

**Kiribati**  
**Table A. Comprehensive Framework**  
**External Sector**

**CORE FRAMEWORK:** Balance of Payments  
National Descriptor:  
*(if different, please indicate)*

**ENCOURAGED EXTENSIONS:** International Investment Position (IIP)  
(as applicable)  
National Descriptor:  
*(if different, please indicate)*

**Information applies to:** Core Framework only  
*(select from drop down list)*

**National Methodological Publication:**  
*(as applicable, including information on how it may be obtained)*

**CONTACT PERSON(S):**  
*(Enter the contact information of a person in the following order on separate lines: Name, Title, Agency, Address, Telephone, Fax, E-mail Address. Leave a blank line between two persons' information.)*

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**I. Analytical Framework, Concepts, Definitions, and Classifications**

*Describe the analytic framework used, identifying the main components that are published; the classification systems used; and any disparity (e.g., in scope or procedure) between data of different periodicity. If an international (or regional) statistical guideline is used, state in which respects the guideline is followed and in which respects national modifications are made. Major modifications should be particularly noted.*

**Analytical Framework, Concepts and Definitions:**

**Statistical Framework:** The framework of the Kiribati BOP statistics is closely related in accordance with the 5<sup>th</sup> BOP manual. As explained in BOP manual, the standard components of the BOP statistics consist of two broad categories, viz "Current Account" and Capital and Financial Account. The Current Account is further split into 'Goods and Services', 'Income', and 'Current Transfers', while the latter is subdivided into Capital Account and Financial Account. In the Kiribati context, the major items in the 'Goods' account is the 'merchandise trade' i.e. imports and exports free on board (f.o.b). On the 'Service' account 'transport'

and 'travel' are the major items. Note that in the earlier BOP statement, fishing licence of foreign fishing vessels was treated as 'property income' but now in accordance with local interpretation of the 5<sup>th</sup> BOP edition, it is included under the 'Service' category (this treatment is currently under review). Seamen remittances which is very significant in Kiribati was included under 'current transfers' in the early stages of the BOP development, but this has been changed now to 'compensation of employees' receivable from the 'rest of the world' in the 'Income' account –again, in line with the 5<sup>th</sup> edition recommendation. For 'Capital and Financial account' Official aid to Kiribati is a main item and has an essential effect on the Kiribati BOP. Unfortunately detailed records of aid projects especially those that relate to the cost components of aid in kind are usually not available and so estimates have been made in the absence of these detailed data. Another item of great importance in the BOP context, is the government reserve fund (RERF) which is being invested abroad in equities and bonds. The brokerage firm responsible for managing the RERF is based in United Kingdom and regularly sends back to the government the summary of the RERF performance every quarter. This management fee is treated as an 'import of financial service'

**Classification System:**

The classification and definitions of the Kiribati Balance of Payment Statistics and its transactions follow closely that of the IMF 'Balance of Payments' manual (5<sup>th</sup> edition). In addition the layout of the tables with relevant sub components, is basically the same as that shown in the manual, except that the 'credit' and 'debit' positions have been moved to the rows instead of the columnar position which is done in the manual. The reason for this is simply to have a series of years in the columns so that many years can be depicted on one single page.

**II. Scope of the Data**

*Identify the coverage of institutional units, transactions, and geographic areas about which data are disseminated. Note any major departures from international guidelines (e.g., national accounts exclude units engaged in informal activities, central government excludes social security funds). Identify periodicity and timeliness of the data.*

**Unit Coverage:**

All resident domestic producers, plus Kiribati seamen working abroad. The current treatment of fishing licence fees as "services" implies the inclusion of foreign fishing vessels as resident units – this treatment is currently under review.

**Transaction Coverage:**

Transactions that are covered in the BOP statistics are all transactions that occurred with the rest of the world.

**Geographic Coverage:**

The Kiribati BOP statistic tries to cover all transactions that occur with the rest of the world

**Unrecorded Activity (as relevant):**

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**Periodicity:**

*Identify the frequency of compilation and dissemination of the data (e.g., monthly, quarterly, annual)*

The publication on Kiribati BOP statistics to end-users will be published once a year, however the quarterly data on some BOP items could be made available to interested users if there is a request made to the National Statistics Office

**Timeliness:**

*Identify the lapse of time between the end of a reference period (or a reference date) and the dissemination of the data.*

Current delays in key data sources mean that estimates are generally published about 12 months after the end of the year. This is because of remoteness of the islands and poor communication between in the islands. One of the island namely "Kiritimati" has a major relationship especially in tourism and in exporting pet fish, and fresh fish. The reporting of these data which are relevant to the BOP to NSO is always delay.

**III. Accounting Conventions**

*The time of recording (cash, accrual, or other (specify)), valuation methods, and other accounting conventions should be specified.*

Cash basis transactions at market prices are converted into A\$ using monthly average exchange rate issued by the Bank of Kiribati

#### **IV. Nature of the Basic Data Sources**

*For the main components disseminated, indicate whether data are compiled from administrative records, surveys, censuses, or combinations of these. Briefly describe the means of data collection; where sampling is used, the sampling methods should be briefly described.*

- The compilation of BOP data is based on the administrative records and surveys
- The collection of data covers all units that have international relationship with them

#### **V. Compilation Practices**

*Describe any adjustments made to the basic data sources (censuses, surveys, or administrative records). Include, as appropriate, a description of procedures for estimating missing values, grossing-up samples, consolidating data, cross-checking data sources, and reconciling alternative estimates. For price-adjusted measures, describe the general approach used.*

##### **GOODS:**

**Merchandise exports/imports:** The merchandise export and merchandise import are both listed in the annual trade report. The valuation is free on board basis meaning that the freight and insurance charges are not included in the cost of the export/imports – they will, however be included under the ‘transport’ and insurance services respectively.

The main source of data for both exports and imports is the Custom declaration forms which are subsequently sent to the Statistics Office for analysis.

##### **SERVICES:**

The major items under service are ‘travel’ and ‘transport’. Annual Immigration statistic is used to estimate the total number of departures and arrivals in and out of the country. In this bulletin, departures and arrivals are categories by “purpose of travel”, “destination”, and “ethnic”. This enable us to estimate the total transport costs and travel costs.

In calculating the transport costs we simply multiply the total number of departures and arrivals by “destination” with airfare issued by the International Travelling agencies.

#### **VI. Other Aspects**

*Briefly describe any other aspects considered important, such as seasonal adjustment, base years, reference years, and disclosure control procedures.*

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#### **VII. Plans for Improvement**

*Describe short-term (in the next year) and medium-term (2-5 years) plans for making improvements in the comprehensive framework and note any improvements that have been implemented in the past two years. Technical or other assistance needs that may be required for implementing these plans should also be noted, if applicable. If it has been determined that there are no shortcomings that need to be addressed, this determination should be explicitly stated.*

##### **Recent Improvements:**

Assigning someone from National Economic Development Office to keep updating the BOP data since the

last publication in 1995 when the responsible staff had left.

**Short-Term Plans:**

- The plan in the next year is to improve and put more work on the following areas below in order to improve the quality and timeliness of the BOP data:
  - (i) development projects costs breakdown, in particular constructions projects
  - (ii) consultants and expatriates remunerations and other costs
  - (iii) expenditures of tourists in Kiribati, and expenditures of Kiribati students/in-service trainees abroad
  - (iv) Kiribati seamen income from abroad
  - (v) Kiribati investments abroad.

**Medium-Term Plans:**

- In order to improve the scope, coverage and timeliness of the BOP statistics as time goes on, it is planned that methods and data sources will be continuously examined and reviewed in order to refine or improve the BOP estimates.
- Also staff involved in the series will be sent to relevant training abroad in order to improve their level of understanding in the BOP concepts.
- To solve the problem in the lateness of data submission to the NSO especially from “ Kiritimati”, it has planned that staff from SNO will be posted to this island.

**Technical Assistance/Financing Needs/Other Prerequisites:**

**Short-Term:**

TA are needed to help to develop potentials and skills of new currently staff now involving in the compilation of BOP statistics in understanding the compilation frameworks and especially the concepts of BOPM5

**Medium-Term:**

TA to assist in the development of Kiribati guidelines and methodologies in the compilation of BOP statistics