

Documentation of Statistics for Balance of Payments 2016 MIP Report

Placement in Statistics Denmark's subject levelhierarchy

- 1:External economy
- 2:Balance of payments and the International investment position
- 3:Balance of payments - current account and capital account

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1. INSTITUTIONAL ENVIRONMENT

1.1. *CoP1 Professional Independence / PC1 Professional Independence*

1.1.1 *Legal basis*

According to the [Act on Statistics Denmark](#), Section 2: “Statistics Denmark is an independent institution under the direction of a Board consisting of the National Statistician as chairman, and six other members with insight into social and economic conditions”.

1.1.2 *Statistics work programme*

According to the Act “the Board will decide the working programme for Statistics Denmark...” (Section 3) and “the professional and administrative management of Statistics Denmark rests with the National Statistician” (Section 4).

CoP2 Mandate for data collection/PC2 Mandate for data collection

The mandate for collecting information for European Statistics is specified in the Act on Statistics Denmark (Section 3a).

1.1.3 *Allocation of responsibilities*

In b.o.p. statistics competency is divided between Statistics Denmark and Danmarks Nationalbank. The former conducts the compilation of the current and the capital account and the latter the financial account (property income included). B.o.p. statistics are published by Statistics Denmark. I.i.p. statistics are compiled and published by Danmarks Nationalbank.

1.1.4 *Legal basis*

S.7.1 B.o.p. data originates from other statistics. The European Parliament and Council Regulation (EC) No 184/2005 of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment (OJ L 35 08.02.05) is applied.

The National Bank of Denmark Act gives Danmarks Nationalbank the legal right to collect and disseminate data for the financial account. The act can be found at http://www.nationalbanken.dk/en/about_danmarks_nationalbank/Legal_basis/Pages/default.aspx

1.2. CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

1.2.1 Advance release calendar

S.9.2 The Release Calendar can be accessed on the Statistics Denmark English website: [Release Calendar](#). Release calendar for Danmarks Nationalbank can be accessed on the website: [Danmarks Nationalbank release calendar](#)

1.2.2 Revision policy

S.9.1 The publication date appears in the release calendar. The date is confirmed in the weeks before.

S.20.1 Statistics Denmark revises published figures in accordance with [the Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

Danmarks Nationalbank revises published figures in accordance with the [revision policy](#) that can be accessed on the website.

1.4. Contact information

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Unit: External Economy

Contact person: Mr. Casper Winther, caw@dst.dk, +45 39 17 36 36

National centralbank:

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Unit: Statistics, External statistic

Contact person: Mr. Robert Wederkinck, rwe@nationalbanken.dk, +45 33 63 68 63 or betalingsbalancen@nationalbanken.dk

2. STATISTICAL PROCESSES

2.1. *CoP7 Sound methodology / PC7 Sound methodology*

2.1.1 *General remarks*

The Danish statistics on b.o.p. and i.i.p. are compiled according to the guidelines of the BPM6.

2.1.2 *Residency*

Cf. 2.1.1.

2.1.3 *Institutional unit definition*

Cf. 2.1.1.

2.1.4 *Sectorisation & sector definition and delimitation*

Cf. 2.1.1.

2.1.5 *Valuation*

Cf. 2.1.1.

2.1.6 *Time of recording (accrual accounting)*

Cf. 2.1.1.

2.1.7 *Coverage gaps & deviations*

Personal transfers are weakly covered.

Trade margins on securities are included in the financial account (and not in services in the current account.

Capital taxes and debt forgiveness are not specified.

As agreed at European level, investment in investment fund shares is classified as portfolio investment regardless of the percentage ownership. This deviates from IMF's Balance of Payments Manual Sixth

edition.

2.2. *CoP8 Appropriate Statistical procedures / PC8 Appropriate Statistical procedures*

2.2.1 *Main features*

S.21.1 The statistics are prepared on the basis of the foreign trade statistics on both goods and services, and furthermore financial statistics of Danmarks Nationalbank (the Danish central bank) and information from public authorities. Supplementary information from other statistics is used. Some of the sources are used as they stand while others are used as indicators of development.

2.2.2 *Country specific aspects*

Cf. 2.2.1.

3. STATISTICAL OUTPUT

3.1. *CoP11 Relevance / PC11 Relevance*

S.14 The publication of balance of payments statistics in general and of the monthly figures in particular calls great public interest.

S.14.1 Traditionally, the balance of payments statistics form part of the most important background information in the planning of the economic policy of the country. Thus, one important user is the Ministry of Finance. The balance of payments statistics is used in the compilation of the national accounts. The balance of payments statistics constitutes Denmark's contribution to the compilation of the EU Balance of payments.

3.2. *CoP12 Accuracy and reliability / PC12 Accuracy and reliability (including stability)*

3.2.1 *Revisions*

S.15 The compilation of the balance of payments and international investment position is mainly based

on other statistics. Accordingly, the accuracy of the balance of payments statistics and international investment position is very much dependent upon these statistics. Most importantly, there will be some uncertainty attached to the first compilation of a given period, as some of the relevant information will not be available until later.

S.15.1 The transfer to new statistical sources and methods from January 2005 unavoidably incurred some transitional problems. Accordingly in a transitional period the uncertainty of the figures was higher than usually. In particular, this applied for the service item, for which the changes were the biggest.

With the implementation of the new international guidelines some additional questions have been included in the questionnaire on international trade in services as from 2013. The new variables have made it possible to validate the information by comparing more directly vis-à-vis other statistical domains. Against that background, Statistics Denmark will map the foreign activities of selected larger Danish enterprises. Among others it is expected that the validation will affect the distinction between processing and merchanting activities. Further it is expected that the current level of goods sold abroad after processing abroad will be adjusted upwards at a point in time yet to be determined.

Measures on accuracy are not calculated.

S.20.2 After the first publication of the balance of payments, it is continuously adjusted, as supplementary or adjusted statistical material appears. Property income from direct investment is projected on the basis of an aggregated estimate for the profit of the enterprise, as well as current information on distributed dividend. Data are not reported until up to 22 months after the end of the reference period. Data are published in October the year after the end of the reference period. Until then monthly data are based on estimated figures and therefore subject to more uncertainty than reported figures.

The supplementary information implies that the final calculation of the balance of payments is only prepared about 2-3 years after the expiry of the reference year.

According to practice the data of the months of the previous year are locked by late September. Simultaneously the data of the preceding year are revised and locked again. The data of the latter year are revised again internally around January for being included in the final National Account compilations. These data are thus declared final the following September.

3.2.2 Errors and omissions and integrity rules

Errors and omissions tend to be very volatile. Statistic Denmark and Danmarks Nationalbank continue to identify the reason for errors and omissions in order to reduce the size.

We aim to concentrate on this issue when the BPM6 compiling system is fully implemented. Among others we'll make an assessment on the reporting population to the IIP to ensure that our coverage is still sufficient.

3.3. CoP13 Timeliness and punctuality / PC13 Timeliness (including punctuality)

3.3.1 National requirements

S.16 The statistics are published every quarter approx. 70 days after the end of the reference period, preliminary figures, however, after approx. 40 days. Main results are published monthly approx. 40 days after the end of the particular month. The balance of payments statistics are normally published without delays as to the preannounced dates.

International investment position statistic is published every quarter approx. 90 days after the end of the reference period. The statistic is normally published without delay as to the preannounced dates.

3.3.2 EU and other international requirements

Denmark normally meets all timeliness requirements from international institutions.

3.4. CoP14 Coherence and comparability / PC14 Consistency and comparability

3.4.1 General remarks/Bilateral asymmetries

S.17.2 Actual balance of payments statements have been prepared since 1934. From 1949 the statements have been adapted to the form used by the IMF with the limitations imposed by the primary statistical material. Up to 1997 there are very long series for the main items without any noticeable breaks. In 1998, the compilation was adapted to the IMF balance of payments manual from 1993 (the fifth manual). Back data to 1988 for the most important items are available. In 2014, the compilation was adapted to the IMF balance of payments manual from 2009 (the sixth manual). Back data to 2005 are available.

As from January 2005 new statistical sources and methods have been applied. Most importantly the settlements statistics of Danmarks Nationalbank have ceased, and new statistics on foreign trade in services have been established. Breaks in series for all items should be expected. It is, however, submitted that the main balances are compiled without significant breaks.

Danmarks Nationalbank has published international investment position since 1991 (annual). Quarterly data are available from fourth quarter 1998 and onwards. Main series are available without noticeable breaks in series.

Danmarks Nationalbank has participated in Eurostat and the ECB's Foreign Direct Investment Network in order to handle asymmetries in the valuation of foreign direct investment. In last couple of years only very few data has been exchanged.

3.4.2 Consistency with related statistics

S.18.1 Imports in the foreign trade statistics are calculated cif, while they are calculated fob in the balance of payments by deducting transport and insurance charges. But otherwise goods in the balance of payments statistics are delimited slightly differently than in the foreign trade statistics due to different definitions. The transition is regularly updated (www.dst.dk/bopdok). The most important difference is due to procurements in foreign ports, in particular bunkers.

International investment position is consistent with the rest of the world account in the quarterly national accounts.

3.4.3 "Time" and back data consistency

Cf. 3.4.1.

3.4.4 Consistency across frequencies

S.18.2 Data are displayed with complete internal coherence and with consistency across frequencies.

3.5. *CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity*

3.5.1 Data

S.9.3 Statistics on both balance of payments and international investment position are always published at 9:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark / Danmarks Nationalbank can access the statistics before they are published. Theme publications etc. may be published at other times of the day. The National Statistician can decide that such publications may be released before their official publication time, e.g. to the media and other stakeholders.

S.11 Current publications: The balance of payments current account is published in News from Statistics Denmark, National Accounts and Balance of Payments (Statistical News) ("Nationalregnskab og betalingsbalance"). The balance of payments financial account and international investment position is published in Statistics, Find Statistic ("Predefined tables") from Danmarks Nationalbank.

At StatBank Denmark the current account is published in BB1 (monthly figures, net), in BB2 (quarterly figures), and in BB3 (annual figures). The financial account is published in DNFP and in other tables (monthly figures, gross and net). The international investment position is published in DNKAP and in other tables. All tables are to be found under the heading National accounts and balance of payments. Annual publications: Statistical Yearbook and Statistical 10-year Review (in Danish).

S.11.1 Preliminary figures are published in News from Statistics Denmark. Here the balances of the main sub-accounts of the current account are displayed.

S.11.2 A more detailed publication is to be found in National Accounts and Balance of Payments

(Statistical News) Annual publications: Udenrigsøkonomi (External Economy), Statistical Yearbook, and Statistical 10-year Review. The publications are in Danish.

S.11.3 Updated figures are to be found at: [StatBank](#) BB1, BB2 and BB3 (Current account), DNFP (financial account) and DNKAP (international investment position).

3.5.2 *Metadata*

S.12.1 Summary information on the preparation of the balance of payments is given in connection with the publication of the balance of payments. A comprehensive documentation (in English) is provided by the [European Central Bank](#). Elsewhere metadata for international investment position and the financial account can be found at Danmarks Nationalbank website under Statistic -> Find Statistics