# Appendix II - SDDS: A Discussion

## 2.1 Introduction

The Special Data Dissemination Standard (SDDS) was established by the International Monetary Fund (IMF/Fund) in March 1996 to guide members that have, or that might seek, access to international financial markets in the dissemination of economic and financial data to the public. Subscription to the SDDS was opened in early April 1996. Although subscription is voluntary, observance of the Standard by subscribers is mandatory. It carries a commitment by a subscribing member to observe the standard and to provide certain information to the IMF about its practices in disseminating economic and financial data. A member country's subscription, which can be made at any time, is to be communicated in writing to the Secretary of the IMF.

A subscriber is expected to submit information about its data and its dissemination practices called metadata to the IMF for presentation on an electronic bulletin board viz. Dissemination Standard Bulletin Board [DSBB] maintained by the IMF. Subscribers' metadata are reviewed by the IMF for comprehensiveness and international comparability. The responsibility for the accuracy of the metadata, including timely updates, and for the economic and financial data underlying the metadata rests with the subscriber.

## 2.2 The dimensions and monitorable elements of the standard

The SDDS, in taking a comprehensive view of the dissemination of economic and financial data, identifies four dimensions of data dissemination:

- The data: coverage, periodicity, and timeliness;
- Access by the public;
- Integrity of the disseminated data; and
- Quality of the disseminated data.

For each of these dimensions, the SDDS prescribes two to four monitorable elements-good practices that can be observed, or monitored, by the users of statistics.

The data dissemination lists 17 data categories that provide coverage for the four sectors of the economy viz. Real Sector, Fiscal Sector, Financial Sector and External

Sector. It prescribes the periodicity (or frequency) and timeliness with which data for these categories are to be disseminated. In recognition of differences in economic structures and institutional arrangements across countries, the SDDS provides flexibility. Certain categories are marked for dissemination on an "as relevant" basis. Further, some data categories or components of data categories are identified as encouraged rather than prescribed. With respect to periodicity and timeliness, a subscribing member may exercise certain flexibility options while being considered in full observance of the SDDS.

The monitorable elements of the SDDS for access, integrity, and quality emphasize transparency in the compilation and dissemination of statistics.

- To support ready and equal access, the SDDS prescribes (a) advance dissemination of release calendars and (b) simultaneous release to all interested parties.
- To assist users in assessing the integrity of the data disseminated under the SDDS, the same requires (a) the dissemination of the terms and conditions under which official statistics are produced and disseminated; (b) the identification of internal government access to data before release; (c) the identification of ministerial commentary on the occasion of statistical release; and (d) the provision of information about revision and advance notice of major changes in methodology.
- To assist users in assessing data quality, the SDDS requires (a) the dissemination of documentation on statistical methodology and (b) the dissemination of component detail, reconciliation with related data, and statistical frameworks that make possible crosschecks and checks of reasonableness.

Consistent with this comprehensive view of data dissemination, dissemination itself is broadly defined to include electronic dissemination in addition to the more traditional formats.

## 2.3 Specifications by the IMF under the SDDS

### 2.3.1 Coverage, Periodicity and Timeliness:

The specifications of the economic and financial data for the IMF's Special Data Dissemination Standard (SDDS) are in terms of the categories and components that are most important in shedding light on macroeconomic performance and policy. The standard identifies for each of the four sectors of the economy (i) a comprehensive statistical framework; (ii) data that permit frequent tracking of the principal measures in the framework; and (iii) other data relevant to the sector.

The standard requires the subscribers to disseminate data under the four sectors of the economy viz. Real Sector, Fiscal Sector, Financial Sector and External Sector. Under the Real sector data are to be disseminated on National accounts (Gross Domestic Product), Production index/indices, Forward-looking indicators, Labour market (Employment, unemployment, wages, earnings) and on Price indices. Under the Fiscal Sector the standard specifies General (Central, State/Provincial and Local) government or public sector operations, Central government operations and Central government debt. Data to be disseminated under the SDDS for the Financial Sector pertain to Analytical accounts of the banking sector as well as of the central bank, Interest rates and Stock market. Balance of payments, International reserves and foreign currency liquidity, Merchandise trade, International investment position and Exchange rates are the data categories included under the External sector. Members under the SDDS also need to disseminate data on another data category viz. 'Population' for its usefulness as a scaling factor. IMF's Specifications regarding coverage, periodicity and timeliness for each of the seventeen data categories under the four sectors of the economy viz. Real Sector, Fiscal Sector, Financial Sector and External Sector are given in Appendix I. The Periodicity refers to the frequency of compilation--daily, weekly, monthly, etc. Timeliness represents the maximum lapse of time between a reference date (or close of a reference period) and dissemination--for example, one month.

**2.4 Flexibility**

Under the Special Data Dissemination Standard, a country may avail itself of the following flexibility provisions in respect of coverage, periodicity, and timeliness:

**2.4.1 <u>Coverage</u>:**

Some data categories or components of data categories are identified as "encouraged" rather than "prescribed." Further, some categories/components are marked "as relevant," and if one or more of them is not relevant to a subscribing member's economy, it may so indicate.

**2.4.2 <u>Periodicity and Timeliness</u>:**

i)      For the national accounts under the Real sector although the quarterly specification for periodicity must be met, timeliness may be "less" than prescribed *if* the production index/indices (identified as tracking category under the Real sector) is/are disseminated with the prescribed periodicity and timeliness.

ii)      Similarly, for the balance of payments under the Financial sector, although the quarterly specification for periodicity must be met, timeliness may be "less" than prescribed *if* the international reserves and merchandise trade (identified as tracking categories under the Financial sector), are disseminated with the prescribed periodicity and timeliness.

iii)      For any other two prescribed data categories *except* international reserves, periodicity and/or timeliness may be "less" than prescribed.

The flexibility provisions described above are permanent features of the SDDS. In addition, the Executive Board of the IMF decided in December 1998 to permit the use of one additional temporary flexibility option for the periodicity and timeliness of a data category. This additional flexibility was available only for a limited period, which expired on December 31, 1999.

**2.4.3 <u>Flexibility option by India</u>:**

India has taken the "as relevant" flexibility of the SDDS for the 'Labour market' data category. Another flexibility option India has taken is on the timeliness of the data on 'General government operations'.

## 2.5 Transition period

A formal transition period for the implementation of the SDDS began with the opening of subscription in early April 1996 and ended on December 31, 1998. During this period, a member could subscribe to the SDDS even if its dissemination practices were not fully in line with the SDDS at that time. This period gave subscribers time to adjust their practices, according to a plan (referred to as a transition plan), to bring them into line with the standard. During the transition period, the IMF also elaborated more fully certain operational aspects and reviewed the content and procedures of the SDDS with a view to making any adjustments needed in the light of experience.

## 2.6 Subscription to the SDDS

To date, there have been 48 subscriptions to SDDS. Countries that have subscribed to the SDDS are furnished in Table 2A.1 below:

### Table 2A.1: Countries subscribed to the SDDS[#]

| | | | |
|---|---|---|---|
| Argentina* | Australia | Austria | Belgium* |
| Brazil* | Canada* | Chile* | Colombia* |
| Croatia | Czech Republic* | Denmark* | Ecuador* |
| El Salvador* | Estonia* | Finland* | France* |
| Germany* | Hong Kong SAR, China* | Hungary* | Iceland |
| India | Indonesia* | Ireland | Israel* |
| Italy* | Japan* | Korea* | Latvia* |
| Lithuania* | Malaysia* | Mexico* | Netherlands* |
| Norway* | Peru* | Philippines* | Poland* |
| Portugal* | Singapore* | Slovak Republic* | Slovenia* |
| South Africa* | Spain* | Sweden* | Switzerland |
| Thailand* | Turkey | United Kingdom* | United States* |

[# Hong Kong  SAR, China: Hong Kong Special Administrative Region of the People's Republic of China]

Brazil has become the 48th subscriber to the Special Data Dissemination Standard (SDDS) and the first to subscribe after the expiration of the transition period. All subscribing countries have completed the metadata which is included on the Dissemination Standard Bulletin Board [DSBB]. Countries which, on the basis of

metadata provided by the authorities and reviewed by the IMF staff, meet the SDDS specifications for the coverage, periodicity, and timeliness of the data and for dissemination of advance release calendars, are indicated by an asterisk. Links to national summary data sites are available for those subscribers shown in *italics.*

**2.7 Observance**

On the basis of metadata provided by national authorities and reviewed by the IMF staff, 40 of the 48 subscribers (see table 2A1. above) now meet the SDDS specifications for the coverage, periodicity and timeliness of the data and for the dissemination of advance release calendars (ARC) by the end of March 2001. This is in comparison to the 13 subscribers as on March 29, 2000.

The IMF staff began monitoring observance of the data dimension and of the ARCs on a pilot basis in May, 2000. Regular monitoring of the SDDS for all subscribers began on July 1, 2000. The status report on observance published by the IMF is given in Table 2A.2 below. The observance period is between March 29, 2000 to December 31, 2000.

**Table 2A.2: SDDS Indicators**

| Indicator | As stated at third review March 29,2000 | As of June 30, 2000 | As of September 30, 2000 | As of December 31, 2000* |
|---|---|---|---|---|
| Number of subscribers | 47 | 47 | 47 | 47 |
| Subscribers in observance | 13 | 27 | 33 | 35 |
| Countries working with IMF Staff for possible subscription | 7 | 8 | 8 | 8 |
| Subscribers with NSDP websites | 42 | 43 | 47 | 47 |
| Hyperlinks from the DSBB to the NSDP | 19 | 30 | 36 | 38 |
| Subscribers with summary methodologies posted | 38 | 41 | 41 | 43 |
| Number of summary methodologies posted | 167 | 280 | 338 | 419 |
| Subscribers disclosing data based on the reserves template | 7 | 42 | 42 | 44 |

**\*Brazil subscribed to the SDDS in the year 2001.**

**2.8 Incorporation of New Data Categories into the SDDS**

**2.8.1 Data Template on International Reserves and Foreign Currency Liquidity:**

The original SDDS specification prescribed presentation of information on gross international reserves (reserve assets) with a periodicity of one month and a lag of no more than one week. It was observed by the Executive Board's first review of the SDDS in December 1997 that monthly information on gross international reserves alone did not allow for a sufficiently comprehensive assessment of a country's official foreign currency exposure and hence its vulnerability to pressures on its foreign currency reserves. At the March 1999 meeting of the Executive Board on the second review of the SDDS, Directors approved the incorporation of the data template on international reserves and foreign currency liquidity into the SDDS as a prescribed component. The data template establishes standards for the provision of information to the public on the amount and composition of official reserve assets, other foreign currency assets held by the monetary authorities and the central government, short-term foreign currency obligations, and related activities (such as financial derivatives positions and guarantees extended by the government for quasi-official and private sector borrowing) of the monetary authorities and the central government that can lead to drains on reserves and other foreign currency assets. Operational Guidelines designed to assist countries in the preparation of template data were issued in October 1999 and were accessible from the IMF's web site. The transition period prescribed by the Board for the compliance of the data template ended on March 2000.

**2.8.2 Separate data category for External Debt:**

A separate data category for external debt has been introduced under the SDDS prescriptions. A draft of the core chapters was presented for the first time in a seminar held at the IMF-Singapore Regional Training Institute during March 21-24, 2000. The SDDS prescribes dissemination of quarterly external debt statistics within one quarter of the reference period, with information to be disseminated for the debt of the general government, the monetary authorities, the banking sector, and other sectors. Data should also be broken down by maturity—short-term and long-term—on an original maturity

basis and by instrument, as set out in the BoP Manual 5th edition (BPM5). The transition period for disseminating quarterly external debt statistics ends on March 31, 2003.