Institutional arrangements and methodological issues in the compilation of BOP and NA – Results of the survey

UNECE Statistical Division

Workshop on the implementation 2008 SNA: Consistency between national accounts and balance of payments statistics
3-5 October 2017, Minsk, Crowne Plaza Minsk Hotel
I. Institutional arrangements
II. Data collection and production
III. Evaluation and plans for improvement
IV. Specific issues

• 18 countries (20 replies)
I. Institutional arrangements

• Responsible compilers
  • National Accounts: NSOs (1 country ROW by CB)
  • Balance of payments: CB (1 country Ministry of Economy)
  • Financial accounts: Split between NSO or CB
    • Produced and published in 5 countries (2 NSOs, 3 CB)
    • Experimental or partial in 7 countries
    • Not produced in 6 countries

• Subject to the Statistical Law
  • NSO in all countries (produce and disseminate)
  • CB in most countries
    • Not included in 2 countries
    • Not clear in 4 (only as data provider)
I. Institutional arrangements

• Cooperation mechanisms
  • Agreements (MoU) between NSO and CB in all countries
    • In 4 countries included in statistical work program
    • Often agreements involve also MoF or other institutions (Customs, Ministry of Economy, etc.)
    • In 2 countries specifically focused on the 2008 SNA implementation, in others broader for compilation of macroeconomic statistics
    • Mostly for data exchange (rarely to improve quality or implement classifications, methods)
  • Working groups in half of the countries
    • Dealing more with methodology
    • Discussing major revisions, consistency
II. Data collection and production

- Data sources to compile BoP and ROW
  - BOP (Customs, CB, NSO, ITRS, MoF, etc.)
    - Current account: customs data (often first processed by NSO); bank reports to CB; CB & NSO surveys on services trade; ITRS; enterprise surveys; administrative and other data from public authorities, trade in energy from respective agencies, FDI survey
    - Capital account: ITRS; household surveys; MoF; estimations based on customs data
    - Financial account: data reported from banks and other financial institutions to CB; data for insurance companies from supervising agencies; FDI survey; MoF; monetary statistics
  - Data are used both for direct calculations, as well as for cross-checks
  - $\text{ROW} \leftarrow \text{BOP} + \text{adjustments}$
II. Data collection and production

• Coordination of production. Consistency.
  BoP - ROW (ROW is not compiled in 2 countries; Sector accounts are often compiled only annually)
  • BOP data is the source for ROW
    • CB typically responsible for data collection
    • Feedback from the adjustments made by NSO is needed
    • Broad coordination – information only on main revisions, ad-hoc comparisons (Kyrgyzstan, Moldova…)
  • Some countries have more coordinated production
    • Regular consistency checks, WG, removing differences, etc
  Financial – non-financial accounts (Work in progress in many countries)
    • Regular checks and synchronization (Russia, Serbia, Turkey, Ukraine, …)
II. Data collection and production

Components contributing most to inconsistencies

- No analysis of the discrepancies in about half of the countries
- Lack of feedback of NSO adjustments
- Most often to inconsistencies contribute:
  - Estimates for non-observed economy (e.g. household sector, illegal trade, narcotics)
  - Remittances/Primary income (households)/Other current transfers
  - FISIM
- Other items mentioned by individual countries
  - CIF/FOB adjustments
  - Classification/coverage of certain transactions or institutional sectors
Revision and publication calendars separately for BoP and NA exist in most countries.

Regular national accounts revisions follow and incorporate BoP revisions. Back link is rare.

In some countries BoP switched to BPM6 before 2008 SNA was introduced (Kazakhstan, Tajikistan, ...)

Synchronisation of revision policies and calendars
- Synchronized revision policies in 6 countries
- Coordination of annual releases and when major revisions occur in another 7 countries
- Revision policies are less coordinated in others

Publication calendars – no common releases, BoP usually published first
III. Evaluation of the current situation and future plans

**Strengths**
- Cooperation between NSO and CB
  - Coordinated data collection and data sharing
  - Better use of resources and expertise
- Different data sources allow cross-checking data
- Good cooperation with relevant international organisations

**Areas for further development**
- Further strengthening cooperation, feedback, improving consistency
- Common IT tools, automated data processing
- Full implementation of SNA/BPM, sector accounts, coverage
- Obstacles to data sharing, confidentiality
- Improving specific areas: Goods for processing, merchanting, FISIM, CIF/FOB adjustment, cash transfers, etc.
IV. Specific issues

- Coverage of the institutional sectors
  - Consistent coverage of institutional sectors in all but 2 countries
    - Under-coverage linked mainly to some household transactions
    - BoP can not always provide the necessary sector breakdown
  - Classification of institutional sectors (in some countries still under development) in 8 countries
    - Working groups including CB, MoF and NSO exist in some countries
IV. Specific issues

• Unit for large multinational companies
  • No specialized LCU in any country
  • MNEs part of the regular collection and processing of enterprises data
  • MNEs do not have a big impact on the economy
  • FATS surveys conducted in some countries
IV. Specific issues

- **Specific BoP/ROW items – coordination of methods**
  - Good coordination of estimation methods and adjustments for most BOP-ROW items in 3 countries
  - In most countries partial coordination: most often mentioned CIF/FOB, compensation of employees/remittances, travel services
  - In many countries CB are in charge for estimating the respective items, NSOs are using as data source
    - In some countries BoP switched to BPM6 earlier -> no coordination
  - FISIM, goods for processing, merchanting and remittances were indicated challenging areas by several countries
IV. Specific issues

• Trade asymmetry reconciliation exercises
  • Carried out in about half of the countries, predominantly by the CB
    • CEFTA reconciliation of trade in services, FDI and FATS: Albania, Moldova, Montenegro (planned), Serbia (planned)
    • Bilateral comparisons of foreign trade in goods and services in EAEU: Belarus, Kazakhstan, Kyrgyzstan
    • Bilateral reconciliation of BoP positions: Belarus-Russian Federation, Belarus-Ukraine, Kyrgyzstan-Russian Federation
    • Periodical or ad-hoc mirror comparisons with selected partner countries
IV. Specific issues

• Topics to be discussed in the workshop
  • Consistency between NA and BOP (coordination of the work, data collection and data sharing, impact of 2008 SNA/BPM6)
  • Compilation of financial accounts, consistency with non-financial
  • Goods for processing, merchanting
  • Globalization
  • Remittances
  • FISIM
  • Other items: CIF/FOB, extended SUT, tourism services, reinvested earnings, SPEs, capital transfers, NOE, etc.
Thank you!

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