



National
Bank of Moldova

Challenges in transition of external sector statistics from BPM5 to BPM6

UNECE

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BPM5 to *BPM6* - preconditions

- 2014 – reorganization: the BoP division became part of the reporting and Statistics department (RSD); staff cuts-off (20%), parental leaves (10%), new management (from the team) from 21-4....-2to 15. persons
- 2014 – an ambitious plan to shift to the new *BPM6* methodology at the same time with EU countries.
- 2014 - restart of the NBM's internal project for elaboration of IAS compilation software; redesign of software architecture.
- April, 2014 – start of the pilot project of the BoP for Q1, 2014 compilation in accordance with *BPM6* requirements, after its publication in *BPM5* framework in March, 2014.
- September, 2014 – BoP for Q1-Q2, 2014 was compiled in *BPM5* and *BPM6* versions and published in compliance with Advance Release Calendar (ARC) within the IMF's Special Data Dissemination Standard (SDDS).

Q2 2014 – the first from now 15 “double methodology” compiled BoP, published in-time



BPM5 to BPM6 - main challenges (1)

1. Lack of staff

- Each quarter 2-4 staffs have been working over weekends.
- Daily work over time (heads of division and units, main experts).
- Some accepted additional duties.

Support of NBM's top management – financial motivation.

The strong spirit of team: (i) interchangeability and mutual assistance; (ii) the unity of three generations.

2. Lack of soft

- Compilation of BoP in *BPM5* presentation with dedicated old software and partial conversion from *BPM5* in *BPM6* format.
- Additional compilation of some new items or adjusted data in *BPM6* using EXCEL tables (on links from sectorial working table)



BPM5 to BPM6 - main challenges (2)

3. Education of users.

- Detailed analytical notes; *BPM5/BPM6* conversion tables; annex of main methodological changes (see Annexes).
- Presentations for mass-media, students, researchers.

4. Country statistical environment.

- Currently the National Bureau of Statistics (NBS) compiles statistics of national accounts according to the *1993 SNA*. Transition to new 2008 SNA is planned starting with data for Q1, 2018.
- The international merchandise trade statistics (IMTS) is compiled by the NBS following the UN *IMTS: Concepts and Definitions 2010*.
- Different basic principles are used:
 - time of recording is*: IMTS- time when goods enter or leave the economic territory of a country; BoP-when change of ownership takes place;
 - partner country attribution is*: IMTS- country of origin / final consumption; BoP - country of last delivery – or country of transaction is used.



BPM5 to BPM6 - main challenges (3)

5. Availability of data sources.

- Primary data on goods under processing are available from 2009. There no data for longer time series.
- Main data sources for positions are annual. For compilation of quarterly IIP and BoP is used another methods than for annual statements and data are further adjusted on final annual version.
- Lack of direct data source (i) large number of indirect data sources; (ii) sophisticated data compilation (services, income items).
- Timing, data quality and coverage of respondents, individual data availability...

6. Data reconciliation within IAS (BoP, IIP, ED, CDIS, Rezerves Data Template, QEDS) according *BPM6* and *EDSG 2013*

Done in three stages:

- 1- BoP and Rezerves Data Template statistics;
- 2-a) BoP and External Debt (ED) statistics; b) CDIS with IIP and ED statistics;
3. BoP and IIP statistics.



BPM5 to *BPM6* - main challenges (4)

7. Complex methodological issues.

- Task group on *BPM6* methodological issues was created within the IAS Division.
- The NBM staff benefited from special presentations on main changes from *BPM5* to *BPM6* made by an expert of the IMF' Statistical Department.
- Most of IAS Division staff attended IMF specialized courses on BoP statistics at JVI or at IMF' HQ in USA, Central Banks (Turkey, Czech Republic, Poland and some others).
- The NBM benefitted from bilateral exchange of experience with Bundesbank.
- IAS Division didn't contracted any IMF technical assistance mission or stay-in country expert during the transition period.



BPM5 to BPM6 - main challenges (5)

8. Reconciliation with SNA data.

9. Geographical breakdown.

10. Compilation of Financial Account (FA) transactions and IIP positions by original currency.

11. Valuation of debt instruments at nominal value (recording of interest on accrual basis), when market value is not available.

12. Reconciliation of IAS data with SNA Financial Account data (planned to be compiled starting with 2018-2019).



Towards *BPM6*, away from *BPM5* (2014-2015)

- I. **2014 –from one quarter project – to 5 years double-methodology compilation of the BoP:**
 - Consolidated BoP in *BPM6* format (for current year);
 - Consolidated BoP in *BPM5* presentation with breakdown by two regions and 5 main partners (Russia, Romania, Ukraine, Germany and Belarus).
 - Accompanied with the detailed analytical notes on both versions of BoP (IIP and ED – still in *BPM5* format).
 - Additional annexes on *BPM6* sectorial changes and main methodological issues. (see Annexes)
- II. **2015 – compiling quarterly BoP time series for 5 years (2009-2013).**
 - Analytical comments on BoP in *BPM5* reduced to few boxes (FDI by direction).
 - Annexes of sectorial changes excluded, annex on methodological changes still kept.
 - Presentations for media and experts made regarding *BPM6* methodology and new ED statistics requirements.



Towards *BPM6*, away from *BPM5* (2016-2017)

III. 2016 – ED statistics (EDS) according to the *EDS Guide 2013/BPM6*.

- ED quarterly data for 2009-2016.
- QEDS reporting according to the new methodology requirements.
- Preparations for valuation of *Direct Investment (DI)* positions using own funds at book value (OFBV) method (shifting from historically cumulated position on DI);
- No more BoP in *BPM5* version with main partner countries;
- Supplementary analytical tables with geographical breakdown for BoP items (*goods, DI, loans, personal remittances*).

V. 2017 – IIP statistics according to the *BPM6*.

- Positions on DI recorded using OFBV method;
- Positions on *trade credits and advances* were reconciled with yearly balance sheets and financial statements of legal entities;
- BoP, IIP, ED quarterly statistics fully reconciled for 2012-2016;
- Significant changes in estimation method of *Currency and Deposits - Other Sectors – Assets* made.



Plans for Future -2018... (with *BPM6* away from *BPM5*)

1. Methodological issues

- Improve the method of CIF to FOB adjustment for imports of goods.
- Analyze the possibility of shifting to country of transaction in compilation of export/imports of goods by partner country.
- Compile ED statistics by original currency.
- Extend the list of FA items compiled /estimated in original currency for more accurate calculation of exchange rate changes in IIP.
- Try to compute positions on loans at nominal value (including accrued interest).
- Improve the methodology of “*Personal remittances – debit*” compilation (with geographical breakdown by regions – EU, CIS and Rest of the World).

2. Time series

- Reconcile the IIP and ED annual time series up to 2009.



Thank you for attention!

Questions ???

Suggestions ???

Recommendations ???