

2015-09-28

1. INSTITUTIONAL ENVIRONMENT

1.1. CoP1 Professional Independence / PC1 Professional Independence

1.1.1 Legal basis

The independence of Statistics Sweden, from political and other external interference in collecting, producing and disseminating official statistics is guaranteed by law. The Constitution Act Chapter 9, Art. 12 which establishes that the Riksbank is an independent Central bank under the Riksdag.

The independence of the Riksbank, in its capacity as a member of the ESCB, is further emphasized in Article 130 of the EU Treaty and Article 7 of the Statute of the ESCB and of the ECB, which stipulate that “*when exercising the powers and carrying out the tasks and duties conferred upon them..., neither the ECB nor a national central bank nor any member of their decision making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision making bodies of the ECB or of the national central banks in the performance of their tasks.*”

1.1.2 Statistics work programme

The annual statistical work programme of Statistics Sweden is found at – <http://scb.se/en /Finding-statistics/Publishing-calendar/>

1.2. CoP2 Mandate for data collection/PC2 Mandate for data collection

1.2.1 Allocation of responsibilities

The responsibility for collecting, processing, and disseminating the Swedish balance of payments statistics is assigned to Statistics Sweden (SCB) on behalf of Sveriges Riksbank. This agreement dates back to 2007.

1.2.2 Legal basis

The responsibility of Statistics Sweden regarding the compilation of the BOP and IIP is established in article 6, 9§ (1988:1385) of Sveriges Riksbank and RBFS 2002:4 (Riksbank regulation). Data is classified as confidential on the basis of Article 24, 8§ Public Access to Information and Secrecy Act (2009:400) and use of such data is restricted to only statistical purposes.

1.3. CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

1.3.1 *Advance release calendar*

A. *Balance of payments*

Release calendar: Statistics Sweden, disseminates an advance release calendar covering all data categories, including data required by the IMF's SDDS. <http://scb.se/en /Finding-statistics/Publishing-calendar/>

B. International investment position

Release calendar: Statistics Sweden, disseminates an advance release calendar covering all data categories, including data required by the IMF's SDDS. <http://scb.se/en /Finding-statistics/Publishing-calendar/>

1.3.2 *Revision policy*

Revision policy is communicated closely to the publication of new data within the methodological notes in the yearly balance of payments report on the Internet at: <http://scb.se/en /Finding-statistics/Statistics-by-subject-area/Financial-markets/General-statistics/Balance-of-Payments-BoP/>

Major methodological changes, such as the implementation of BPM6, may also be communicated and explained in more detail at the statistics Sweden's webpage under "Current information" <http://scb.se/en /Finding-statistics/Statistics-by-subject-area/Financial-markets/General-statistics/Balance-of-Payments-BoP/>

Information on sources and methods are also available to the public but only in Swedish.

2. STATISTICAL PROCESSES

2.1. CoP7 Sound methodology / PC7 Sound methodology

2.1.1 *General remarks*

BOP and IIP statistics are compiled in accordance with the standards set forth in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). Furthermore, specific compilation recommendations from relevant international bodies are observed.

2.1.2 Residency

Swedish balance of payments and international investment position statistics follow the BPM6 residency concepts.

2.1.3 Institutional unit definition

Resident institutional units are defined in conformity with BPM6 as those that have a centre of predominant economic interest in Sweden.

2.1.4 Sectorisation & sector definition and delimitation

No significant deviations are to be mentioned.

2.1.5 Valuation

Transactions should be reported at the transaction date, ie, when the Swedish parties record in their own books. This means e.g. that interest is recognized on an accrual basis. Market prices are the basis for the valuation of transactions and positions and the exchange rates should be converted to the transaction date rate. Transactions in Other Investments (MFIs) and Direct Investment are derived from stocks excluding exchange rates and other effects.

Nominal valuation is used for positions in non-negotiable instruments, namely loans, deposits and other accounts receivable/payable. Direct investment positions are valued at book value and a model is used for estimating direct investment positions at market value.

2.1.6 Time of recording (accrual accounting)

Interest income is recorded on an accrual basis.

2.1.7 Coverage gaps & deviations

Travel includes e-commerce of goods with EU countries and to some level also transport services.

The Swedish merchanting figures are somewhat overestimated in relation to the general merchandise figures. According to the BPM6 manual goods shall be treated as general merchandise if the goods are processed substantial on the merchant's own account but we are not able to make this differentiation.

If goods are sent abroad for processing and after that sold abroad we are not able catch the margin between final price and total costs. Consequently the export value is too low.

Data collection or estimation model are missing on insurance technical reserves. Statistics on holdings security by security are not yet implemented and therefore we miss portfolio investment data on counterpart sector and revaluations. Reporting gaps exist also for the portfolio positions and transactions of resident individuals that are undertaken (held in custody) with banks abroad.

2.2. CoP8 Appropriate Statistical procedures / PC8 Appropriate Statistical procedures

2.2.1 Main features

A. Balance of payments

The Swedish data collection system can be classified as a Direct Reporting System. Primarily, the compilation of Sweden's balance of payments is based on direct reporting by resident financial and non-financial enterprises, and public authorities. Data is collected on a monthly basis except in some cases where data are only available on a quarterly basis or being estimated by models. There are several models for estimating flows, mainly for income but also Other investments, insurance and financial services. Direct investment flows are estimated from positions.

Other sources such as financial market statistics and balance statistics covering non-financial enterprises is being used as input to other investments and financial derivatives. Parts of portfolio investment transactions are estimated from positions security by security in the Swedish part of the CSDB.

The monthly collection, are complemented by other sources, such as: (1) monthly foreign trade statistics for merchandise data; (2) Sveriges Riksbank accounts for the reserve assets; (3) survey data on credit card companies for the travel item; (4) annual balance sheet data of direct investment enterprises for direct investment stock data and the corresponding reinvested earnings; (5) annual coordinated portfolio investment survey on securities holdings for portfolio investment and subsequently derived income and transactions data (6) administrative data.

Quarterly and annual balance of payments data are derived by aggregating monthly data. Generally, the underlying concepts, definitions, and classifications are therefore identical across series of differing periodicity.

B. International investment position

General remarks: Sweden's international investment position is compiled mainly on the basis of data collected for IIP purposes. The main data sources are:

- the monthly stock statistics on the external assets and liabilities of domestic banks and of other domestic enterprises, households and general government arising from financial operations and trade credits;
- the quarterly stock statistics of domestic investment funds. Swedish shares are based on half-yearly shareholding statistics;

- monthly debt securities deposits statistics for assets and liabilities of portfolio investment positions. The annual survey CPIS is used as input regarding the annual IIP;
- the annual survey on direct investment positions, which are used for compiling foreign direct investment stocks;
- reserve assets taken from the Accounting Division and the Payments System Division of the Sveriges Riksbank;
- accumulation of BoP transactions in cases where no data source for stocks on a quarterly basis are available (e.g. portfolio investment liabilities positions);

These sources allow for a detailed sectoral classification.

In the case of portfolio investment Swedish shares positions are only available semi-annually. Therefore, quarterly positions are compiled on the basis of cumulated stocks. Furthermore, these positions are subject to market and exchange rate valuation at the reference date.

In the case of direct investment positions, quarter 1-3, are based on estimations.

International investment position estimations are broken down into intra-, extra EU whilst collected data on a country-by-country basis and then aggregated to regional groups (e.g. extra-European Monetary Union). More detailed geographical breakdown data are available on a yearly basis when surveys regarding CDIS and CPIS are completed.

2.2.2 Country specific aspects

Data sources, compilation process etc. can be found on the website of Statistics Sweden (only in Swedish): <http://scb.se/sv /Hitta-statistik/Statistik-efter-amne/Finansmarknad/Amnesovergripande-statistik/Betalningsbalansen-BoP/>

3. STATISTICAL OUTPUT

3.1. CoP11 Relevance / PC11 Relevance

BOP/IIP are transmitted to the ECB and Eurostat for the compilation of European Union aggregated statistics. They are also disseminated at international level in accordance with SDDS+, used for the purposes of IMF Article IV reviews, and for the EU MIP scoreboard.

At national level they are used as input for the compilation of National Accounts.

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

3.2.1 Revisions

Revisions in the current account of the QBoP are usually small. The most relevant were recorded in the case of compensation of employees and direct investment income which depends on the annual direct investment survey for the income and positions. Results of the survey are included in the figures later during the following year which is the reason for revisions. Concerning the financial account, there were large revisions for direct investment, inward and outward, and portfolio investment liabilities. These differences are among other things explained by the availability of new data, late or corrective reporting and methodological changes. In the particular case of direct investment, revisions in reinvested earnings due to the replacement of estimates played a relevant role.

The revision policy is common for both balance of payments and National accounts and being published in the yearly publication.

3.2.2 Errors and omissions and integrity rules

Internal consistency is measured by the size of errors and omissions. Values of Average Relative Error are still higher than the 3rd quartile of the EU and persistent in their negative sign.

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

3.3.1 National requirements

Statistics Sweden disseminates quarterly balance of payments and IIP statistics 2 months after the end of the reference quarter. The actual publication date of balance of payments is available at the following address:

<http://scb.se/en /Finding-statistics/Publishing-calendar/?Pt=&lang=&Amnesomrade=FM&Period=0+y&Publiceringsform=&Statistikansvarig=>

During autumn every year, detailed reports on CDIS and CPIS are published. The results of these surveys are used for re-calculating the more detailed IIP.

3.3.2 EU and other international requirements

Sweden met all timeliness requirements from international institutions (ECB, Eurostat, IMF, OECD and BIS).

Sweden also adheres to the Special Data Dissemination Standard (SDDS) Plus – the highest tier of the Fund’s Data Standards Initiatives.

3.4. CoP14 Coherence and comparability / PC14 Consistency and comparability

3.4.1 *Bilateral asymmetries*

In the case of FDI, top asymmetries are mostly related to two partner countries. Sweden is a active participant in the FDI Network and is encouraged to continue being so. Participation has decreased somewhat during implementation of BPM6 and thereafter.

3.4.2 *Consistency with related statistics*

External consistency with trade data is followed on a monthly basis. The discrepancies between trade data and BoP Goods generally have methodological reasons.

Regarding National Accounts, consistency efforts have been made for the changeover to BPM6 / ESA 2010. However, differences may subsist due to differing data sources and methods. Revision timetables are coordinated.

3.4.3 *“Time” and back data consistency*

Consistent time series are made available to the users as far backwards as possible, partly dating back to 1950. Breaks in the time series have occurred, in some instances, when changes in source data, methodology, or statistical techniques could not be reconstructed backwards due to the lack of data. This is the case, for example, for a number of detailed breakdowns that have been implemented with new manuals.

3.4.4 *Consistency across frequencies*

Consistency between the frequencies is ensured by the revision of monthly data whenever quarterly data are produced/revised, and the revision of monthly and quarterly data whenever annual data are produced.

3.5. CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity

3.5.1 *Data*

The annual report published regarding balance of payments and IIP fourth quarter includes the revision time table. Quarterly figures and revisions are published in the BOP tables on the Statistics Sweden’s website.

3.5.2 *Metadata*

Metadata is also available on the Statistics Sweden's website.