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December 12, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Working Party on the Statistical Discrepancy in World
Current Account Balances

Following Executive Board Meeting 84/119 (8/1/84) on this subject, and on the basis of the Chairman's summing up of that discussion, the Managing Director has appointed Mr. Pierre Esteva of France, whose curriculum vitae is Attachment I, to serve as Chairman of a Working Party to investigate the statistical discrepancy in world current account balances (SM/84/157, 7/3/84). In consultation with Mr. Esteva, the Managing Director has issued invitations to several prominent experts from member countries to serve as members of the Working Party. The terms of reference for the investigation are set out in Attachment II to this memorandum, and the proposed members of the Working Party (to which one name is expected to be added) are listed in Attachment III.

The first meeting of the Working Party will take place on January 16-17, 1985. Thereafter the group will meet periodically and will produce its final report not later than December 1986. An interim report will be presented to the Board before the end of 1985. To support the group's work, a small number of technical experts will be provided by the Fund to undertake research requested by the Working Party. Mr. Samuel Pizer, formerly of the Federal Reserve Board, has been appointed Director of the Technical Group. He will be assisted by Fund staff and up to four outside consultants engaged for the specific purpose of the study.

The total additional out-of-pocket expense involved in the study, including provision for travel of the working committee, the salary of the Chairman of the working committee and some minimum representation expenses, is estimated to amount to \$950,000 spread over three years as follows: \$110,000 in FY 1985, \$600,000 in FY 1986, and \$240,000 in FY 1987.

Att: (3)

Other Distribution:
Department Heads

Curriculum Vitae

Name: Pierre Esteva

National of: France

Born: 1925

Education: University of Paris: Diplôme d'Etudes Supérieures
de Droit; Licence de Lettres

Ecole Nationale d'Administration

Career:

1950	Inspecteur des Finances
1953-64	French Treasury, Division of International Finance
1964-67	Bank of France, Secretary-General, Conseil National du Crédit
1968	Prime Minister's Office, Economic Adviser
1968-70	Private Secretary to Mr. F.-X. Ortoli
1971-83	Union des Assurances de Paris, (Managing Director, 1972; Chairman, 1980)

Terms of Reference of Working Party on the Statistical
Discrepancy in World Balance of Payments Accounts

The Working Party will investigate the principal sources of discrepancy in global balance of payments statistics, consider various ways in which statistical practices might be amended, and make recommendations.

It is understood that the principal focus of the group's activities will be the Investment Income and Financial Services accounts, and that particular attention will be given to the role of the offshore centers. In carrying forward its work in this area the group will be assisted by a technical staff, of up to five professionals, that will be provided by the Fund and will be based in Washington.

The Working Party may also consider other sources of discrepancy in balance of payments accounts, if these appear to be of significant importance and amenable to investigation. In undertaking work in these areas, the Working Party may call on the assistance of the Fund staff, the OECD secretariat or other agencies, within the limits of the resources available.

The Chairman of the Working Party will determine, in consultation with other members, the program of work and the timing of meetings. The final report of the Working Party will be presented to the Managing Director no later than December 1986, and an interim report will be presented no later than December 1985.

Working Party on the Statistical Discrepancy
in World Current Account Balances

Chairman: Mr. Pierre Esteva

Members: Mr. M. Baltensberger, Swiss National Bank
Mr. T. Ishizuka, Bank of Japan
Dr. Lin See Yan, Bank Negara, Malaysia
Mr. S. Pizer (ex officio) Director, Technical Staff
Dr. H. Senff, Deutsche Bundesbank
Mr. M. van Nieuwkerk, Netherlands Bank
Mr. J. D. Wells, Central Statistical Office, London
Mr. E. Zedillo, Banco de Mexico

Mr. G. Baer, BIS
Mr. A. D. Crockett, IMF
Mr. W. Dannemann, IMF
Mr. P. Erba, EEC
Mr. M. Feiner, OECD