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PROGRESS REPORT ON BALANCE-OF-PAYMENTS STATISTICS

(Memorandum prepared by the Balance of Payments Division of the
International Monetary Fund)

1. The Fund's balance-of-payments reporting requirements, the assistance provided to member countries in compiling their reports, and the Fund's own publication of balance-of-payments data, all continue to be based on the third (July 1961) edition of the Fund's Balance of Payments Manual. The nature and content of this Manual were described in the progress reports to the twelfth and previous sessions of the Commission. In addition to the original English version, translations in French and Spanish are now available. The Spanish translation was published in final, printed form in 1964; a review of the mimeographed draft of the French translation is now nearing completion, and it is expected that the definitive version of this translation will be printed in the next few months.

2. The Fund prepared a paper entitled "Compilation of Balance of Payments" for a meeting of balance of payments technicians held under the auspices of the Economic Commission for Africa in Rabat, Morocco, in August 1963. This paper was the first step towards the preparation of a simplified version of the Balance of Payments Manual for use by developing countries that are beginning to organize their work on balance-of-payments statistics. The simplified version is intended to retain all the concepts and definitions, as well as the classification scheme, of the full Manual; balance-of-payments statements will thus be internationally comparable in all major respects, regardless of which version of the Manual is used as their basis. The simplified version, however, will omit many of the fine points that are introduced mainly for the sake of completeness and that are of more

theoretical than practical interest. On the other hand, the simplified Manual will add extensive discussions of practical problems of reporting, together with illustrative examples, sample questionnaires, and similar material.

3. A major concern in shaping the Fund's balance-of-payments reporting programme has always been to avoid, in so far as possible, unnecessary differences between the reports it requests and those prepared by the national compilers for other purposes. For many years, the Fund staff has been co-operating closely with the Secretariat of the Organization for European Economic Co-operation (later Organization for Economic Co-operation and Development) to ensure maximum co-ordination of the balance-of-payments reports requested by the respective organizations. During the period under review, a single set of reporting forms was developed that would meet the requirements of both organizations. A final draft of such forms, adopting the concepts, definitions, and main categories of the Fund's Balance of Payments Manual but differing with respect to some of the detailed sub-items to be reported, was agreed between the Fund and OECD staffs early in 1964. The draft was then discussed at a meeting in Paris in February 1964 to which technicians from all the OECD countries were invited. After suggestions received at this meeting had been incorporated, the forms were adopted by the Fund and the OECD as the basis for future reports by countries that report to both organizations, beginning with the reports due on 15 July 1964. The Economic Commission for Europe also indicated its willingness to accept copies of the same form in satisfaction of its reporting requirements.

4. In view of the changes in the Fund's reporting forms described in the previous paragraph, the Fund staff opened discussions with the United Nations about revising the "Special Report on the International Flow of Long-Term Capital and Central Government Transfer Payments," which the Fund collects from its correspondents on behalf of the United Nations. The Special Report represents a co-operative effort by the Fund and the United Nations to obtain the basic data needed for the annual report requested by the ECOSOC on "International Flow of Long-Term Capital and Official Donations." The regular balance-of-payments reports to the Fund already cover the transactions in which the United Nations is interested, but with a different breakdown by item and in much less geographical detail. Thus, a co-ordinated reporting system has obvious advantages for both the

national compilers and those analysts who use the Fund and United Nations reports in conjunction with each other. The changes needed in the Special Report to maintain its consistency with the revised balance-of-payments report for the OECD countries were worked out without delay, and the revised versions of both reporting forms were introduced simultaneously.

5. Balance-of-payments compilers in some of the developed countries have indicated that they would welcome an opportunity from time to time to meet informally with their colleagues from other countries and from the Fund staff for technical discussion of various aspects of balance-of-payments compilation. In consequence, the Fund has arranged three such meetings to date, one in Washington (October 1962) and two in Paris (March 1963 and February 1964). A main topic at these meetings was the collection, reporting, and reconciliation of statistics on short-term capital flows and reserve movements. Other subjects discussed included seasonal adjustments, errors and omissions, co-ordination of reporting requirements of international organizations, and transportation statistics and the recording of workers' earnings in balance-of-payments statistics. Participants from some ten countries have attended each of these meetings, the group varying somewhat according to different countries' interest in the subjects being discussed. Since these sessions are strictly informal and mainly technical, no binding decisions are taken and no formal recommendations agreed. On the other hand, the exchange of views and information has brought to light possibilities for statistical improvements and greater international comparability of the figures.

6. The Fund's Balance of Payments Yearbook has been described in previous progress reports to the Commission. As noted in the report (E/CN.3/298) to the twelfth session, Volume 13 of the Yearbook (covering 1956-60 in standard form) was the first to be based on the revised, third edition of the Balance of Payments Manual. Volumes 14 (data for 1957-61) and 15 (data for 1958-62) have been completed, and Volume 16 (data for 1959-63) is now in the process of being issued, as usual in the form of loose-leaf pages distributed each month over the course of the publication year. For the greater convenience of the users, Volumes 13-16 have each contained data for a five-year span; previously, many of the Yearbooks covered only two years, with so-called basic volumes showing five years being issued only occasionally.

7. In 1964, the Fund undertook a broad review of its training activities and is making several changes. From the organizational point of view, the Fund's balance-of-payments training activities have been regrouped and have been assigned to a newly-established Fund department, known as the IMF Institute. It is expected that over a period of years, the balance-of-payments training programme will be expanded, in keeping with the growth of the Fund as a whole. Announcements of balance-of-payments courses in the second academic year of the Institute will be made early in 1965.
