

Improving the BIS debt securities statistics

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Given the increasing role of international debt securities markets in global financial intermediation, and based on the recommendation of the Committee on the Global Financial System (CGFS), the BIS started to collect and publish quarterly statistics on these markets in the mid-1980s, as a complement to its international banking statistics. The BIS uses information sourced from commercial and institutional databases to compile its international debt securities statistics. Over the past two decades, the BIS has made data on available in printed and electronic form through its *Quarterly Review* and on the BIS website www.bis.org. Breakdowns are provided by residency and nationality of issuers, sector of issuers, currency denomination and maturity, and instrument. Additional breakdowns are possible and are made available on request. Data include amounts outstanding, gross issuance and net issues.

In the 1990s, these data were complemented with domestic debt securities statistics for selective countries. Sources for this dataset consist mainly of publications and websites of national central banks and other national agencies as well as some specific data sent by them on a bilateral basis. Breakdowns are sought with respect to sector and maturity/instruments. A limited number of tables on domestic securities are also included in the *BIS Quarterly Review* and posted on the BIS website.

In 2006 the CGFS Working Group on Financial Stability and Local Bond Markets, with the assistance of the BIS, organised a specific collection exercise covering data on issuance and holdings of debt securities for end-2005 data from a broad range of countries in major financial centres as well as emerging markets (see <http://www.bis.org/publ/cgfs28.htm>). Some of these datasets were subsequently updated (for end-2006 and end-2007). The CGFS noted the lack of comparability of securities statistics and recommended that central banks work with the BIS to make improvements in the domestic and international debt securities statistics it publishes regularly. In terms of requirements, the CGFS urged better breakdown of aggregate national data on debt issuance by currency of issue, sector of issue, maturity (including residual maturity), and instrument. It also recommended statistical measures of aggregate holdings of securities by broad sector, at least with a breakdown between residents and non-residents. The CGFS suggested that the BIS work with other international agencies to develop a methodological framework for debt securities statistics as well as to investigate the advantages and costs of security-by-security databases.

The BIS experience in compiling debt securities statistics from different sources has shown that it is difficult to obtain appropriate and internationally comparable data on debt securities at the individual country level as well as to compile global aggregates from national data. Internal research was carried out in recent year in order to identify ways to improve national securities statistics. The BIS's own research as well as the work of the CGFS confirmed that one of the main reasons for the relatively poor quality of data on securities statistics is the lack of an internationally accepted methodological framework for debt securities statistics.

In 2007, the IMF reconvened its Working Group on Securities Databases (WGSD) in response to the recommendations made by the CGFS and the Group of Eight (G8) countries,

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The Working Group agreed to take an initiative to draft a *Handbook on securities statistics*. The intention is to have a simple reference document, anchored in existing international statistical standards. The first draft of the *Handbook* will focus on statistics for issuance of debt securities, with subsequent drafts possible covering a framework of statistics on holdings of debt securities. The *Handbook* is not intended to serve as a detailed and operational compilation guide or manual. Expectations are that countries will be able to use the *Handbook* to improve their national statistics on debt securities, and thereby to contribute to improving the BIS data on domestic and international debt securities.

Already before the WGSD decided to embark on a project to draft a *Handbook on securities statistics*, the BIS contacted most of the more than 50 central banks of the countries that are included in its domestic debt securities statistics in order to achieve regular reporting of some key national data, and related documentation.² Central banks were asked to indicate, using templates similar to those included in the background paper of the IFC Workshop, the approach taken in their country for compiling and disseminating national debt securities statistics (and what type of debt markets and instruments actually exist for their country). Subsequently their assistance was, or will be, requested to bring together the existing national data from different sources and to map them into a coherent code structure (the underlying framework and code structure will be adapted in line with the presentation tables included in the background paper). On this basis, regular reporting of the statistics will be organised with the BIS, which will be able to use the information to improve the quarterly data it publishes in its *Quarterly Review* and on its website. With respect to the latter, the intention is to develop a kind of statistical hub for domestic and international debt issues (in parallel, the BIS is also improving its international debt securities statistics, to align them better with the national data it will be collecting). The objective is to be able to make better and internationally comparable data available by end-2009.

The improved BIS exercise does not require central banks to introduce a new reporting system within their countries. The focus is on data that are already available, either stored in statistical databases or published in statistical bulletins and websites of central banks or other agencies. The intention is to capture a wide range of debt securities characteristics, although only a small subset of these will be relevant for a particular country given its market structure and regulations. Initially the exercise will focus on outstanding amounts of debt securities but the collection will be extended to statistics on gross and net issuance that are consistent with the data on outstanding amounts, if these can be provided. Additionally, data on holdings of debt securities could be collected across sectors (the CGFS will probably continue to ask for the data it has collected on holdings of debt securities for the time being).

Of the 41 central banks contacted, most have nominated an expert to work with the BIS in developing a regular reporting of their existing national data. Most of these have reported the initial qualitative information requested. Actual regular data reporting is gradually being implemented.³ It is expected that the involvement of central banks in the BIS data collection exercise will contribute significantly to improving the data on debt securities published by the BIS.

² National central banks in the euro area were excluded from the initial exercise since they already publish a broadly comparable set of aggregate debt securities statistics that is generally consistent with the BIS framework.

³ At some point the euro area central banks and the ECB will be contacted to see how their currently published aggregate securities statistics can be mapped in the BIS code structure and how they can subsequently be reported to be included in the BIS statistics.