

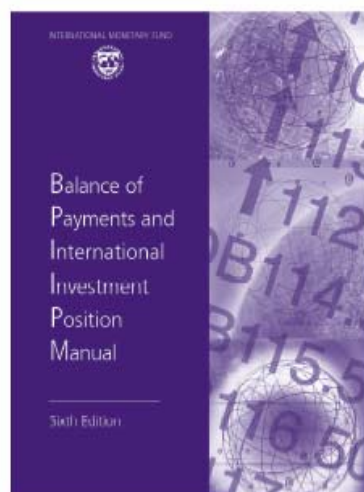


BPM6 Posted on the Fund's Website

The draft update of the IMF's Balance of Payments and International Investment Position Manual (BPM6) was posted for comment on the Fund's external website in March 2007 (<http://www.imf.org/external/np/sta/bop/bopman5.htm>). This posting was the culmination of a number of years of work involving the IMF's Committee on Balance of Payments Statistics (Committee), and its subgroups, and took account of the worldwide consultation on the Annotated Outline in 2004.

Specific questions and comments on this draft version of the BPM6 are welcome and should be sent, using the form available on the website, by June 15, 2007 to bpm5update@imf.org. These comments will then be submitted to the members of the Committee and discussed at its meeting of October 2007. A revised version of BPM6 will subsequently be posted on the website, and a final version is to be produced in 2008.

Against this background, this article provides an overview of the manual and of the update process.



The final version of the revised Manual is expected to be published in 2008

Introduction

The edition of the *Balance of Payments Manual* being updated is the fifth edition (BPM5), which was released in 1993 and which marked the harmo-

nization of balance of payments statistics with national accounts, with the publication, also in 1993, of the *System of National Accounts* (SNA 93). To maintain the harmonization, the BPM5 update has been closely aligned with the revision of the SNA 93, which is taking place in parallel. Many of the major issues that have emerged or have become more important in international transactions and positions also arise in the SNA revision process. The Committee nominated about twenty issues for the current review of the SNA.¹ The update also takes into account the methodological progress made in recent years on international reserves, international trade in services, and external debt.²

Detailed listings of changes from BPM5 are provided at the end of each chapter of the draft manual. Abstracting for specific issues, three main themes can be identified in the update: globalization, the increased emphasis on balance sheet issues, and financial innovation.

Driving Themes and Major Issues

Globalization has brought several issues to greater prominence. An increasing number of individuals and companies have connections to two or more economies, so that additional guidance is to be provided on the residence concept. In particular, there has been increasing interest in information on migrant workers and their associated remittances flows. As well, globalized production processes have become more important, so treatments have been developed to provide a fuller and more coherent picture of outsourced physical processes (goods for processing) and sales or management of manufacturing that are separated from physical possession (merchandising). Guidance is also provided on the residence and activities of

¹ Information on the issues and decisions taken in the SNA review are available at <http://unstats.un.org/unsd/sna1993/issues.asp>

² The work incorporated *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template* (2001), *Manual on Statistics on International Trade in Services* (2002), and *External Debt Statistics: Guide for Compilers and Users* (2003), respectively.

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Regional Focus

The ANDESTAD Project

The ANDESTAD project of the Andean Community (member states: Bolivia, Ecuador, Colombia, and Peru) was launched in June 2005, materializing a convention of technical cooperation between the Andean Community and the European Union.

The principal objectives of the project include harmonizing statistical concepts and procedures based on international statistical guidelines, and strengthening the capacities of the institutions responsible for the collection, processing, and dissemination of official statistics.

cooperation as well as the active participation of international organizations, such as the IMF's Statistics Department. Other activities of the project include research studies, direct technical assistance, and training.

What makes the project different from other technical cooperation projects that contemplate the improvement of statistics, are the legal instruments that facilitate the harmonization of statistical concepts and procedures. Through the project, the Working Groups and Secretariat of the Andean Community prepare Decisions and Resolutions



First meeting of the ANDESTAD Working Group on Balance of Payments Statistics in Caracas, Venezuela

The beneficiaries of the project include all institutions that form the national statistical systems (including National Statistics Offices, Central Banks, Ministries, Superintendencies, among others) and the Secretariat of the Andean Community.

The project oversees the work of 20 Working Groups covering a wide variety of statistics areas, among them National Accounts, Balance of Payments, Foreign Direct Investment, Public Finance, and Monetary and Financial Statistics. The Working Groups, formed by statistics experts from each member state, benefit from the technical assistance provided by the European technical

that, after approval by the Commission of the Andes Community and the Secretary General of the Secretariat respectively, constitute binding legislation in each member state.

The project, with a budget of eight million Euros, has a duration of four years and is based in Lima, Peru, where the Secretariat of the Andean Community is based. More information about the project is available on the project's website: <http://secgen.comunidadandina.org/andestad>.

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