

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
GENERAL

E/CN.3/403
19 June 1970

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Sixteenth session
Item 10 of the provisional agenda

BALANCE-OF-PAYMENTS STATISTICS

Progress report prepared by the Balance of Payments Division
of the International Monetary Fund

Introduction

1. Since last reporting to the Statistical Commission in October 1967 (E/CN.3/365), the International Monetary Fund has continued to collect balance-of-payments statistics on the basis of the 1961 edition of the Fund's Balance of Payments Manual. As before, these data have been published in the Fund's Balance of Payments Yearbook and International Financial Statistics. However, after special drawing rights (SDRs) were first allocated, in January 1970, the Fund introduced certain amendments to the form in which it will present balance-of-payments statistics.

Special drawing rights

2. The balance of payments has traditionally been conceived, by and large, as a statement of international flows ("economic transactions", in current balance-of-payments terminology) of real and financial assets. The allocation of SDRs is not, strictly speaking, an international flow in the usual sense. Nevertheless, since the allocation of SDRs produces an increase in official reserves and permits an excess of surpluses over deficits in the world, it was considered that both the reserve increase resulting from the allocation and the allocation item itself should be shown in balance-of-payments statistics.

Therefore, a revised format for the "standard presentation" (the main table in each country section) in the Fund's Balance of Payments Yearbook is being introduced. This format is intended to provide as analytically neutral a treatment of SDR allocation as can be devised, consistent with the view that reserve increases resulting from the allocation of SDRs are of interest to record as an item in the standard balance-of-payments presentation. Specifically, the allocation of SDRs is shown as a separate category between the categories for goods, services and capital flows, on the one hand, and official reserves (including holdings of SDRs) and related items, on the other.

Methodology

3. The staff of the Fund has continued its review of the Balance of Payments Manual in the light of the United Nations revised System of National Accounts (ST/STAT/SER.F/2/Rev.3) and of the United Nations International Trade Statistics; Concepts and Definitions (ST/STAT/SER.M/52). As explained in the last report to the Commission, the objective is to seek out the most convenient and workable methods of reconciliation in those cases where complete identity between the Balance of Payments Manual and United Nations standards for related statistics cannot be achieved.

4. To that end, the Fund staff has been consulting with balance-of-payments compilers from member countries and with experts from the United Nations Statistical Office, the Organization for Economic Co-operation and Development and the European Economic Community. One meeting of an expert group was held in Paris in October 1968, and another at Washington in March 1970. Both meetings proved to be highly productive in suggesting new approaches to such essential aspects as the definition, coverage and classification of balance-of-payments statistics and the valuation of balance-of-payments entries. All these ideas are currently being explored and developed further. The Fund staff is planning to remain in close contact with other interested agencies as the drafting of a revised version of the Balance of Payments Manual progresses.

Capital flows statistics

5. The information on capital movements contained in balance-of-payments statements is relevant in the context of studies of the flows of financial resources from developed to developing countries. The Fund staff regularly abstracts the statistics on such flows that are covered by the balance-of-payments reports received by the Fund and transmits them to the Centre for Development Planning, Projections and Policies of the United Nations Secretariat. Fund technicians have also conferred with their counterparts in other international organizations, particularly IBRD and OECD's Development Assistance Committee, who are concerned with problems of collecting data on this subject.

Balance of Payments Yearbook

6. The Balance of Payments Yearbook continues to be the main publication in which the data reported to the Fund are presented in a standard form, based on the third edition of the Fund's Balance of Payments Manual. Volume 20 of the Yearbook, completed in July 1969, covered 1963-1967, and volume 21, which covers 1964-1968, will be completed in July 1970, when the final batch of loose-leaf pages will be issued. As an innovation, these volumes have been made available bound in hard covers as well as in the customary loose-leaf monthly sections.

7. A modification in the standard presentation of Fund transactions was introduced in volume 20. Formerly, a country's assets in the Fund comprised its subscriptions and any lending to the Fund; its liabilities were mainly the Fund's holdings of the national currency. Now, the asset entries cover changes in gold tranche positions (reserve positions in the Fund) and the entries for liabilities cover changes in credit tranche positions (use of Fund credit). This brings the entries in the Yearbook for Fund transactions more closely into line with the figures of Fund positions published in International Financial Statistics.

8. Statistics for countries not previously covered were included in volume 20 with sections for Barbados, the Congo (Democratic Republic of), Dahomey, Lesotho, Mali, Mauritius, Togo and Uganda. In volume 21, there will be a section for Gabon.

The number of countries covered is still a little short of 100, but further additions can be expected as balance-of-payments technicians are trained in developing countries.

Statistical training

9. The Fund continued to offer eight-week courses of concentrated training in balance-of-payments methodology at its Washington headquarters. Courses conducted in English were given in April-June 1968, May-June 1969, and March-May 1970; a course in French was given in August-October 1969. Some twenty to twenty-five participants were enrolled in each course.

Technical assistance

10. In addition to the balance-of-payments courses, the Fund provided technical assistance in this field by making Fund staff or other experts available to advise member countries on various problems of statistical compilation. In 1968, Fund staff visited Chad, the Congo (People's Republic), the Congo (Democratic Republic of), Mali and Tunisia; in 1969, visits were made to Chile, the Congo (Democratic Republic of), Gambia, Ghana, Liberia, Mauritania, Pakistan, Senegal and Sierra Leone; in the first half of 1970, visits were paid to the United Republic of Tanzania and Uganda. In the same period, an outside expert was assigned for a total of fifteen months to Malaysia. This expert assisted in completing an investment survey of over 3,500 enterprises, which had been in progress for some time and which was of importance for both balance of payments and national-accounts statistics.

11. Experience with these latest assistance missions affirms the validity of two related observations: that an indispensable prerequisite of success is the existence in the country of some specific agency charged with performing the work and equipped with the necessary authority and resources; and that the staff assigned by the country to balance of payments work should be sufficiently well qualified to profit by the expert assistance.