

INTERNATIONAL MONETARY FUND



Balance of
Payments and
International
Investment
Position Manual

Sixth Edition (BPM6)



STATISTICS

Goods and Services topics in the update of *BPM6*

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Topics covered

BPM7 Chapter 10 Goods Account

BPM7 Chapter 11 Services Account

BPM7 New annexes and chapters

BPM7 Implementation

Chapter 10 - Goods Account

- Separate sections on the major components of the goods account
 - A Overview
 - B General merchandise
 - C Other goods
 - a. Goods under merchanting, and
 - b. Nonmonetary gold
 - D Global manufacturing
 - E Additional breakdowns and supplemental presentations (but discussed in more detail in Annex 5)
 - F Reconciliation of IMTS and BOP goods emphasized (Section V)

Table 10.1 Overview of the Goods Account

	Exports (Credits)	Imports (Debits)
General merchandise on a balance of payments basis		
<i>Of which: Re-exports</i>		<i>n.a.</i>
<i>Of which: Goods traded within a global manufacturing arrangement</i>		
Net exports of goods under merchanting		
Goods acquired under merchanting (negative exports)		n.a.
<i>Of which: Material Inputs acquired abroad from third parties by the principal within a global manufacturing arrangement</i>		<i>n.a.</i>
Goods sold under merchanting (exports)		n.a.
<i>Of which: Material Inputs sold to Contractor abroad within a global manufacturing arrangement</i>		<i>n.a.</i>
Nonmonetary gold		
Total goods		
Balance on trade in goods		

General Merchandise

- The new manual will follow the structure of *BPM6* 10.13 to 10.40
- Some new items under *inclusions*
 - Export sales to merchants and import purchases from merchants, includes also inverse merchanting
 - Goods traded by the principal as part of a processing arrangement .
 - Sales of final goods under a factoryless goods producer (FGP) arrangement (*new treatment*).
- The section will discuss transactions in goods under Global manufacturing arrangement (next slide)
- FOB valuation for exports/imports will be maintained in *BPM7*. It will be noted that the valuation of imports and exports at the observed transaction value is conceptually preferred and, subject to further testing, will be introduced as the standard in the next version of the manuals

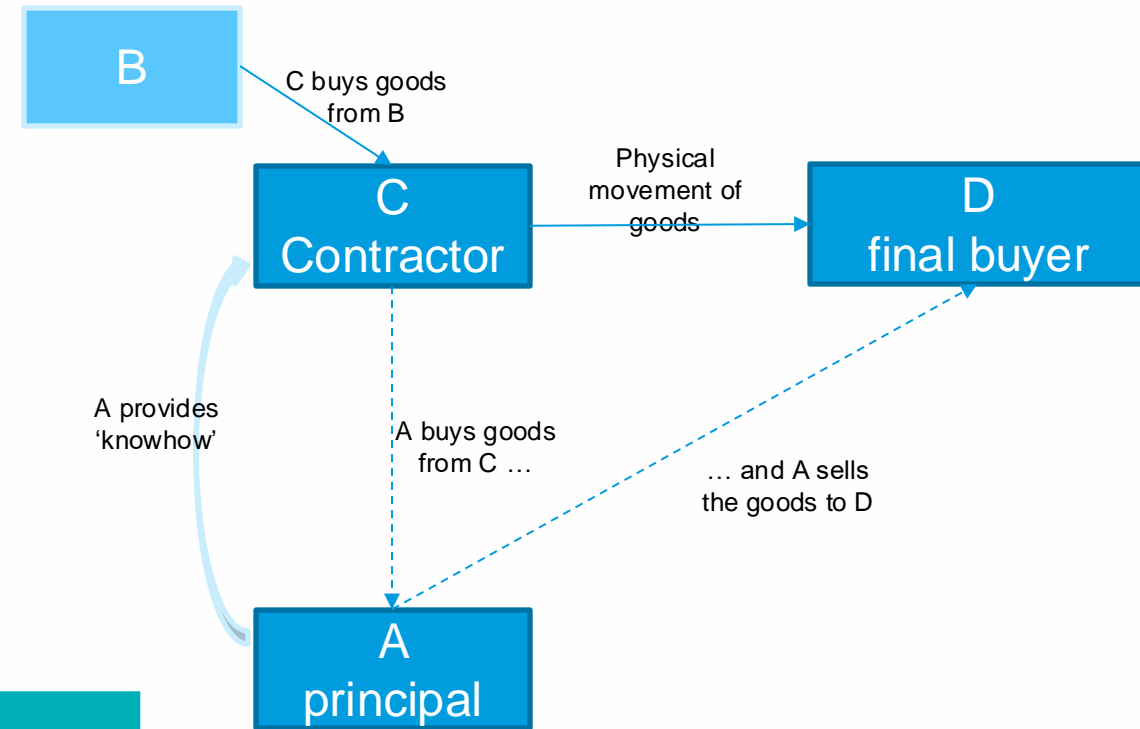
Global Manufacturing Arrangements

Factoryless Goods Production

A principal in country A outsources the manufacture of a product to a contractor but controls the design process and the final sale. This principal is a producer but does not have a factory:

The contractor in country C builds the product

- The contractor (in country C) sources the input materials e.g. from country B
- The contractor makes the product
- The principal provides the design specifications (the “knowhow” or IPP)
- Principal buys the finished product from contractor and sells to country D



Country	IMTS	BOP goods	BOP services	Adjustment
C	Imports from B, exports to D	Imports from B, exports to A	none	Change D to A (exports)
A	None	imports, exports	none	Positive adjustment to IMTS

Table 10.2 Reconciliation between Merchandise Source Data and Total Goods on a Balance of Payments Basis (recommended to be published annually)

	Exports	Imports
Merchandise trade statistics as provided in source data		
Valuation adjustments		
<i>E.g., CIF/FOB, high value goods</i>		
Adjustments arising from the change of economic ownership principle		
<i>E.g., Goods lost/destroyed, customs warehouses, migrants' personal effects, returned goods or for repair</i>		
Adjustments relating to merchanting and global manufacturing arrangements		
<i>E.g., merchanting and inverse merchanting, and change of ownership principal applied to goods movements within a global manufacturing arrangement</i>		
Other conceptual adjustments		
<i>E.g., arising from construction, illegality, non-monetary gold that is not shipped</i>		
= Total goods on a balance of payments basis		

Chapter 11 Services Account

Chapter 11 - Services Account - overview

1. Concepts and coverage

- Definition of services
- introduction to the concept of knowledge capturing products (e.g., software, audio visual products, R&D and other IPPs)
- Subcontracting

2. Classification

- Classification of services
 - 17 services components
 - New first-level splits of BPM6 components
 - Telecommunications, computer and information services
 - Other business services

Table 11.1 Overview of the Services Account

	Exports	Imports
Manufacturing services on physical inputs owned by others		
Maintenance and repair services n.i.e.		
Transport		
Travel		
Construction		
Insurance and pension services		
Financial services		
Charges for the use of intellectual property n.i.e.		
Telecommunication services		
Computer and information services		
Research and development services		
Professional and management consulting services		
Trade-related services		
Operating leasing services		
Technical and other business services		
Personal, cultural, and recreational services		
Government goods and services n.i.e.		

New content

- Freight forwarders (*in transport services*)
- Free goods and services to travelers; companions on health/education travel
- Unbundling package tours into separately (resident and non-resident) provided services
 - a) the services themselves (for example, transport, accommodation); b) the services provided by the tour operator; and c) the margin of the travel agency
- Constructions and construction services
- Trade-related services includes auctioneers fees, commissions and Fees paid to nonfinancial intermediation platforms, including digital intermediation platforms
- Fee based digital platforms not facilitating transactions in goods and services (in other business services)
- Content creators who receive remuneration from advertising or from the platform

New content – financial and insurance services

- Enabled by Fintech
 - facilitated by financial digital platforms such as payment services, peer-to-peer lending services, crowd funding platform services, and
 - other financial services such as capital raising/investment management
- Fees related to financial digital platforms that intermediate funding or payment transactions fees associated with credit cards and factoring
- Explicit and implicit fees paid by shareholders of investment fund units paid to service providers (under asset managements costs)
- Islamic insurance or *Takaful* is discussed in Chapter 17 on Islamic Finance
- Margins on buying and selling transactions—further elaboration on the relevant concepts including practical challenges in compiling this item

New content – IPPs, computer services

- Definition of IPPs:
 - assets resulting from R&D, investigation, or innovation,
 - leading to knowledge, or the creation of AI systems
 - that the developers can market or use to their own benefit in production
 - because use of this knowledge or system is restricted by means of legal or other protection.

- NFTs

- Computer and information services
 - AI
 - Cloud
 - Validation services by validators/miners of transactions relating to crypto assets
 - Data and databases and compilations of information content produced by accessing and observing phenomena

New annexes and chapters

Annex 5 – Selected issues in cross-border trade

- Classifications
 - This section brings together classifications used for international trade, such as
- Partner economy attribution
- Price and volume measures
- Digital trade
- Currency

Annex 5 - Price and volume measures, Digital trade

- The price and volume measures section will build on relevant guidance from the SNA (SNA 2008, 15.160 ff)
- The section on digital trade replaces and extends *BPM6* 10.10 and builds on the conceptual framework of *Handbook on Measuring Digital Trade*, referring also to digital supply and use tables

Annex 5 - International Trade Classified by Currency

This section of Annex 5 will highlight the analytical purposes of considering Trade by invoicing currency

Table Recommended breakdowns supplemental trade by currency presentations

Products	Currencies (minimum)	Currencies
Total Goods	Domestic	Domestic
	Non-domestic	SDR basket*
		Other country relevant currencies
Total services	Domestic	Domestic
	Non-domestic	SDR basket*
		Other country relevant currencies

*SDR basket: USD, Euro, Chinese Renminbi, Yen, GBP

New *BPM7/2025 SNA* Chapter 18 Informal economy

- Informal economy
 - The focus is on informal economic units in the economy and output of informal employment
 - The informal sector is not formally recognized by government authorities because the units or workers are not registered for tax or similar purposes.
 - Informal units are part of the household sector (regardless of size)
 - *Employees* are in informal employment if their employment relationship is not in practice formally recognized by the employer in relation to the legal administrative framework of the country

- Informal cross-border flows
 - Trade in goods conducted by informal workers and informal economic units;
 - Trade in services by informal economic units (exports and imports)

New *BPM7/2025 SNA* Chapter 16 - Digitalization

- This new chapter will elaborate on the following issues arising from digitalization that are touched upon throughout the manual and provides a consolidated view—including definitions, explanations, and measurement guidance, as needed

Digital Goods and Services

Cloud, data as an asset, AI

Digital Platforms

DIPs and others

Digitalization and the Financial System

New fin services, intermediation

Prices and Volumes of Products affected by Digitalization

Analytical Tools to Increase the Visibility of Digitalization

Such as, digital supply and use tables, digital trade

New *BPM7/2025 SNA* Chapter 15 Globalization

- **This new chapter aims to bring together information from *BPM7* and other sources to describe measurement challenges associated with globalization**
 - Global production and distribution as in Chapter 10
 - Measurement challenges related to MNE structures
 - Alternative indicators and supplementary information to monitor the impact of globalization and meet users needs
 - Recommends a breakdown of trade in goods and trade in services by enterprise characteristics
 - Ownership
 - Size
 - Global Value Chains and TiVA

Implementation

Supporting Implementation

- **Implement multipronged strategy**
 - Organize regional workshops
 - Provide technical assistance and training
 - Develop methodology handbooks and compilation guides
 - Coordinate capacity development among international organizations
- **Utilize new digital platform for collaboration**
 - Development of a compilers' hub to facilitate sharing of statistical guidance, tools, peer advice, and compilation practices
 - Transition to electronic publications
 - Share common concepts across all statistical domains (common glossary)

**Tailor implementation
approach to user
needs and materiality**

First Round of Outreach Seminars

Scope of the seminars

- Seven remote joint *BPM7/2025 SNA* seminars and one remote *BPM7* seminar
- Predominantly targeted at compilers
- Presented an overview of the forthcoming changes

Lessons learned

- Strong interest in the update of the standards
- Knowledge of the updated standards varies significantly
- High demand for practical implementation guidance and training
- Challenging issues include capturing crypto assets, digital services, and informal economy

Proposed Second Round of Outreach Seminars

Scope of the seminars

- In-person seminars
- Targeted at compilers and senior officials
- Discussion of practical guidance and next steps in implementation plans, including timelines and possible capacity development needs

Further considerations

- Joint or separate *BPM7/2025 SNA* outreach seminars

Thank you very much for your attention!

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Links and references

Guidance notes

- [Approved Guidance Notes \(imf.org\)](#)
- [System of National Accounts](#)

Chapters

- <https://www.imf.org/en/Data/Statistics/BPM/BPM7-chapters>