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International Conference on the Coordinated Portfolio Investment Survey

Closure

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The main conclusions that I have drawn from the exchange of views between statisticians and users of the CPIS during the Conference can be summarised as follows:

- The CPIS is a very useful tool for statistical compilation and monetary, economic and financial analysis. The usefulness of the Survey in providing information on the holders of the liabilities of the different countries and economic areas has been highlighted, for example, by the importance given by the ECB to the analysis of who is financing whom in an integrated information system for monetary policy and in some of the studies on financial integration and home bias presented during the Conference and also in relation to the globalization indicators.
- In the coming weeks the CPIS data will be available for the years 2001 to 2004, in addition to the data of the pilot experience of 1997. The availability of this consistent set of data will probably be followed by an increase in its use and accompanied by fresh demands and the need to improve its quality.
- During the Conference some points for improvement have been identified:
 - Timeliness: at present, data are available in about 15 months.
 - Periodicity: quarterly data instead of annual data would be advisable.
 - Coverage: some small economies with financial centres and some economies with important holdings (oil producing countries, China), some important countries does not report reserve assets in the SEFER exercise and the coverage of the household sector is a problem in many countries.
 - Identification of transactions and valuation and exchange rate changes between two sets of data.
 - Currency breakdown.
 - Identification of some instruments that may have a prominent role in the development of the markets, e.g. private equity or securitisation.

- Lessening the effect of the confidentiality problem in the level of detail provided in the CPIS database.
- In some cases, the use of monthly or quarterly BoP and quarterly IIP and databases on issuance of securities could serve as a complementary tool to these demands. To make this possible it would be necessary to increase the consistency of BoP and IIP with the CPIS contributions and the linkages with the “external debt hub” and other related databases.
- Some other important points that may affect the quality of the data have been mentioned. Most of them are recurrent issues when analysing the CPIS results:
 - Use of residency/country risk to allocate the holdings.
 - “Look through” possibility in cases of Special Purpose Entities involved in securities dealing or to avoid “round tripping”.
 - Improving knowledge on investments by households held in foreign custodians (“third party holdings”).
- Increasing the promotion of the CPIS not only between analysts but also among policy makers is also needed. This conference can be seen as step in this direction.
- Given its success, the CPIS can be seen as a first step in the use of global solutions to the challenges that globalisation poses to statisticians in terms of providing relevant and accurate information. Some other steps like the generalisation of Centralised Securities Databases are under way and other step forward would be the project of Coordinated Direct Investment Survey.