for the update of the BPM5 (see Box 1 for the major

decisions). The Committee's decisions on these issues and related issues papers, background papers, and relevant TEG's recommendations can be found on the IMF's website <http://www.imf.org/external/np/sta/bop/bopman5.htm>. The Committee's decisions for the balance of payments issues that affect the revision of the 1993 SNA have been or will be discussed by the Advisory Expert Group on National Accounts (AEG). The AEG recommendations on SNA related balance of payments issues can be found on the SNA update project website <http://unstats.un.org/unsd/sna1993/issues.asp>.

The Committee evaluated the progress in revising BPM5, expressed satisfaction on the coordination of the work on revising BPM5 with the update of the 1993 SNA, and endorsed the process and timetable for the BPM5 revision. An article on the progress in updating BPM5 is provided on page 5 of this edition of the *Newsletter*.

### Portfolio investment

The Committee discussed the results of the Coordinated Portfolio Investment Survey (CPIS) for the years 2002 and 2003, in its seventeenth and eighteenth meetings, respectively. Addressing global discrepancies in transactions in portfolio investment was one of the first initiatives of the Committee. As a result of participating in the survey, many jurisdictions have improved the manner



L to R: Ahmed Al-Kholifey and Suleiman Al-Ofi (Saudi Arabian Monetary Agency), Stefaans Walters (South African Reserve Bank), and Philippe Mesny (Bank for International Settlements) during the 2005 Committee meeting.

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in which they measure not only their outstanding positions, but also transactions in—and the associated income of—portfolio investment. Of the 67 jurisdictions that participated in the 2001 CPIS, all have now agreed to continue to participate on

an annual basis, and two more have also started providing data. One particularly noteworthy aspect of the CPIS is that about 20 small economies with international financial centers (SEIFiCs) now take part on a continuing basis.

### Box 1: Some Major Decisions Taken by the Committee, regarding the Revision of the *Balance of Payments Manual, Fifth Edition*<sup>1</sup>

1. Change in economic ownership: The Committee agreed with an IMF staff proposal to adopt the concept of “change in economic ownership” (instead of “change of ownership”) as better reflecting the nature of transactions that are recorded in the balance of payments.
2. Residence of households: The Committee agreed with the Balance of Payments Technical Expert Group’s (BOPTTEG) proposal to adopt the concept of “predominant” center of economic interest. The Committee did not agree that a strict application of the “one-year” rule should be applied to students.
3. Institutional sectors: The Committee agreed with BOPTTEG’s proposal to include all the SNA institutional sectors in the new manual, but members were divided on whether the presentation should be the same as SNA or should be such as to ease the transition from the four sectors shown in *BPM5*.
4. Special purpose entities (SPEs): The Committee agreed with BOPTTEG’s and Direct Investment Technical Expert Group’s (DITEG) proposal that SPEs are to be recognized as separate institutional units in the economy in which they are incorporated. As there is no international definition for SPEs, the Committee agreed that compilers may wish to present supplementary data, using national definitions, where these entities are important.
5. Goods for processing: It has been agreed to change the treatment—so that the economic ownership principle should be adopted. This means that goods for processing are uniformly measured by the processing fee and treated as a service, not as a good.
6. Classification of services: The Committee agreed with BOPTTEG’s proposals that (i) *goods for repair* should be changed from goods to a service; (ii) additional detail on *travel* be included on a supplementary basis; (iii) *communication* and *computing services* be combined, provided that *postal and courier services* be classified separately; (iv) *construction services* be shown with an additional split, to identify construction services abroad separately from construction services in the compiling economy; (v) the treatment of *financial services* be harmonized, in line with developments at the OECD and the AEG, to the extent possible; (vi) international passengers services should remain in *transportation services*; and (vii) use of a residual category for services transactions between related enterprises be avoided.
7. Remittances: The Committee accepted the recommendations of the United Nations Technical Subgroup on the Movement of Natural Persons and adopted the new component “personal transfers” in place of the “workers remittances” and adopted new memorandum items for “personal” and “total” remittances. See details on page 12.
8. Migrant transfers: The Committee agreed that cross-border movement of personal effects would not be recorded as a transaction and that reclassification of assets and liabilities arising from a change in residence would be treated as “other changes.”
9. Treatment of insurance catastrophic claims: The Committee rejected the IMF staff proposal to retain the treatment of insurance claims as being *current transfers* for catastrophic claims, preferring to adopt the proposal by the AEG that these latter claims should be classified to the capital account.
10. Valuation of direct investment equity: The Committee agreed with DITEG’s proposal that market price should be the preferred valuation principle for direct investment equity, and that that principle be given greater emphasis than it receives in *BPM5*.
11. Direct investment 10 percent threshold: The Committee rejected DITEG’s proposal to move the threshold for establishing a direct investment relationship from 10 percent equity (or equivalent) to 20 percent.

12. Reverse investment and the directional principle: The Committee agreed with DITEG's proposal that direct investment positions, transactions and income should be recorded on a gross basis, rather than netting off the reverse investment flows and positions in "direct investment abroad" and "direct investment in the reporting economy."

13. Permanent debt: The Committee accepted DITEG's proposal that permanent debt between affiliated financial institutions should be excluded (like all other debt between these institutions) from direct investment.

14. Foreign currency linked debt: The Committee agreed that debt instruments with both principal and coupons indexed to a foreign currency should be classified and treated as being denominated in that foreign currency.

15. Loan valuation: The Committee agreed with BOPTEG's proposal to retain nominal value for loans (both assets and liabilities) in the IIP, with a memorandum item for the creditor, showing the likely realizable value.

16. Loans and deposits: The Committee agreed that the distinction between loans and deposits should be maintained.

17. Headings and signs: The Committee agreed with IMF staff proposals to change the presentation of the headings in the financial and other changes in financial assets and liabilities accounts to "changes in assets" and "changes to liabilities" to bring them into line with the IIP and the SNA.

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<sup>1</sup> The issues papers, describing the issues in greater depth, and the outcome papers, outlining the reasoning for the TEGs' recommendations, can be found on the Committee's web page (<http://www.imf.org.bop>).

## Direct investment

The Committee discussed the work of the Task Force on the Feasibility of Conducting a Coordinated Direct Investment Survey (CDIS). The IMF sent out a questionnaire to 89 countries in April 2005 seeking views on 1) interest in participating in a CDIS, planned for a reference date of end of 2009; and 2) identifying obstacles or potential methodological problems. Seventy eight countries have responded by mid-October, 2005. Overall, countries are very supportive of a CDIS. The IMF's Statistics Department is preparing a paper setting out the costs and benefits of a CDIS, which will include the Committee's recommendations on whether a CDIS should be undertaken by the IMF and its interagency partners.

The Committee also discussed the process for preparation and publication of the fourth edition of the *Benchmark Definition of Foreign Direct*

*Investment*. The timetable is aligned well with the timetable for the *BPM5* update.

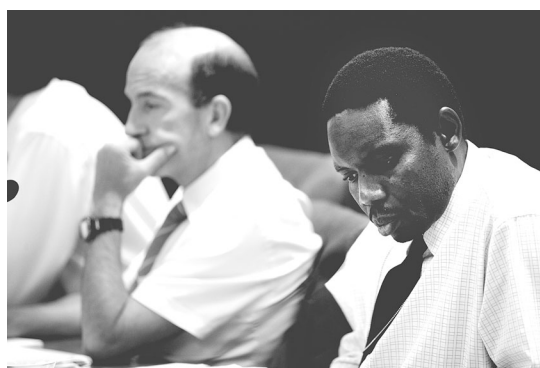
## Remittances

The importance of remittances, and improved statistics on them, was emphasized by the G8 leaders meeting at Sea Island in June 2004 and discussed by the Committee at both the seventeenth and eighteenth meetings. An article on the work on remittances is provided on page 12 of this edition of the *Newsletter*.

## HIPC related flows

The Committee discussed the statistical treatment of transactions and positions, between residents and nonresidents, arising from the Heavily Indebted Poor Countries (HIPC) Initiative. As the HIPC Initiative was launched well after the publication of *BPM5*, there has been concern

among compilers that the current framework does not adequately address some of the HIPC debt related transactions. The Committee decided that any methodological guidance agreed with regard to HIPC transactions should be consistent with the core principles and concepts in the balance of pay-



L to R: Eduardo Rodríguez-Tenés (Bank of Spain) and Michael Atingi-Ego (Bank of Uganda) during the 2005 Committee meeting.

ments. Because of the relevance of the topic to the national accounts, the IMF will present a paper on the HIPC transactions at the AEG meeting in January 2006.

### Reserve assets

The Committee endorsed an IMF proposal to create a Reserve Assets Technical Expert Group (RESTEG) to consider reserve assets issues in the context of the *BPM5* update. The RESTEG will operate on the same basis as the other three TEGs established by the Committee. It will report back to the Committee's next meeting in October 2006 (see Box 2).

### Other topics

In addition to the above issues, the Committee, in its two meetings, considered (1) issues related to

data quality, in particular the establishment of a revisions policy for India's balance of payments; (2) work undertaken by the Bank for International Settlements on improving their international financial statistics; (3) data collection for financial derivatives in the United States, the internet reporting system in Japan, and reengineering of collection and processing of business statistics in Australia; (4) implementation of the centralized securities database by the ECB; and (5) work of the Interagency Task Force on Finance Statistics, the Interagency Task Force on Statistics of International Trade in Services, the United Nations Technical Subgroup on the Movement of Natural Persons, and the Technical Sub-group of Interagency Coordination Group on Tourism Statistics.

*Contributor: Manik Shrestha and John Joisce*

### Box 2: The Reserves Assets Technical Expert Group (RESTEG)

At its June 2005 meeting, the Committee endorsed the creation of the Reserves Assets Technical Expert Group (RESTEG). The technical group will examine the key issues on international reserves as part of the *BPM5* revision process. The RESTEG Secretariat is expected to produce documentation in the form of "issues paper(s)" for the consideration of RESTEG.

As a second task, and subject to the Committee's concurrence, RESTEG will—after it has completed its work on reserve assets in the *BPM5* revision—discuss and make proposals to the Committee on issues relating to the revision of the Data Template on International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines). There is a common understanding among compilers that the Guidelines will need to be consistent with the revised manual. However, there is no intention to change the format of the Data Template. Unlike the *BPM5* update, the revision of the Guidelines does not fall under the scope of the Committee's work but their views will inform changes in the Guidelines.

RESTEG's terms of reference have been prepared and its membership includes representatives from both selected IMF member countries drawn from all regions of the world and from international organizations. The RESTEG will be operational between October 2005 and 2007; and it is anticipated that the Group may complete its work by September 2007. Acceptance of RESTEG's recommendations for the revision of *BPM5* reside with the Committee.

*Contributor: Antonio Galicia-Escotto*

# Progress on the Work of Updating the BPM5

*This article presents the progress made in the update of Balance of Payments Manual, fifth edition (BPM5) since the publication of the last Balance of Payments Statistics Newsletter in mid-2004. Specifically, the article reports on the work of the Technical Expert Groups, coordination with the review of the 1993 SNA, and the timetable for preparing the revised manual.*

## Technical Expert Groups (TEGs)

As endorsed by the IMF Committee on Balance of Payments Statistics (Committee), the three Technical Expert Groups (DITEG for issues on direct investment,<sup>1</sup> CUTEG for issues on currency union, and BOPTEG for other issues) were established to assist in researching and resolving more

complex methodological issues and in undertaking a general review of the draft of the manual.

All three TEGs have concluded deliberations on the issues they were asked to consider. BOPTEG and CUTEG met twice (in June and December 2004) and DITEG met three times, (in June and December, 2004, and March 2005). The documents of these TEGs (such as, list of topics, issues papers, background papers, outcome papers, summary conclusions of their meetings) are included on the IMF's external website <http://www.imf.org/external/np/sta/bop/bopman5.htm> for information and comment. The TEGs' recommendations were considered by the Committee at its October 2004 and June 2005 meetings.

DITEG has completed its work and has been disbanded. While the list of issues for both BOPTEG and CUTEG have all been considered, these two

<sup>1</sup> DITEG was a joint IMF-OECD group endorsed by both the Committee and the OECD Workshop on International Investment Statistics.

### Box 3: The Currency Union Technical Experts Group (CUTEG)

In recent years, there has been a growing global trend toward regional arrangements such as currency, economic and customs unions, and the prospects for significant developments of these arrangements are expected in the coming years. Regional arrangements raise new challenges for balance of payments compilers, not only from a practical point of view, but also from a methodological one. For example, the creation of the Eurosystem has highlighted some new statistical issues and drawn attention to the gaps in BPM5 in covering issues related to regional statistics. Recognizing a need to reconsider, or at least to complement, some aspects of the current BPM5 methodology on the treatment of currency unions, the Committee decided during its meeting of December 2003 that one of the three working groups created for the revision of the BPM5 would be devoted to this topic. This group is called the Currency Union Technical Experts Group (CUTEG). The CUTEG is composed of 15 members representing, among other participants, the 4 existing currency unions and 3 prospective currency unions. In principle, unless otherwise decided, the work of this group should result in an appendix to the revised BPM5.

To date, CUTEG has held two meetings: the first one in June 2004, in Washington DC, was hosted by the IMF, the second one, in Frankfurt, was hosted by the ECB. In general, CUTEG discussions have focused on:

- 1) definitional issues related to regional arrangements—definition of a Currency Union (CU), of an Economic Union (EcUn), territory of a CU and of an EcUn, definition of a domestic currency in a CU, definition of a regional organization, and of a Currency Union Central Bank (CUCB).
- 2) statistical treatment of the balance of payments/international investment position of countries that are members of a centralized currency union (BCEAO, BEAC, ECCB) given the CUTEG proposal that the CUCB is to be considered as an institution in its own right, nonresident from the point of view of member countries, and holding its own assets and liabilities. This is a change from the current treatment recommended in the BPM5.



3) treatment of reserve assets in a currency union— CUTEg proposed that reserves assets shown in the BOP/IIP of CU member countries should only include those assets that are classified as reserves assets at the CU level.

On all these issues, CUTEg reached agreement and submitted a report to the Committee's June 2005 meeting. This report is available at <http://www.imf.org/external/pubs/ft/bop/2005/18.htm>. The Committee generally agreed with the proposals presented on the definitions and other conceptual work described above. Some remaining issues will be addressed during the drafting of the revised manual. Effectively, the Group's work on methodological issues has finished and efforts are now focused on drafting a preliminary version of the appendix to the revised manual. A draft version of the appendix will be submitted to the Committee for approval. The issue and outcome papers of CUTEg and the summaries of the two meetings are available on <http://www.imf.org.np/sta.bop.cuteg.htm>.

*Contributor: René Fiévet*

TEGs may be reconvened at a later date to review the drafting of the revised balance of payments manual. The work of CUTEg is described in Box 3.

At their June 2005 meeting, the Committee endorsed proposals for the creation of a technical expert group to address issues relating to reserve assets (Reserve Asset Technical Expert Group, RESTEG).

### **Coordination with the Review of the 1993 SNA**

The *BPM5* revision is being coordinated with the simultaneous review of the *1993 System of National Accounts (1993 SNA)*, which is being conducted under the auspices of the United Nations Statistical Commission. It is regarded as critically important that the two systems remain consistent to the maximum extent possible.

Continuing contact is being, and will be, maintained between the balance of payments community and the Inter-Secretariat Working Group on National Accounts (ISWGNA) and the Advisory Expert Group on National Accounts (AEG) that the ISWGNA established to assist in the *1993 SNA* review. The IMF presented papers reflecting the decisions of the Committee to the AEG at its meetings in February 2004, December 7–16, 2004, and July 18–22, 2005. In preparing the papers the IMF also consulted with other relevant interagency task forces such as the Interagency Task Force on Finance Statistics and that on Statistics of International Trade in Services. The list of balance of payments issues for *SNA* review is shown at the United Nations Statistics Division's website

<http://unstats.un.org/unsd/nationalaccount/aeg.htm>. The summary conclusions of the AEG's meetings are also available at this web site.

### **Timetable for the Preparation of the *BPM5* Update.**

The timetable for the future work on updating *BPM5* and the associated work program with regard to the *SNA* revision, is set out in Box 4. Most of the initial consultations, except for RESTEG, are now completed, although there are continuing exchanges with the AEG. During 2006 and 2007, chapters of the revised manual will be prepared progressively and distributed to the TEGs for initial comment (as necessary) and then to the Committee for consideration at its meetings in 2006 and 2007. After each review, the chapters will be revised and placed on the IMF's web site and feedback will be sought from users, including balance of payments compilers in IMF member countries.

In 2008, a program of broad consultation and review of the draft chapters will take place. In addition, the IMF Statistics Department plans to conduct a series of regional seminars from February to June 2008. The seminars are intended primarily as a means of introducing compilers to any changes in the revised manual, but will also provide an opportunity for compilers to discuss issues with IMF staff. It is planned that the Committee will approve a final draft of the manual at its meeting in late 2008, with a posting of the final draft, subject only to editing, by end-2008 on the IMF website. It is expected that the new manual will be made available in hard-copy in 2009/2010 in English, with publication in other languages to follow.

### Box 4: Future Work Program for Updating the IMF

#### *Balance of Payments Manual, fifth edition (BPM5), and the 1993 SNA*

	BPM	SNA
January 2006		Fourth AEG meeting to discuss the remaining issues for change and clarification.
Mid-2006		Fifth AEG meeting on consistency of the recommendations, first revised texts (provisional).
October 2006	BOPCOM Annual Meeting reviews draft chapters.	
December 2006	Post first set of draft chapters on IMF website for countries to review.	
February 2007		Final AEG meeting to review draft text of new SNA.
May 2007		Complete draft sent to countries for comments on consistency and readability.
October 2007	BOPCOM Annual Meeting to consider first complete draft of new manual.	ISWGNA approval of final draft.
December 2007	Complete revised draft circulated to countries for review. (Also on IMF website.)	
February – June 2008	Regional Seminars	
March 2008		UN Statistical Commission endorsement of final draft.
July 2008	Near final draft posted on IMF website.	
October 2008	BOPCOM Annual Meeting for approval of final draft.	

AEG—National Accounts Advisory Expert Group

BOPCOM—IMF Committee on Balance of Payments Statistics

ISWGNA—Intersecretariat Working Group on National Accounts

Contributors: *Hidetoshi Takeda, Antonio Galicia-Escotto and John Joisce.*

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## Inter-Agency Task Force on Finance Statistics (TFFS) Annual Meeting 2005

*As part of the continuing inter-agency collaboration on the work on external debt statistics, the Inter-Agency Task Force on Finance Statistics (TFFS) held its annual meeting at the Commonwealth Secretariat in London in April 25–26, 2005. During the meeting, representatives of participating TFFS agencies examined a number of issues related to their work on debt statistics including the IMF's draft Data Quality Assessment Framework (DQAF) for External Debt Statistics; recent developments in the production of the BIS-IMF-OECD-World Bank Joint Debt Statistics Table (JDS); the World Bank Quarterly External Debt Statistics (QEDS) launched in November 2004; progress in the development of the Statistical Data and Metadata Exchange (SDMX) pilot project—the Joint External Debt Hub (JEDH); the development of public debt statistics; the balance sheet approach and its implications for external debt statistics; progress on the work of updating BPM5 including issues that impact the External Debt Statistics: Guide for Compilers and Users (External Debt Guide); and the treatment of HIPC and exceptional financing in the balance of payments statistics.*

### DQAF on External Debt Statistics

The TFFS supported the finalization of the External Debt Statistics DQAF which was developed by the IMF to fill an existing gap in external debt statistics, particularly in the area of data quality. An article on the External Debt DQAF appears on page 10 of this edition of the *Newsletter*.

### Joint Debt Statistics Table

The JDS table was first launched in 1999 to bring together on the web external debt data that are available from market and creditor sources (see [www.imf.org/external/np/sta/ed/ed.htm](http://www.imf.org/external/np/sta/ed/ed.htm)). The number of 'hits' on the site has confirmed its use as a source of external debt data. At the TFFS meeting, IMF staff presented a draft revised table featuring 26 lines (almost double those in the current JDS table) covering data on loans, trade credits, debt securities, and the IMF's CPIS data (the counterparty of creditor assets) as a supplementary item given its annual frequency. The TFFS supported the revamped table and agreed that it should be launched at the time of launching the JEDH during the first quarter of 2006 (see below). The TFFS agreed that industrial countries should also be included in the list of countries.

### Quarterly External Debt Statistics Database (QEDS)

The TFFS noted the successful collaboration of the World Bank and the IMF in launching the QEDS database in November, 2004, which assembles in one place detailed external debt data (national data) published individually by SDDS subscribing countries. The availability of comparable external debt data in one central location is beneficial in facilitating time series analysis and cross-country data comparison. As of mid-October 2005, 55 countries had signed to the QEDS of which 54 are currently providing data—although with some degree of unevenness.

All countries provided data sought in Table 1 of the QEDS' tables, which is essentially the SDDS prescribed items. Twelve countries reported foreign and domestic currency breakdown while 7 reported public and public guaranteed and non-guaranteed debt. The TFFS considered that going forward more priority should be given to expanding the range of reporting countries and increasing the coverage in the tables beyond Table 1, particularly the SDDS encouraged items and remaining maturity tables. The database is accessible using the following link [http://www.worldbank.org/data/working/QEDS/sdds\\_main.html](http://www.worldbank.org/data/working/QEDS/sdds_main.html)

### Joint External Debt Hub

As part of its work program to increase the availability and transparency of external debt data, the TFFS is developing a Joint External Debt Hub. This Hub will bring together in one location the JDS table (from market and creditor sources) and data from national sources (from QEDS), under the Statistical Data and Metadata Exchange (SDMX) technology.

The TFFS noted the progress in the work of developing the SDMX Technical Standards and the JEDH, which is being undertaken by the SDMX Pilot Project Team—involving the BIS, IMF, OECD and World Bank. The JEDH production work is scheduled to be completed by end 2005.

During the meeting, the IMF presented a discussion paper—"Developing Comparator External Debt Tables for the SDMX Hub"—which was produced in close consultation with the BIS and the



World Bank as part of the work commissioned by the TFFS in May 2004 for advancing the SDMX project. The paper explored pertinent issues in comparing external debt data from creditor/market and national sources on a country-by-country basis, where both sets of data are available. One of

## Public Debt Statistics

Following on its commitment at the May 2004 TFFS meeting to investigate modalities for collaborating on the development of a comprehensive framework for compiling public debt data from country authorities, the IMF developed and pre-



Members of the TFFS representing the BIS, Commonwealth Secretariat, IMF, OECD, UNCTAD and the World Bank during their meeting at the Commonwealth Secretariat in London.

*(Photo courtesy of the Commonwealth Secretariat)*

the main conclusions of the paper is that comparison should be undertaken in a phased manner i.e., at the first phase comparison could be undertaken at the instrument level for three instruments—loans, debt securities and trade credits—and in the second phase extended to sector and maturity level. In reviewing a similar comparison exercise done by the BIS, the TFFS noted that comparison using independent data sources could support countries in their efforts to improve the quality of their external debt data. The work on comparison tables will continue.

*Contributor: Andrew Kitili*

sent to the meeting initial draft public sector debt templates for consideration. The draft templates were based on the concepts outlined in the *Government Finance Statistics Manual (GFSM2001)*, *BPM5*, and the *External Debt Guide*, and were consistent with debt data requirements under the SDDS and GDDS subscribers. Currently the SDDS prescribes the dissemination of data on central government debt, including guaranteed debt. The TFFS supported the IMF's proposal to undertake pilot studies to test the templates in a sample of countries.

# Data Quality Assessment Framework for External Debt Statistics

*In June 2005, with the support of the International Task Force of Finance Statistics (TFFS), the Statistics Department concluded the preparation of the Data Quality Assessment Framework (DQAF) on external debt statistics. The DQAF is a powerful tool to assess the quality of external debt statistics and will contribute to the identification, promotion, and assessment of good practices in their compilation and dissemination. The DQAF on external debt statistics intends to be comprehensive, transparent, balanced between detail and bird's-eye view, and applicable to any country.*

## Background

International crises in the 1990s reinforced the need for strengthening data on financial variables. External debt, especially private sector short-term debt, was identified as one of the key areas for improvement. In response, a long-term strategy was designed by the international agencies participating in the International Task Force of Finance Statistics (TFFS)<sup>1</sup>. The strategy includes updating and enhancing external debt methodology; encouraging more comprehensive external debt reporting; strengthening IMF's data standards initiatives; bringing together available data from international organizations; training compilers in external debt statistics; and working on data quality issues. This article focuses on the data quality component of this strategy.

## The New DQAF on External Debt Statistics

In June 2005, with the support of the TFFS, the IMF's Statistics Department concluded the preparation of the DQAF on external debt statistics. The document is available in English at: <http://dsbb.imf.org/Applications/web/dqrs/dqrsdqaf/>

Translation of the DQAF on external debt statistics into French, Spanish and Chinese is also available, and translations into Russian and Arabic will be available later.

The DQAF on external debt statistics follows a broad view of quality, which looks at quality-re-

lated features of governance of statistical institutions, core statistical processes, and statistical outputs. The DQAF on external debt statistics draws from the Generic DQAF, prepared by STA in July 2001 and reviewed in July 2003.<sup>3</sup> The DQAF on external debt statistics adds to the existing DQAFs on six datasets.<sup>4</sup>

The DQAF on external debt statistics is organized around a set of prerequisites of quality and five dimensions of quality (assurances of integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility).

- *Prerequisites of quality* identify conditions within the main agency in charge of compiling external debt statistics that have an impact on data quality (legal and institutional environment, available resources, relevance, and quality awareness).
- *Assurances of integrity* identify features that support firm adherence to objectivity in the collection, processing, and dissemination of external debt statistics so as to maintain users' confidence (professionalism, transparency, and ethical standards).
- *Methodological soundness* refers to the application of international standards, guidelines, and accepted practices for the compilation of external debt statistics as provided by the *External Debt Statistics: Guide for Compilers and Users (Guide)*<sup>5</sup>, published by the TFFS in 2003. Basic building blocks are concepts and definitions, scope, classification and sectorization, and basis for recording.
- *Accuracy and reliability* identify features that contribute to the goal that external debt data portray reality (source data, statistical techniques, data validation, and revision studies).

<sup>3</sup> Material related to the Generic DQAF and the quality of macroeconomic data available at <http://dsbb.imf.org/Applications/web/dqrs/dqrsdhome/>

<sup>4</sup> National accounts, consumer price indices, producer price indices, government finance statistics, monetary statistics, and balance of payments.

<sup>5</sup> The Guide's conceptual framework derives from the fifth edition of the Balance of the Payments Manual (BMP5) and the System of National Accounts 1993 (1993 SNA). The Guide is available at: <http://www.imf.org/external/pubs/ft/jeds/Eng/Guide/index.htm>

<sup>1</sup> The TFFS is chaired by the International Monetary Fund and includes representatives from the Bank for International Settlements, Commonwealth Secretariat, European Central Bank, Eurostat, Organisation for Economic Co-operation and Development, Paris Club Secretariat, United Nations Conference on Trade and Development, and the World Bank.

- *Serviceability* focuses on practical aspects of how well external debt statistics meet users' needs (appropriate periodicity and timeliness, internal consistency and consistency with other datasets, and revision policy and practice).
- *Accessibility* deals with the extent to which external debt data and metadata are easily

tics was used as working material by the participants in the course held at headquarters in July 2005. Also it can help strengthen the IMF's operational work through assessments of quality of external debt statistics.

- Country authorities can use the DQAF on external debt statistics for enabling the self-



Participants and staff at the first IMF headquarters-based course on external debt statistics in Washington, D.C. (July 2005).

available (data presented in a clear manner, forms of dissemination are adequate, and up-to-date and pertinent metadata are available), and assistance to users is adequate.

The DQAF on external debt statistics identifies a non-exhaustive list of “good practices” in the compilation and dissemination of external debt statistics. The DQAF has a cascading structure, moving from the dimensions common to all datasets, as captured in the Generic Framework, to the more detailed aspects appropriate to external debt statistics.

### Applications of the DQAF on External Debt

The IMF envisages that the DQAF on external debt statistics will become a useful tool for at least four groups of users:

- The IMF is using the DQAF in its training courses, and in the design of technical assistance programs in external debt statistics. For example, the DQAF on external debt statis-

assessment of their external debt statistical system. Those compilers using the DQAF on IMF training courses have noted its value in identifying strengths and weaknesses in their data compilation and dissemination approaches. Also, such assessments encourage preparation of well-targeted improvement plans that could help garner donor support as needed. The DQAF might also be useful for opening eyes to good practices in the compilation and dissemination of external debt data.

- Work with other international organizations on harmonizing approaches to data quality is of high priority. For example, UNCTAD has already included the new DQAF in its training program.
- Financial market participants (private and public data users) could get an overview of the dimensions that make up external debt data quality, equipping them to gauge data quality for their own purposes.

Contributor: Eduardo Valdivia-Velarde

# Balance of Payments Statistics and Data on Remittances: Progress Report

Over the last 12 months, the statistical community has been working on improving data on remittances in the balance of payments framework. The most important events and achievements include (1) an international meeting of data compilers and users in January 2005, which identified data needs and clarified priorities for improving concepts and compilation practices, (2) conceptual improvements, which were developed by the UN Technical Subgroup on the Movement of Natural Persons and other stakeholders and approved by the IMF Committee on Balance of Payments Statistics (the Committee) and (3) the development of plans to improve compilation guidance, including a city group that is being formed jointly by Eurostat and the IMF Statistics Department.

## Background

Remittance flows are large and growing. The *Balance of Payments Statistics Yearbook 2005* (Part 2) indicates that global remittance receipts reached US\$ 193.7 billion in 2004, up from US\$ 104 billion in 1998 (measured as the sum of “workers’ remittances” and “compensation of employees”). Remittance receipts are an important resource inflow in a wide range of countries, from Central America to Southeast Europe, South and Central Asia, and Pacific island economies.

The importance of remittances, and improved statistical data on them, was emphasized by the G8 leaders meeting at Sea Island in 2004. This meeting called for the establishment of a statistical working group for improving remittance data.

At the October 2004 meeting of the Committee, the United Kingdom presented a paper drawing attention to international migrant remittances, and reported on a set of actions agreed by the G8 meeting. The presentation concluded that the balance of payments framework would be central to the G8 initiative which the Committee endorsed.

This was followed in January 2005 by a meeting of around 60 data users and compilers from various countries and international organizations jointly organized by the IMF and World Bank to clarify the needs of data users and agree a strategy towards improving the available data. The meeting agreed that balance of payments statistics are the appropriate framework for collecting, reporting and improving official statistics on remittances; that balance of payments concepts and definitions relating to remittances should be reviewed; and that

improved guidance for collecting and compiling remittance statistics, including through the use of household surveys, is needed.<sup>6</sup>

Since the meeting in January, further progress has been made.

## Concepts and definitions

At the January meeting it was agreed that the United Nations Technical Subgroup on the Movement of Natural Persons (TSG) should be the forum to discuss improvements in concepts and definitions for remittances. The TSG was established by the UN Statistical Commission to develop a conceptual framework for the measurement of the movement of natural persons and includes central banks, national and international statistical agencies in its membership. It is chaired by the UN Statistics Division. The TSG developed the following recommendations, which were, subsequently accepted by other international fora, including the Committee.

- the “workers’ remittances” item in the balance of payments be replaced with a new component “personal transfers”, comprising all current transfers in cash or in kind made or received by resident households to or from other nonresident households.
- a new aggregate, “personal remittances”, should be reported in the balance of payments presentation as a memorandum item comprised of current transfers in cash or in kind, made or received, by resident households to or from nonresident households, and “net” compensation of employees earned by persons working in economies where they are not resident.<sup>7</sup> Migrants’ transfers would not be included.<sup>8</sup>
- a new aggregate of “total remittances” should be introduced in the balance of payments as a

<sup>6</sup> Further information on the meeting, including all papers and presentations, is available at <http://www.worldbank.org/data/remittances.html>.

<sup>7</sup> This concept refers to “compensation of employees” net of, i.e. less, taxes on income, social security contributions, and travel and passengers transportation related to the short-term employment.

<sup>8</sup> In fact, the Committee agreed to remove the “migrants’ transfers” line from the capital account of the balance of payments. This item was considered, in most cases, unrelated to remittances and hence misleading.

memorandum item comprised of “net” compensation of employees and current transfers in cash or in kind payable by resident sectors to non-resident households and nonprofit institutions serving households (NPISH), and receivable by resident households and NPISH from any nonresident sector.

Consideration is being given to alternative definitions of personal and total remittances also including capital transfers receivable by households and, in the case of total remittances, NPISHs.

The AEG preferred a broader definition of “personal remittances” that included, among the current transfers, those provided by all sectors (i.e., not only by households) to households in the partner economy. Discussions are proceeding to resolve this difference in the views of the Committee and the AEG.

Reporting of bilateral remittance flows is not currently required in the balance of payments, but the recommendation of the TSG is that flows to and from major partner countries should be identified.

### Compilation guidance

There are varied practices by balance of payments compilers in estimating remittance flows. Some countries use bank reporting systems, some use modeled estimation based on household surveys and labor force data, and some use counterpart data. There are known weaknesses in many of the methods due to, for instance, reporting thresholds of banks, outdated sources for estimating model parameters, and difficulties in capturing informal flows. A common and important issue is that many countries are unable to devote significant addi-

tional resources to collecting data on remittances or to improving compilation methodology. For many compilers, remittances data have less priority than other balance of payments components.

At the January 2005 meeting, compilers agreed that it would be useful to form a working group to review methods and, in the medium term, develop more detailed guidance for compiling remittances data. The proposed format was a “City Group”. Eurostat has offered to host and jointly organize the first meeting in Luxembourg in June 2006. While Eurostat and the IMF Statistics Department will jointly plan the group’s inception, the commitment of national compilers, as its primary contributors, is the prerequisite to the group’s success.

Another useful forum will be the Center for Latin America Monetary Studies (CEMLA) project to improve central bank remittance reporting and procedures, which is supported by the Multilateral Investment Fund of the Inter-American Development Bank. Technical advice for this work will be provided by an International Advisory Council, including the IMF and World Bank.

### Reporting to G7 Finance Ministers

The January 2005 meeting also agreed that the World Bank, IMF and a few partner countries, in collaboration with UN Statistics Division, will prepare a report for G7 Finance Ministers in 2005. The report will describe the results of the conceptual work in the context of the revision of the IMF’s *Balance of Payments Manual*, will outline any progress made in improving data collection and compilation guidance.

*Contributor: Jens Reinke*

### Compensation of Employees and Workers’ Remittances, 1998 to 2004

(In millions of U.S. dollars)

Year	1998	1999	2000	2001	2002	2003	2004
<b>Sum of compensation of employees and workers' remittances</b>							
Credit	103992	108008	112164	120932	138712	170121	193685
Debit	103506	105182	107683	115440	131237	143380	161635
Global discrepancy	486	2826	4481	5492	7475	26741	32050

Source: *Balance of Payments Statistics Yearbook 2005, Part 2.*

## IMF Issues Standardized Information on Country Practices in Compiling Direct Investment Data

In May 2005, the IMF Statistics Department posted on the IMF's external website standardized information on the compilation and methodological practices followed by 54 countries in preparing foreign direct investment data. Information on these practices (the so-called "metadata") are regarded as essential for analysts to make meaningful cross-country comparisons of the data, as well as for effective bilateral reconciliations. The metadata also prepare the ground for improving conformance with agreed international standards set by the IMF and OECD for data compilation and presentation.

The metadata relate to practices in 2003 and update and supplement metadata for 2001 that appear on the IMF's external website at <http://www.imf.org/external/np/sta/di/mdb97.htm>.

The 54 countries comprise 28 OECD countries<sup>9</sup> and 26 other countries.<sup>10</sup>

The metadata were obtained from questionnaire responses to the Joint IMF/OECD Survey on the

Implementation of Methodological Standards for Direct Investment (SIMSDI), 2003. The purposes of the survey were as follows:

- determine the extent to which member countries had implemented the recommendations on direct investment statistics set out in the statistical manuals of the IMF and OECD as at the end of 2003;
- obtain standardized information on data sources, collection methods, and reporting practices for each country's FDI data;
- facilitate the exchange of information between reporting economies; and
- provide information when approved by the individual respondents, to users of FDI data—including financial analysts, academics, and statisticians—on the methodology and compilation practices of each country, with the aims of promoting better understanding of the methodology and facilitating improved analysis of the FDI data.

The 2003 survey was intended to cover most IMF members countries, and the response rate was high, with over 110 countries submitting questionnaire responses. The responses to the survey have been valuable to the IMF and OECD in identifying aspects of the present methodology that are being reviewed in the revision of *BPM5* and in providing information to facilitate that review.

*Contributor: Neil Patterson*

<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.

## COUNTRY FOCUS

### Use of SIMSDI Results: An Australian Perspective

The Australian Bureau of Statistics (ABS) completed the 2003 Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI) on behalf of Australia. Including responding to queries on its initial response and correcting errors made in that response, completion took considerable effort by senior staff working on international investment statistics.

#### Why does the ABS go to this effort?

There are a number of reasons why the ABS completes SIMSDI and attempts to ensure that the information that is provided is as complete and accurate as possible. In the first instance, the ABS recognizes its obligations to publish its methods and to allow other organizations to understand how the ABS measures direct investment. One of the regularly quoted dimensions of quality is interpretability, the ability to access metadata on a statistic, and it is towards this end that the ABS contributes to the SIMSDI.

The second major reason is to understand differences in concepts and methods when undertaking bilateral comparisons. There are differences in direct investment transactions and positions measured by the ABS and those measured by counterparties. Understanding the differences can lead to improvements in the methods used to compile ABS series, or assist to explain differences in

what is conceptually the same number when answering queries from users.



Finally, the other use to which SIMSDI is put by the ABS is assisting when addressing deficiencies in ABS statistics. When there is a recognized lack which the ABS is attempting to address (e.g., household claims on equity), then SIMSDI identifies countries from which the ABS may be able to learn.

Contact with the relevant agencies can significantly reduce the amount of time and effort put into research.

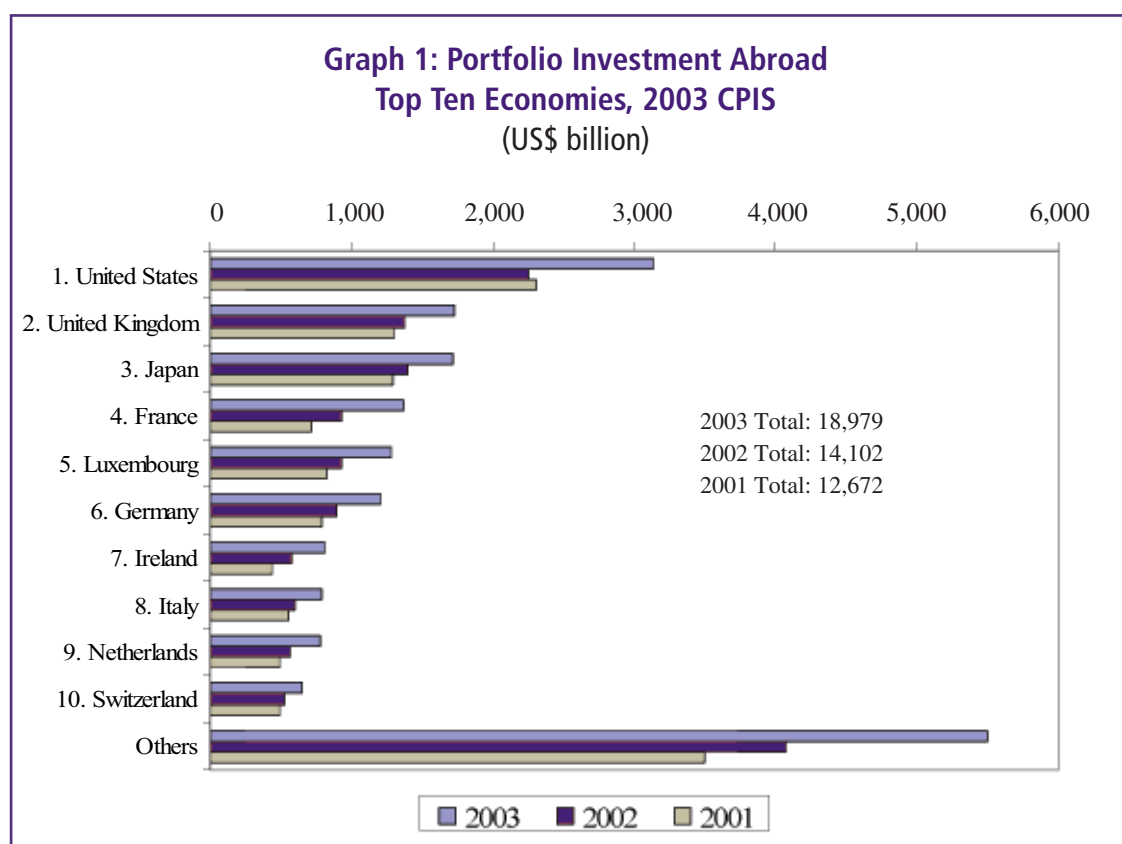
*Contributor: Australian Bureau of Statistics*

## 2003 Coordinated Portfolio Investment Survey

In March 2005, the preliminary results of the 2003 Coordinated Portfolio Investment Survey (CPIS) were posted on the IMF's external website (<http://www.imf.org/external/np/sta/pi/datar1.htm>). The CPIS provides data on the holdings of equity, and long-term and short-term debt securities, by counterpart economy of issuer, all at current market prices. The CPIS has been conducted on an annual basis since 2001 following a limited survey in 1997.

To include estimates of securities included in reserve assets, for which geographic breakdowns for individual countries are confidential, the Fund undertakes an annual survey of the Geographical Distribution of Securities held as Foreign Exchange Reserves (SEFER). In conjunction with this the Fund also undertakes a Survey of the Geographical Distribution of Securities held by International Organizations (SSIO). The results of these surveys are combined with the results of the CPIS data reported by participating economies.

Graph 1 gives a summary presentation of portfolio investment assets as shown by the preliminary results of the 2003 CPIS for the ten largest holders of securities and compares these with the results of the 2001 and 2002 CPIS. Graph 2 shows the derived data for portfolio investment liabilities, also for the ten largest countries, and compares the preliminary results of the 2003 CPIS with the results of the 2001 and 2002 CPIS. The holdings of portfolio investment assets rose from US\$14.1 trillion in 2002 to US\$19.0 trillion in 2003, a period in which equity prices were generally rising. The increase in dollar terms also reflected the depreciation of the dollar. Partly because of the increase in equity prices, in 2003 there was an increase in the share of equities in total portfolio investment compared with 2002. The graphs show that the top ten countries (including securities held in reserves) accounted for about three-quarters of global portfolio investment assets and liabilities in both 2002 and 2003.

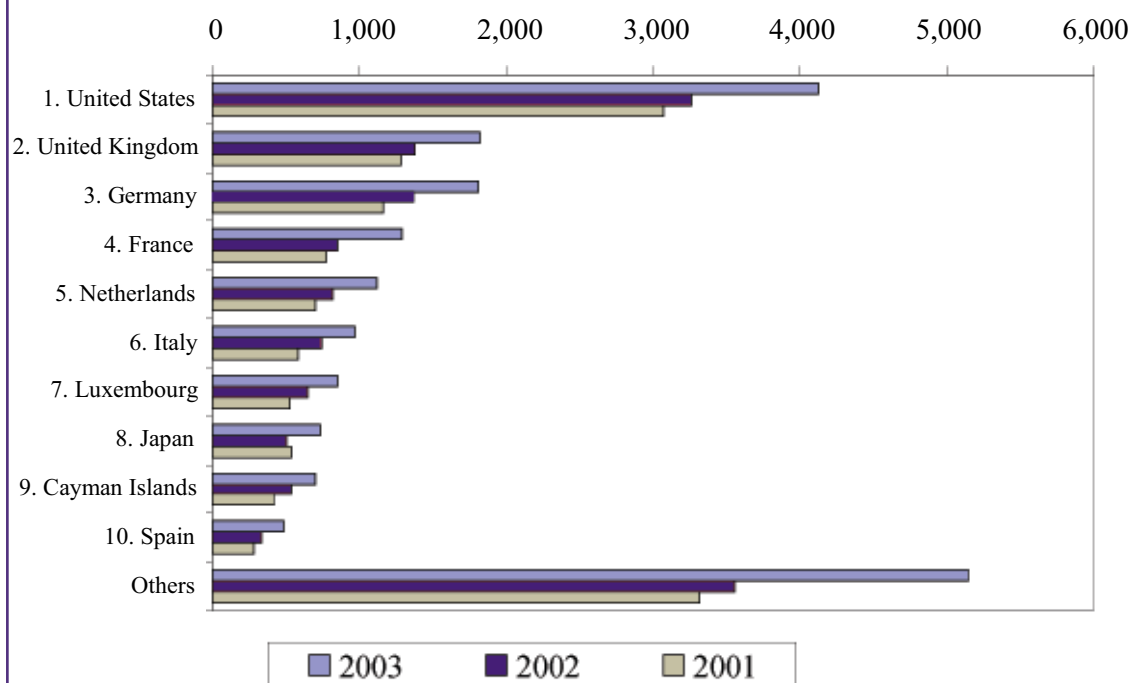




A total of 66 economies participated in the 2002 CPIS and 69 in the 2003 CPIS. The participating countries are listed in Table 1 (page 18). They cover all country groups except some petroleum exporting economies, some small economies with international financial centers, and some large reserve holding economies. The missing data comprise portfolio investment by nonparticipating economies, lack of coverage by some small economies with international financial centers, and, as a result of difficulties faced by many participating economies in collecting data on securities held by households with nonresident custodians, a possibly significant undercoverage of the household sector.

country and instrument attribution in reported CPIS data for both equities and debt securities. These comparisons have resulted in a review of the confidentiality rules that are followed by reporting economies and consistency in their application. They also indicate a possible bias toward reporting the country in which securities are issued rather than the country of residence of the issuer, which may have led to some underreporting of the derived portfolio investment liabilities of some smaller economies. Misreporting of the country of residence of the issuer may have led to some unusual outliers. These issues are currently being addressed. The resulting creditor data for portfolio investment liabilities in the form of debt securities

**Graph 2: Derived Portfolio Investment Liabilities  
Top Ten Economies, 2003 CPIS  
(US\$ billion)**



The CPIS data for the derived portfolio investment liabilities of individual economies are proving useful for compilers and users in conjunction with other data sources. For external debt statistics, the CPIS data can be compared with data published by the Bank for International Settlements (BIS) on issues of international debt securities and with country international investment position data for nonresidents' holdings of debt securities. A comparison of these data sources with the results of the CPIS is being undertaken with a view to identifying possible deficiencies in

will be included in the expanded Joint Debt Statistics Table.

As a guide to users of the CPIS data, metadata on the compilation practices of participating economies were posted on the IMF's CPIS website in September 2003. These metadata are updated on an annual basis. The results of the 2004 CPIS will be posted on the IMF's external website in early 2006.

*Contributor: Simon Quin*

**Table 1: Economies that Participated in the 2002 and 2003 CPIS**

Argentina	Japan
Aruba	Jersey
Australia	Kazakhstan
Austria	Korea, Republic of
Bahamas, The	Lebanon
Bahrain*	Luxembourg
Belgium	Barbados **
Macao SAR of China	Bermuda
Malaysia	Brazil
Malta	Bulgaria
Mauritius	Mexico **
Canada	Netherlands
Cayman Islands, The	Netherlands Antilles
Chile	New Zealand
Colombia	Norway
Costa Rica	Panama
Cyprus	Philippines
Czech Republic	Poland
Denmark	Portugal
Egypt	Romania
Estonia	Russian Federation
Finland	Singapore
France	Slovak Republic
Germany	South Africa
Greece	Spain
Guernsey	Sweden
Hong Kong SAR of China	Switzerland
Hungary	Thailand
Iceland	Turkey
Indonesia	Ukraine
Ireland	United Kingdom
Isle of Man	United States
Israel	Uruguay
Italy	Vanuatu
	Venezuela, República Bolivariana de

\* Participated in the 2001 CPIS and the 2003 CPIS and subsequently on an annual basis.

\*\* New participants in the 2003 CPIS

## Around the IMF's Statistics Department

### IMF's Statistics Department moves to new offices.

On June 6, 2005, the IMF Statistics Department moved from International Square to its new offices located in the IMF's second headquarters building in downtown Washington, D.C. The new building, which is adjacent to the IMF's existing headquarters building at 700 19<sup>th</sup> Street, N.W. Washington, D.C was formally opened on May 16, 2005.



The IMF's press release on the opening of the new IMF building is available at: <http://www.imf.org/external/np/sec/pr/2005/pr05106.htm>

### Over 100 countries reporting data on the International Investment Position (IIP)

Over 100 countries are now reporting data on the IIP for inclusion in the *International Financial Statistics* and the *Balance of Payments Statistics Yearbook*, triple the number of reporters before the financial crises of the late 1990s. In recent years, the IMF Statistics Department has increased the focus of its work with countries on the IIP, and this is supported by ongoing statistical initiatives such as on external debt, international reserves and the Coordinated Portfolio Investment Survey.

## Upcoming Events

The six-week course on balance of payments statistics will be held on May 15-June 23, 2006. This course is designed for officials whose main responsibility is compiling balance of payments statistics.

For additional information on this course, please see the *IMF Institute Program 2006*, available online at: <http://www.imf.org/external/np/ins/english/pdf/inst2006.pdf>

## What's on the Web

The Data Quality Assessment Framework for External Debt Statistics has been posted on the IMF's Data Quality Reference Site ([http://dsbb.imf.org/vgn/images/pdfs/DQAF\\_EXD\\_Statistics.pdf](http://dsbb.imf.org/vgn/images/pdfs/DQAF_EXD_Statistics.pdf)). The dataset specific DQAF encompasses five dimensions—assurances of integrity, methodological soundness, accuracy and reliability, serviceability and accessibility—of data quality and a set of prerequisites for data quality.

In view of the increasing attention on international remittances, the IMF Statistics Department has launched a new web page on remittance statistics, located at <http://www.imf.org/external/np/sta/bop/remitt.htm>

The results of the 2003 Coordinated Portfolio Investment Survey (CPIS) are posted on the IMF's external website (<http://www.imf.org/external/np/sta/pi/datarisl.htm>).

Papers from the eighteenth meeting (June 27-July 1, 2005) of the IMF Committee on Balance of Payments Statistics are posted on the external website at <http://www.imf.org/external/bopage/stindex.htm#com>).

Standardized information on the compilation and methodological practices followed in 2003 by 54 countries in compiling foreign direct investment data are posted on the external website at <http://www.imf.org/external/np/sta/di/mdb97.htm>.



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Newsletter  
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(<http://www.imf.org/external/pubs/ft/bop/news/index.htm>)

The IMF Balance of Payments Statistics newsletter is published by the Statistics Department of the International Monetary Fund. The purpose of the newsletter is to inform balance of payments data compilers and users about national and international developments in the collection of such data.

Editions are published in Chinese, English, French, Russian, and Spanish. The opinions and material contained in this newsletter do not necessarily reflect the official views of the IMF. Draft submissions are welcome and should be addressed to Paul Austin, Editor, IMF Balance of Payments Statistics Newsletter, Balance of Payments and External Debt Division II, Statistics Department, HQ2-10B259 International Monetary Fund, Washington, D.C. 20431, U.S.A. Telephone: (202) 623-7922 Fax: (202) 623-8017. Graphic design for this newsletter is provided by Kathy Tilmans.

End-year 2005

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## Recent Trends in Global Balance of Payments Statistics

The *Balance of Payments Statistics Yearbook Part 2* provides aggregated country data by major balance of payments components. For each component, data for countries, country groups, and the world are disseminated. Data in the recently published 2005 *Yearbook* record a global current account imbalance (deficit) of US\$ 27.4 billion for 2004, which is well below the recent annual average.

The imbalance of exports over imports on goods decreased slightly to US \$53.4 billion, even though the total value of transactions in goods increased approximately 20 percent from 2003, indicating a continued increase in the level of global trade in goods. The balance on services was a modest US \$12.5 billion, with revenue exceeding expense, even though the imbalances in 2004 in transportation services, travel, government services, and other services were at a recent high.

The imbalance of expense over receipts on income of US \$68.6 billion in 2004 remained below its recent average. However, within this total there were divergent trends. Direct investment reinvested earnings recorded US \$115.5 billion more credits (earnings on outward investments) than debits (earnings on inward investment), while portfolio and other investment income continued to have the largest imbalance in the current account with

debits (outward expense) exceeding credits (inward revenue) by US\$ 130 billion.

The discrepancy on the capital account at US\$ 0.6 billion in 2004 was at its lowest for many years. The aggregate discrepancy in the financial account switched from an excess of liabilities over assets of US\$ 113.0 billion in 2003 to an excess of assets over liabilities of US\$ 94.7 billion in 2004. It is unusual for the reported value of asset transactions to exceed those of liabilities.

In 2004, the US \$ 129.7 billion imbalance in direct investment (assets exceeding liabilities) was the largest since 2000, mainly due to the imbalance in reinvested earnings; the US\$ 207.4 billion imbalance in portfolio investment (liabilities exceeding assets) almost doubled from 2003 levels; while the imbalance in other investment switched from a small excess of liabilities over assets in 2003 to a significant excess of transactions in assets compared with liabilities (US\$ 118.4 billion) in 2004. Reserve assets excluding liabilities constituting foreign authorities' reserves totaled US\$ 41.8 billion in 2004.

A fuller discussion of the global imbalances will appear in the 2005 *Annual Report of the IMF Committee on Balance of Payments Statistics*.

Contributor: Colleen Cardillo

## Recent Publications

### Balance of Payments Statistics Yearbook 2005

The IMF has released Volume 56 of the *Balance of Payments Statistics Yearbook (BOPSY)*. Issued in three parts, this annual publication contains balance of payments and international investment position data. Part 1 of the 2003 BOPSY provides detailed tables on balance of payments statistics for approximately 170 countries and international investment position data for 104 countries. Part 2 presents tables of regional and world totals of major balance of payments components. Part 3 contains description of methodologies, compilation practices, and data sources used by reporting countries.

Statistics published in Parts 1 and 2 of the *Yearbook* are also available on CD-ROM. The monthly CD-ROM provides updates and revisions of Part 1 data as they become available.

### IMF Committee on Balance of Payments Statistics Annual Report 2004

The *IMF Committee on Balance of Payments Statistics Annual Report 2004* was released in November 2005. The Annual Report reviews the work program undertaken by the Committee in 2004, including those related to revising the *Balance of Payments Manual*, fifth edition (BPM5), and ongoing statistical initiatives on portfolio investment, direct investment and remittances. The *Annual Report* is available online at: <http://www.imf.org/external/pubs/ft/bop/2004/ar/index.htm>.

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