

SM/01/274  
Supplement 2  
Correction 1

September 18, 2001

To: Members of the Executive Board

From: The Secretary

Subject: **Sweden—Detailed Assessments Using the Data Quality  
Assessment Framework**

The attached corrections to SM/01/274, Supplement 2 (8/27/01) have been provided by the staff:

**Pages 10, 20, 41 and 42, 45, 50, 58, 71, 77, 84, 98–100, and 104:**  
corrected for minor editorial changes

Questions may be referred to Mr. Dublin (ext. 37993) and Mr. Austin (ext. 39825).

Att: (14)

Other Distributions:  
Department Heads



deductible part of the value added taxes is excluded from the valuation of final uses. Corrections are made when transfer prices are detected.

Information on insurance and freight is available at a sufficient level of detail for imports to be transformed from c.i.f. to f.o.b. values. Total imports and exports are valued on an f.o.b. basis.

Transactions in foreign currency, converted to SEK, are taken from foreign trade statistics and the balance of payments.

#### *2.4.2 Recording is done on an accrual basis.*

Timing rules used for recording flows are in accordance with the *1993 SNA*. In particular, work-in-progress is recorded in the period it is produced. Government-related transactions are recorded on an accruals basis. However, the recording of taxes and social contributions follow the newly instituted ESA rule, that calls for a so-called time-adjusted cash basis—this is a deviation from the *1993 SNA*.

#### *2.4.3 Grossing/netting procedures are broadly consistent with international standards, guidelines, or agreed practices.*

Grossing/netting procedures are in accordance with the *1993 SNA*, except for some minor problems related to interest flows. These problems will be eliminated in the near future.

### **3. Accuracy and reliability**

#### ***3.1 Source data***

##### *3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions.*

A comprehensive and up-to-date business register<sup>10</sup> provides the basis for sample surveys<sup>10</sup>. All industries are covered by the ‘structural business’ statistics according to the EU regulation, except those that fall within Industrial Standard Industrial Classification (ISIC) sections A-B which are covered by other sources. There is a total coverage of enterprises employing 50 or more persons, whereas the coverage of smaller enterprises is based primarily on information available in administrative registers.

Sample design and estimation procedures are made in a scientific way and represent the survey universe. Scientific random sampling techniques are used.<sup>11</sup> Proper imputation

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<sup>10</sup> That is, they cover all activities and types of units.

<sup>11</sup> Scientific random sampling comprises the body of randomized methods or designs for selecting units from a universe list that exhaustively enumerates the units in the target population, in such a

(continued)

methods are used to handle non-response, and grossing-up factors are derived scientifically, based on sample design. Survey sampling and estimation procedures are reviewed and updated regularly.

Data collected through these sample surveys are sufficiently detailed and include:

Mining and manufacturing

- Output data on sales and inventories of finished goods and work in progress
- Intermediate consumption, covering purchases and inventories of raw materials
- On own-account production of capital goods
- Wages

Agriculture

- Output data on sales and inventories of finished goods and work in progress
- Intermediate consumption covering purchases and inventories of raw materials
- Own-account production of capital goods

Construction

- Output data on values of construction put in place
- Intermediate consumption, the data on purchases and inventories of raw materials
- Own-account production of capital goods

Trade

- Trade margins, covering sales, purchases and inventories of goods for resale
- Intermediate consumption, covering uses of non-durable goods and services

Transportation

- Revenue
- Intermediate consumption, covering purchases and inventories of raw materials
- Own-account production of capital goods

Business and personal services

- Output, covering revenue
- to measure intermediate consumption, the data on uses of non-durable goods and services.
- Data on own account production is not in all cases collected directly from enterprises. In some cases, and most notably for own-produced software, estimates are based on indirect methods.

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way that the entire population is represented by the sample subject only to a random error. In doing so, the properties of the random sampling error can be fully characterized by the sample design.

compiled in the National Accounts Unit and are consistent with the other sectors of the national accounts.

#### ***4.4 Revision policy and practice.***

##### *4.4.1 Revisions follow a regular, well-established and transparent schedule.*

The revision schedule is predetermined and reasonably stable from year to year.

New source data are incorporated as early as possible, taking into account the predetermined revision schedule. Major changes in source data may even have to await the next major revision. Revised estimates are released in time to be incorporated in important official economic policy documents. The principle is that release is governed by the availability of data sources. For some versions release times are, however, influenced by the needs of the budget process.

##### *4.4.2 Preliminary data are clearly identified.*

Preliminary data are not labeled, but in the accompanying text it is made clear which years/quarters are preliminary and which are revised.

##### *4.4.3 Studies and analyses of revisions are carried out routinely and made public*

Candid documentation is published on sources and methods of revising the data. The documentation includes information on the direction and magnitude of revisions, the main flows of data from the preliminary to the revised versions, and the reasons for revisions.

Studies and analysis of revisions are not made. The reasons for important revisions will usually be dealt with in the text of the publication. Internally, the causes of such revisions are always scrutinized.

## **5. Accessibility**

### ***5.1 Data accessibility***

#### *5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).*

National accounts estimates are disseminated at a detailed level and as time series. The data are properly catalogued to allow users to find out what information is available and assist them in locating it.

*5.1.2 Dissemination media and formats are adequate.*

*National accounts estimates are disseminated through a dedicated annual national accounts publication, and through electronic means. Quarterly national accounts estimates are disseminated regularly, in particular through a dedicated sub-annual statistical publication and electronic means.*

*5.1.3 Statistics are released on a pre-announced schedule*

National accounts estimates are released according to an advance release calendar disseminated on the SCB's website.

*5.1.4 Statistics are made available to all users at the same time.*

~~Strictly~~Strictly for internal use, experts at The National Institute of Economic Research and the Ministry of Finance are given access to some work-tables a few days before the data are released. Occasionally these agencies may have comments that lead to changes in the data.

*5.1.5 Non-published (but non-confidential) sub-aggregates are made available upon request.*

Non-confidential data are available upon request

**5.2 Metadata accessibility**

*5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from international standards are annotated.*

Following the transition to the *ESA 95* in 1999 the available documentation is at present insufficient. However, comprehensive documentation on the *ESA 95* calculations will become available before the end of 2001.

*5.2.2 Different levels of detail are provided depending on intended audience and type of collection.*

At present metadata are only available at very summary level.

**5.3 Assistance to users**

*5.3.1 Contact person for each subject field is publicized.*

A help desk provides prompt and knowledgeable service and support. A national accounts contact person is publicized and available to provide further assistance as required.

Regarding output (for weights of the PPI), market output is valued at basic prices. Output for own-use is valued at equivalent market prices.

*2.4.2 Recording is done on an accrual basis.*

For industrial products sales of finished goods are used in the weights, *i.e.*, no corrections for changes in inventories are made (following EU guidelines for industrial statistics). The definitions used in the foreign trade statistics apply for exports and imports. The weights for the PPI (domestic market concept) are derived (for CN categories) as sales of domestic output according to the annual Manufacturing Statistics less the corresponding export value according to foreign trade statistics.

*2.4.3 Grossing/netting procedures are broadly consistent with international standards, guidelines, or agreed practices.*

Stages of processing indices are not produced.

### **3. Accuracy and reliability**

#### **3.1 Source data**

*3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions.*

The annual manufacturing statistics register provides the basis for sample surveys. The register contains all manufacturers of all products within scope, with the exemption of the smallest ones. Thus all manufacturing enterprises with 20 or more employees are fully covered by the industrial production statistics, and for enterprises between 10 and 19 employees data are taken from tax registers, and given an imputed product composition based on the distribution in the bigger enterprises.

Annual business statistics are collected through a regular establishment/enterprise survey program for compiling output weights (PPI); all mining and manufacturing industries are covered. Basic prices are collected monthly and for Mining and Manufacturing, coverage is above 90 percent. For the activities covered, the largest unit sizes are represented. Purposive sampling is used in order to select the products with the largest values and the largest producers.

Price data collected are sufficiently detailed by product but don't always use sufficiently detailed product specifications.

The above mentioned surveys cover corporate as well as unincorporated enterprises.

Periodic (two or more years) surveys/censuses of output and intermediate consumption are not conducted on a regular basis.<sup>30</sup>

There are provisions to conduct ad-hoc surveys, if necessary.

*3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.*

Source data are broadly consistent with the definitions, scope and classifications of PPI estimates. Collected prices are measured as average monthly invoiced prices. Source data are broadly consistent with the time of recording, reference periods and valuation of PPI estimates, though output used in the weights is measured as sales.

*3.1.3 Source data are timely.*

The weights refer to the year t-1, but source data from industrial and foreign trade statistics are not available that early (just after the end of the year) and therefore the t-2 data are price updated to t-1.

Price collection takes place in the period from the 1st to the 20th in the month following the reference month. The collected prices are being processed on a current basis so that the PPI can be published around the 25<sup>th</sup> in the month. Other systems of price statistics from which source data are used include in particular prices of agricultural products.

### **3.2 Statistical techniques**

*3.2.1 Data compilation employs sound statistical ~~techniques~~ techniques.*

Weights are applied at the most detailed level (single price relatives). Hence, no elementary aggregate indices are computed. Aggregation is according to a Laspeyres-type index where annual links (base period December year t-1) are aggregated using price-updated value weights referring to year t-2). Prices for temporarily missing products are carried forward. There are no seasonal adjustments. Seasonal products are considered comparable regardless of season. For seasonal unavailability carry forward is applied. Permanently unavailable products are replaced in the sample. Most frequently price differences are assumed to reflect the value of quality differences. New products are introduced into the sample as they gain sufficient market share, provided it has come to the SCB's knowledge.

*3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.*

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<sup>30</sup> Applicable only to situations where annual censuses/surveys are not available and annual estimates are developed by extrapolating benchmark data using appropriate indicators.

period. Erratic movements in the monthly time series, when they occur, are measured according to the contribution of index components to index change. Methodological changes and changes in data sources are linked in and thus do not normally give rise to breaks.

#### *4.3.2 Statistics are internally consistent.*

PPIs are computed for product groups only. Consistency problems do therefore not arise.

#### *4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.*

The price changes are normally consistent among comparable components of the PPI and components of the import/ export price indices. However CPI methodology and timing differ considerably so that no direct comparability exist.

### **4.4 Revision policy and practice**

#### *4.4.1 Revisions follow a regular, well-established and transparent schedule.*

Weights and samples are revised annually with the release of the January index. Index numbers are not revised

#### *4.4.2 Preliminary data are clearly identified.*

Not applicable - first published results are final.

#### *4.4.3 Studies and analyses of revisions are carried out routinely and made public.*

Not Applicable

## **5. Accessibility**

### **5.1 Data accessibility**

#### *5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).*

PPI estimates are disseminated in the form of five index series, each with a detailed product break down: These series are: PPI —Domestic market; Export Price Index; Import Price Index, which are the primary series, and a PPI inclusive of exports that combines the PPI — Domestic Market and the Export Price Index, and finally the Price Index for Domestic Supply that combines the PPI – Domestic Market and the Import Price Index.

The data are catalogued to allow users to find out what information is available and assist them in locating it.

*5.1.2 Dissemination media and formats are adequate.*

PPI estimates are disseminated through a dedicated monthly PPI publication, a press release, and on the SCB's Internet website.

*5.1.3 Statistics are released on a pre-announced schedule.*

PPI estimates are released according to an advance release calendar that meets the requirements of the SDDS. Expected release dates for at least one quarter ahead are announced on the SCB Internet web site (<http://www.scb.se>). A note to this effect is published in the monthly bulletin "SCB-indikatorer" (Statistics Sweden-Economic Indicators). The release calendar is continuously updated. Precise release dates are announced a week ahead in a press release and in the electronic service "Key Economic Indicators from Statistics Sweden" which are redisseminated by several news agencies, information vendors, etc.

*5.1.4 Statistics are made available to all users at the same time.*

PPI estimates are released simultaneously to all interested users on the date and time specified in the advance release schedule

*5.1.5 Non-published (but non-confidential) sub-aggregates are made available upon request.*

Non-confidential data at the compilation level are available upon request, often for a fee.

**5.2 Metadata accessibility**

*5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from international standards are annotated.*

Updated description of PPI methodology is available in the quality declaration on SCB's web site (about 10 pages) that may be sufficient for most users. More detailed documentation, inclusive the documentation of the hedonic price index for personal computers, is about ten years old, but still useful.

*5.2.2 Different levels of detail are provided depending on intended audience and type of collection.*

Updated metadata are at present not available at a very high levels of detail

*0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only.*

Confidentiality is generally not an issues. However, the SCB treats its collection and processing of government statistics in the same manner as other source data. Confidentiality is specified in the Secrecy Act (1980:100).

*0.1.4 Statistical reporting is ensured through legal mandate and/or measures implemented to encourage voluntary response.*

The SCB applies the Official Statistics Act (2001:99) to require local governments and social security funds to report within a reasonable time frame. Central government respondents are required by Statistics Ordinance (2001:100, paragraph 6) to provide data on government agencies for statistical purposes.

## **0.2 Resources**

*0.2.1 Staff, financial, and computing resources are commensurate with institutional programs.*

The SCB counts on 10 employees to compile the general government statistics on a full-time basis. However, additional human resources would be useful, especially if GFS compilation responsibility (perhaps in the context of EU reporting requirements and following the recommendations of the IMF's *Government Finance Statistics Manual-GFSM 2001*) were added to the work program. Less than fully competitive remuneration of employees weakens the SCB's ability to retain skilled staff and to attract new recruits. A modern computer system exists to collect and process data, maintain databases, receive source data automatically and to disseminate compiled statistics.

The ESV has 10-15 staff working directly on the central government statistics and about 200 employees in total; however, more human resources may be needed if additional requirements follow the implementation of the GFSM 2001 ( which possibly will be required by EUROSTAT). The RGK notes that its staff level is currently sufficient. Both the ESV and RGK note that computing resources are adequate.

The NIER has two employees that work on annual fiscal data, placing the national accounts information into an analytical format, and participating in the ASTA working group.

A program of regular training is in place in the SCB to maintain a sufficient number of trained staff. The SCB believes that on-going training is sufficient. It also runs seminars and workshops on concepts and methods for SCB staff and other government agencies. The ESV holds special courses in-house and devotes 20 days per person per year for professional development.

The links between accounting and budgeting source data and central government data used in the national accounts (including bridge and derivation tables) are stored electronically by the

ESV in a form that makes it easy to access and update. However, the budget format changes each year, due to policy decisions, and these derivation tables must be updated each year. The ESV uses the RIKS and FRANGO computer systems to manage data. Computers and electronic reporting and data collection and processing are widespread in the ESV.

#### *0.2.2 Measures to ensure efficient use of resources are implemented.*

Generally, the costs associated with compiling general government statistics are not measured. The SCB views the national accounts as a single product and the cost of compiling general government statistics has not been estimated. The RGK notes that its marginal costs for statistics are negligible.

The SCB and ESV are constantly searching for ways to improve the efficient use of resources. They set priorities among their tasks to ensure the most efficient use of their resources.

### **0.3 Quality awareness**

#### *0.3.1 Processes are in place to focus on quality, to monitor the quality of the collection, processing, and dissemination of statistics, to acknowledge and deal with tradeoffs within quality, and to guide planning for existing and emerging needs.*

Quality is an integral part of the SCB mission statement. The mission of the SCB is to produce and make available official statistics relating to different areas of society, which can serve as a basis for decisions, public debate and research. These statistics are to be objective, reliable, comparable, up-to-date and easily accessible. It has particular responsibility for Official Statistics in certain broad social fields, including the economy, trade and industry, and prices. The SCB follows the same fundamental principles in all its work and aims to deliver products and services that are of a consistent high quality and that are objective and reliable.

The ESV also maintains quality consciousness and this priority is well recognized by management. Data quality work in ESV has been conducted since ESV started operations in 1998, based on the implementation of ISO 9001. ESV has adopted a quality policy, a plan for the quality work, and produced process mapping for about 70 percent of work processes at ESV. The ultimate responsibility for the quality work rests with the Director General. Special support is given by a quality coordinator and two extra coordinators in each department of ESV. At the end of 2002, ESV will probably be ready for certifying. However, its mandate to monitor central government operations emphasizes the timeliness and accuracy aspects of quality.

The RGK examines the central government's balance sheet and prepares a weekly statistical report.

### **3. Accuracy and reliability**

#### ***3.1 Source data***

*3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions.*

The ESV collects data covering central government and PPM transactions, except for data regarding central government financing which are collected by the RGK. The SCB collects the data on both flows and stocks for the local authorities (primärkommuner) and the old age pension, while the Swedish Federation of County Councils collects data from all 20 county councils. The SCB consolidates the data in the context of the national accounts, but these data could be used to compile a consolidated general government following the forthcoming *GFSM 2001*.

The individual agencies present data that could allow users to consolidate the various levels of government. However, users would need to exert substantial effort to do this.

The ESV phones agencies that fail to report. Most reporting is automated. Sample surveys (see below) and statistical methods are used to deal with nonresponse.

The SCB uses annual census (and quarterly survey) data to collect information on local authorities. Quarterly surveys apply accepted mathematical surveying techniques. Stratified samples are used to take into account different local authorities (primärkommuner) sizes. Sample data are benchmarked annually to fully enumerated data to ensure that sampling errors remain within acceptable limits.

*3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.*

The charts of accounts, covering both budgetary and extra-budgetary accounts, define the items that support the accounting systems. It is sufficiently detailed for government statistical purposes (on a national accounts basis) and could be used to map, albeit with difficulty, from the account codes to general government codes. GFS codes are not included on the chart of accounts, because no government finance statistics are compiled. Certain difficulties are encountered concerning the coding of capital formation on roads and defense.

In the case of functional (COFOG) categories, administrative categories are sufficiently homogeneous and aligned with COFOG categories to allow all expenditures for that category to be assigned to the appropriate functional classification. However, the needs of GFS are not taken into account in defining programs and projects. The new COFOG classification is being implemented through cooperation between the ESV and the SCB.

The ESV monitors and reports on the outcome of the budget in a separate but linkable manner from its compilation of central government statistics reported for national accounts

purposes. The budget outcome reports are monthly and annual. Central government statistics reported for national accounts purposes are reported quarterly. The ESV can map between these two types of data sets.

The budgetary information prepared by the ESV contains derivation tables for government statistical purposes. While this derivation is automatic within a fiscal (calendar) year, it must be redone each year, because the budget changes to adapt to policy needs.

The quarterly budgetary information prepared by the ESV is appropriate for the compilation of central government data in the context of the national accounts concerning the time of recording and valuation of source data. Many items are reported on a modified cash basis. (For example, tax revenue is time adjusted and an expense is recorded when a bill is presented.) The Financial Management Information System used by the ESV is called RIKS and integrates the preparation of central government budget policy data, accounting reports, and data for compiling government data in the national accounts. Source data in the centralized RIKS system covers the full range of economic flows and stocks. Compilation of general government statistics, from accounting reports, is perceived as a secondary exercise for the local governments.

### *3.1.3 Source data are timely.*

The RIKS system feeds into the monthly central government budget report, the quarterly report on net lending/borrowing used for the national accounts, and annual reports on the central government budget outcome and the consolidated financial statements. The process has been upgraded to improve the timeliness of the annual data that are now reported by March 15 of each year—prior to 2001, the annual report was supplied by end-May.

Extra-budgetary agencies and the social security funds can provide data on a monthly basis.

Data on the local governments are provided through quarterly surveys and an annual census. The censuses for the end-of-the-year data are complete by September each year.

## **3.2 Statistical technique**

### *3.2.1 Data compilation employs sound statistical ~~technique~~techniques.*

Estimation of missing data is based on accepted statistical processes, especially for local government data compilation. Most other records are administrative government records that do not require estimation of missing data, because instances of missing data are rare.

Sample surveys used for local authorities' (primärkommuner) data are based on internationally accepted sampling principles. Surveys of local authorities (primärkommuner) cover all local authorities with a population above 30,000 and are based on accepted mathematical surveying techniques. Stratified samples are used to take into account different

*0.2.2 Measures to ensure efficient use of resources are implemented.*

The Money and Banking Statistics Division establishes annual goals in the context of work programs with identified budgetary costs. All development projects are assessed against projections of investment costs and available resources. In cases where development projects are undertaken in collaboration with an external agency, a project contract is drawn up which assigns organisational responsibilities and specifies the plan for implementation, expected revenues, and potential risks.

**0.3 Quality awareness**

*0.3.1 Processes are in place to focus on quality, to monitor the quality of the collection, processing, and dissemination of statistics, to acknowledge and deal with tradeoffs within quality, and to guide planning for existing and emerging needs.*

Within the Riksbank, the Accounting Department is responsible for the quality of the accounting data that are used by the Money and Banking Statistics Division to prepare the monetary statistics. The Money and Banking Statistics Division is at present conducting a development project designed to promote quality control of the statistics through a process of rationalizing the data reported by the credit institutions and through systems support.

The Riksbank, in collaboration with the FI and the SCB, has formed a coordination group to discuss the following issues which have a bearing on the quality of the statistical data:

- Developments arising from the competence and needs of the three agencies.
- The collection of statistical data using uniform and co-ordinated concepts and definitions.
- The delivery and exchange of statistical data between the authorities.
- The avoidance of overlapping or inefficient work.
- The reduction of the burden of reporting on financial institutions and the harmonisation of the procedures for the collection of data.
- The harmonization of data collection according to accounting principles and statistical requirements.
- Ensuring that the publication and storage of statistics meet requirements for continuity and easy of access.

The coordination group meets about four times a year. A data exchange group, subordinate to the coordination group, handles operational questions. The data exchange group meets 4-6 times a year.

In the context of its development projects, the Money and Banking Statistics Division is currently conducting a quality control project. The objective is to improve the quality of the monetary statistics through rationalizing data reporting systems.

Responding to the new reporting requirements established by Eurostat and the ECB, new standardized report forms for the monetary financial institutions have been developed by the Money and Banking Statistics Division for implementation in January 2002. These new report forms will be standardized for all monetary financial operating in Sweden.

## **1. Integrity**

### ***1.1 Professionalism***

#### *1.1.1 Statistics are compiled on an impartial basis.*

The act of the Riksdag grants broad authority to the Sveriges Riksbank to determine what data are to be compiled and what monetary statistics are to be disseminated in support of economic and financial analysis. Chapter 5, Article 9 of the Sveriges Riksbank Act (1988: 1385) states that upon request of the Riksbank, a credit institution or other company supervised by the Financial Supervisory Authority shall provide the Riksbank with such information as the Sveriges Riksbank consider necessary to follow developments in the foreign exchange and credit markets.

The Money and Banking Statistics Division reports that within these guidelines, the staff are given the freedom to determine the content of the monetary statistics that they compile and disseminate.

While professionalism is promoted by encouraging participation in conferences and training programs that would upgrade technical skills, the ability of the staff to take advantage of such programs is limited given the demands imposed by the routine aspects of the division's work program and new statistical reporting requirements of the ECB and BIS.

#### *1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations.*

Statistical considerations are the major factor that determine the choices of sources and statistical techniques. International requirements and rules, such as ECB and *ESA 95*, also influence the collection, compilation, and reporting of monetary statistics. As far as possible concepts and definitions are uniformed and harmonised with accounting rules in order to minimise errors by misinterpretation and to facilitate the reporting from the institutions. Financial costs on reporting institutions are also a factor that are taken into consideration.

of the credit institutions (deposits) are recorded at nominal values on the balance sheet, which is comparable to the treatment of capital and reserves.

New report forms that will be introduced for the monetary financial institutions in January 2002 will request information on market values of non-traded financial assets.

The Accounting Department of the Riksbank revalues the foreign-currency denominated assets and liabilities at prevailing market rates in the file reported for the compilation of monetary statistics. Unrealized gains and losses stemming from any valuation adjustments are credited to profit and loss account.

All foreign currency denominated assets and liabilities of the monetary financial institutions are converted to domestic currency for balance sheet recording. The market exchange rate (the mid point between the buying and selling rates) prevailing at the balance sheet date is used for the conversion of stocks. Unrealized gains and losses attributable to any valuation adjustments are recorded in the valuation account. This accounting practice is consistent with the recommendations of the *MFSM*.

#### *2.4.2 Recording is done on an accrual basis.*

The accrual accounting guidelines recommended by the *MFSM* require that interest accruing on deposits, loans, and securities other than shares be incorporated in the outstanding amount of the financial asset or liability, rather than being treated as part of other accounts receivable/payable.

The credit institutions that are supervised by the Swedish Supervisory Authority practice accrual accounting, with interest on financial assets and liabilities being treated as accruing continuously during the accounting period. Unlike the accounts of the Riksbank, however, accrued interest is reported as a separate item in the balance sheets of these institutions and not incorporated into the outstanding amount of the financial asset or liability. When interest is overdue, however, it is included in the value of the outstanding obligation. Arrears in the payment of fees or similar charges associated with off balance sheet financial instruments are included in accounts receivable/payable on the balance sheet.

#### *2.4.3 Grossing/netting procedures are broadly consistent with international standards, guidelines, or agreed practices.*

The general principle outlined in *MFSM* states that data should be collected and compiled on a gross basis. It is, however, important to distinguish between compilation and presentation of data on a net basis. Some categories of data are presented on a net basis because of the analytical usefulness of the data in such form. It is recommended that whenever data are presented on a net basis, the underlying data on a gross basis should also be shown.

Assets and liabilities of the monetary financial institutions are in principle reported on a gross basis. No netting is made in the process of compilation. However, loans are now reported net of expected loan losses. In the new reporting forms for the credit that are expected to be in

force at the beginning of 2002, loans are to be reported gross of expected loan losses, with provisions for expected losses shown separately.

The monetary and credit aggregates that are presented in the monetary statistics are compiled by aggregating separately the accounts of the central bank and of the other depository corporations. Since there is no consolidated presentation of these aggregates, there is no netting of the underlying data.

### **3. Accuracy and Reliability**

#### ***3.1 Source data adequacy***

*3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions.*

Comprehensive balance sheet data for the Riksbank are reported by the Accounting Department to the Money and Banking Statistics Division in an electronic file. The data, which are prepared according to guidelines established by the Money and Banking Statistics Division, provide sufficient details on economic sectors and financial instruments to enable the compilation of appropriately sectorized and classified monetary statistics.

The balance sheet data for the monetary financial institutions are reported on a monthly basis on detailed report forms that are based on guidelines set out in the manual developed by the Sveriges Riksbank for monetary financial institutions. These report forms contain about 8,000 elements or cells. At present, these report forms vary according to type of credit institution. However, the new report form that will be introduced in January 2002, will be standardized across monetary financial institutions.

The report forms from which the monetary statistics are prepared rely exclusively on the accounting records of the Riksbank and the monetary financial institutions. The compilation of statistics does not involve any supplementary data from external sources.

*3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.*

The disaggregated source data reported to the Riksbank approximate the definitions, scope, classifications, time of recording, and valuation required for ease of reclassification.

These characteristics of the source data reflect the reporting requirements and guidelines established by the ECB.

#### ***3.1.3 Source data are timely***

Respondents are obliged to report by the ninth banking day, at the latest, after the end of the reference period. Most of the banks comply with this deadline and the Riksbank completes

on the grounds that the Governors and other senior Riksbank officials should be prepared to respond to questions from the press.

*5.1.5 Non-published (but non-confidential) sub-aggregates are made available upon request.*

Such information is made available in response to formal requests and if they do not impose excessive burdens on staff resources.

## **5.2 Metadata accessibility**

*5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from international standards are annotated.*

In order to facilitate the understanding of the time series, information is provided on the Riksbank website explaining the definitions, coverage, and methods used to compile the data. The limitations of the data are also described.

## **5.3 Assistance to users**

*5.3.1 Contact person for each subject field is publicized.*

Support services are available from the compilers at the Riksbank. The names of contact persons within the Riksbank for each subject field are presented with telephone numbers and e-mail addresses. This information is also available on the Riksbank website.

*5.3.2 Catalogues of publications, documents, and other services, including information on any charges, are widely available.*

All publications and relevant articles produced in the Riksbank are catalogued on the Riksbank's website. In addition to the statistical report, *Financial Market Statistics*, the main publications are the *Statistical Yearbook*, *the Annual Report*, and an annual review of the Swedish financial market.

Normally, all publications and articles, working papers, and other reports are free of charge. If special arrangements have to be made to respond to requests from the public, charges may be imposed but these charges are quite moderate.

## VI. BALANCE OF PAYMENTS STATISTICS

### 0. Prerequisites of Quality

#### *0.1 Legal and institutional environment*

*0.1.1 The responsibility for collecting, processing, and disseminating statistics is clearly specified.*

The compilation and dissemination of Sweden's balance of payments (BOP) and international investment position (IIP) are the responsibility of the Sveriges Riksbank (hereafter termed the Riksbank), and are governed by the terms and conditions of the Sveriges Riksbank Act (1988:1385). Chapter 6, article 9 of this Act stipulates that "the performer of a currency transaction has an obligation to provide the Riksbank with such information and to present the Riksbank with such documentation concerning the transaction, as are needed as a foundation for the Riksbank's balance of payments statistics." Under Article 4, "the Riksbank shall make public statistical data concerning foreign exchange and credit conditions on a continual basis", implying an obligation to publicly disseminate BOP statistics. Additionally, detailed regulations on data collection are issued in the Riksbank's Statute Book.

*0.1.2 Data sharing and coordination among data producing agencies are adequate.*

In compiling the balance of payments, the Riksbank draws on its data collection system which is best described as a direct reporting system supplemented by information on settlements made via Swedish banks using the ITRS, and on data provided by SCB. The latter provides data on goods, transportation, and trade credits as well as estimates of insurance and freight (c.i.f.) margins to facilitate adjustments to merchandise trade data. SCB also supplies enterprise registers that are used for the harmonization of sectoral classifications between the BOP and the National Accounts. In turn, the Riksbank provides disaggregated, but non-confidential, data on services and transfers as inputs into the National Accounts produced by SCB. To promote effective data sharing and coordination, meetings are conducted semi-annually between the Riksbank and SCB, but inter-agency contacts between staff occur on a more frequent basis. The two agencies have worked out formats according to which they report data to each other.

*0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only.*

Under the direct reporting system, individual data collected for BOP statistics are confidential in accordance with the Secrecy Act (1980:100, as amended 1986:618), Chapter 9, Chapter 9, article § 4. However, the confidentiality of settlement (ITRS) data may be broken as regulated in the Sveriges Riksbank Act (Chapter 7, article 8):

*3.3.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated and made available to guide users.*

While the Riksbank's staff are alert to the scope of the errors and omissions and seek to understand them by crosschecks between current, capital and financial accounts, the process of investigating possible causes appears to be ad hoc, and results that could inform remedial measures are not made available to guide users. The behavior of the BOP statistical time series are routinely assessed against some related series, e.g., data on financial stocks and flows are currently cross-checked for consistency, as is the case for income vis-à-vis financial assets/liabilities. However validations for most items on the current account, against related series, are not undertaken due to the periodicity and timeliness constraints of BOP compilation and dissemination.

An extensive ex-post analysis will be implemented within the next year, in order to analyse time series of line items and developments in different areas of the BOP, and to compare these with developments in related series/near lying areas.

Validations appear to be both routine and ad hoc, and as an internal quality control exercise, results are not available to the public.

**3.4 Revision studies**

*3.4.1 Studies and analyses of revisions are carried out routinely, and used to inform statistical processes.*

A revision study was undertaken by the Riksbank in 1998, as part of its pilot project on the development of quality measures. Given the relatively short period covered in the analysis, it was decided that the results could not be used to inform adjustments in statistical processes. However work is underway to develop IT applications that would automatically track and mine revisions; this could inform future changes in statistical processes.

*3.4.2 Studies/analyses of revisions are made public to guide data users.*

The 1998 revision study is an internal document.

**4. Serviceability**

**4.1 Relevance**

*4.1.1 Processes to monitor the relevance and practical utility of existing statistics in meeting users' needs are in place.*

Emerging data requirements, occasioned by Sweden's accession to the EU, have informed continuous review of existing BOP statistics produced by the Riksbank, and there is active collaboration with Eurostat and the ECB in meeting the data requirements of these two

institutions. The Riksbank is represented on working groups/task forces/committees of Eurostat, ECB and the OECD (see para. 1.1.1). Staff also participate regularly in ad hoc international statistical meetings and seminars including those conducted by the IMF.

The Riksbank conducts a periodic survey of domestic users of statistics—drawn from subscribers to its statistical (hard-copy) publications—and uses the information as a basis for addressing concerns of major groups of users including academia, media and financial markets.

#### *4.2.1 Periodicity follows dissemination standards.*

Sweden compiles and disseminates monthly BOP data, thereby exceeding the quarterly periodicity requirement of the SDDS. A shift to quarterly periodicity is planned for 2003.

#### *4.2.2 Timeliness follows dissemination standards.*

Monthly BOP data are disseminated 7 weeks after the end of the reference month, thereby exceeding the quarterly timeliness requirement of the SDDS. Annual data represents the aggregate of the monthly data for the calendar year, and are therefore available 7 weeks after the end of the reference year.

### **4.3 Consistency**

#### *4.3.1 Statistics are consistent or reconcilable over a reasonable period of time time.*

With the shift to *BPM5* format in 1997, monthly time series dating from 1992 were revised to the level of detail permitted by data availability. Pre-1997 BOP statistics utilize *BPM4* classifications, and the lack of information has rendered it impossible to reclassify some line items into the *BPM5* structure. In May 2001, the Riksbank effected a change in the methodological treatment of financial derivatives, and provided a revised time series dating from March 1995. Breaks in series are identified and explained in metadata available electronically and in hard-copy publications.

Unusual changes in economic trends are explained in the monthly BOP press releases, and in the footnotes of accompanying tables. Notably large transactions in the financial account are identified by company and transaction value (only on approval from the company), and are usually related to company acquisitions, mergers, and major share sales and purchases.

#### *4.3.2 Statistics are internally eonsistent consistent.*

Annual BOP statements are generated by the aggregation of monthly data thereby ensuring intertemporal consistency. Errors and omissions, in the monthly data, exhibit volatility (in size and sign) characteristic of short term series. Net errors and omissions in the annual series have been consistently negative since 1994, and the magnitudes were relatively large (in relation to other components of the BOP) in 1997 and 1998. A decline was recorded in 1999.

*4.3.3 Statistics are consistent or reconcilable with those obtained through other sources and/or statistical frameworks frameworks.*

The nature of the revision cycles for, and the differing periodicity and timeliness of, the BOP and other statistical frameworks present challenges in reconciling data across major statistical frameworks at any given time (e.g., a cut-off date, by national accountants, for the collection of merchandise trade data which feeds in to the BOP would mean that at the time the QNA is disseminated, items in the current account of the BOP, particularly goods, would have undergone revisions). However broad harmonization principles such as total net lending/net borrowing (from national accounts) equaling the current account balance plus the capital account balance (from balance of payments) are recognized by compilers, and it is expected that the planned shift to quarterly BOP in 2003 would address practical data reconciliation issues.

While the BOP is broadly consistent with monetary statistics, the sources are different; e.g., the “other account” of the MFI’s for the BOP does not draw on monetary statistics sources. Procedures to effect improved consistency among statistical products of the Riksbank are planned for the future.

**4.4 Revision policy and practice**

*4.4.1 Revisions follow a regular, well-established and transparent schedule.*

According to Sweden’s SDDS metadata posted on the DSBB at the time of the staff visit, “revisions are normally made for the last three months, and earlier periods are normally revised on an annual basis and made when data for a whole new year are released.” However, a continuous revision policy premised on users’ expectations of having the latest available information disseminated without delay appears to be the practice. The absence of a distinction between preliminary and final data may affect the transparency of the policy, but the authorities indicate that there is a predictable revision cycle of which domestic users are aware. Statistical publications do not include a statement about the nature of the revisions ~~policy i.e., policy, i.e.,~~ that data are continuously revised. The following information was provided in response to the mission’s request for clarification:<sup>35</sup>

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<sup>35</sup> “Revision Policy for the Swedish balance of payments”; note prepared by the Monetary Policy Division, Riksbank May 18, 2001 and subsequently posted on the Riksbank’s Internet site Internet website on June 1, 2001.

Regular revisions:

Each month, the preceding five months are revised. At the release of data for December, the whole year is revised. If needed, earlier years are revised at the same time.

Consistency with other official statistics:

To the extent other official statistics that constitute an input to the balance of payments is revised, a corresponding revision is always made within the balance of payments. These revisions might therefore go beyond the five months regular revisions. This applies to the following statistics:

- Merchandise trade
- National Accounts adjustments in trade in goods
- Sea Transportation
- Trade credits
- Income on direct investments (annual survey by Sveriges Riksbank)

The reason is a strong user requirement that BOP should not deviate from other openly available statistical sources.

Ad-hoc revisions of statistics collected by Sveriges Riksbank:

Occasionally when substantial revisions occur in data collected by Sveriges Riksbank, revisions are made in the BOP. Revisions are made when it is felt that the new data give a changed picture of the developments in the BOP. The reason is that users should as soon as possible be provided with statistics that give an accurate picture of the BOP. These ad hoc revisions mainly regard big financial transactions, like direct investments. At rare occasions current account transactions are revised for this reason.

Results of the Annual Survey on Direct Investment are published approximately twelve months after the end of the reference year, and are incorporated into the BOP statistical time series in the following month. Subject to the availability of new information, and to methodological changes, monthly data for a calendar year may be considered final after a 13-month lag.

*4.4.2 Preliminary data are clearly identified*

Given the continuous revision policy, there is no distinction between preliminary and final data. However, statistical publications do not include a statement about the nature of the revisions policy ~~i.e., policy, i.e.~~, that data are continuously revised, and individual data sets are not identified when revised.

*5.3.2 Catalogues of publications and other services, along with information on any fees, are widely available.*

1. The Internet is the primary dissemination format for BOP data and metadata. All dissemination formats are identified on the DSBB. Catalogues of publications and other services are available on the Riksbank's Internet website.

**DATA QUALITY ASSESSMENT FRAMEWORK—GENERIC FRAMEWORK**

(March 2001)

Quality Dimensions	Elements	Indicators
<p><b>0. Prerequisites of quality<sup>11</sup></b></p>	<p><b>0.1 Legal and institutional environment</b> – <i>The environment is supportive of statistics.</i></p> <p><b>0.2 Resources</b> – <i>Resources are commensurate with needs of statistical programs.</i></p> <p><b>0.3 Quality awareness</b> – <i>Quality is recognized as a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating statistics is clearly specified. 0.1.2 Data sharing and coordination among data producing agencies are adequate. 0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only. 0.1.4 Statistical reporting is ensured through legal mandate and/or measures implemented to encourage voluntary response.</p> <p>0.2.1 Staff, financial, and computing resources are commensurate with institutional programs. 0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 Processes are in place to focus on quality, to monitor the quality of the collection, processing, and dissemination of statistics, to acknowledge and deal with tradeoffs within quality, and to guide planning for existing and emerging needs.</p>
<p><b>1. Integrity</b></p> <p><i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p><b>1.1 Professionalism</b> – <i>Professionalism in statistical policies and practices is a guiding principle.</i></p> <p><b>1.2 Transparency</b> – <i>Statistical policies and practices are transparent.</i></p> <p><b>1.3 Ethical standards</b> – <i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are compiled on an impartial basis. 1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations. 1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public. 1.2.2 Internal governmental access to statistics prior to their release is publicly identified. 1.2.3 Products of statistical agencies/units are clearly identified as such. 1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are clear and publicized.</p>