

STATISTICS

Cross-cutting themes

MARCH 6-7, 2024

**IMF Statistics Department – United Nations
Economic Commission for Europe
SNA / BPM Joint Virtual Outreach Seminar**

Agenda



- **Introduction**
- **Integrated Framework**
- **Sector breakdowns**
- **partner economy**
- **Special Purpose Entities (SPEs)**
- **Other cross-cutting issues**
- **Supplementary items**

Introduction

- *BPM7* provides flexibility for compilers to provide further information on selected topics for analytic value
- Some recommendations are extensions from BPM6 within the core framework; some extend beyond the core framework
- Guidance on various topics are presented in new chapters and annexes (such as on the informal economy and partner economy attribution) as well as references with the text to supplementary items
- *BPM7* encourages compilers to use this guidance to fill important information gaps
- Compilers would choose topics based on their importance within the economy's structure, key policy issues, and data availability



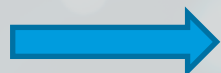
*** Introduction

- **Standard Items**

- **Standard components** are items that are fully part of the framework and contribute to the totals and balancing items.
- **Memorandum items** are part of the standard presentation but are not used in deriving totals and balancing items (example: Interest before FISIM or implicit financial services)

- **Supplementary Items**

- Items outside the standard presentation that are compiled depending on circumstances in the particular economy (example: Total remittances and transfers to NIPISHs).



BPM7 will mostly introduce new supplementary items.

New standard items are **highlighted in blue** throughout this presentation.

Items that are not highlighted are new supplementary items.



Introduction -
Standard and
supplementary
items

Integrated Framework

- **The Integrated IIP framework** is an important **new standard presentation** integrating the IIP with the balance of payments
- The integrated IIP shows how the IIP positions at the start of the period plus balance of payments transactions plus revaluations and other changes sum to the closing positions in the period

Integrated International Investment Position Statement								
Beginning of period IIP	Accumulation accounts							End of period IIP
	Transactions from BOP financial account	Revaluations			Other changes in volume			
		Total	Due to exchange rate changes	Due to other price changes	Total	Of which: Cancellation and write-offs of debt	Of which: Reclassifications	

All standard components (except the two “of which” classifications under *other changes in volume*)



New Data Related to General Principles, Structural and Cross-Cutting Issues

***New sector breakdowns in the **standard components**, supplementary items

- Split **nonfinancial corporations, households, and nonprofit institutions serving households into:** (two separate standard components)
 - Nonfinancial corporations
 - Households and nonprofit institutions serving households
- Breakdown of **other financial corporations** into:
 - Money market funds (MMFs)
 - Non-MMF investment funds
 - Insurance corporations
 - Pension funds
 - Other financial intermediaries
 - Of which central clearing counterparties
 - Captive financial institutions and money lenders, and financial auxiliaries



New Data Related
to General
Principles,
Structural and
Cross-Cutting
Issues

Sectoral breakdown for DI

- BPM7 de-emphasizes the breakdown by investment relationship (direct investor in direct investment enterprise; direct investment enterprises in direct investor (reverse investment); and between fellow enterprises) in favor of sectoral breakdown
- Aligns DI with other functional categories
- Applies to financial account transactions and IIP

Direct investment **standard components**

Equity and investment fund shares

By residential sector

Central Bank

Deposit-taking corporations, except the central bank

General government

Other sectors

Other financial corporations

Nonfinancial corporations

Households and NPISHs

Direct investment memorandum and supplementary items

Direct investment

(m.) Direct investor in direct investment enterprises

(m.) Direct investment enterprises in direct investor (reverse)

(m.) Between fellow enterprises

(s.) if ultimate controlling parent is resident

(s.) if ultimate controlling parent is nonresident

(s.) if ultimate controlling parent is unknown



New Data Related
to General
Principles,
Structural and
Cross-Cutting
Issues

Data by partner economy I

- BPM7 will encourage compilers to enhance analytical value by publishing data by partner economy for specific balance of payments components:
 - Goods (with reference as before other sources such as IMTS)
 - Services
 - Direct investment
 - Remittances –
 - closely related to migration between two economies, and
 - may often require estimations
- Supplementary data on DI based on the ultimate investing economy (UIE) and the ultimate host economy (UHE) as well as identification of pass-through funds

Data by partner economy II

- BPM7 will elaborate on some cases where data by partner economy may be challenging such as:
 - Goods on consignment and economy of origin
 - Merchanting and other Global manufacturing arrangements where the physical movement of the goods differs from the change of ownership
 - Adjustments to bring source data that exhibits physical cross border flow of goods to a change of economic ownership basis may also require adjustments to the partner economy
 - Intermediation services and contracting
 - Securities
 - transactor v debtor for assets held
 - Securities under reverse transactions (legal versus economic owner)



*Cross-cutting
issues*

Other cross cutting issues

Fintech

- Introduce “of which” category for instruments or services classifications where necessary to separate out fintech-related instruments and services.
 - ▶ For example, the activities are classified as financial services or insurance services with a further “of which”

Crypto

- Record **crypto assets without a counterpart liability** designed to act as a general medium of exchange (e.g., Bitcoins) in a separate category in the capital account. (new standard component)
- Record **crypto assets with a counterpart liability** as a financial asset
 - The functional category would depend on the nature of the underlying claim

Special Purpose Entities (SPEs)

- A separate “of which” identification of SPEs within the institutional sector accounts
- Nationality-based SPE statistics (i.e., organized according to the location of the entity that ultimately controls the SPEs rather than by the residency of the SPEs)
 - ▶ Direct investment statistics that **look through SPEs to the first operating unit** as a first step in presenting data ultimate host economy
- IPP owned by SPEs - how they are treated

Supplementary presentation of trade and investment income

- Goods trade by **enterprise characteristics (TEC)**
- Services trade by **enterprise characteristics (STEC)**
- Investment income by **enterprise characteristics**
 - Data linkage with business register
 - These supplementary tables are recommended in the context of globalization. The characteristics recommended are
 - Industry
 - Ownership (domestic/foreign control)
 - Firm size



supplementary
items

Supplementary presentation of trade

- **Currency Breakdowns**

- Total Goods by the currency of denomination.
- Total Services by the currency of denomination.
 - ◆ Domestic / foreign
 - ◆ Domestic and SDR basket
 - ◆ Domestic, SDR basket and other currencies
- ◆ An unallocated item can also be included to address currency allocation difficulties



*supplementary
items*

***New supplementary items I

- **Sustainable Finance**

- Geographical and industrial sector breakdowns of direct investment
- Introduce a separate table for the ESG related ‘of which’ categories of the IIP and BOP as part of Annex 14 of the BPM7
- International cooperation grants to low-income countries
- Aligned with the work by the DGI-3 Recommendation 4 in terms of labelling, taxonomy, classification
- Countries are encouraged to compile data as relevant



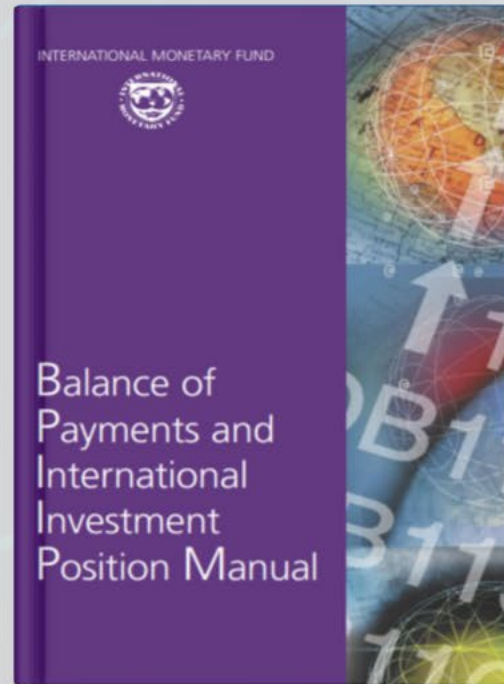
New Data Related
to General
Principles,
Structural and
Cross-Cutting
Issues

The background features a light blue and white color scheme with various financial data visualizations. There are several line graphs with circular markers, some showing an upward trend. A candlestick chart is visible in the lower right quadrant. Faint numerical values like '18.36', '25.74', and '37.93' are scattered across the background. The overall aesthetic is clean and professional, typical of a business or financial presentation.

THANK YOU FOR YOUR ATTENTION!

IMFDATA

Empowering the world with data



Coming soon

IMF.org/data



IMF Data LinkedIn

