



**STATISTICS**

# **Measurement of the Informal Economy**

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on Business and Trade Statistics

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"The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management".

# Outline

- **Task Force on Informal Economy**
  - Preliminary report
  - Current work
- **Forthcoming 7th IMF Statistical Forum on Measuring the Informal Economy**

# Informal Economy: Coverage to be used

## Informal activities

- conducted by enterprises on the household sector or other sectors that are unregistered and/or are less than a specified size in terms of employment, and that have some market production

## Under ground activities

- both productive and legal but are statistically and economically deliberately concealed from public authorities

## Illegal activities

- forbidden by law

# Task Force on Informal Economy (TFIE)

## Objective

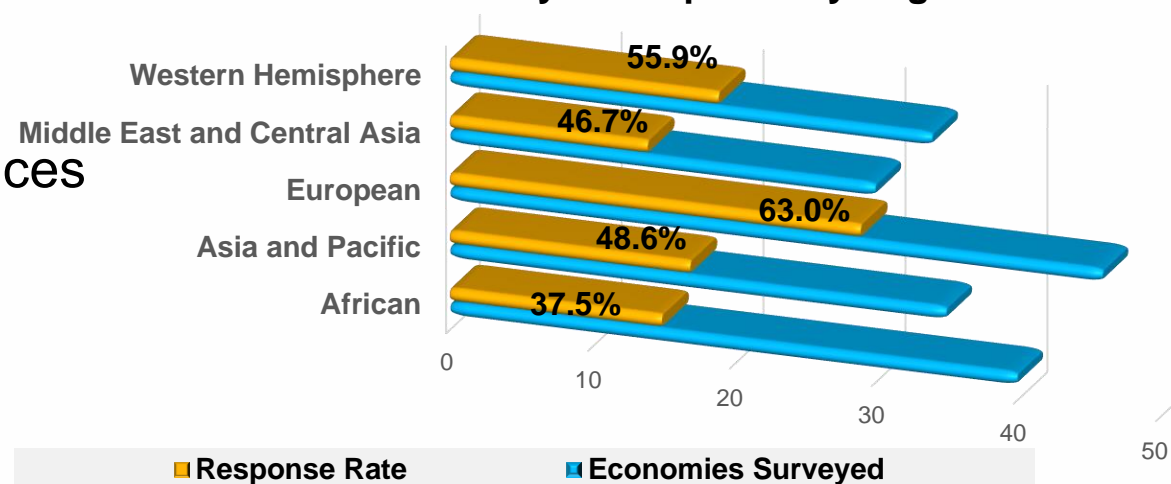
Taking stock of country practices to identify data collection methods/compilation techniques feasible for addressing the coverage and consistency of IE in cross border statistics

Preliminary Report: [BOPCOM 18/10](#)

## Phase I Work Program:

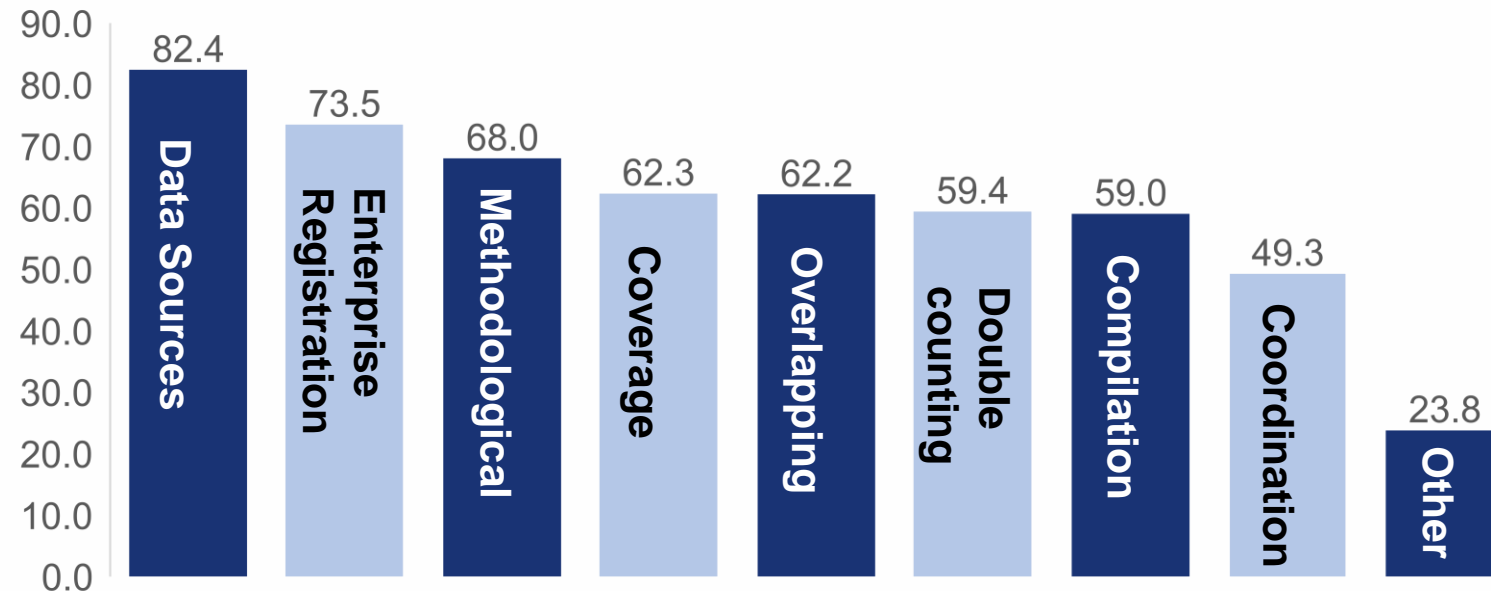
- Inventory of economies' experiences
  - ▶ By an **Online Survey**
  - ▶ By **Individual Reports**

Economies' Survey Participation by Region



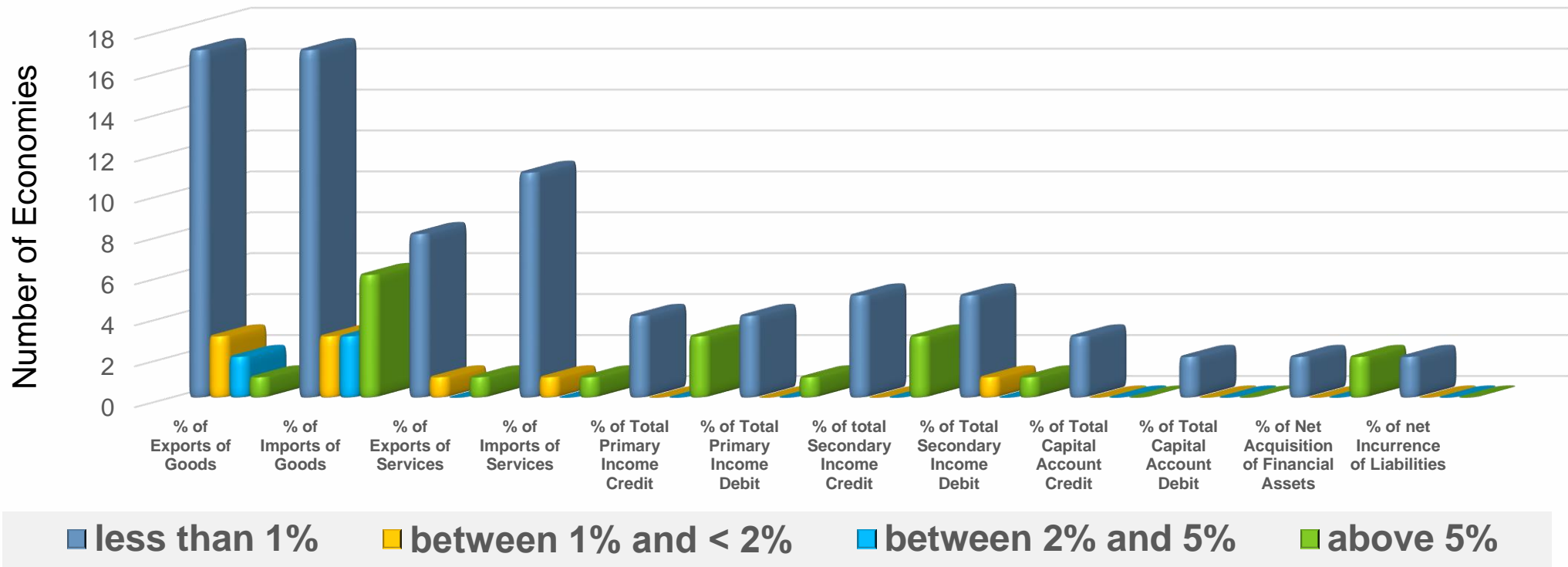
# Preliminary Report of the TFIE: Key Findings

- Compilation focused on the **current account**, especially on **goods**
- Estimation methods **aligned NA compilation or macroeconomic modelling**
- Use of a **combination of direct and indirect sources**
- Limited availability of **separately-identifiable** data on IE activities
- **Major challenges:** data sources, enterprise registration, and methodology



# Preliminary Report of the TFIE: Key Findings

On the prevalence and extent to which IE transactions impact the BOP, the estimates concentrated on goods, and to a lesser extent on services



# Preliminary Report: Recommendations

## Recommendations

**Select, document, and disseminate available best practices for compiling IE activities**

**Encourage coordination for more integrated approach in covering the IE data in the BOP and ROW accounts**

**Encourage national compilers to extend IE initiatives beyond the current account**

**Support a more comprehensive approach to compiling IE estimates targeting specific BOP/IIP components based on cost-benefit analysis**

# Preliminary Report: Phase II Work Program

## Phase II Work Program

**Review IE data collection and compilation practices as reported in the 2018 survey, individual reports, and other supporting materials**

**Identify “encouraged” practices for collection, compilation, and dissemination of IE data, and advise and support IMF’s work on developing appropriate modes of publicizing these practices**

**Provide broad (non-country specific) recommendations for improving current compilation methods**

**Next Steps:  
create a **webpage** to  
post encouraged  
compilation practices**



# Outline

- Task Force on Informal Economy
- Forthcoming 7th IMF Statistical Forum on **Measuring the Informal Economy**
  - Preliminary Agenda

# Forthcoming Statistical Forum on Informal Economy

**When?** Washington, D.C. during **November 14-15, 2019**

**Call for papers** *by Friday, May 31, 2019*

Seeks proposals for empirical papers and country case studies on the practices and data sources used to measure the informal economy, including cross-border flows

<https://www.imf.org/en/News/Seminars/Conferences/2019/03/25/7th-statistical-forum>

# Preliminary Agenda: Main Sessions

1) Definition and Scope of the IE

2) Traditional Estimation Practices:  
Determining the Level and Growth of IE

3) New Technologies and New Potential  
Data Sources - Innovation and Big Data

4) Measuring Informal Cross- border Flows  
(Illicit financial flows)

5) Closing Panel: Policy Conclusions  
and Recommendations

Thank you!