



Irving Fisher Committee on
Central Bank Statistics

BANK FOR INTERNATIONAL SETTLEMENTS

IFC - Central Bank of Armenia Workshop on "*External Sector Statistics*"

Dilijan, Armenia, 11-12 June 2018

Euro area balance of payments and international investment position statistics: present and future¹

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¹ This presentation was prepared for the meeting. The views expressed are those of the authors and do not necessarily reflect the views of the BIS, the IFC or the central banks and other institutions represented at the meeting.



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Euro area balance of payments and international investment position statistics: *Present and future*

Session 5

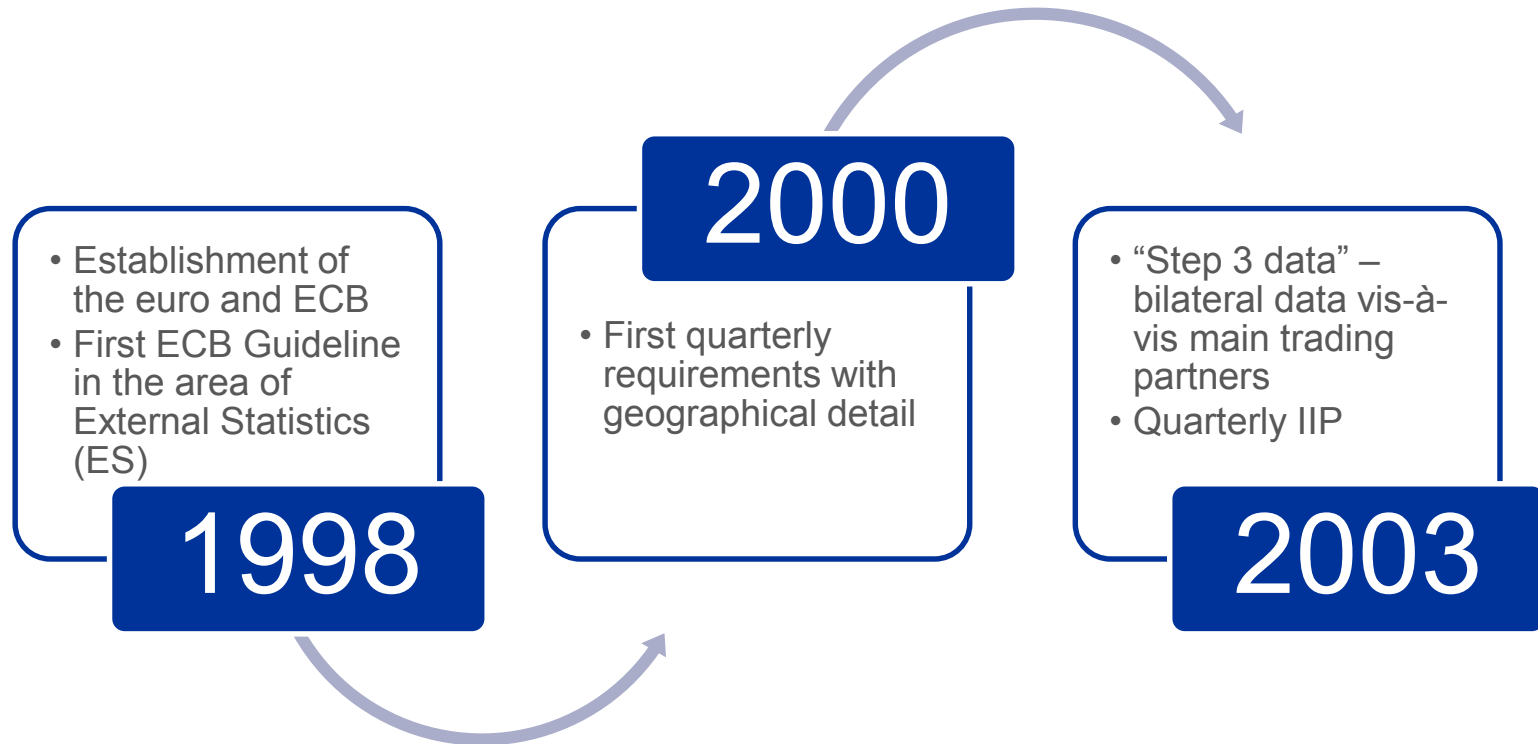
**IFC – Central Bank of Armenia workshop on
“External sector statistics”**

11–12 June 2018, Dilijan, Republic of Armenia

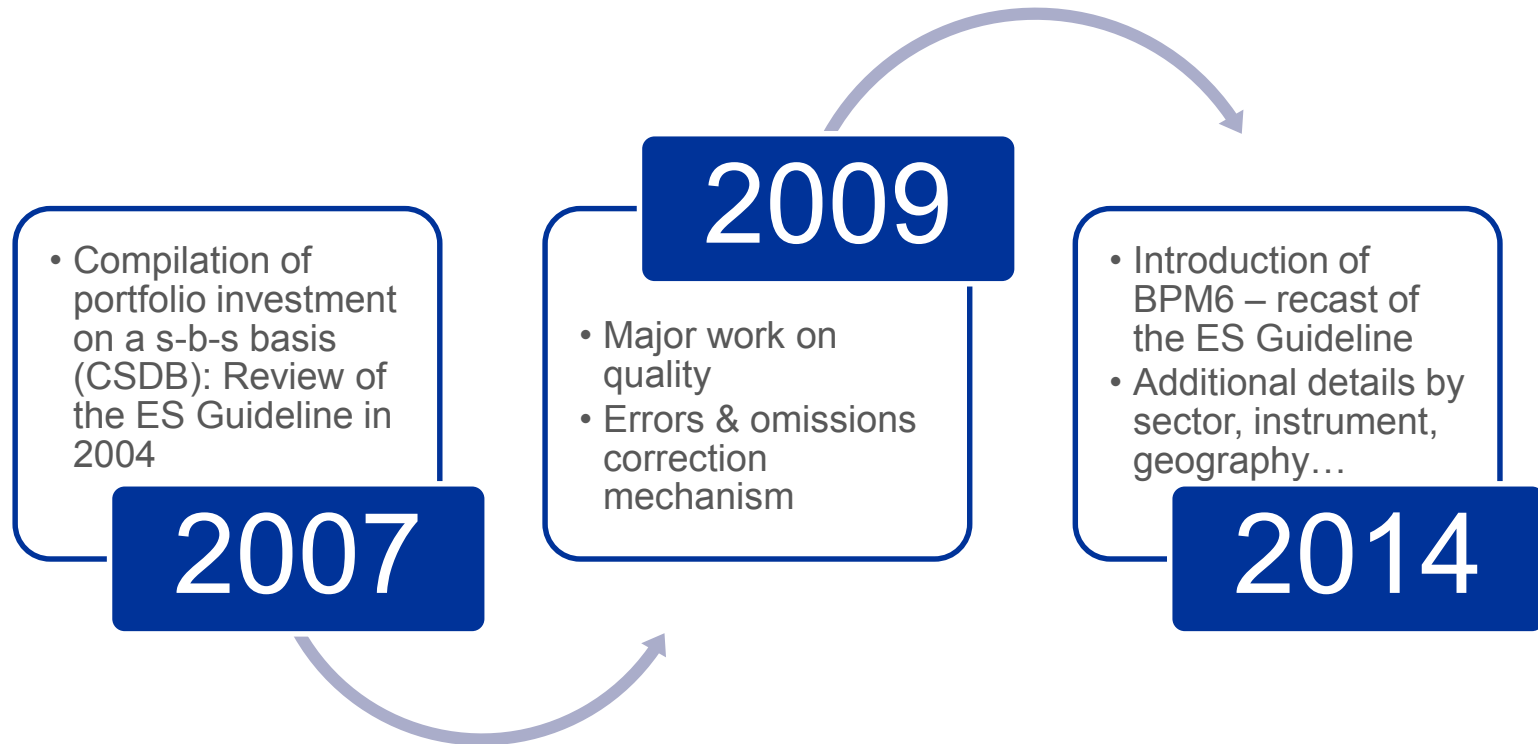
Overview

- 1** State of play
- 2** The environment
- 3** The road ahead: medium-term strategy
 - 3.1** Development of fit for purpose data
 - 3.2** Production of high quality data
 - 3.3** Dissemination of comprehensive data
 - 3.4** International cooperation and methodological coherence

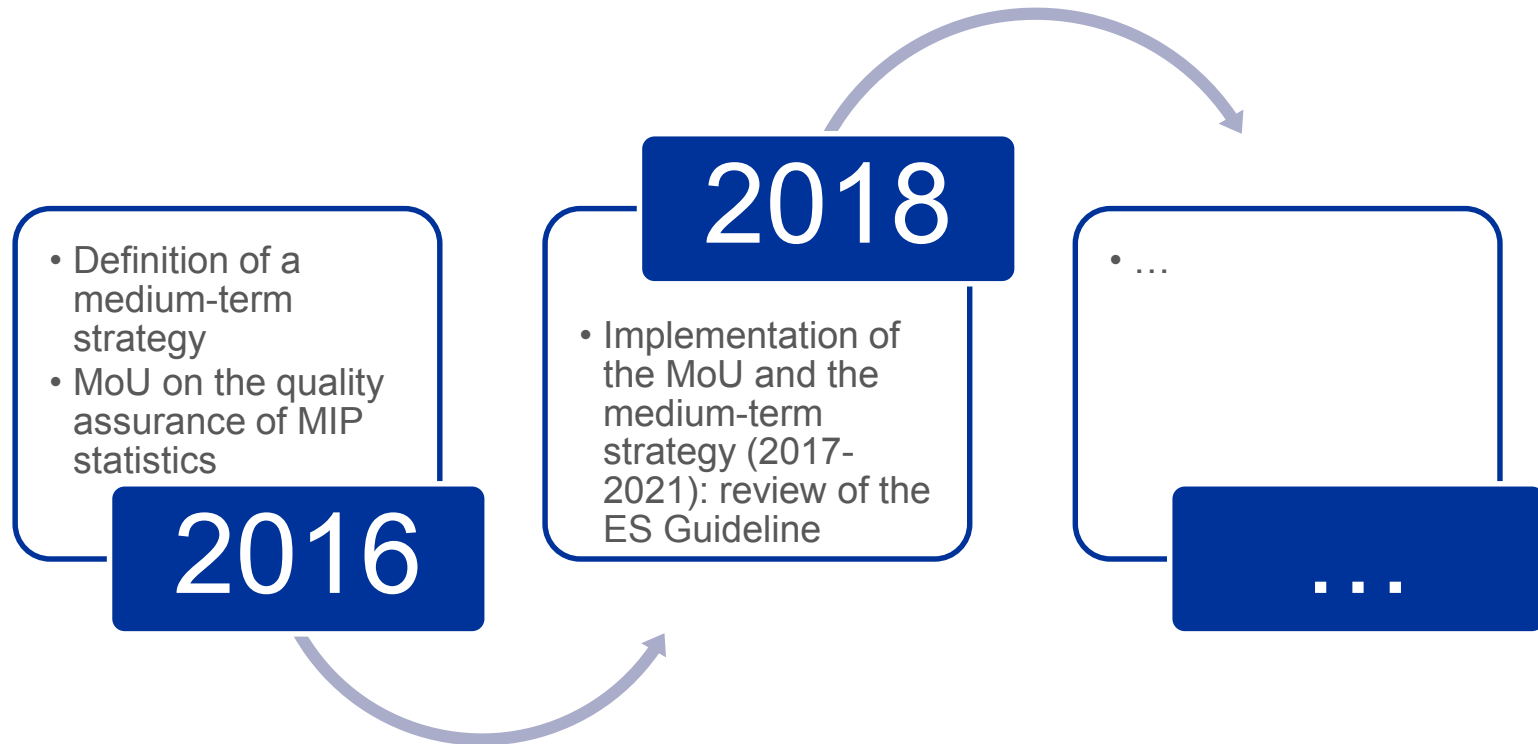
1. State of play *(from 1998...)*



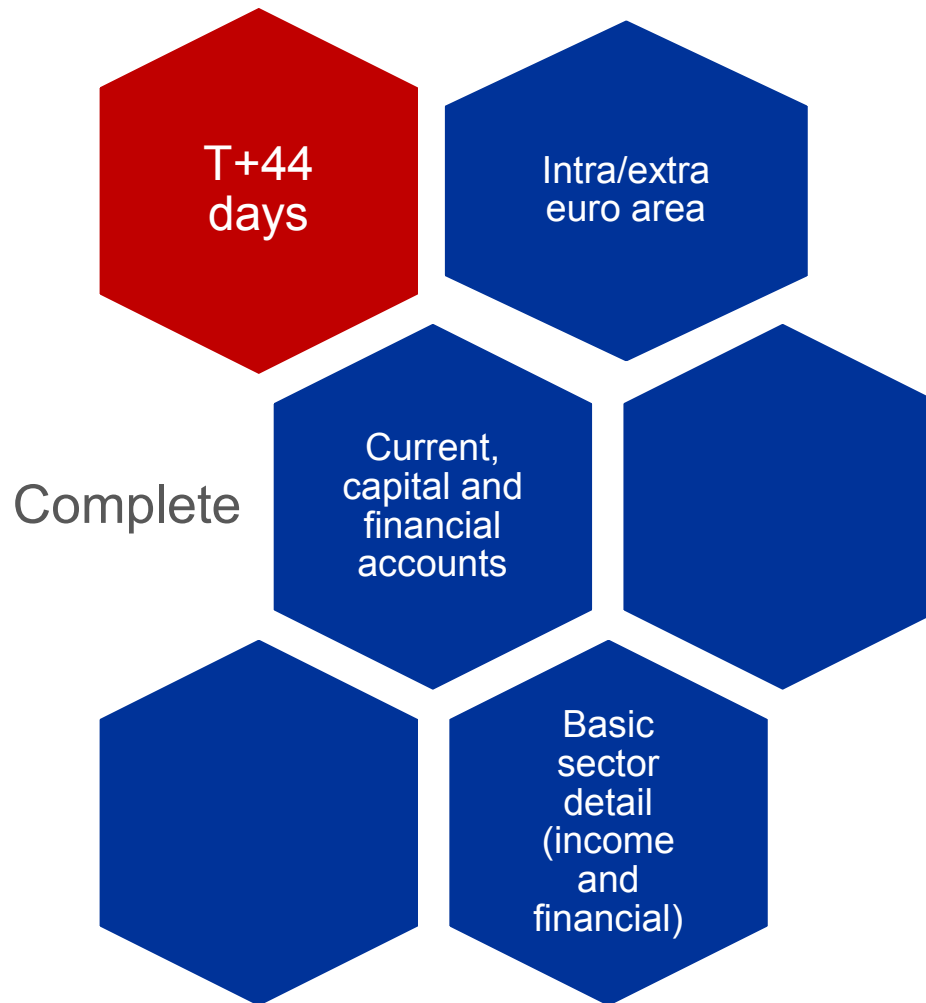
1. State of play (*... through the introduction of BPM6...*)



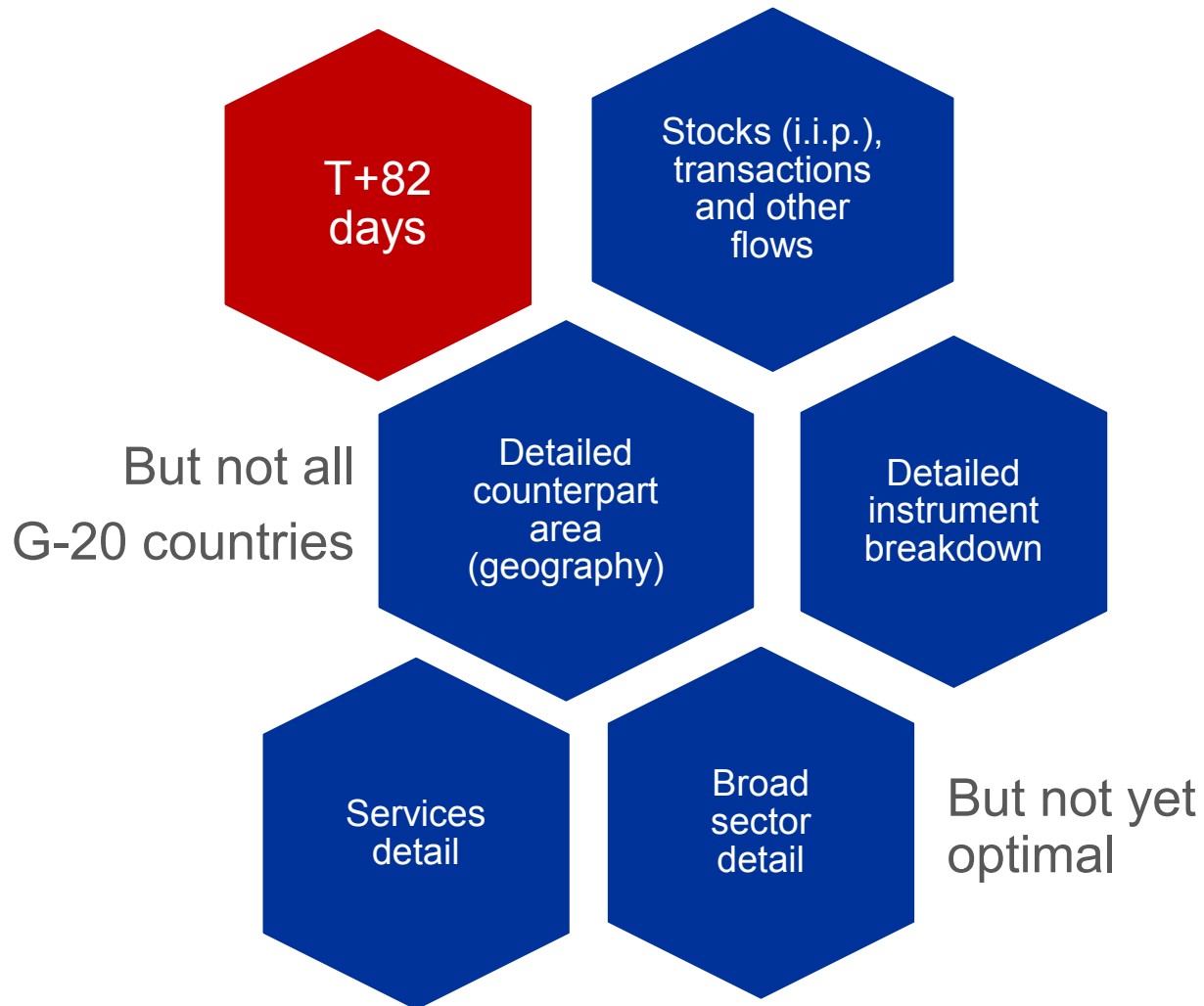
1. State of play (*... until now*)



1. State of play *(monthly b.o.p.)*



1. State of play *(quarterly b.o.p./i.i.p.)*



2. The environment

Financial crisis

- Need for more detailed cross-border statistics
- Need to link macro and micro (granular) data
- Need to measure the impact of non-standard (monetary policy) measures

Globalization and digitalisation

- Better assess inter-linkages, risk exposures, contagion and imbalances
- Measure financial innovation and account for complex and inventive strategies by MNEs – new measurement challenges

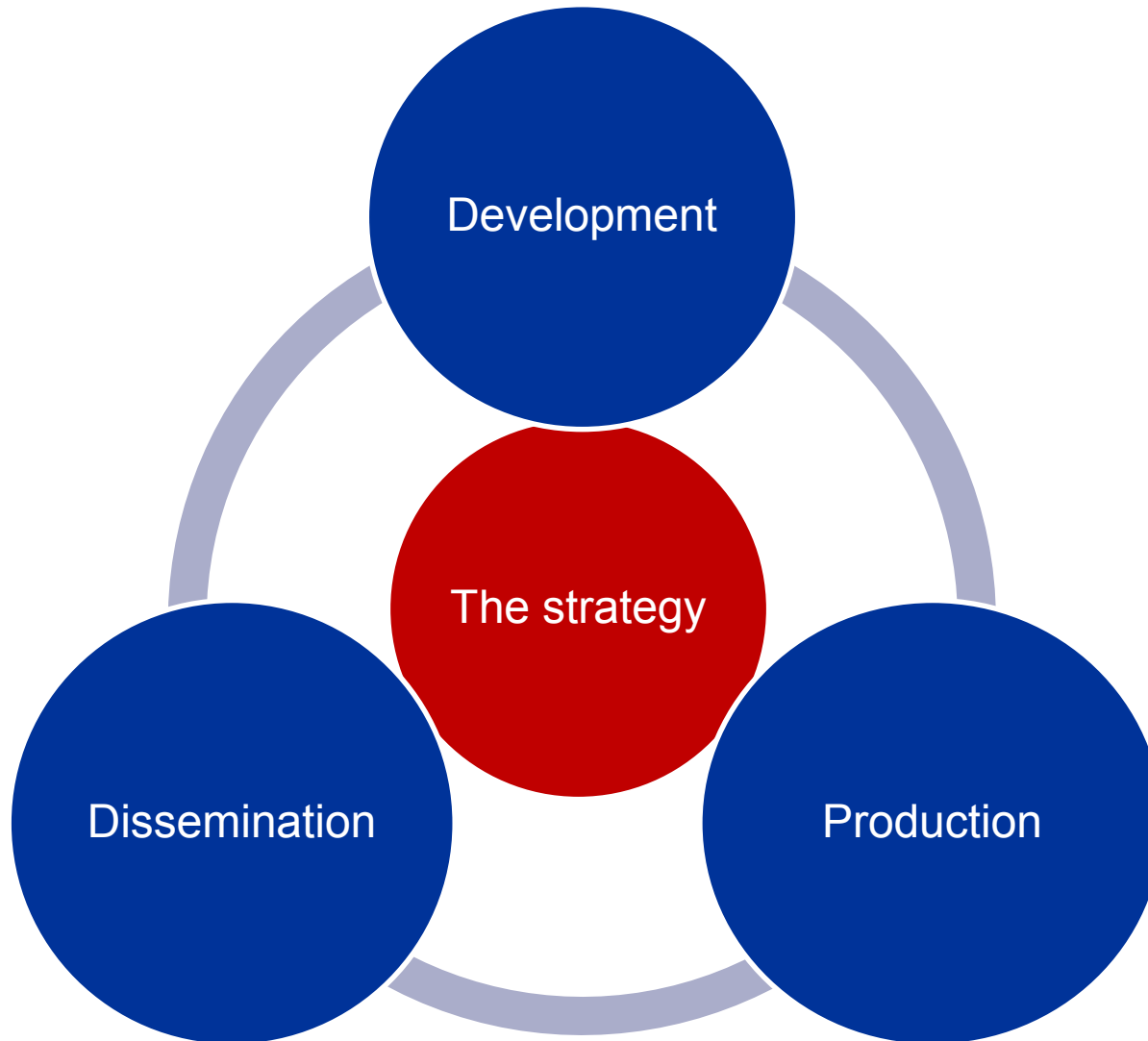
Technology and innovation

- More complex statistical methodology (BPM6/SNA08) – “ownership”
- Opportunity: technical innovation facilitates the management of large scale (micro) data sets bringing flexibility, speed and data quality

Budgetary constraints

- Countries face budgetary/financing constraints (no money for statistics!)
- Wish to reduce reporting burden and develop cheaper data sources
- Close collaboration between the parties is crucial to address the challenges (international data cooperation)

3. The road ahead: the medium-term strategy



3.1 Development of fit for purpose data

- Review quarterly b.o.p./i.i.p. requirements (address users' needs):
 - Coverage of non-financial corporations and financial sub-sectors
 - Collect data for SPEs and/or measure the impact of SPEs (“pass-through”)
 - Currency risk analysis: start with extended currency breakdown
 - Coverage of all G-20 countries (as counterparts)
- Linking macro data with detailed euro area micro datasets to:
 - Improve the analytical value, particularly of monthly b.o.p (monetary policy)
 - Estimate debt securities at nominal value
 - Estimate write-offs/downs – non-performing loans

3.1 Development of fit for purpose data

- Longer national and euro area time series
 - Can we all go back to 1995?
- Additional trade data
 - Trade by invoicing currency:
 - *International role of currencies*
 - *Estimate exchange rate pass-through to prices*
 - *Competitive (dis)advantage for firms (un)able to invoice in domestic currency*
 - Intra-group trade: linked to globalization and the role of MNEs
- Breakdown of financial derivatives
 - Design a set of meaningful requirements (measure hedging and speculation)

3.2 Production of high quality data

- Implementation of MoU related initiatives
 - Revamped quality reports: first time in mid-2018
 - Country visits to sponsor harmonisation and quality developments
- Errors & omissions and asymmetries
 - Euro area correction mechanism in place since 2016... BOP/EAA integration will bring it to another level
 - Several initiatives on asymmetries ongoing, including data sharing
 - Need to re-discuss the existing legal framework on confidentiality
- Bop/row consistency project
 - Ongoing... deadline for accomplishment defined (September 2019 or next benchmark revision)

3.3 Dissemination of comprehensive data

- Make an inventory of your users and segment to target... we are all different
- Provide “all” information, particularly important for policy makers and other experienced users ([SDW](#))
- Publish an “External sector Dashboard” and/or other digital publications for markets and analysts
- Support users in their analytical efforts and get their views – make it a two way relationship
- Support global transparency and a level playing field (G-20 DGI / SDDS+)

3.4. International cooperation and methodological coherence

- Support the international research agenda on methodology
 - Towards a robust definition of SPEs
 - A meaningful implementation of the “ownership” concept
- Support the initiatives to share and exchange data... help yourself by helping the others
 - CPIS, CDIS, IBS, etc...
- Increase efficiency and effectiveness on data exchange (SDMX and IDC)
 - From a push to a pull framework

**Thank you for your
attention!**