



Integrating Balance of Payments and Sector Accounts in the Netherlands

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DeNederlandscheBank

EUROSYSTEEM



Centraal Bureau
voor de Statistiek

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Current compilation practices

BOP/IIP compilation (DNB)

- Since 2003 based on direct reporting of transactions and stocks by all sectors (but households), with full geographical detail, on a monthly basis. Some additional reporting on FDI earnings and FDI stocks annually

Sector accounts compilation (CBS)

- Quarterly and annual cycles integrating multiple sources (surveys as well as administrative), including information from DNB concerning financial sectors and BOP/IIP. Financial as well as non-financial accounts

Significant differences between BOP/IIP and ROW account due to:

- Different (use of) sources (and methodology)
- Adjustments to integrate ROW data in sector accounts
- Different revision practices (actuality vs. continuity)

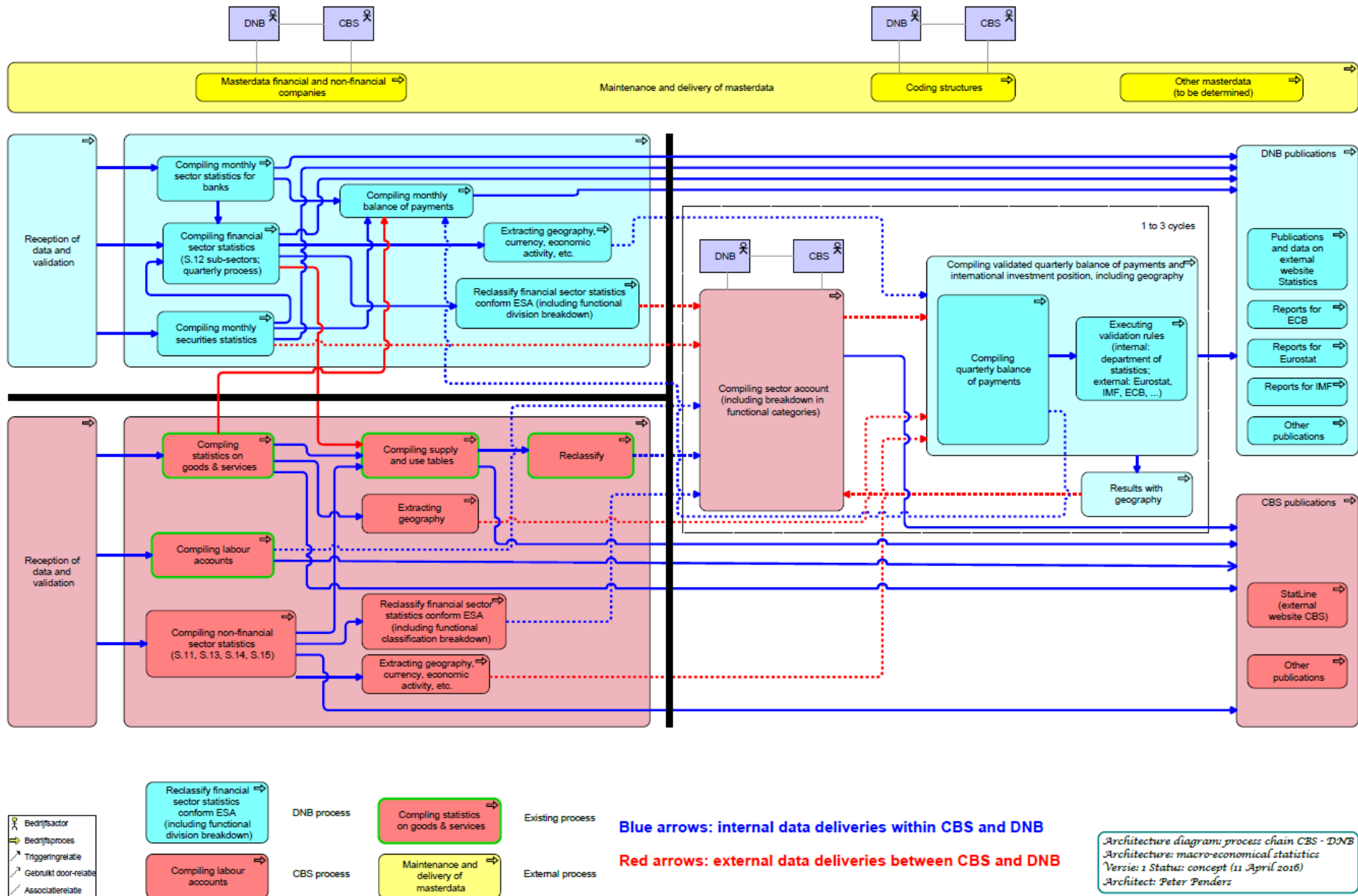


Basic principles of the new approach

Full consistency between BOP and ROW account as integrated statistics, by:

- An integrated and joint DNB-CBS statistics chain
- Redistribution of responsibilities and tasks,
- Taking advantage of each other comparative advantages
- Aligning surveys/data collection
- Aligning working methods
 - Joint methodology,
 - Production calendar,
 - 1 Revision policy
- BoP Focus on quarterly rather than monthly integrated statistics, DNB will continue and expand producing securities (source) statistics (holdings and issues) on a monthly basis.

New DNB-CBS statistics production chain



Elements of the new DNB-CBS chain

1. Collection of data

- Integrated CBS-DNB surveys to serve sector statistics, sector accounts and BOP/IIP (including FDI)
 - DNB for financial sectors , redesign surveys
 - CBS for all other sectors, redesign joint survey NFCs
- Complete balance sheets and profit & loss required, including detailed information (e.g. by counterpart country)
- Aligned with statistical concepts (ESA/BPM) as much as possible
- Monthly survey for securities holdings and issues (s-b-s) for all sectors (households via custodians)
- No change in collection of goods and services data and data for labour accounts

Elements of the new DNB-CBS chain

2. Compiling source statistics

- DNB compiles statistics for financial sectors and securities statistics (including SHS) in whom-to-whom matrix
- CBS compiles statistics for sectors NFCs, government, households and NPISH as well as international trade in goods and services
- No *initial* BOP/IIP is produced; ROW account is compiled from counterparty information in resident sector submissions

Elements of the new DNB-CBS chain

3. Joint integration process Sector Accounts - BoP

- DNB responsible for financial sectors and related transactions, such as securities transactions/stocks in sector accounts
- CBS responsible for non-financial sectors, non-securities transactions/stocks as well as for overall compilation
- Joint responsibility for compiling ROW account.
- BOP and financial sector experts from DNB participate in joint sector accounts integration process.
- Close cooperation and confrontation of sources is expected to foster the quality of both institutions' statistics
- ROW account will be compiled
 - including an agreed (limited) breakdown of functional BOP categories,
 - excluding breakdowns by country, non-resident sector, currency, FDI direction, economic activity, remaining maturity

Elements of the new DNB-CBS chain

4. Compilation of quarterly BOP/IIP

- ROW account including functional breakdown is converted to detailed BOP/IIP
 - By DNB based on source information, including from CBS
 - By an automated process, with possibility to interfere manually, e.g. if there is better information on counterpart country
 - It will run several times as feedback loop in sector accounts process.
- Based on final ROW account, fully consistent final BOP/IIP will be published and submitted to international organisations.
- Limited geographical breakdown will be returned to CBS (ESA output requirement for non-financial and financial accounts)

Elements of the new DNB-CBS chain

5. General elements

- 'Enhanced' CBS business register (DNB leading in keeping these master data up-to-date for financial institutions; CBS for non-financial institutions)
- Joint "hybrid" revision policy in which needs for both continuous series and actuality are met:
 - Financial accounts revised annually (possibly including financial income)
 - Current account items revised every 5 years, together with supply and use tables and labour accounts
 - Joint policy to handle substantial breaks in sources, methods, etc. when needed
- Need for high degree of transparency throughout the chain & harmonising metadata and codification structures.

Practical implementation

Joint DNB-CBS project with several workflows

- Setting up the overall process and timelines and developing a new technical solution for exchanging data
- Addressing legal issues
- Working out joint revision policy and harmonised publication policies
- Collecting and compiling (ESA-compliant) data on financial (sub)sectors
- Integrating DNB and CBS surveys for NFCs
- Single collection, estimations and exchange of data for government, households and NPISH
- Developing monthly collection of securities for all sectors and data exchange
- Identifying “quick wins” – e.g. complete consistency already realised in goods, services and secondary income; significant convergence in primary income

Launch of formal DNB and CBS programmes for implementation in 3 phases, commitment of top-management

Close cooperation requires understanding

Of each others

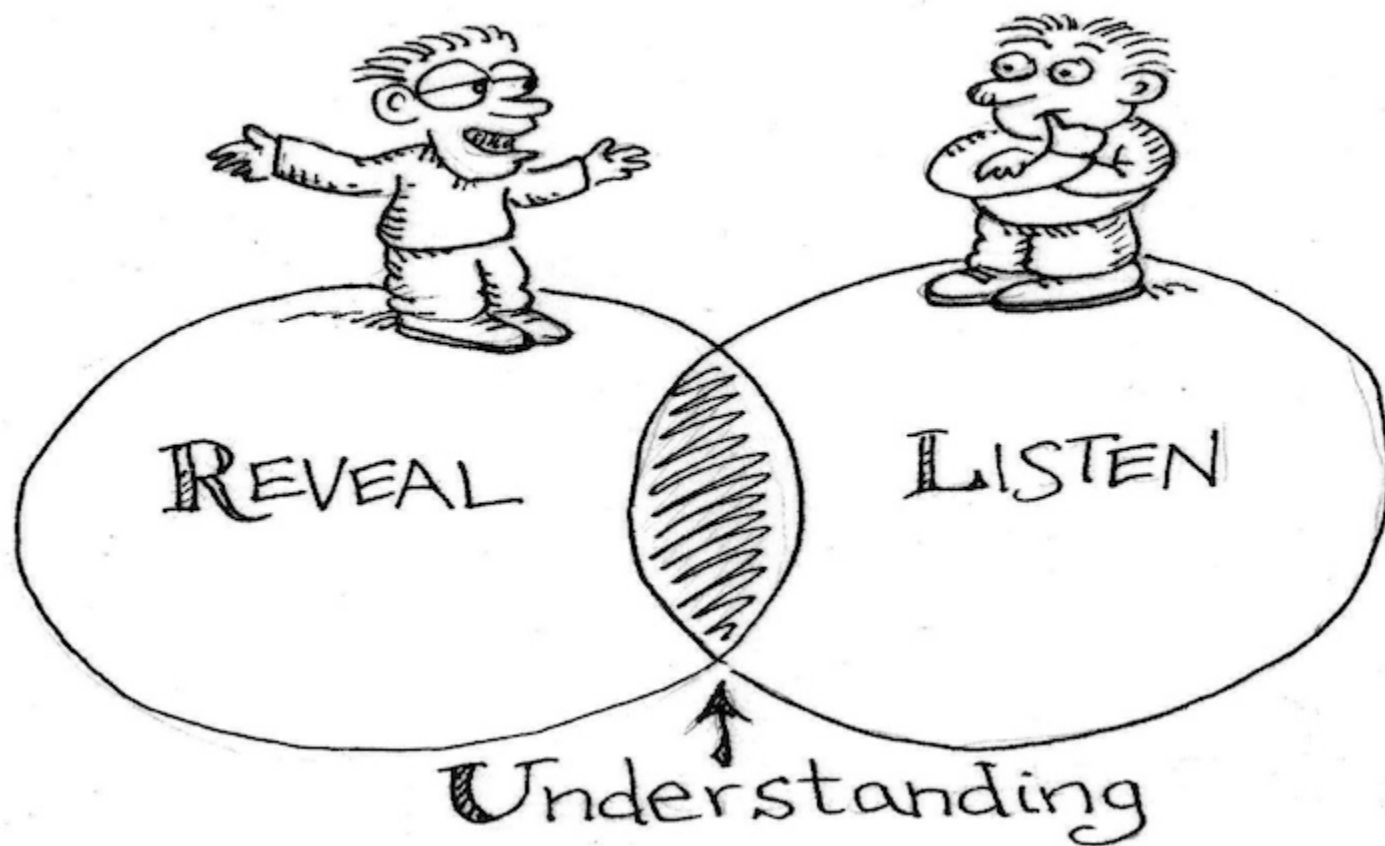
- Processes and statistics
- Organization and internal procedures
- Changes in staff, due to new division of tasks
- Language (will cause a lot of confusion if you're not aware)
- Habits, the way we like to work
- 'Culture'

Soft skills/HRM certainly require extra attention in project and new process!

Management attention essential, setting the examples of how to work together.

Also a clear need for the introduction of chain management







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