

EBS/11/156
Supplement 1
Correction 1

March 2, 2012

To: Members of the Executive Board
From: The Acting Secretary
Subject: **Mongolia—Second Post-Program Monitoring—Informational Annex**

The attached correction to EBS/11/156, Sup. 1 (10/26/11) has been provided by the staff:

Factual Error Not Affecting the Presentation of Staff's Analysis or Views

Page 9, para. 4, line 9:

for “plans to publish IIP in 2011.”
read “started to publish IIP in 2011.”

Questions may be referred to Mr. Almekinders (ext. 34281) and Mr. Ojima (ext. 35944) in APD.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities. This correction is not being distributed in hard copy. It can be accessed in the Institutional Repository. A link to this document can be found in the daily list (<http://www-int.imf.org/depts/sec/services/eb/dailydocumentsfull.htm>) for the issuance date shown above.

Att: (1)

Other Distribution:
Department Heads

ANNEX II. MONGOLIA—STATISTICAL ISSUES

As of September 30, 2011

I. Assessment of Data Adequacy for Surveillance	
<p>General: Data provision to the Fund is broadly adequate for surveillance. The priority areas for improvement are national accounts and government finance statistics.</p>	
<p>National Accounts: The national accounts statistics compiled by the National Statistics Office (NSO) are broadly in line with the guidelines of the 1993 SNA. They have improved the quality of national accounts data, but weaknesses remain, including in the estimation of capital formation, estimation of GDP price deflators, and coverage of the informal sector and small-scale activity (especially in the services sector). The compilation of constant price expenditure-based national accounts, in line with the pilot done in 2008, would serve as a useful check for the production side estimates. NSO plans to disseminate annual expenditure-based GDP series in value terms and to pilot quarterly estimates of GDP by expenditure in 2011.</p>	
<p>Price Statistics: The consumer price index (CPI) was rebased in January 2008 with expenditure-derived weights from the 2005 Household Income and Expenditure Survey. NSO has published a national CPI for Ulaanbaatar and 21 aimags (provinces) since January 2008, and a housing price index since October 2008. Priority areas for improvement are data on wages and earnings. NSO plans to disseminate a producer price index and a retail price index in 2011.</p>	
<p>External Sector Statistics: The Bank of Mongolia (BOM) follows the concepts and methods in the Balance of Payment Manual fifth edition and is expected to begin implementing the recommendations of the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) in 2012. The BOM disseminates the data according to the IMF standard presentation table. The coverage of the balance of payments statistics has been broadened by extending the International Transaction Reporting System (ITRS) to nonbank financial institutions and by increasing the number of direct reporting private enterprises. Priorities for improvement are in the analysis of balance of payments and the quarterly survey of foreign investment enterprises. The BOM compiled an experimental International Investment Position (IIP) for 2007, and plans started to publish IIP in 2011.</p>	
<p>Monetary and Financial Statistics: BOM's monetary and financial statistics conform to the concepts and definitions of the MFSM methodology as the authorities implemented recommendations of the June 2008 and September 2009 missions. In particular, the monetary data were improved by the proper classification of repurchase agreements, accrued interest, and financial derivatives. The coverage of monetary statistics was expanded beginning in February 2010 to include data of Savings and Credit Cooperatives (SCCs) that collect deposits and since May 2010, data for other financial corporations (NBFIs) have been disseminated in the BOM monthly statistical bulletin. The September 2009 mission also provided recommendations to reconcile the BOM and the Ministry of Finance data on government financing, and finalized the standardized report forms for the data of the BOM and other depository corporations in International Financial Statistics beginning in November 2009.</p>	
<p>Government Finance Statistics: The concepts and definitions used to compile fiscal statistics generally follow the guidelines of the GFSM 1986. The classifications used for sub-annual and annual fiscal statistics also follow broadly its classifications. No formal decision has yet been taken on adopting a migration path to the GFSM 2001 methodology, but Mongolia has over several years availed itself on training, technical assistance, and thus no substantial problems for achieving a GFSM 2001 presentation are anticipated</p>	
II. Data Standards and Quality	
<p>Mongolia participates in the General Data Dissemination System (GDDS), and maintains its efforts to subscribe the Special Data Dissemination Standards (SDDS).</p>	<p>A data ROSC mission visited Mongolia in September 2007 to update the May 2000 assessment of the macroeconomic statistics, complemented by an assessment of data quality based on the IMF's Data Quality Assessment Framework. The report was published in April 2008.</p>

Mongolia—Table of Common Indicators Required for Surveillance
As of September 30, 2011

	Date of Latest Observation	Date Received	Frequency of Data ⁶	Frequency of Reporting ⁶	Frequency of Publication ⁶	Memo Items: ⁷	
						Data Quality-Methodological soundness ⁷	Data Quality – Accuracy and Reliability ⁸
Exchange rates	9/30/11	9/30/11	D	M	D		
International reserve assets and reserve liabilities of the Monetary Authorities ¹	9/30/11	9/30/11	D	M	M		
Reserve/base money	8/2011	9/20/11	M	M	M	O, LO, LO, LO	O, O, O, O, LNO
Broad money	8/2011	9/20/11	M	M	M		
Central bank balance sheet	8/2011	9/20/11	M	M	M		
Consolidated balance sheet of the banking system	8/2011	9/20/11	M	M	M		
Interest rates ²	8/2011	9/20/11	M	M	M		
Consumer price index	8/2011	9/20/11	M	M	M	O, LO, O, O	LO, LO, LO, O, O
Revenue, expenditure, balance and composition of financing ³ – general government ⁴	8/2011	9/20/11	M	M	M	LO, LNO, LO, O	LO, O, LO, LO, LNO
Revenue, expenditure, balance and composition of financing ³ – central government	8/2011	9/20/11	M	M	M		
Stocks of central government and central government-guaranteed debt ⁵	2010	3/2011	A	A	A		
External current account balance	Q2 2011	8/2011	Q	Q	Q	O, O, O, LO	LO, O, LO, LO, LO
Exports and imports of goods	8/2011	9/20/11	M	M	M		
GDP/GNI	2010	1/2011	A	A	A	O, LNO, O, LO	O, LO, LO, LO, LNO
Gross external debt	2010	4/2011	A	A	A		

¹ Includes reserve assets pledged or otherwise encumbered as well as net derivative positions.

² Both market-based and officially determined, including discount rates, money market rates, and rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Annually (A), Irregular (I), Not Available (NA).

⁷ Reflects the assessment provided in the data ROSC or the Substantive Update (published in April 2008, and based on the findings of the mission that took place during September 1–28) for the dataset corresponding to the variable in each row. The assessment indicates whether international standards concerning concepts and definitions, scope, classification/sectorization, and basis for recording are fully observed (O); largely observed (LO); largely not observed (LNO); not observed (NO); and not available (NA).

⁸ Same as footnote 7, except referring to international standards concerning (respectively) source data, assessment of source data, statistical techniques, assessment and validation of intermediate data and statistical outputs, and revision studies.