Quality assessment report[1] on b.o.p/i.i.p – statistics underlying the Macroeconomic Imbalance Procedure indicators as provided by Lithuania (The Bank of Lithuania)

1.   INSTITUTIONAL ENVIRONMENT

1.1.   CoP[2] 1 Professional Independence / PC[3] 1 Professional Independence

1.1.1   Legal basis

The independence of the Bank of Lithuania is emphasized in Article 3 of the Law on the Bank of Lithuania. Article 3 (1)(2) of the Law lays down that:

1. The Bank of Lithuania shall be governed by the Treaty on the Functioning of the European Union, the Protocol on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on the Functioning of the European Union, as well as other legal acts of the European Union. The Bank of Lithuania shall be also governed by laws and other legal acts of the Republic of Lithuania in as much as they are in compliance with the Treaty on the Functioning of the European Union and the Protocol on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on the Functioning of the European Union. In the event of a conflict between the legal acts of the Republic of Lithuania and the international treaties of the Republic of Lithuania, the international treaties of the Republic of Lithuania shall take precedence.

2. When implementing the objectives and performing its functions as well as pursuing the activities necessary for that, neither the Bank of Lithuania, nor the Chairperson of the Board of the Bank of Lithuania, the Deputy Chairpersons, the Members of the Board, nor other members of the staff of the Bank of Lithuania (hereinafter: 'the Bank of Lithuania staff') must seek and take instructions from the institutions and bodies of the European Union, the governments of the Member States of the European Union or any other institutions or bodies. The Government of the Republic of Lithuania and State institutions must respect the independence of the Bank of Lithuania and must not seek to influence the Bank of Lithuania and its staff in discharge of their duties.

The Law on the Bank of Lithuania

1.1.2   Statistics work programme

All statistical works carried out by the Bank of Lithuania, Statistics Lithuania and other national authorities are reflected in the Official Statistics Work Programme (OSWP). OSWP compilation is coordinated by Statistics Lithuania. OSWP is made public and is posted on the website of Statistics Lithuania (only in the national language).

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[1] Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) generic template.
[2] The European Statistics Code of Practice.
[3] Public Commitment on European Statistics by the European System of Central Banks (ESCB).

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

1.2.1 Allocation of responsibilities

The Bank of Lithuania is responsible for the compilation of balance of payments (BOP) and international investment position (IIP) statistics for Lithuania.

Furthermore, the agreements between the Bank of Lithuania and Statistics Lithuania and between the Bank of Lithuania and the Ministry of Finance have established procedures for the presentation of required data and proper statistical information.

1.2.2 Legal basis

The responsibilities of the Bank of Lithuania are laid down in the Law on the Bank of Lithuania.

Article 8. Functions and activities of the Bank of Lithuania.

Paragraph 1. In implementing the provisions of the Treaty on the Functioning of the European Union and acting as an integral part of the European System of Central Banks, the Bank of Lithuania shall perform the following functions:

5) collect statistical information necessary for the performance of the tasks of the European System of Central Banks from state and municipal institutions and economic entities;

Paragraph 2. In addition, the Bank of Lithuania shall:

4) collect statistical information necessary for the performance of the functions of the Bank of Lithuania that are not related to the activities of the European System of Central Banks from state and municipal institutions and economic entities, set the procedures for the collection, compilation and dissemination of the said statistical information, and compile the balance of payments and international investment and financial accounts of the Republic of Lithuania.

1.3. CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

1.3.1 Advanced release calendar

The advanced release calendar for the monthly and quarterly external statistics (including balance of payments, international investment position and other related datasets) is available on the Bank of Lithuania's website:

Data release calendar

1.3.2 Revision policy

After a quarterly balance of payments is compiled, the data of the individual months of this quarter are revised. After the BOP is compiled for the second quarter of the accounting year, IIP data for the first quarter are also revised. This revision is made because, after the compilation of the annual data for the previous year, the change of stocks of the data is recorded.

The first revision of the external statistics for all quarters of the accounting year is made by compiling that for the fourth quarter. This will take place in March next year. While revising quarterly data, monthly BOP data are revised accordingly.

The final monthly and quarterly data are prepared in September of the reporting year. While preparing the final data, the data published in March are revised accordingly.

A revision of the BOP data for the last three years (if necessary, the revision takes the longer period of historical data) is done in September of the reported year.

Quarterly data for the international investment position and external debt are revised at the same periodicity as quarterly BOP data.

2. STATISTICAL PROCESSES

2.1. *CoP7 Sound methodology / PC7 Sound methodology*

2.1.1 *General remarks*

Lithuania's BOP and IIP statistics is compiled according to the IMF BPM6 compilation framework. The compilation satisfies recommendations of the ECB Guidelines (2011/23) and the Regulation of the European Commission (184/2005).

Quarterly BOP and IIP data according to the BPM6 requirements for 2014Q1 were published in June 2014. Back data are available starting with 2004.

Metadata on compilation of quarterly BoP and IIP are presented on the website of the Bank of Lithuania:

Metadata on BoP

Metadata on IIP

Lithuania's BOP/IIP statistics compilation practice can also be found in the IMF's Balance of Payments Statistics Yearbook (BOPSY).

2.1.2 *Residency*

Compilation of BOP/IIP follows the general BPM6 principles of residence.

2.1.3 *Institutional unit definition*

The general criteria of institutional unit are applied.

2.1.4 *Sectorisation & sector definition and delimitation*

No significant deviation in the institutional sector definition.

2.1.5 Valuation

In general, transactions and positions are valued at market prices. FDI listed equity stocks are valued at market prices and unlisted – at book value.

2.1.6 Time of recording (accrual accounting)

Income on interest is recorded on an accrual basis.

2.1.7 Coverage gaps & deviations

Margins on buying and selling financial instruments are not fully covered under financial services.

2.2. CoP8 Appropriate statistical procedures / PC8 Appropriate statistical procedures

2.2.1 Main features

The national BOP/IIP is compiled on the basis of direct reporting (statistical reports). Part of statistical reporting forms is collected by the Bank of Lithuania directly from national economic entities, and part of these data is collected by Statistics Lithuania. Resident units should provide their transactions with non-residents.

The Monthly BOP is compiled on the basis of direct reporting. Statistics Lithuania provides monthly data on the international trade in goods statistics
http://osp.stat.gov.lt/documents/10180/0/uzsienio+prekyba_metainfo-EN.

The number of indicators included in the monthly statistical report is noticeably smaller than in the case of quarterly reports. Monthly reporting data from other sectors are collected by way of a sampling survey of economic entities. These economic entities are selected according to their scope of operations with non-residents. Monthly data obtained from the sampling survey of economic entities are grossed up through the application of corresponding coefficients. As individual monthly BOP indicators are calculated with the aid of extrapolation coefficients and by making appropriate evaluations, aggregated data of a three-month period may not coincide with the figures of the corresponding quarter. After the compilation of a quarterly BOP, data for the individual months of that quarter are revised.

Quarterly BOP data relies on different data sources and reporting agents – statistical reports, statistical registers, administrative sources, data collected by using surveys (quarterly
http://osp.stat.gov.lt/documents/10180/0/TUI%28ketv.%29_metainfo-EN

and annual

http://osp.stat.gov.lt/documents/10180/0/TUI_metainfo-EN

FDI surveys, quarterly survey on enterprises for the compilation of other investment), data from the Bank of Lithuania accounting, data published by international financial organisations, mirror data from colleagues abroad, mass-media.

3. STATISTICAL OUTPUT

3.1. *CoP11 Relevance / PC11 Relevance*

At an international level, BOP/IIP data are part of the SDDS of the IMF. Additionally, selected data are transmitted to the BIS and OECD.

At the EU level, the Bank of Lithuania is responsible for the transmission of the BOP/IIP statistics to the ECB, Eurostat. This statistics supports the ESCB in defining monetary policy, managing official reserves and in other relevant tasks. Moreover, the data are used for the financial stability purposes and for the EU MIP scoreboard.

At the national level, BOP/IIP data are used for the compilation of Financial Accounts (Bank of Lithuania) and for National Accounts (Statistics Lithuania). Furthermore, the data are used by the economists of the Economics Department at the Bank of Lithuania for analytical purposes, for reviews of the main economic indicators, etc.

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

The indicators of accuracy, reliability and stability are defined in the annual regular BOP Quality Report, prepared by Eurostat.

3.2.1 *Revisions*

Extract from the Eurostat BOP Quality Report for 2015:

The size of revisions (in percentage) presents a sizeable deviation; however, changes in the volume of the main BOP items are negligible and are acceptable.

Monthly and quarterly BOP data have the deviation between initially provided and final data, because the different data sources are used for the compilation of these flows. Monthly BOP revisions (in %) of income on equity, debt instruments and other investment income defines the big statistical deviation. Furthermore, looking to the average deviation or at the changes in volume, the result is acceptable. The same applies to the quarterly data.

Regarding the size of revisions of the financial account, the biggest deviation was recorded in the assets and liabilities of FDI. This was due to the taking into account the annual FDI survey.

3.2.2 *Errors and omissions and integrity rules*

The Average Relative Error (ARE (EO)) indicator, in volume and in %, was small – did not exceed the EU28 median. Regarding the Cumulative sum of E&O that, since 2012q2, had the same negative sign of EO, was in the growing direction, but Cumulative relative CSR (EO) converges around 0.

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

3.3.1 *National requirements*

Monthly BOP data, with a short description of the main indicators, are released at the national level within approximately T+44 days after the end of a reference month.

Quarterly BOP/IIP data, with an overview of the main indicators, are disseminated at the national level within T+82 days after the end of the reference quarter.

Quarterly data for the international investment position and external debt are revised in the same periodicity as quarterly BOP data.

Advanced release calendar for external statistics is available at:

[Data release calendar](#)

3.3.2 *EU and other international requirements*

The Bank of Lithuania submits data to the ECB, Eurostat, and IMF according the data provision requirements by agreed deadlines.

3.4. *CoP14 Coherence and comparability / PC14 Consistency and comparability*

3.4.1 *Bilateral asymmetries*

Lithuania had participated in the FDI Network before 2013. During the project in 2012, Lithuania initiated an improvement of the equity of FDI positions with 3 countries, but these data were not reconciled, because the initiated amounts were too small for the counterparty (quite negligible volumes compared to the required threshold).

Furthermore, Lithuania participates in the CPIS and CDIS surveys.

3.4.2 *Consistency with related statistics*

With the implementation of the BPM6 requirements, the BOP goods and international trade in goods statistics data are inconsistent in exports and imports as well. These discrepancies have methodological reasons, and they were explained in the BOP QR.

Regarding consistency with Financial accounts and RoW Accounts, there can be a slight deviation due to different data sources used or a different timetable of revision.

3.4.3 *"Time" and back data consistency*

Currently, BOP/IIP data according to BPM6 requirements has been available to all data users since 2004 and that data are consistent. Furthermore, Statistics Lithuania is going to participate in the Eurostat MIP project regarding back data to the 1995 estimation. Having the results of that project, BOP compilers would be able to extend the time series of data coverage.

3.4.4 Consistency across frequencies

Lithuania produces and releases monthly and quarterly BOP/IIP data. After the compilation of a quarterly BOP, data of the individual months of this quarter are revised.

3.5. CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity

3.5.1 Data

The monthly BOP and quarterly BOP/IIP data, with a short statistical release of the main indicators, are published on the Bank of Lithuania's website:

External statistics

Statistical releases

3.5.2 Metadata

Please see information about metadata under point 2.1.1.