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
  • ROW ← BOP + 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
II. Data collection and production

- 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

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• 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!