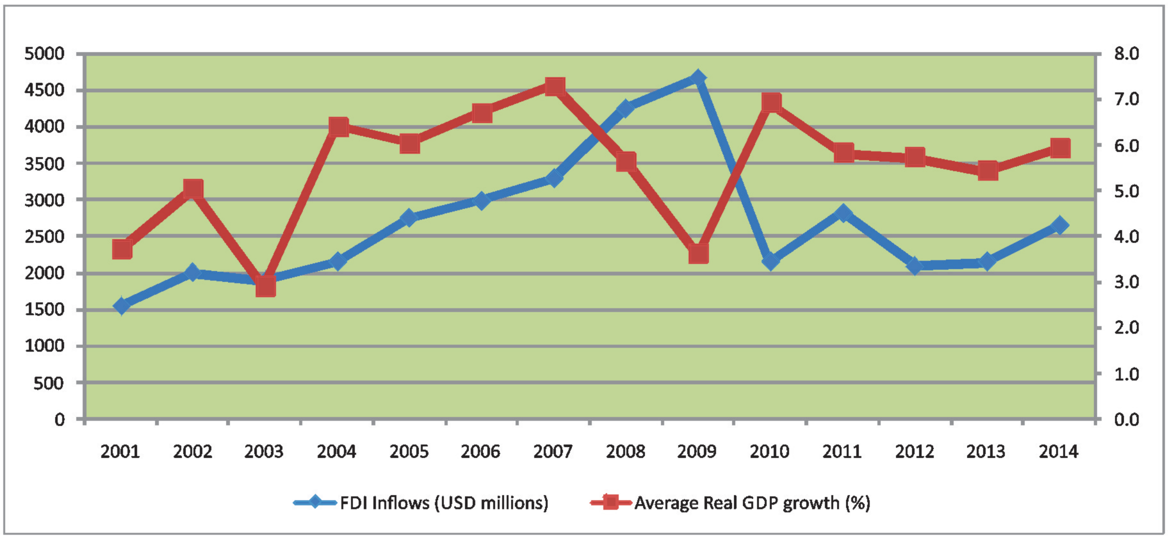
Enumerators' Handbook on Conducting Foreign Private Capital Surveys



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LIST OF ACRONYMS

AfDB	African Development Bank
ARE	Accumulated Reinvestment Earnings
BIS	Bank for International Settlements
BOP	Balance of Payments
BPM	Balance of Payments and International Investment Position Manual
BPM6	Balance of Payments and International Investment Position Manual, Sixth Edition
COMESA	Common Market for Eastern and Southern Africa
DFI	Development Finance International
DI	Direct Investors
DIE	Direct Investment Enterprises
ED	External Debt
FA	Foreign Assets
FAL	Foreign Assets and Liabilities
FDI	Foreign Direct Investment
FE	Fellow Enterprises
FL	Foreign Liabilities
FPC	Foreign Private Capital
FPCFS	Foreign Private Capital Flows and Stocks
FPEI	Foreign Portfolio Equity Investment
FPI	Foreign Portfolio Investment
GDDS	General Data Dissemination System
IFC	International Finance Corporation
IFS	Investment Fund Shares
IIP	International Investment Position
IMF	International Monetary Fund
IPAs	Investment Promotion Agencies
MEFMI	Macroeconomic Institute of Eastern and Southern Africa
MMF	Money Market Funds
NSOs	National Statistical Offices
NTF	National Taskforce
OI	Other Investments
PCMS	Private Capital Monitoring System
PI	Portfolio Investment
SADC	Southern African Development Community
UN	United Nations

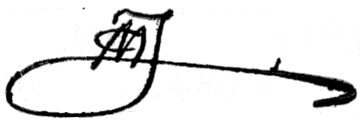
FOREWORD

The Foreign Private Capital Flows and Stock (FPCFS) surveys methodology has undergone significant evolution over the last one and half decades among MEFMI member countries. Initial efforts were mostly driven by individual country needs and implemented as stand-alone projects within the lead institutions. Over time, the demand for statistics of FPCFS has immensely increased calling for institutionalisation of data collection efforts from projects to business as usual processes of the respective institutions. The concerted efforts towards regionalisation have also impacted on the monitoring of FPCFS by way of demanding harmonised data and methods of data collection which are consistent to international standards outlined in the International Monetary Fund's Balance of Payments and International Investment Position Manual, 6th Edition (BPM6) Compilation Guide 2014. MEFMI has played a lead role in the development of a harmonised methodology through its regional as well as in-country training efforts, country missions and development of key tools such as the MEFMI generic questionnaire and database *(Private Capital Monitoring System-PCMS)*.

This Handbook adds on MEFMI's stock of applied tools and resources for its member states. It specifically provides Enumerators/Data Officers and other stakeholders with detailed guidance on the process and conduct of FPCSF surveys and non-surveys. Particularly, the Handbook targets the intricate role played by the Enumerators in the collection of FPCFS data for the compilation of the Balance of Payments and International Investment Position (BOP/IIP) statistics consistent with the BPM6.

A key challenge however, has been the rapidly changing international reporting requirements which have imposed significant reporting burden for both the compilers of FPCFS statistics as well as the enterprises which submit questionnaires. Nonetheless, the MEFMI member countries are now poised to embrace the latest reporting requirements as set out in the IMF's BPM6 owing to a large extent to the quick response by MEFMI to incorporate the changes recommended in the new manual into both the FPCFS questionnaire and PCMS. Furthermore, there are urgent needs for data harmonization among the EAC member states that are expected to launch the Monetary Union in 2024. These tools are critical in this process.

It is expected that this Handbook will provide further assistance to MEFMI member countries in improving their data collection methodologies to deliver data that are comparable and based on best practice.



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MEFMI Executive Director

ACKNOWLEDGEMENT

Foreign Private Capital (FPC) Enumerators' Handbook benefitted immensely from valuable inputs of the Heads of Department and Unit responsible for monitoring FPCFS in the MEFMI client's institutions. It further drew on experiences of renowned FPC and BOP/IIP gurus and MEFMI Fellows with extensive hands-on skills in collection, recording, analyzing and reporting FPCFS data.

MEFMI Graduate Fellows who participated in the drafting of the Handbook include Mr. Philip Mboya, Senior Economist from the Bank of Tanzania, Mr. Farai Masendu, Deputy Director Exchange Control Department from the Reserve Bank of Zimbabwe, Mr. Wilson Phiri, Senior Economist from the Bank of Zambia and Mr. Rodney Lwanga, Senior Banking Officer from the Bank of Uganda.

MEFMI staff who drafted and edited the Handbook include Mr. Evarist Mgangaluma, Programme Officer, Mr. Amos Cheptoo, Programme Officer and Ms. Gladys Siwela, Publication and Networking Officer.

The Handbook was peer reviewed by Mr. Kenneth Egesa, Director of Statistics Department from the Bank of Uganda and member of the IMF's BOP Committee (BOPCOM) and Mr. Moris Mpofu, Director of Exchange Control Department from the Reserve Bank of Zimbabwe and Chair of Training and Development Forum, SADC Committee of Central Bank Governors (SADC-CCBG).

All the work by the teams above was ably supervised and guided by Dr. Sehliselo Mpofu, Director Macroeconomic Management Programme, whose immense contribution led to the success of the project.

The Handbook received valuable inputs and guidance during the Joint MEFMI/IMF Course on External Sector Position Statistics: Compilation and Analysis held in Kampala Uganda from 28 July – 01 August 2014 and Joint MEFMI/IMF Course on BOP and IIP Statistics, 17-28 June 2013, Maseru, Lesotho. During these activities, Fund staff encouraged and supported the initiative as a critical tool that provided a customised structured step by step guideline in support of international initiatives.

MEFMI is also grateful for the insightful and enriching experiences received from the regional FPCFS and BOP/IIP compilers.

Section One: INTRODUCTION

1.1 Overview

1. One of the core mandates of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) is to build capacity in member countries[1] on macroeconomic and financial management issues. MEFMI, through collaboration with international organisations such as the International Monetary Fund (IMF) and World Bank and experts from member countries, has conducted various capacity building initiatives in a number of areas for member countries, and has published various manuals to aid country officials in executing their day-to-day tasks. The need to accurately record and analyse data on foreign private capital flows and stocks (FPCFS) is one such area that has received significant capacity building from MEFMI owing to its increasing importance among member countries. The rise in demand for accurate and reliable data on FPCFS is partly explained by the loss of administrative data sources following liberalisation of current and capital accounts of most member countries, the surge in global flows to developing countries for higher returns and their reliability as an important source of sustainable external funding and more recently the discovery of massive natural resources among some of the MEFMI member countries.

2. Like many other countries, MEFMI member states are host to significant private capital flows, whose contributory effect to economic growth remains an unquestionable reality. The intensified investment promotional activities and continued discovery of significant natural resources among MEFMI member states provides additional scope for increased capital flows and underscores the need to accurately reflect them in the external sector and external debt statistics of the host countries.

3. MEFMI recognises the valuable contribution of private capital flows to the region's developmental agenda, particularly as regards employment creation, transfer of technology, augmentation of domestic savings as well as infrastructure development. Pursuant to this, MEFMI member countries are currently at various stages of implementation of foreign private capital surveys, largely motivated by the need to establish and ascertain the magnitude, scale and composition of the stocks and flows and their consequential impact on their economies.

4. Over and above the need for understanding the dynamics characterising private capital flows in member countries, the conduct of surveys has also been done to help improve Balance of Payments (BOP), International Investment Position (IIP) and External Debt (ED) statistics. The increasing importance of private capital flows and the need to understand their developmental impact highlights the compelling need for reliable, accurate and consistent statistics in line with international standards. Specifically, such statistics should follow the concepts and methodology of the latest BOP, IIP and ED Manuals.

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[1] *Angola, Botswana, Burundi, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe*

5. In recognition of these international standards, MEFMI designed a generic questionnaire which is compliant with the IMF's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6) as a guide for member countries. MEFMI also designed a Private Capital Monitoring System (PCMS) to aid member countries with data processing, storage and report generation. This Handbook, which updates the 2001 FPC Manual, is an additional initiative by MEFMI, intended to provide comprehensive guidance to countries implementing surveys. The Handbook is based on MEFMI's extensive experience in the provision of training on foreign private capital to member countries as well as the individual member country experiences and practices.

1.2 Purpose of the Handbook

6. The broad objective of this Handbook is to provide enumerators and other stakeholders with detailed guidance on the process and conduct of FPCFS surveys and non-surveys. Particularly, the handbook targets to ease the intricate role played by the enumerators. The Handbook further intends to benchmark FPCFS survey practices to international standards governing external sector statistics. Last but by no means least important is to ensure that member countries produce statistics on FPCFS following a harmonised methodology to enable comparability. While the international standards provided in the various manuals of external sector statistics provide broad guidelines on the concepts and methods to be followed in compiling foreign private capital, this Handbook is tailored to provide more detailed hands-on guidance on the entire production process of private capital statistics. Particularly, the manual provides a structured step-by-step approach on the collection, processing, analysis, dissemination and storage of foreign private capital (FPC) statistics.

1.3 Acknowledgements

7. Consistent with the need to match international best practice as regards the conduct of surveys on FPCFS, the preparation of this Handbook benefited from a number of compilation guides, materials and literature from reputable institutions. The following guides, literature and materials were used in the preparation of this Handbook:
   - i. *International Monetary Fund Balance of Payments and International Investment Position Manual 5th and 6th Editions (BPM5&6);*
   - ii. *IMF, General Data Dissemination System (GDDS): Guide for Participants and Users;*
   - iii. *World Investment Reports (various Editions);*
   - iv. *External Debt Statistics: Guide for Compilers and Users;*
   - v. *UNCTAD Training Manual on Statistics for FDI and the Operations of Transnational Companies (TNCs), 2009;*

vi. *FPC-CBP National Taskforce Manual, developed by Development Finance International (DFI), 2005;*
vii. *Training for Trainers (TFT) manual from Bank of Uganda; and*
viii. *Enumerator Manual from Central Banks of Gambia, 2006.*

1.4 Organization of the Handbook

8. The Handbook is organised in nine major sections. Section One is the introduction. Sections Two and Three present the background on FPC surveys in the MEFMI region and survey organisation, respectively. Sections Four and Five summarise various methods and best practices used in questionnaire and sample design. Section Six provides techniques to assess the quality and reliability of survey results. Section Seven briefly explains the market and book values. Section Eight interprets the financial statements and the best way they can be used to validate survey data. Section Nine presents best practices in data processing, analysis and reporting. A glossary is provided under appendices, providing definitions of terms and concepts used in this Handbook and the MEFMI FPCFS generic questionnaire.

Section Two: BACKGROUND TO FPCFS SURVEYS IN THE MEFMI REGION

2.1 Overview

9. Monitoring of FPC flows and stocks among MEFMI member countries dates back to the early 2000s, spurred in part by bouts of financial crises witnessed among the East and South-East Asian countries from 1997-1999. During the 1990s, private capital flows to developing countries surged to an estimated level of US$ 244 billion in 1996 from US$ 44 billion in 1990. Inflows to Sub-Saharan Africa more than doubled to around US$ 25 billion in 1996 from US$ 10 billion in 1990.

10. The experience from the Asian Crisis and its spillover effects indicated that surges in FPC inflows could destabilise economies if they were not properly managed. A number of countries in the MEFMI region experienced intermittent exchange rate instability and misalignments due to volatility in FPC inflows, but owing to insufficient information on the type and magnitude of the flows were unable to take any policy measures to cushion their economies. MEFMI, in collaboration with international partners including Development Finance International (DFI) and with support from the Department for International Development (DfID) and Swiss State Secretariat for Economic Affairs (SECO), picked up on the interest expressed by member countries on the need for support in the establishment of FPCFS data collection frameworks.

2.2 Evolution of Enterprise Surveys in the MEFMI Region

11. Through the FPC-Capacity Building Programme (FPC-CBP), enterprise surveys were initiated as early as 2000 to complement the existing non-survey method. Some of the early participants in the Programme were Malawi, Tanzania, Uganda and Zambia. Central Banks and National Statistical Offices (NSOs) were the key institutions with the legal mandate to carry-out FPCFS enterprise surveys which initially targeted companies with foreign assets (FA) and/or foreign liabilities (FL). To address the needs of other collaborating partners and limit respondent burden, coordination with additional institutions such as Investment Promotion Agencies (IPA's) ensued with the questionnaire being expanded to capture data on investors' perceptions to assess domestic business environment. Investors' perceptions focussed on determinants of investment (push and pull factors), future intentions and opinions on effectiveness of policy responses by the government.

Section Three: SURVEY ORGANISATION

3.1 Introduction

12. Surveys are studies which encompass systematic collection of data from populations or samples of populations through the use of personal interviews or other data-gathering devices. Surveys were mainly used for large or widely dispersed groups of populations[2]. Countries in the MEFMI region complement survey with non-survey methods to collect FPCFS data.

13. Organisation of FPC surveys entails establishment of institutional arrangements among key stakeholder institutions which involves the creation of a working group/national taskforce and determining of the terms of reference of the working group. It further involves field organisation which comprises assigning of roles and responsibilities at different levels in accordance with the mandates and expertise of staff from the different institutions and organisation of the FPC country secretariat, including administrators and data entrants/officers.

3.2 Institutional Coordination and Responsibilities

14. The successful conduct and implementation of surveys hinges on the extent of cooperation and coordination[3] between all relevant national institutions. The best way to maximise inter-agency cooperation is through establishment of formal coordination structures. These structures (National Taskforces or BOP/IIP Committees) have been highly successful in avoiding overlaps or duplication of surveys. They have further facilitated sharing of data and expertise.

3.3 National Taskforce

15. The institutions involved in the National Taskforces normally include the Central Banks, NSOs, IPAs, Line Ministries and Private Sector Bodies such as the manufacturers associations, chambers of commerce, chambers of mines and private sector foundations. Experience has shown success of FPCFS activities where Central Banks have taken the lead. This is in part due to Central Banks' technical expertise in the compilation of BOP and IIP statistics as well as their ability to mobilise adequate financial resources to ensure sustainability of the FPCFS surveys and access to complimentary non-survey data such as data generated by the international transaction reporting system among financial institutions.

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[2] This comes from Campbell, A. A. and Katona, G. The Sample Survey: A Technique for Social Science Research Ch. 1 in Festinger, L. and Katz, D.: Research Methods in the Behavioural Sciences. The Dryden Press, New York, 1953.

[3] This is detailed in the FPC-CBP National Taskforce Manual, 2005.

16. NSOs have therefore mainly played a key role in the provision of survey expertise including sampling techniques, training of field workers and grossing up of sample data. IPAs through their close direct links with investors have been the main source of information for establishing and updating investor registers as well as the main link to investors, given their access to information on the physical location of the different enterprises and composition of the investors funding the enterprise. In many countries, IPAs maintain a register of investors especially among foreign financed enterprises; which is critical for identifying the enterprises to be covered by the surveys. Line Ministries, particularly the Ministries of Finance and Economic Development/ Planning, Energy, Minerals, Trade, Tourism and Industry as well as the private sector representatives and associations (chambers of commerce and investors' round table) are also critical in ensuring accurate registers of investors, attainment of maximum and timely responses, as well as ensuring that quality data is submitted. Their buy-in is therefore paramount to sustainable implementation of the surveys and to the development and implementation of relevant policies. There are, however, exceptional cases in some member states where other institutions different from the Central Bank have taken the lead in conducting FPCFS surveys such as Kenya and Malawi where the NSO is the lead institution and Zambia where the IPA is the lead institution.

17. The National Taskforce (NTF) usually has the following responsibilities:-
    i. *Provision of resources (human and finance) for conducting surveys;*
    ii. *Establishment of the methodology;*
    iii. *Creating and maintaining an enterprise register and developing the sampling methodology;*
    iv. *Questionnaire design;*
    v. *Raising awareness of the FPC project within the private sector (sensitisation) as well as within the respective institutions;*
    vi. *Drawing budgets and work plans for the surveys;*
    vii. *Reviewing the survey progress and report; and*
    viii. *Dissemination of results and advocacy.*

3.4 Fieldwork Organisation

18. Successful surveys require well organised fieldwork, which among other factors, ensures a high response rate, efficient utilisation of limited resources allocated for conducting surveys and reduces respondents' fatigue. Field work organisation structures include Coordinators, Supervisors, Enumerators, Data Entrants and a Secretariat. **Coordinators** are usually the heads of the collaborating institutions or their representatives. **Supervisors** are the heads of FPC/BOP departments/units in each of the collaborating institutions. **Enumerators and Data Entrants** are permanent or temporary staff and depend on the number of enterprises targeted for the surveys. In most MEFMI countries enumerators are also involved in the data entry exercise.

19. **Coordinators** are responsible for the strategic planning, resource mobilisation, fostering inter-agency networking and communication of the survey results to government decision making bodies. They are rarely involved in the day-to-day activities of the survey, but through regular reports, keep tabs on the various activities of the survey and intervene when progress is found to be outside the set timelines. They provide the link between the survey and senior management of the stakeholder institutions.

20. **Supervisors** - the success of field work requires dedicated, continuous and effective supervision of field staff. Such supervision is usually provided by **Supervisors** who have over time gained sufficient experience and skills in conducting field work. The key responsibilities of the supervisors include:-

    i. *Monitoring progress made by Enumerators through Enumerator's daily accomplishment reports. For countries using the PCMS, Supervisors can monitor field work using an online questionnaire management platform;*
    ii. *Follow-up on non-responses or incomplete returns;*
    iii. *Seeking clarification on some of the responses;*
    iv. *Grossing-up data on the returns;*
    v. *Checking and approving the information captured in the database;*
    vi. *Producing output tables and drafting some of the sections of the reports;*
    vii. *Updating the enterprise register; and*
    viii. *Participating in the analysis of survey findings, and report writing.*

21. The **Enumerator's** role is central to the survey's success and timely conclusion of the survey. The quality of FPCFS survey results depends a lot on the success of Enumerators in the field. Their key responsibilities are to administer the questionnaire, follow up on responses, edit returned questionnaires and ensure that financial statements and any other useful information are collected for validation of the responses provided. Enumerators also provide an important link between supervisors and respondents where follow-up is required. It is therefore important that the Enumerator is familiar with the purpose and management of the survey, its methodology, and underlying concepts. Among MEFMI member states, enumerators are mainly sourced from the institutions that comprise the NTF. However, there are instances when regular field staff requires assistance to ensure that the enumeration is completed on time. The services of hired Enumerators/statistical researchers are usually used in such instances. Examples of MEFMI countries that use hired Enumerators include Kenya and Uganda. However, where hired Enumerators are used, it is important to ensure that data confidentiality is guaranteed for instance through administering of oaths.

22. **Data Entrants/inputters/officers** are responsible for capturing information in returned questionnaires accurately into the survey database. They are also responsible for informing supervisors about responses that fail to meet the edit checks within the database and about any omissions that may have gone un-noticed by the Enumerators and supervisors during the

initial data editing. They are charged with the responsibility of filing the returned and captured questionnaires in an orderly manner together with any supporting information such as financial statements for easy retrieval when required.

23. The **FPC Secretariat** is an important component of the survey organisation responsible for general administrative functions such as organising meetings, taking minutes of the different meetings, working out and attending to the logistical needs of the different personnel involved with the survey, ensuring that reports about the progress of the survey are received by the respective personnel on time and organising dissemination and report production. Other tasks of the Secretariat include organising and coordinating training of personnel involved in the survey and updating survey documentation including the questionnaire, manual, register etc. The Secretariat also accounts for the resources used during the survey and is responsible for publication of the survey report.

Section Four: QUESTIONNAIRE DESIGN

4.1 Introduction

24. A questionnaire constitutes a standardised set of questions administered to respondents in a predetermined order and sometimes with response options. It is important to ensure that the concepts used in the questionnaires are consistent with the recommendations of the international manuals on external sector statistics. However, it is equally important to ensure that questions in the questionnaire are presented in a language that is not too technical and that they can be easily understood by the respondents. The layout should be attractive and should flow from one section to the next in a logical manner, and where possible follow the layout of financial statements which are the main source of the data for ease of response.

4.2 Key Variables to be Included in the Questionnaire

25. FPC surveys can collect information about a wide range of variables for monitoring foreign private capital flows and stocks. Priority should however be on the:
    i. *Basic details of the enterprises - These include name, contact information, currency of reporting, shareholding structure (including names of shareholders), sector and investment relationships;*
    ii. *Foreign Liabilities - This should cover stocks and flows data on equity and investment fund shares in* ***resident enterprises by non-resident investors;*** *dividends declared, distributed profits and retained earnings; and non-equity/other capital (liabilities) and financial derivatives (liabilities); and*
    iii. *Foreign Assets - This should cover stocks and flows on equity and investment fund shares in* ***non-resident enterprises by resident investors****; dividends declared, distributed profits and retained earnings; and non-equity/other capital (assets) and financial derivatives (assets).*

26. The variables included in the survey should not only be relevant from a theoretical point of view but must also be feasible for the respondent to report on. The number of variables should also be kept to a minimum in order to ensure that the questionnaire does not unduly impose burden on the respondent. An approach that has been used by most member countries is to design the questionnaires in a tabular form as a means of keeping it short and easy to identify the different sections. The variables that are a typically covered are summarised in the table below.

Table 1: Variables Typically Covered in an FPCFS Survey

Basic details	Liabilities/Assets
Name of Entity	Book value of equity
Contact Person and Position	Composition of equity
Address	Transactions involving equity
Shareholder's residence	Other changes affecting equity
Shareholder's stake	Distributed and undistributed profits
Shareholder's relationship to other related parties in the enterprise	Nominal stock of debt by instrument
Industrial sector	Debt transactions by instrument
Turnover	Other changes affecting the debt stock
Employment	Interest payable or receivable on debt by instrument
	Relationship with counterparty to the equity or debt transactions
	Counterparties' residence

Sources: MEFMI Member States and IMF BOP/IIP Manuals

27. Besides the key variables highlighted in Table 1, member countries can opt to include other types of questions that may be relevant for the type of enterprises targeted for the survey. These questions could provide information for other parts of the BOP such as the goods and services accounts and investor perceptions where investment promotion agencies are part of the working group and have interest in such information. The rationale for inclusion of additional questions to cover other BOP variables and investor perceptions is usually to limit respondent burden through administering of numerous questionnaires by the same institutions. However, caution is needed to ensure that the size of the questionnaire does not become a deterrent to potential respondents.

28. The questionnaire should be designed to be as simple to complete as possible. Instructions where provided should be clear and easy to understand and where this is not always possible, examples may be provided. Key components of a well-designed questionnaire besides including the important variables include:
    i. *Statement on the purpose of the survey;*
    ii. *Statement of authority under which the survey is conducted. Here a relevant law should be quoted indicating a possible hyperlink where the law can be accessed on the website of one of the institutions involved in the survey;*

iii. Statement on confidentiality of the information supplied;

iv. A reminder on who should complete the questionnaire and who to seek assistance from including telephone and email contact should there be need to seek clarification on some of the questions;

v. Guidance on how to respond to questionnaires sent to different establishments under the same ownership or group of companies;

vi. Information on the dates when the questionnaire will be due and whom to send it to or to call to collect it; and

vii. A request for copies of financial statements for the period covered by the survey to aid with data validation and editing.

29. It is important to provide detailed instructions and important definitions where these are warranted. Different countries have generally taken different approaches with some providing a separate section of the detailed instructions (*see extract of the MEFMI regional questionnaire in Appendix 5)* and others providing the detailed instructions along with the questions so that each question is preceded by an instruction including additional notes below the table explaining the requirements for some items *(see extract of National Bank of Rwanda questionnaire in Appendix 6)*. It may be necessary to provide indicative exchange rates for use by the respondent wherever there is a need for conversions from multiple currencies to a single reporting currency. Some of the detailed instructions could include key relations between the different variables that provide guidance on deriving some components or help to ensure the accuracy of the information provided.

30. FPC questionnaires can be administered face-to-face, by mail, use of computer assisted programs (e.g. MEFMI PCMS online questionnaire module) or a mixed approach. In the MEFMI region, the face-to-face (company visits by enumerators) approach has been associated with high response rates and quality returns relative to other methods. Nevertheless, this approach is costly as it involves travel and accommodation costs of field officers. Use of mail-outs has also been successful to some countries when applied for large enterprises after adequate sensitisation. Countries with experience in administering questionnaire via mail include Botswana, Lesotho and Swaziland.

Section Five: SAMPLE DESIGN

5.1 Introduction

31. The sample design entails selection of sampling units, reporting units, developing the survey frame, target universe/population, sample size, contacts with respondents and sampling methods.

5.2 Sampling Units

32. Sampling units refer to the elements or set of elements considered for selection during the sampling stage. *In FPCFS surveys the sampling units include enterprises with foreign assets (FA) and/or foreign liabilities (FL), sectors and regions.*

5.3 Survey Frame

33. The survey frame refers to the actual list of sampling units from which the sample, or some stage of the sample, is selected. In FPCFS surveys, the sample frame is formulated from entities surveyed in previous surveys and any new entities identified prior to the survey that may have commenced operations after the previous survey or that were not included in the last survey. Sources of information on new enterprises include media, IPA's and licensing authorities. Countries undertaking FPCFS surveys for the first time normally develop the survey frame from the National Enterprise or Business Register of the NSO and complement it with information from the other additional sources.

34. The FPCFS survey frame is normally confined to private enterprises although some MEFMI countries such as Botswana, Kenya and Lesotho have selectively included public corporations. Issues to take note of when establishing a survey frame include the following:
    - *i.* *Including in the frame companies which may have changed names, merged with others, or acquired full local ownership status;*
    - *ii.* *Avoiding under-coverage by identifying domestically owned entities which may have acquired foreign capital in the course of their operation and hence qualify for FPCFS survey;*
    - *iii.* *Using media and other regulatory authorities to identify enterprises for inclusion in the frame that may have undergone changes in their equity share structure to include non-resident shareholders;*
    - *iv.* *Identifying licensed enterprises which have not commenced business but are spending funds on establishing the business for instance those engaged in construction of the establishment; and*

v. *Avoidance of duplication especially when multiple sources are used for establishing the frame. For instance, in one frame, an enterprise name may appear in full (e.g. South African Breweries Tanzania Limited) but in short in the supplementary frame (e.g. SAB (T) Ltd).*

5.4 Enterprise Register

35. Based on the information available in the survey frame, an enterprise register can be created. The register should contain information on the name of the enterprise, physical location, email and mailing address, sector, type of enterprise i.e. whether listed or not, ownership and company group structure. The use of telephone and business directories is handy when establishing the enterprise register. NTFs have over time improved the quality of registers with information from different sources to suit FPCFS surveys.

36. Countries must ensure that the investor register is thoroughly reviewed ahead of each census or survey. For example in Tanzania's first census, they started with a list of 3,000 companies which they believed to have FAL. By the end of their census, 700-800 turned out to have FAL, and a high number turned out to be domestic companies. While these findings are useful in themselves for improving the database for future implementation, the result was that the implementation period of their census was extended, with a heavy toll on limited and valuable staff time and resources. It is therefore a necessary prerequisite prior to the launch of the survey to ensure the sample is of the highest possible quality given the information presently available.

37. Some of the sources that have been used to improve the enterprises register include taxation records, information held by foreign investment approval agencies or marketing boards, information held by regulatory authorities such as those responsible for supervision of financial institutions, statutory company reports and company registration details, records held in foreign exchange control or International Transaction Reporting Systems, Ministry of Energy and Minerals, media reports (business magazines, newspapers, or trade journals) such as reports on mergers and acquisitions or major projects or financing initiatives, stock exchange, industry associations, telephone directories and social security and pension funds.

38. An effective but usually expensive source of registers is an exploratory survey. The exploratory survey involves administering a simple and short questionnaire that seeks to establish whether an enterprise is operational and whether it falls within the scope of the survey in addition to other information such as its physical location and contact person.

5.5 Reporting Unit

39. An important aspect of the survey design is the determination of the reporting unit. A reporting unit is the element of the population for which the statistical data is to be obtained; it could be individual enterprises or entire enterprise groups. Understanding of the reporting unit in FPCFS survey is very important to safeguard data credibility. Experience in private capital flows surveys in the region shows that some enterprises with sister companies/subsidiaries compile group financial reports while others compile financial reports for each company/subsidiary separately. For sample surveys, the treatment of enterprises with sister companies/subsidiaries should largely depend on the reporting unit. If the unit of analysis is individual companies, then it is ideal to treat each enterprise/subsidiary as an independent entity and as such consolidated financial information must be disaggregated because only one sister company/ subsidiary should be included in the sample and not all of them. This implies that enterprises must be requested to provide financial reports for each sister company/subsidiary. In cases where only aggregated information is available, enterprises need to be requested to assist the Enumerators in deriving estimates for the subsidiaries. *If, however, the reporting unit is a group, then consolidated information is sufficient* and does not require disaggregation of information about the subsidiaries. Individual reporting has been found to be the best option.

5.6 Survey Respondent

40. Defining the survey respondent within an enterprise is another important aspect of the survey design. To ensure that the questionnaire is adequately completed in a timely manner and that all information required is accurately reported depends a lot on access to information about the enterprise by the respondent. In most surveys, questionnaires are sent directly to the CEOs to ensure that approval is granted to the official filling in the questionnaire to provide the information required. In most cases the actual filling in of the questionnaires is done by the financial controller or accountant.

41. Other important considerations during the survey design include determining:-
    - *i. Methods of data collection: Data collection may be through email, post mail or personal interviews. Owing to the relatively complicated questionnaire and confidential nature of the information collected, personal interviews have been the main form of data collection;*
    - *ii. Timing of the survey - In many countries, the surveys are timed to start after the first three months of the calendar year which is usually the period when most enterprises have financial statements for the concluded year ready; and*
    - *iii. Communication strategy - It is important to publicise the commencement of the data collection either through media, enterprise associations where they exist or launch workshops so that enterprises are aware of the surveys before the Enumerators conduct the field visits.*

5.7 Sampling Methods

42. Survey sampling encompasses the selection of a part, a "sample", from some whole, a "population", observing the selected part with respect to some property of interest. Simply, sampling involves selection of a set of individual observations within a population intended to yield some knowledge/inferences about the population. Sampling is one of the most fundamental challenges a country faces when starting a survey and it is one of the most important processes to get right at the outset, to save on time and resources and ensure credible and reliable FPCFS statistics.

43. Most FPCFS surveys conducted by MEFMI member states have preferred to conduct sample surveys because the cost is relatively low, and data collection is faster. However, deriving population estimates from the sample is a major challenge member states face resulting in sampling errors.

44. In practice a mix of both probability sampling and non-probability sampling is used. Under probability sampling every unit in the population has an equal chance of being included. In non-probability sampling, not all elements of the population have equal chances of being selected. Also the probability of selection cannot be accurately determined.

45. The approach followed among most MEFMI member states is to select all known large and medium enterprises with foreign assets and liabilities and all new enterprises into the sample purposively and to select additional small enterprises using probability sampling. The selection by size is based on previous period information on FA and FL. *Box 1 provides a description of the sampling practices of Tanzania and Zambia.*

5.8 Determining the Sample Size

46. The sample size refers to the number of enterprises to be included in the sample and is usually dependent on the level of accuracy targeted and resources available for the survey. In general, while smaller sample surveys may be easy and less costly to conduct, they usually have larger sampling errors. On the other hand, large sample surveys tend to have less sampling errors but usually cost more and take longer to complete. It is important therefore to strike some kind of balance between the need for accuracy and timeliness as well as cost involved.

Box 1: Sampling and Estimation Practices in FPCFS Surveys for Tanzania and Zambia

1. ***Tanzania:***
   The sampling technique used in Tanzania is a combination of stratified and purposive methods. Enterprises in the register are arranged according to their size of investment in terms of equity and loans in descending order. A cut-off point is established depending on the funds available for the survey. In the 2009 survey for instance, a threshold of US$ 0.7 million worth of investment was used resulting in a sample of 400 enterprises representing 48% of the population and over 95% of total value of investments in enterprises with foreign liabilities in Tanzania Mainland. Two thresholds were set; the first stratum contained enterprises valued at US$ 0.7 million and above, while the second stratum contained enterprises valued less than US$ 0.7 million. All enterprises in the first stratum were included in the sample. Data for the enterprises falling below US$ 0.7 million was estimated.

2. ***Zambia:***
   Zambia also uses purposive and stratified sampling. The list of enterprises on the register is updated to include those with pledged investments of around US$500,000. In addition, includes companies with a certain threshold of VAT, annual turnover (of above US$ 2.5 million), exports, imports and listed companies from Stock Exchange. To allow for sectoral representation selected companies from below US$ 2.5 million turnover threshold but above US$0.5 million are included.

47. An example of the procedure for sample selection that incorporates cost and accuracy considerations which is widely used in applied research follows from Cochran (1977). The sample size is determined by taking into account the desired level of precision subject to a budget constraint using the following formula:

$$\eta_1 = \frac{\eta_0}{(1 + \eta_0 / Population)}$$

Where:

$$\eta_0 = \frac{(t)^2 \times (p)(q)}{(d)^2}$$

t = The level of risk the researcher is willing to take that the true margin of error may exceed the acceptable margin of error. Assuming a 95 percent confidence interval, t would be equal to 1.96.

$(p)(q)$ = The estimate of variance of the required variable for instance the stock of FDI says 0.25.

d = The margin of error the researcher is willing to accept. This is assumed at 5%.

48. As an example if a population is estimated to be 1,000 enterprises, the sample size would be:

$$\eta_0 = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384 \Rightarrow \eta_1 = \frac{384}{(1 + 384/1000)} = 278$$

Thus, the desirable sample for a population of 1,000 elements is 278. If a response rate of 75 percent is assumed, the sample can be adjusted to $\eta_2 = 278/0.75 = 371$. Table 2 provides sample sizes assuming a margin of error 0.05. As shown on Table 2, for a population of 2,000 enterprises, the appropriate sample size at 95 percent confidence interval would be 323.

Table 1: Variables Typically Covered in an FPCFS Survey

Population size	Margin of error = 0.05		
	t = 0. 5; t =1.65	t = 0. 5; t =1.96	t = 0. 5; t =2.58
100	74	80	87
200	116	132	154
300	143	169	207
400	162	196	250
500	176	218	286
600	187	235	316
700	196	249	341
800	203	260	363
900	209	270	382
1,000	213	278	399
1,500	230	306	461
2,000	239	323	499
4,000	254	351	570
6,000	259	362	598
8,000	262	367	613
10,000	264	370	623

Source: Bartlett, J., J. Kotrilik and C. Higgins (2001). 'Organisational Research: Determining Appropriate Sample Size in Survey Research. Information Technology, Leaning and Performance Journal, Vol. 19, No.1.

49. It is worth noting that in cases where inadequate sample size is used due to resource or other constraints, it is pertinent to report on the impact the inadequate sample size may have on the results. This is usually reported in the appendices and estimated using sample defect statistics.

5.9 Assessment on Sampling Methods Commonly used in the MEFMI Region

50. Countries in the region have adopted various types of sampling approaches which are summarized as follows:

5.9.1 Benchmark List

51. This involves cutting down the companies to be surveyed from the population to a benchmark list. Typically benchmark list is done based on:
   - *i) The size of the company (e.g. VAT turnover) or,*
   - *ii) Some easy filter for identifying FAL (such as foreign exchange or customs transactions), or,*
   - *iii) Using filter questions asking about FAL from a wider enterprise list.*

5.9.2 Sample Survey

52. This involves cutting down from the benchmark list (after establishing reasonably reliable benchmark data) to a 25-30% sample of the number of companies (which is implemented annually and preferably covers 50% or more of the FAL). This is best international practice in OECD country statistics agencies and (especially if accompanied by good uprating practices) produces reliable data for policymaking.

53. Smaller economies with more concentrated and accessible FAL populations conduct censuses rather than benchmark surveys, with sample surveys in between (these countries include Botswana, Lesotho, Malawi, Rwanda and Swaziland). Larger and more complex economies with wider geographical spread such as Uganda, Tanzania, and Zambia initially conducted a comprehensive benchmark sample survey drawn from their benchmark FAL registers before continuing with annual sample surveys.

Section Six: DATA QUALITY AND RELIABILITY

6.1 Introduction

54. Reliability of survey results refers to the degree of stability of the estimates when a survey is repeated under identical conditions. Lack of reliability may arise from changes in the questionnaires used, methodology followed for sampling and grossing up of estimates and generally quality of field work including validation of the survey results.

6.2 Factors Responsible for Data Unreliability and Remedial Measures

55. Data reliability is affected by many factors, but from the experience in the MEFMI region, the two most important factors are the sampling and non-sampling errors.

56. Sampling errors arise mainly from the use of inadequate sampling and grossing up methods. It is therefore critical to have in place a proper investor register to ensure that data are being collected from the correct group of companies and to allow for an accurate uprating to offset non-response and to increase coverage from the sample/benchmark group chosen to the overall population.

57. Non-sampling errors are usually due to non-response, inadequate follow-up, poor data editing and data entry. Below are some of the measures:-

    i) ***Use of Country Legislation.*** *Non-responses attributable to outright refusals to respond can be minimised through country legislations which make participation and supply of information mandatory. However, in reality it is not practical to take legal action other than in exceptional circumstances. Cooperation and moral suasion are more desirable options;*

    ii) ***Use of Financial Statements.*** *By far the most important method for minimising non-sampling errors for FPCFS surveys is the use of financial statements for data validation. It is therefore extremely important that Enumerators, supervisors and data entrants have some knowledge about financial statements and that Enumerators collect the financial statements during field work;*

    iii) ***Use of other external data sources:*** *This entails checking the responses on the forms themselves and checking the aggregate data against other external national sources (e.g. stock exchange data) and international sources (e.g. BIS);*

iv) ***Use of software:*** *Checking entry and coherence of aggregate results using the software such as PCMS. The generic PCMS software should generate a wide range of checks on data entry, and coherence of individual entries and aggregate results, thereby avoiding a large amount of manual work;*

v) ***Data timeliness:*** *When making contact, the enumerator needs to remind respondents of the requirement to supply official data in a timely manner to appropriately inform decision making process;*

vi) ***Follow-up:*** *The survey team also needs to conduct the necessary follow-up where there are delays to respond or where some information provided requires additional clarification. However, follow-up visits need to be kept to a minimum to save time and also avoid "survey fatigue", particularly on the part of respondents. Large or significant entities should be targeted first. For non-responding large enterprises, the FPC Survey Co-ordinators/Supervisors need to personally phone the MD/CEO, and arrange a personal visit to follow-up since their data is important and has a big significance on the overall results. For all chronic non-responding enterprises, the FPC Survey Co-ordinator should issue letters reiterating the purpose of the survey and the legal obligation to provide information; and*

vii) ***Data editing:*** *Data editing is an iterative and interactive process that includes procedures for detecting and correcting errors in the data. Editing depends on the available information, expert knowledge about the enterprises responding that could be from previous interaction with the enterprise and responses provided during previous surveys. Additional sources of information for data editing include financial statements, use of internal checks (in-built) within the questionnaire, and generation of disaggregated tables for eye balling to identify obvious errors. Data editing can take place onsite and in the office (offsite). The Enumerators should check the completed questionnaires before leaving the premises of the enterprise in order to identify omissions and obvious errors. However, the ability for an enumerator to identify errors and omissions depends on the quality of training provided and field experience. Offsite editing involves comprehensive checks for consistency and completeness. This requires the use of financial statement and reference to previous returns if the enterprise has participated in previous surveys. The burden of data editing may be reduced if the questionnaire is designed to include inbuilt filtering/leading questions and formulae for checking and verifying data accuracy.*

Box 2: Examples of filtering questions include:

- *Do non-resident entities, governments or individuals hold shares or equity (10% or more and less than 10%) in your entity? If yes, please complete Table 2.1 for Equity and Investment Fund Shares in your Enterprise by Non-Resident Investors, and*

- *Does your entity have debt liabilities (long/short term loans, trade credits, debt securities) acquired from non-resident entities/individuals? If yes, please complete Table 2.3 for Non-Equity Liabilities.*

58. Other key considerations for checking the data quality and reliability include the following:
    - *i. Check that the direction of change of Book Value (BV) and Market Value (MV) is consistent (e.g. negative BV would mean MV = 0),*
    - *ii. Analyse Book and Market values by sector and calculate the ratios. If there is an exceptionally high MV/BV ratio (e.g. of 20% +) for a particular sector then the accuracy of the figures need to be checked. It may just be the result of poor data entry (e.g. inputters entered data in thousands instead of millions), which can be checked against the original survey form (identify the form by exporting data by sector and company reference),*
    - *iii. Crosschecking if the sample held in the database consistent with expectations?*
    - *iv. How do the survey findings compare with the non-survey sources (e.g. investors pledges, newspapers and other media),*
    - *v. Review the individual returns of well-known companies to see if their data "looks right". If a big company has reported very low book and market values, it may because their data should have been entered into the database in millions but was not. This can lead to significant underreporting,*
    - *vi. Check if the incidence of transactions (equity purchases & sales, dividends) appears realistic. Check for magnitudes (e.g. dividends, MV or BV stocks) and consider these with respect to the Retained Earnings Table,*
    - *vii. Check the implicit interest rates on debt stocks. Identify companies with large debt and low or no interest. Is this correct? If they have left out this question then the debt service ratios will not be accurate,*
    - *viii. Compare current data with previous data. Do closing stocks (previous) equal opening stocks (current). Do previous flows relate roughly to current flows? and*
    - *ix. Consider aggregate and sector data with economic developments in the period. Are flows consistent with economic expansion or contraction? Are income items and ratios consistent with economic expansion /contraction? Is financing consistent with economic expansion /contraction (consider also domestic financing).*

59. Once data editing has been concluded, there usually is a need for office estimation to address some of the identified omissions. However, resorting to office estimation should only occur when efforts to get clarifications from the enterprise through additional follow-up have failed to yield results. Office estimation involves inputting missing information by using information provided in previous surveys. This approach is also referred to as historical imputation.

Section Seven: MARKET AND BOOK VALUE

7.1 Introduction

60. *Book Value (BV)* is the value at which assets and liabilities are originally recorded in company balance sheets and accompanying statements. It reflects historical costs, although there may have been some interim valuation changes. It is rare for a company's books to be prepared on the basis of regular revaluations to current market values, so BVs are usually more readily available from the financial statements. In accounting terms, it is usually called shareholder funds, and forms part of capital employed.

61. *Market Value (MV)* reflects the amount that a willing buyer would pay to buy something from a willing seller, based on commercial considerations. MV of company assets and liabilities are calculated by multiplying the company's current stock market price by its number of outstanding shares. A company's market value differs from its book value because the former does not take into account the company's growth potential attributable to changes in stock market prices.

62. According to the IMF BPM6, countries are expected to report MV of their data on Balance of Payments and International Investment Position (BOP/IIP). The United Nations System of National Accounts also recommends MV as the most relevant way to measure value of resources, especially for developing countries experiencing inflation, which widens the gap between MV and BV. Worldwide, governments, companies, lenders, risk analysts and credit rating agencies use MV for economy-wide and sectoral analyses, including balance sheet and wealth studies.

63. In the administration of the FPCFS survey questionnaires, countries are therefore encouraged to collect data on an MV basis. However, from the regional[4] experiences, enterprises are familiar with the Book/Nominal Value (BV), and international standards (including the IMF) regard BV as the acceptable proxies of the MV.

7.2 Country Best Practices for Estimating Market Value

64. There are three practical methods of estimating MV proffered from country experiences;

    i. ***For incorporated enterprises*** *which are listed on stock exchanges, the MV of equity should be reported using a recent transaction share price. If unavailable, respondents should use the midpoint of the quoted buy and sell prices of the shares on their main stock exchange at the reference date, multiplied by the number of issued shares held by foreign direct investors.*

[4] *In the MEFMI region, few companies are listed on the stock exchange, and the countries may not know how to adjust from book to market values.*

ii. ***For unlisted incorporated enterprises,*** *FPC survey respondents are requested (in order of preference) to value their shares using a recent equity transactions price; or director's valuations; or the net asset value (the value of an enterprise's total assets including intangibles less non-equity liabilities and less the paid up value of non-voting shares) at current cost.*

iii. ***For unincorporated enterprises (branches),*** *respondents are requested to value underlying assets at current market values.*

Box 3: Estimation of MV by Bank of Namibia (BON)

Bank of Namibia has been using MV since 1991. It uses the market share prices for listed companies and its branches. Auditor's estimates is used for unlisted companies, because company auditors have intimate knowledge of the enterprises and the financial estimation techniques necessary (e.g. replacement cost, discounted models of earnings) to calculate MV.

Section Eight: FINANCIAL STATEMENTS

8.1 Introduction

65. Financial statements are records that outline the financial activities of a business, an individual or any other entity. Financial statements are meant to present the financial information of the entity in question as clearly and concisely as possible for both the entity and for readers. Financial statements for businesses usually include: income statement (formally called the statement of financial performance), statement of changes in equity, balance sheet (formerly called the statement of financial position), and statements of retained earnings and cash flows.

66. The Enumerator is expected to have a full understanding of the interpretation of financial statements, especially a company's Statement of Financial Position (Balance Sheet), Statement of Changes in Equity and the Statement of Comprehensive Income (Income Statement). These statements are useful for validating information submitted through the survey questionnaire.

67. If made available to the enumerator, financial statements provide significant and essential data on private capital flows for the entities in the sample. Even in the absence of adequate responses from the survey questionnaire, data on foreign assets and liabilities can be estimated from use of financial statements. Consequently, it is of paramount importance that in the distribution of the survey questionnaire, audited financial statements of the entity should be sought. In a questionnaire, it is recommended to include a specific request for the respondent to attach financial statements for the company for the period relevant to the survey.

68. In the interpretation and use of financial statements for extracting BOP/IIP statistics, the Enumerator should be aware of the following key considerations to generally compare data on the survey questionnaire with data from the entity's financial statements:-

   i) *There is no consistent standard way of compiling enterprise accounts, so every financial statement is prepared in a slightly different way and can confuse the FPCFS or BOP/IIP compiler;*

   ii) *Often, there are remarkable differences between the financial statements of local and foreign enterprises. As such, foreign enterprises may often prepare and submit accounts according to the standards of the country where the Head Office or parent company resides;*

   iii) *Some of the important information that can be checked relates to entity's name, activities and industrial classification on the form vis-à-vis information from the financial accounts, if indicated;*

iv) *Shareholding structure of the enterprise (few financial statements will have this information, but some show, even the country of foreign shareholders.);*

v) *Check **'notes to the financial statements'** for any indications of external borrowing and consistency with what is reported in the tables; and*

vi) *Check **'notes to the financial statements'** on changes in equity if they can substantiate any changes in share capital.*

69. In using financial statements for purposes of compiling FPCFS or BOP/IIP data, Enumerators do not necessarily need to know everything about accounting but it is helpful to know a few simple concepts and to be familiar with some of the fundamental characteristics of basic financial statements. These concepts relate to: the understanding of the foreign private capital flows accounting equation; the implications of double entry accounting; distinguishing between debits and credits; understanding what a balance sheet illustrates about a company; knowing how an income statement is put together; and understanding how to compare survey questionnaire entries with the respective companies financial statements for validation purposes.

8.2 The Statement of Financial Position

70. A Statement of Financial Position (balance sheet) is a snapshot of a business' financial condition at a specific moment in time, usually at the close of an accounting period. A balance sheet helps a business owner quickly get a handle on the financial strength and capabilities of the business. Is the business in a position to expand? Can the business easily handle the normal financial ebbs and flows of revenues and expenses? Or should the business take immediate steps to bolster cash reserves?

71. Balance sheets, along with income statements, are the most basic elements in providing financial reporting to potential lenders such as banks, investors, and vendors who are considering how much credit to grant the firm.

72. A balance sheet comprises assets and claims to those assets at a specific point in time. There two types of claims; liabilities (claims of creditors) and claims of owners (owners' or stockholders' equity).

73. Assets relate to what the company owns and controls, such as equipment, buildings and inventory. Liabilities are what a company owes, such as notes payable, trade accounts payable and bonds. Owners' equity represents the claims of owners against the business. Assets and liabilities are divided into short and long term obligations including cash accounts such as checking, money market, or government securities. At any given time, assets must equal liabilities plus owners' equity.

74. In the Balance Sheet, the Accounting Equation is an essential notion in financial accounting. The equation derives from assets and claims on assets (Table 3).

Table 3: Categories of Assets, Liabilities and Owners' Equity

Assets	Claims on Assets	
Assets =	**Liabilities +**	**Owners' Equity**
Cash	Accounts Payable	Preferred Stock
Inventories	Wages Payable	Common Stock
Buildings	Taxes Payable	Capital Surplus
Land	Notes Payable	Retained Earnings
Equipment	Bonds Payable	
Accounts Receivable	Intermediate Term Debt	
Marketable Securities		

75. The Enumerator must understand the entries recorded either as assets, liabilities or owners' equity that are important for BOP/IIP reporting. Under the assets category of the financial statements, the following are some of the information requiring BOP/IIP reporting; deposits in foreign currency with banks abroad; accounts receivable from non-residents; investment in non-resident entities (branch, subsidiary); and purchase/acquisition of shares abroad (marketable securities).

76. From the liabilities category of the Balance Sheet, the following category of information is requiring BOP/IIP reporting; accounts payable to foreign counterparties; purchase of marketable securities by non-residents in the company; trade credits; and any other liabilities to non-residents.

77. The owner's equity portion shows the capital contributions by both resident and non-resident shareholders in the company. The Enumerator must understand how to relate non-resident shareholder's equity portion and extrapolate the foreign equity portion from the Owner's Equity in the Balance Sheet *(see para. 5.19, 5.21 and 5.22 of the IMF BPM6)*.

8.3 Statement of Comprehensive Income

78. A Statement of Comprehensive Income, otherwise known as an income statement, or a profit *(income exceeds expenses)* and loss *(expenses exceeds income)* statement, is a summary of a company's profit or loss during any one given period of time, such as a month, three months, or

one year. The income statement records all income *(revenues and gains)* for a business during this given period, as well as the operating expenses for the business. The Enumerator can use an income statement to track transactions involving revenues and expenses between the resident entity and non-resident counterparties. Income statements, along with balance sheets, are the most basic elements required by potential lenders, such as banks, investors, and vendors as they report the success or failure of the entity's operations during the period under review.

8.4 Statement of Changes in Equity

79. The Statement of Changes in Equity reports the changes which occurred in equity accounts over the reporting period. Such changes may be as result of profit (or loss) for the reporting period, or from other adjustments to equity accounts such as from assets revaluations.

8.5 Cash Flow Statement

80. The Cash Flow Statement provides financial information about the cash receipts and cash payments of a business for a specific period of time.

Section Nine: DATA PROCESSING, ANALYSIS AND REPORTING

9.1 Introduction

81. Once countries have comprehensively checked and edited data from survey questionnaires, the next steps are data processing, uprating and report writing.

9.2 Data Processing

82. Suitable software is critical for effective FPC survey administration, data processing and management. The software should assist in survey management, data recording, storage and analysis in an efficient and timely manner. The ideal software should be able to:

    i. *Compile FPCFS and BOP/IIP data aggregates;*
    ii. *Generate data review tables that permit the scanning of reported data on an enterprise-by-enterprise basis for gaps and outliers both for a particular survey and across surveys;*
    iii. *Assist in data grossing-up and generate consistent set of FPCFS and BOP/IIP data time series over a desired period;*
    iv. *Provide output tables when needed to support various analyses by different stakeholders participating in FPCFS project;*
    v. *Support improvement and maintenance of the investor registers;*
    vi. *Facilitate sampling practices; and*
    vii. *Support data checks and validation.*

83. MEFMI, drawing on expertise from member states, has developed a database (PCMS) that is currently deployed in nine countries. The database was recently upgraded to facilitate online data entry which is expected to significantly lower survey costs and to reduce data entry errors *(Detailed explanations about the software is provided in the PCMS Manual)*.

9.3 Data Uprating: Concept, Purpose and Methods

84. The need for grossing up or data uprating arises when sample surveys are conducted. Grossing up of sample survey data is important to ensure that the series generated is representative of the population estimates and is consistent over time. Grossing up involves estimating for non-response within the selected sample and secondly deriving the population estimates.

85. Uprating resolves the problem of underestimating actual flows and stocks in a sample survey. It further, minimises costs associated with big surveys as countries can resort to sample survey once they have achieved a reasonably reliable register (after one or two benchmark surveys).

86. There two methods of data uprating which are commonly used in the MEFMI region:

i. ***Estimating for each enterprise:*** *The most efficient method for grossing up involves generating estimates for each enterprise that is not surveyed using dummy questionnaires and recording the estimates in the system. This enables revision of some of the estimates when the enterprises respond or are included in subsequent surveys. It also provides a consistent time series stored in the database. The individual estimates can be derived using previous survey stock estimates and sector growth rates of flows. However, this method may be tedious and labor intensive where the sample selected is much smaller than the population and where there are considerable non-responses. Where an enterprise has never participated in any previous survey, it is usually better to avoid deriving any estimates for it. Further, this method may not apply for firms that are perpetual non-respondents which may cause a systematic bias on the results.*

Box 4: Uprating Practice in Tanzania

Tanzania employs Stratified Purposive sampling procedure in determining its sample selection. Data up-rating is done on a company-by-company basis as follows:

i. GDP Sector growth rates are applied to estimate retained earnings forward or backward depending on the GDP sign (i.e. positive or negative);
ii. Data is reported on Market Value (MV) that is obtained after applying the MV/BV ratio on the book value figure derived after estimating the new retained earnings. The MV/BV figures were obtained from the last census where companies were requested to supply book and market value figures for their enterprises;
iii. Market value figures for enterprises listed on the Dar es Salaam Stock Exchange (DSE) are established from the value of the market share prices for the enterprise;
iv. MV figure provided or estimated by the Chief Executives and/or Chief Finance Officers (CFOs) are usually retained;
v. Sectoral MV/BV ratios are used to estimate MVs for enterprises not listed in the stock exchange and whose Directors/CEOs are unable to provide MVs;
vi. Outstanding principal amount of loan is extended/uprated based on the amount repaid in the previous year;
vii. Interest payments are extended depending on the amount paid in the previous year or following the descriptions provided in the previous financial statements for un-surveyed companies; and
viii. Excel Spread sheet is used to assist in calculations during data uprating.

87. *Grossing up factors:* An alternative to grossing up by estimating for individual non-responding enterprises is to apply some grossing up factors. This methodology is best suited for samples selected using simple random sampling without replacement which implies that the selected sample should fully be representative of the structure of the population.

Table 4: Example of How to Derive the Grossing up Factor

Responding number of enterprises among top 100 enterprises	24
Enterprises with FDI out of top 100 enterprises in	18
Period *t* net worth of the top 100 enterprises	264,834,245.41
Period *t* net worth of 24 enterprises surveyed	182,291,594.00
Total period *t+1* equity capital and retained earnings stock reported by all surveyed enterprises	22,318,763,002
o/w period t+1 Equity capital and retained earnings stock for 24 responding enterprises among the top 100 enterprises	22,412,010,990
Grossed up equity capital and retained earnings stock for all enterprises among the top 100 corporate tax payers in period t+1 = f/(d/c)	32,560,294,682
Derived grossing up factor = g/f	1.453

Source: MEFMI Countries

88. Based on example in Table 4, the derived grossing up factor would be 1.45 and would be applied to all survey estimates from the sample to derive estimates for the entire population of enterprises. The grossed up estimates would therefore be about 45% higher than the survey estimates.

9.4 Report Writing and Dissemination

89. Countries normally report FPCFS survey findings on an aggregate basis to ensure that data confidentiality is observed. There are various structures of FPCFS reports followed among MEFMI member states. Nevertheless, they all share some common features which are in line with international best practices. The common characteristics of the reports include the following:

i. *An introduction that describes the purpose, data sources and the key variables to be used in the analysis;*

ii. *A commentary on current global, regional and the respective country's trends of capital flows and stocks;*

iii. *A brief description of the methodology followed; and*

iv. *Presentation of the findings which entails a descriptive analysis of the magnitude, composition and the trend of FDI, Portfolio Investments and other investment, contribution to economic activity (employment and output), sector and regional distribution of investment and source countries; assessment of financing modalities, including domestic financing that complement foreign financing.*

90. Once the report has been finalised, it is important to disseminate the findings to different stakeholders including the respondent. Dissemination may be by way of workshops, investors' round table meetings, physical distribution of hard copies to stakeholders, posting an electronic version of the publication on websites, via regional organisations (MEFMI and IMF for CDIS and CPIS participants) etc. The various mediums used for dissemination can also be used to gather comments and feedback from stakeholders to improve future surveys and reports. In some countries, dissemination events are used for sensitisation of respondents and for launching new survey rounds. It is important that all enterprises surveyed get access to the reports, especially the summary of findings.

APPENDICES

Appendix 1: Glossary

91. The conceptual framework and structuring of the private capital flows surveys is based on IMF BPM6. This manual provides the basis for the definitions and terms, which are applied on the MEFMI regional FPCFS questionnaire and Private Capital Monitoring System (PCMS). The Enumerators should adequately familiarise themselves with each of these terms as respondents may require clarity on some of the terminology applied and how such information is collected and extracted.

92. ***Balance of Payments (BOP)*** is a statistical statement which summarises, for a given time period (calendar year), an economy's transactions (inflows and outflows), reflecting creation, transformation, exchange, transfer or extinction of economic value) with the rest of the world. These are in the form of foreign assets (our claims on the rest of the world) and liabilities to the rest of the world. The BOP captures transactions between residents and non-residents. This is irrespective of the currency in which the transaction is made. The BOP comprises of the following explicit and definitive accounts; Current Account *(Goods and Services, Primary Income and Secondary Income);* Capital Account, and the Financial Account. Data on FPCFS, which is the primary focus of this Handbook, feeds into the Financial Account, which covers a country's financial assets (investments by residents of our country in other countries) and financial liabilities (investments by foreigners in our country) transacted between residents and non-residents. The related income flows feed into the Primary Income. In terms of BPM6, the Financial Account includes the following functional components: Direct Investments; Portfolio Investments; Financial Derivatives; Other Investments and Reserve Assets.

93. ***International Investment Position (IIP)*** is a critical component which is compiled on a stock basis unlike the BOP which looks at flows. The IIP includes value and composition of stock of an economy's financial assets with the rest of the world and liabilities to rest of the world. The IIP is compiled at a specific date, mostly at the end of the year. As with BOP, the FPCFS surveys will help the country to produce IIP statistics.

94. ***Residency*** is an important concept on which the determination of BOP transactions between residents and non-residents is premised. It is important for Enumerators to fully understand the conceptual aspects of residency in the collection and compilation of BOP data because it is one of the most confusing aspects and should not be taken lightly. Residents of an economy include governments, incorporated companies, unincorporated businesses, societies, partnerships, individuals, households, non-profit organisations and unions. An entity (individual/business enterprise) is considered resident in a country if it has lived or operated (or intends to live or operate) in a country for a period of twelve months or more, regardless of their nationality. This twelve-month threshold does not apply for foreign workers/diplomats in embassies who

are treated as non-resident regardless of their tenure. International organisations such as the African Development Bank (AfDB), International Finance Corporation (IFC) and the International Monetary Fund (IMF) are treated as a special case of residency since they have shareholders who are government and are, therefore, not considered residents of any country.

95. ***Foreign Private Capital (FPC)*** is one of the major sources of investment finance in developing countries. FPC is in two forms, namely Equity, Investment Fund Shares (IFS) and Borrowing/ Lending[5]. Equity and IFS refer to capital where there is no requirement (obligation[6]) to pay anything either principal or interest. It includes both voting and non-voting shares. The shares can be listed on stock exchanges or unlisted (i.e. privately held (BPM6, para 5.24)).

96. ***Equity Capital*** represents the investor's funds in the entity. It is composed of Paid-Up Share Capital (or owners funds), Share Premiums, Equity-Debt Swaps, Reserves (including capital reserves, statutory reserves, revaluation, etc.) and Reinvestment Earnings. Equity can also be non-cash (such as the provision of machinery, capital equipment, goods and services). Purchases of land by non-residents (individuals and enterprises) through notional units also constitute equity.

97. ***Investment Fund Shares*** are collective investment undertakings through which investors pool funds for investment in financial or non-financial assets or both. These Funds issue shares (if a corporate structure is used) or units (if a trust structure is used) to the investors. Investment funds include money market funds (MMF) and non-MMF investment funds. MMFs *are collective investment schemes invested primarily in money market instruments* (with a residual maturity of less than one year). MMFs shares or units may be regarded as close substitutes for deposits. Non-MMFs *invest predominantly in long-term financial assets and nonfinancial assets* (like real estate, commodities). Shares or units issued by non-MMFs are generally not close substitutes for deposits.

98. ***Debt instruments*** are those instruments that require the payment of principal and/or interest at some point in the future[7] *(BPM6, para 5.31)*. Payments are independent of the earnings (profit/ losses) of the issuer. This means that even if the issuer (company) makes a loss, it will still be required to pay the principal and interest on the loan. The term debt instrument is applicable to both liabilities and the corresponding debt claim (assets). It covers inter-company borrowing and lending from unrelated parties. This can take place between direct investors and subsidiaries, branches and associates, and directly between enterprises in a direct investment relationship located in different economies. Debt instruments comprise of the components such as deposits, debt securities and other debt (e.g. loans, trade credits, other accounts payable/

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[5] Borrowing/lending is associated with debt instruments that require the payment of principal and/or interest at some point(s) in the future.
[6] A claim on equity capital or IFS is on the residual value of a corporation or quasi-corporation, after the claims of all creditors have been met.
[7] Interest payments are periodic payments of interest costs. All other payments on debt instruments are principal payments. Further information is available in IMF's External Debt Statistics: Guide for Compilers and Users, Chapter 2, The Measurement of External Debt: Definition and Core Accounting Principles, and Appendix III, Glossary of External Debt Terms.

receivable, and insurance technical reserves). These instruments may earn interest but this is not the necessary criterion for an instrument to be classified as debt. Debt instruments are therefore distinguished from equity and investment shares in the nature of the liability or risk *(BPM6, para 5.32)*. Equity has a residual claim on the assets of the entity and gets returns (dividends) on the basis of profitability of the entity, whereas a debt instrument involves an obligation to pay an amount of principal and interest in accordance with an agreed schedule, regardless of the profitability of the entity. The risk element arises more on the direct investor, owner's shares, whilst the creditor has a more limited risk exposure.

99. ***Foreign Direct Investment (FDI)*** involves an investor resident in one economy making an investment that gives control of 10% or more or a significant degree of influence on the management of an enterprise that is resident in another economy *(BPM6, para 6.9)*. FDI further encompasses *subsequent* equity and debt transactions *between* an entity and its parent and *between* fellow enterprises - both incorporated and unincorporated.

100. ***Direct Investor (DI)*** is an entity or group of related entities that is able to exercise control of 10% or more or a significant degree of influence over another entity that is resident of a different economy. A Direct Investor can be: an individual or household; enterprise (incorporated or unincorporated, public or private); investment funds *(BPM 6, para 6:30)*; government or international organisation *(BPM 6 para 6.22);* Non-Profit Institution Serving Households (NPISHs) *(BPM6, para 6.23);* estate; trustee in bankruptcy, or other trustee; and any combination of above.

101. ***Direct Investment Enterprise (DIE[8])*** is an entity subject to control or a significant degree of influence by a DI. It include an incorporated or unincorporated enterprise in which a DI, directly or indirectly, owns 10% or more of either the voting power (for an incorporated enterprise), or the equivalent (for an unincorporated enterprise). Note that reverse investment occurs when DIEs acquire financial claims on their DIs. DIE can be a Subsidiary or Associate. A subsidiary is a DIE over which the DI is able to exercise control. An associate is a DIE over which the DI is able to exercise a significant degree of influence, but not control.

102. ***Fellow Enterprises (FE)*** are enterprises that are under the control or influence of the same immediate or indirect investor, but neither fellow enterprise controls or influences the other fellow enterprise *(BPM6 para 6.17c)*. A direct investment relationship between FEs exists because both enterprises are owned by the same DI (parent), but neither holds 10% or more voting power in the other.

103. ***Direct investment relationship*** refers to enterprises that are under the control or influence of the same DI. The following should not be included in the direct investment data: loan guarantees provided by the direct investor prior to activation; loans that are merely arranged by the

[8] *In some cases, an entity may be both a DI and a DIE.*

direct investor on behalf of the direct investment enterprise; funds borrowed by the direct investment enterprise from a bank or enterprise that is not affiliated with the direct investor; and intercompany debt transactions between selected affiliated financial intermediaries (i.e. financial intermediaries that are in a direct investment relationship).

104. ***Portfolio investment*** is defined as cross-border transactions and positions involving debt or equity *(less than 10% ownership)* securities[9], other than those included in direct investment or reserve assets *(BPM6, para 6.54)*. Portfolio investment covers, but is not limited to, securities traded on organised or other financial markets.

105. ***Debt securities*** are long and short-term negotiable instruments that serve as evidence of a debt *(BPM6, para 5.44)*. Long–term debt securities include: Convertible bonds into equity *(BPM6, para 5.46);* Nonparticipating preferred stocks *(BPM6, para 5.46);* Bonds with optional maturity dates of over one year; Zero-coupon and other deep-discounted bonds *(BPM6, para 7.31);* Indexed bonds *(BPM6, para 5.49);* Asset-backed securities *(BPM6, para 5.47)* and Perpetual bonds.

106. ***Short-term debt securities*** include: treasury bills *(BPM6, para 5.44);* bankers' acceptances *(BPM6, para 5.48);* certificates of deposit *(BPM6, para 5.44)* and commercial paper *(BPM6, para 5.44)*.

Note: Debt securities between affiliated financial intermediaries are classified as portfolio investment, despite direct investment relationship *(BPM6, para 6.28)*.

107. ***Financial derivatives contract*** is a financial instrument that is linked to another specific financial instrument or indicator or commodity, and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets. There are two broad types of financial derivatives, namely options and forward-type contracts.

- ***Options*** - *In an option contract (option), the purchaser acquires from the seller, a right to buy or sell, depending on whether the option is a call (buy) or a put (sell), a specified underlying item at a strike price on or before a specified date.*

[9] *The characteristic feature of securities is their negotiability, that is, their legal ownership is readily transferable from one unit to another unit by delivery or endorsement. Negotiable instruments are designed to be traded on organized markets (BPM6, para 5.15).*

- ***Forward*** - *A forward type contract is an unconditional contract in which two counterparties agree to exchange a specified quantity of an underlying item (real or financial) at an agreed-on contract price (the strike price) on a specified date. Forward type contracts include futures and swaps. Futures are forward-type contracts are traded on organised exchanges. A swap contract involves the counterparties exchanging, in accordance with prearranged terms, cash flows based on the reference prices of the underlying items. Swap contracts classified as forward-type contracts include currency swaps, interest rate swaps and cross-currency interest rate swaps.*

108. ***Other investment*** is a residual[10] category, comprising all transactions between unrelated parties (resident and non-resident) and non-tradable instruments. Instruments under other investment are listed below:

- ***Other equity*** *is equity not in the form of securities (i.e. not tradable). It includes equity in quasi-corporations, such as branches, trusts, limited liability and other partnerships, unincorporated funds, and notional units (all with ownership less than 10%). Examples of subscription to international organisations include the World Bank and Bank of International Settlements (BIS).*

- ***Loans*** *are financial assets created through the direct lending of funds by the creditor to the debtor and evidenced by a nonnegotiable document* (BPM6, para 5.51). *Loans include financial leases, repurchase agreements (repos), gold swaps, debt assumption, credit and loans with the IMF. Note that loans are recorded when amounts are actually disbursed. Repayments of loans are recorded when the debt obligations are extinguished through repayments or debt forgiveness by the creditors. If the original terms of a debt (a loan, debt security and other debt items) are changed by renegotiation by the parties, the original liability is repaid and a new liability is created (i.e. recorded as transactions in the financial account). In contrast, if the original terms of the contract provide that the loan conditions (e.g. maturity and/or interest rate terms) change in the case of certain events, then this involves a reclassification.*

- ***Financial lease*** *is a contract under which the* **lessor** *(as legal owner of the asset) conveys substantially all the risks and rewards of ownership of the asset to the* **lessee** (BPM6, para 5.56). *It entails a financial claim which is an asset of the lessor and a liability of the lessee. Financial leases are included under loans because these arrangements are taken as presumptive evidence that an economic change in the ownership of goods has occurred. The financial lease is essentially a method by which the lessee finances the purchase of goods.*

[10] *That is not included under direct investment, portfolio investment and financial derivatives.*

- ***A repo*** *is an arrangement involving the sale of securities at a specified price with a commitment to repurchase the same or similar securities at a fixed price on a specified future date (usually very short-term e.g. overnight or one day).*

- ***Debt assumption*** *occurs when one party takes on the liability of another party. Debt may be assumed under a pre-existing guarantee or without a guarantee. In all cases, the debt-assuming party records the creation of a new liability (loan) to the creditor as a transaction in the financial account.* Example: Company A in country A is bankrupt. Government A assumes its debt from Bank B in country B.

- ***Currency and deposits*** *consists of notes and coins that are in circulation and commonly used to make payments. Deposits comprise both transferable and other deposits.*

- ***Insurance Technical Reserves, Pension Fund Entitlements, and Provisions for Calls under Standardised Guarantees:*** *These reserves include (a) prepayment of premiums and outstanding claims from non-life insurance, (b) entitlements of beneficiaries under life insurance and pension funds, and (c) provision for calls under standardised guarantees* (BPM6, para 5.62 and Appendix 6c).
  - For non-life insurance, the changes in insurance technical reserves are due to prepayments of insurance premiums and reserves that insurance enterprises hold in order to cover the amounts they expect to pay in respect of claims that have been reported and are not yet resolved and estimates of claims incurred but not yet reported.
  - For life insurance and pension fund entitlements, the changes in technical reserves due to transactions consist of estimated obligations to beneficiaries accrued during the period.
  - Provisions for calls under standardised guarantees are equal to the present value of expected calls under outstanding guarantees, net of any recoveries the guarantor expects to receive from the defaulting parties.

- ***Trade credits and advances*** *consist of claims and liabilities arising from the direct extension of credit by suppliers or buyers for transactions in goods and services, and advance payments for work in progress (or to be undertaken) associated with such transactions. When the contract calls for stage payments (progress payments), a difference in timing between the change of ownership and progress payment may give rise to trade credit and advances.*

- ***Other Accounts Receivable and Payable:*** *These include liabilities for taxes, purchase and sale of securities not yet delivered, or paid for in advance, securities lending, and gold loan fees and wages and salaries, dividends, and social contributions that have accrued but not yet paid.*

109. ***Investment income*** attributable to the owners of investment shares comprises both dividends payable and reinvestment/retained earnings (disregarding whether a direct investment relationship exists). Dividends are recorded when shares go ex-dividend (the date they are excluded from the market price of shares *(BPM6 para 3.48)*. Reinvestment earnings of investment funds shares below 10% are separately shown under portfolio income. This is a change from BPM5, where reinvested earnings were for direct investment only. Holding gains and losses are never considered as income transactions (recorded as other flows).

110. ***Reinvestment of earnings*** comprises the direct investors' proportion, in terms of equity held, of the earnings that foreign subsidiaries and associates do not distribute as dividends that are capitalised in the entity. The undistributed earnings of branches are also considered to be reinvestment earnings. In calculating reinvestment earnings, take the net profit/loss earned after-tax minus dividends declared for each year during the calendar year. When reinvestment earnings on a company's balance sheet are accumulated from one year to the next, they are called Accumulated Reinvestment Earnings (ARE). When AREs are negative, it is called accumulated losses, or accumulated deficit.

Appendix 2: How to Complete FPCFS Questionnaire

111. This Section describes the layout of the survey questionnaire, the detailed description of the questions and quick pointers and checks to ensure consistently high quality data. It describes the instructions for completing the questionnaire and what to do for each and every question. An Enumerator is advised to familiarise him/herself with this Section to help him/her adequately collect the required data.

112. ***Structure of the Questionnaire:*** The Questionnaire consists of the four (4) parts briefly described in **Table 5.**

Table 5: Structure of the Questionnaire

SECTIONS	DESCRIPTIONS
PART 1	Provides brief definitions of key concepts used in the questionnaire
PART 2	Requests for basic details of the enterprises. These include name, contact information, currency of reporting, shareholding structure and investment relationships.
PART 3	Requests for Inward/Foreign Liabilities: Equity and investment fund shares in the enterprise by non-resident investors, dividends, profits remitted and retained earnings, non-equity (liabilities) and financial derivatives (liabilities).
PART 4	Requests for Outward/Foreign Assets: Equity and investment fund shares held abroad by your enterprise, dividends, profits remitted and retained earnings abroad by your enterprise, non-equity (assets) and financial derivatives (assets).

113. **Part 1:** Provides brief definitions of key concepts used in the questionnaire. Avoid complex technical terms which could confuse the respondents.

114. **Part 2:** Basic Details

- ***Name and Currency of reporting:*** *This section seeks for details on enterprise name and currency of reporting with specific interest in US Dollars and other currencies. The currency of reporting can be requested from the respondent or can be seen from the enterprise financial statement at the time of completing the questionnaire.*

- ***Shareholding structure of the enterprise:*** *This section seeks for shareholders' details, namely; name of shareholder, country of residence (please refer to the definition of* *residency in the questionnaire/Handbook for details) and percentage ownership stake in the enterprise as at the end of the reference period. Ensure that total shareholding percentages for each year is equal to 100%.*

- ***Equity relationships:*** *This table shows the different types of equity relationships and their symbols. These include the Direct Investor (DI), Direct Investment Enterprise (DIE), Portfolio Investment that is tradable (PI), Other Investment that is non-tradable (OI), Investment Fund Shares (IFS) and Resident.*

115. **Part 3: Inward/Foreign Liabilities:**

- ***Equity and Investment Fund Shares:*** *This section requests information on stock and flows/transaction of Equity and Investment Fund Shares in an enterprise by non-resident investors. The equity stock need to be disaggregated in terms of paid-up share capital; share premium; reserves (that could include capital, statutory and others); accumulated retained earnings/losses; investment fund shares (in the form of shares and accumulated retained earnings). All these components are further classified by source country as of the reference period, percentage share-holding, investment relationships, and associated flows/transactions (purchases or sales of shares by non-residents, other equity changes-inwards or outwards), exchange rate translation gains/loss for the reference period. The section also records revaluations and any other equity component which may be unremitted dividends, equity swaps etc.*

- ***Net profit/loss, dividends and retained earnings:*** *This question requests data on the profitability of the enterprise (net profit or loss), dividends (declared and/or paid) and reinvested (retained earnings) attributable to non-resident shareholders in the enterprise during the reference period. Net profits are the gross profits minus corporation tax while retained (reinvested) earnings are undistributed profits that are capitalised in the entity. The retained earnings amount is derived by taking the "net profit/loss" minus "dividends declared" and may be a positive or negative amount. The information on the entity's profits or losses and dividends during the reference period can be extracted from the income statement while the retained earning amount can be derived in the statement of change in equity.*

- ***Non-equity (liabilities):*** *This question requests stocks and transactions data for type of borrowing by loan, debt securities, Trade credits and advances, currency and deposits, life & non-life insurance technical reserves, pension entitlements, standardised guarantees, and other accounts payable. The data required comprises the source country, relationships and original maturity. Non-equity year-end stocks comprise of end-year balance of principal due, principal arrears and interest arrears as at the reference period. The non-equity flows or transactions comprise disbursements (amounts received from creditors), principal repayments (to creditors) and changes due to "other changes".*

- Stocks in Opening balance + Disbursements – Principal Repayments ± Other changes during the reference period should equal to stock as at Closing balance.

- ***Financial Derivatives (Liabilities):*** *This question requests stocks and transactions data for financial derivatives showing type of derivative (e.g. forwards, and options) by source country. Financial derivative year-end stocks comprise the end-year value of the derivative as at the reference period. While the financial derivative flows or transactions comprise of an increase in value, a decrease in value and other changes.*

    - Stocks in Opening stock + Increase – Decrease ± Other changes during the reference period should equal to Closing balance.

116. **Part 4: Outward/Foreign Assets:** This section requests information on Equity, Investment Fund Shares and non-equity held abroad by an enterprise. The section wants to know the non-resident entity in which the resident entity in the reporting economy owns shares. Note that the structure and interpretation of the components in **Part 3** applies in **Part 4** with exception of the direction (outward). *Accounts Payable* becomes *Accounts Receivable.*

Appendix 3: Detailed Summary of Assets, Liabilities and Equity

Assets	Liabilities	Equity
1. **Current Assets:** Are those assets expected to be converted into cash or used in the business within a relatively short period of time, usually within 1 year. These include cash, marketable securities, receivables, inventories and prepaid expenses. 2. **Non-Current Assets:** Are those assets that are not expected to be converted into cash within 1 year from balance date (the date of the balance sheet) or that are used in the business in the long term. These include receivables due more than 1 year from balance date; long-term investments; property, plant and equipment; and intangible assets. • ***Property, plant and equipment*** *are assets with relatively long useful lives that are used in the operations of the business. Examples include land, buildings, machinery and furniture. These assets depreciate, or wear out, with the passage of time and their cost must be allocated to expense over the useful life of the asset (termed depreciation). On the balance sheet, they are shown at their cost less total accumulated depreciation. The one exception is land, instead of depreciating, it normally appreciates.* • ***Intangible assets*** *are non-current assets that have no physical substance. They are essentially long-lived rights, such as franchises, patents, copyrights, and trademarks or trade names.*	1. **Current Liabilities:** Refer to obligations that are to be paid within 1 year of balance date. Examples include accounts payable, notes payable, salaries payable, interest payable, taxes payable and current maturities of long-term obligations. 2. **Non-Current Liabilities:** Refer to obligations expected to be paid after 1 year from the date of the balance sheet. Examples include debentures, mortgages payable, long-term notes payable, lease liabilities, and provisions for employee entitlements.	1. **Share Capital:** Consists of shareholders' investments of assets in the business. 2. **Retained Earnings:** Include income retained for use in the business. If the company has 'retained losses' this account on the balance sheet will be called *accumulated losses* 3. **Reserves:** Reserves are the result of either transfers from retained earnings or the application of certain accounting standards, such as revaluation of non-current assets.

Appendix 4: Frequently Asked Questions (FAQs)

117. This section highlights the critical issues that the Enumerator may be called upon to clarify to the respondent. These largely relate to the importance, justification, information requests, organisation and legal issues relating to the collection of the information and confidentiality. This requires the Enumerator to be conversant and aptly familiar with all the issues relating to the conduct of FPC survey. This will ensure that the Enumerator is able to clearly "sell" the survey to the respondent and convince them that it is in their best interests to comply through the provision of the information being called for.

118. ***What is foreign private capital/investment?*** Foreign private capital/investment relates to foreign equity and borrowing from abroad by the private sector. This foreign investment comes largely in the form of foreign direct investment, portfolio investment and other investment. The direction of foreign private capital flows can be inward (liabilities) or outward (assets). Inward (liabilities) investment is when a foreign investor comes and invests in our home country. Outward (assets) investment is when residents of our country invest in other countries.

119. ***Why is foreign private investment important to the country?*** Foreign private investment has been identified as a critical source of funding for development in host countries. Most developing countries are characterised by low savings and constrained domestic investment. Foreign investors, therefore, help through injecting external resources for various investments and projects, which help in the development of the local economy. Overall, foreign investment can lead to transfers of technology and know-how, improve the access to international markets and create employment for the host country.

120. ***What is a foreign private capital flows survey?*** Data on foreign private capital is collected from various sources using administrative, non-survey and survey methods. Administrative sources include newspapers and financial statements, among others. It is, however, survey methods that have gained prominence in the ultimate collection of accurate data on foreign assets and liabilities.

121. ***Why are foreign private capital surveys conducted?*** Foreign private capital surveys are conducted with a view of collecting data on a country's foreign assets and liabilities at a particular point in time. Statistics collected from these surveys are used for analysis of the magnitude, composition, scale, source and impact of such foreign investment in the country. Furthermore, every country requires this information to help in the compilation of its BOP/IIP, which represents transactions and stocks of a reporting economy with the rest of the world. The survey is further conducted to gather investors' perceptions on business environment of the reporting country.

122. ***What is the importance of private capital flows data?*** Statistics on foreign private capital data are critical for compilation of BOP (flows) and IIP (stocks) statistics. BOP/IIP statistics assess economic relations with the rest of the world. They particularly help to monitor developments in external relations between countries, measure the degree of financial openness, monitor external debt, and indicate external debt sustainability and financial stability.

123. **What enterprises are targeted for collection of information?** These surveys are targeted at all major enterprises in the country as listed in the enterprises register, with particular reference to those with foreign liabilities and/or assets. The enterprises register is done collaboratively by the Investment Promotion Agency/Authority, Statistics Office and the Central Bank.

124. **How often will this information be requested?** These surveys are done annually to ensure reporting of information on an annual basis. However, in certain cases, depending on country circumstances, the information may be requested on a quarterly or monthly basis.

125. ***What variables are collected for reporting?*** Collection, analysis and reporting of data on foreign private capital are done according to international best practices, specifically the 6th Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). *See the outline in Box 5 below.*

Box 5: Financial Account of the Balance of Payments and International Investment Position (Assets/ Liabilities) According to BPM6

A. Direct investment (DI)

1. *Equity and investment fund shares*
   - 1.1. Direct investor in direct investment enterprises (DIE)
   - 1.2. DIE in direct investor (reverse investment)
   - 1.3. Between fellow enterprises

2. *Debt instruments*
   - 2.1. Direct investor claims on DIE
   - 2.2. DIE claims on direct investor (reverse investment)
   - 2.3. Between fellow enterprises

B. Portfolio investment (PI)

1. *Equity and Investment Fund Shares*
2. *Debt Securities*

C. Financial derivatives (other than reserves) and employee stock options

D. Other investment (OI)

1. *Other equity*
2. *Currency and deposits*
3. *Loans*
4. *Insurance, pension, and standardised guarantee schemes*
5. *Trade credit and advances*
6. *Other accounts receivable/payable - Other*

126. ***How will this information be used?*** As alluded to above, the collection of this individual company data and perception information, through these surveys, is primarily driven by the need to prepare aggregate data on countries' Balance of Payments and International Investment Position for input into the economic policy formulation process. Findings from the survey will be disseminated at an event to which private sector representatives will be invited. Those that do not attend will be sent copies of aggregate results and analysis. The results can also be accessed in websites of the institutions involved in the survey.

127. **How is confidentiality of individual company data assured?** The issue of confidentiality and the mechanisms to protect respondent information is a frequently raised issue, which is at the core of the success of these surveys. It is important to note that the collaborating institutions are guided by internal regulations that uphold confidentiality of information. Over and above these regulations, there are significant penalties on officials who do not comply with these regulations. It is necessary for enumerators to be fully aware of all the legal provisions as provided in a country's statutes and laws.

Appendix 5: MEFMI Generic Questionnaire

1.0 Definitions of Key Concepts Used in the Questionnaire

Direct investment relationship: An enterprise is in a direct investment relationship with a Direct Investor (DI); if the investment is from a non-resident enterprise or individual that directly holds 10% or more of its equity. An enterprise is in a direct investment relationship with a Direct Investment Entity (DIE); if the investment is from its non-resident subsidiary or associate enterprise that directly holds 10% or more of its equity or voting rights. This may also be referred to as reverse investment. An enterprise is in a direct investment relationship with a Fellow Enterprise (FE); if the investment is from a non-resident enterprise that directly holds less than 10% (or none) of its equity but also has the same direct investor. The two enterprises must have the same controlling parent company to be fellows irrespective of the parent's residency.

Foreign Portfolio Equity Investment (FPEI) represents equity investment in a company accounting for less than ten percent (10%) of that company's ordinary shares or voting rights and it's tradable.

Investment Fund Shares (IFS) are collective investment undertakings through which investors pool funds for investment in financial and/or non-financial assets. Investment funds include money market funds (MMF) and non-MMF investment funds.

Other investment relationship (Other) in this document refers to equity investment of less than 10% that is not tradable or borrowing/lending to non-affiliates. Non-Affiliates (Non-related enterprises) are entities with which your enterprise has no equity, voting rights or equivalent and don't share a common parent.

Retained (reinvested) earnings are undistributed profits that are capitalised in the entity. In calculating retained earnings, take the net profit/loss earned after-tax less dividends declared for each year during the calendar year. When Retained earnings on a company's balance sheet are accumulated from one year to the next, they are called Accumulated retained earnings. When accumulated retained earnings are negative, it is called retained losses (also known as accumulated losses, or accumulated deficit).

Earnings of an enterprise are defined here as: Its net operating surplus/loss +/- net property income receivable/payable (dividends / retained earnings / interest / rents not related to current operations/costs of the enterprise) +/-net current transfers receivable/payable (such as subsidies/corporate taxes).

Trade Credits and Advances comprise (1) credit extended directly by the suppliers of goods and services to their customers and (2) advances for work that is in progress (or is yet to be undertaken) and prepayment by customers for goods and services not yet provided.

Currency consists of notes and coins in circulation, commonly used to make payments. They have fixed nominal values and are issued or authorized by Central banks or governments. Deposits include all claims that are (1) on a deposit-taking corporation and, in some cases, other institutional units; and (2) are represented by evidence of deposit.

Other Accounts Receivable/Payable include accounts receivable or payable other than those included in Trade credits and advances or other instruments.

Life & Non-life Insurance Technical Reserves - consist of the reserves for unearned insurance premiums, which are prepayment of premiums and reserves against outstanding insurance claims, which are amounts identified by insurance corporations to cover what they expect to pay out arising from events that have occurred but for which the claims are not yet settled.

Pension Entitlements/Claims show the extent of financial claims both existing and future pensioners hold against either their employer or a fund designated by the employer to pay pensions earned as part of a compensation agreement between the employer and employee.

Standardised Guarantee are defined as those guarantees that are not provided by means of a financial derivative (such as credit default swaps), but for which the probability of default can be well established.

Guarantees cover similar types of credit risk for a large number of cases e.g. include guarantees issued by governments on export credit or student loans.

Debt securities (Bonds, Notes and Money Market Instruments) are negotiable instruments serving as evidence of a debt normally traded in financial markets. They include bills, bonds, certificates of deposit, bankers' acceptances, commercial paper, debentures, asset-backed securities, index-linked securities, and, also, on participating preferred stocks or shares.

Capital Reserves are part of the authorised capital of a firm that has not been called up and is, therefore, available for drawing in case of a need.

Statutory Reserves are requirements regarding the amount of funds that regulators require to be held in reserve against deposits made by their customers. This money must be in the bank's vaults.

Revaluation Reserve is the reserve account that records the surplus created when assets are re-valued. It is a 'paper' or unrealized reserve.

A financial derivative contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets. There are two broad types of financial derivatives—options and forward-type contracts.

Options - In an option contract (option), the purchaser acquires from the seller a right to buy or sell, depending on whether the option is a call (buy) or a put (sell), a specified underlying item at a strike price on or before a specified date.

A forward-type contract (forward) is an unconditional contract by which two counterparties agree to exchange a specified quantity of an underlying item (real or financial) at an agreed-on contract price (the strike price) on a specified date. Forward type contracts include futures and swaps. Futures are forward-type contracts traded on organised exchanges. Swap contract involves the counterparties exchanging, in accordance with prearranged terms, cash flows based on the reference prices of the underlying items. Swap contracts classified as forward-type contracts include currency swaps, interest rate swaps, and cross-currency interest rate swap.

2.0 Basic Details

2.1 Company Name and Currency Used

Enterprise Name and Addresses	**Currency of Reporting (✓)**	
	US Dollar	Other Currencies (Specify)

2.2 Shareholding Structure, Relationship and Book Value of Equity of Your Enterprise as at 31st December 2009 and 31st December 2010

Name of Share holder	**Country of Residence**	**Investment Relationships:** Direct Investor (DI), Direct Investment Entity (DIE), or Fellow Enterprise (FE), Foreign Portfolio Investment (FPI) Resident (R), Other Investment (Other), Investment Fund Shares (IFS)	**% Shareholding**		**Own Funds at Book Value of Equity at 31 Dec 2009**	**Own Funds at Book Value at 31 Dec 2010**
			31 Dec. 2009	**31 Dec. 2010**		
1						
2						
3						
Total			**100.0**	**100.0**		

3.0 Inward/Foreign Liabilities

3.1 Equity and Investment Fund Shares in Your Enterprise By Non-Resident Investors

Equity Type	Source Country (Continue on separate sheet if necessary)	% Share-holding	Relationship: DI, DIE, or FE, FPI, Other, IFS, R	A Closing Balance 31 Dec 2009	B Purchase/ Increase in 2010	C Sales/ Decrease in 2010	D *Official Use Only* Changes due to 'Other' Changes D=E-(A+B-C)	E Closing Balance 31st Dec 2010
Paid-up Share Capital	1.							
	2.							
Share Premiums	1.							
	2.							
Reserves (*include Capital, Statutory, revaluation, & Other*)	1.							
	2.							
Other Equity *(e.g. Equity Debt Swaps, Shareholders Deposits)*	1.							
	2							
Accumulated Retained Earnings/Loss	1.							
	2.							
Investment Fund Shares (*Shares***)**	1.							
	2.							
Investment Fund Shares *(Accumulated Retained Earnings)*	1.							
	2.							

3.2 Dividends, Profits Remitted and Retained Earnings

Answers to this question relate to your Income Statement and Cash Flows Statement from both your annual and quarterly financial statements and/or management accounts.

A **Net Profit (*or Loss*) After Tax in 2010**	**B** **Source country**	**C** **Percentage Shareholding**	**D** **Relationship:** **DI , DIE, or FE, FPI, Other, IFS, R**	**E** **Net Profit (*or Loss*) After Tax in 2010 Attributable to=A*C**	**F** **Dividends Declared**	**G** **Dividends Paid/Profits Remitted**	**H** ***Official Use Only*** **Retained Earnings = (E-F)**
	TOTAL						

3.3 Non-Equity (Liabilities)

Type of Borrowing	Source Country *(Continue on separate sheet if necessary)*	Relationships: DI, DIE, or FE, FPI, Other, R	Original Maturity **LT**-12 months or more **ST**-Less than 12 months *(Indicate LT or ST)*	A Closing Balance 31 Dec 2009 *(Including Accrued interest Not Paid)*	B Disbursements received during 2010	C Principal Repayment during 2010	D *Official Use Only* Changes due to 'Other' changes D=E-(A+B-C)	E Closing Balance 31 Dec 2010 *(Including Accrued interest Not Paid)*	G Interest Paid (in 2010)
Loans (*Including Financial Leases, Repos)*	1.								
	2.								
Debt securities *(Including Money Market Instruments, Bonds).*	1.								
	2								
	3...								
Trade Credits & Advances	1.								
	2.								
	3...								
Currency and Deposits	1.								
	2								
Life & Non-Life Insurance Technical Reserves	1.								
	2								
	3...								
Pension Entitlements/ Claims	1.								
	2								
	3...								
Standardised Guarantees	1.								
	2								
Other Accounts Payable	1.								
	2								
	3...								
TOTAL									

3.4 Financial Derivatives (Liabilities)

Type of Financial Derivatives	Source Country *(Continue on separate sheet if necessary)*	A Closing Balance 31 Dec 2009 (Value)	B Increase in 2010 (Value)	C Decrease in 2010 (Value)	D *Official Use Only* Other Changes D=E-(A+B-C)	E Closing Balance 31 Dec 2010 (Value)
Forwards	1.					
	2.					
Options	1					
	2					

4.0 Outward/Foreign Assets *(same structure as Inward/Foreign Liabilities with account payable named as 'receivable')*

Appendix 6: Sample Countries' Questionnaires

Rwanda

1.0 Basic details

1.1 Shareholding Structure of the Entity as at 31st December 2008, 31st December 2009.

1.2 Table 1.2: Shareholding Structure as at 31st December 2008, 31st December 2009.

Name of Shareholder* (Facultatif)	Nationality	Country of Residence	Ownership Stake (% Shareholding) as at:	
			31-12-2008	31-12-2009
1. …				

** name of shareholders includes both the enterprise and individual investor ownership*

1.3 Your entity relationship with fellow enterprises abroad [see definition 17 (iii) page ix]

Does your entity/enterprise have any common shareholding in another enterprise(s) in which you have a common parent?

YES [ ] NO [ ]

If yes please provide details as at 31st December 2008, 2009 in Table 1.3 below

Table 1.3: entity common shareholding at 31st December 2008, and 2009

Name of Entity/ Enterprise	Resident Country	ISIC[11]	Ownership Stake (% Shareholding) as at:	
			31-12-2008	31-12-2009
1.				
2.				
3				
4				

2.0 Foreign Liabilities

Equity (10% or more) held in your entity by non-residents as at end-2008, end-2009 and associated transactions during 2008, 2009.

[11] *Refer to definitions No. 2*

Please complete this section if non-resident entities hold 10% or more shares in your entity:

In the ***Table 2.1***, please enter aggregate data by country, for all non-resident entities each owning 10% or more of the equity or equivalent voting rights in your entity (Foreign Direct Equity Investment). To ensure we do not have to get back to you for clarification, enter **N/A** where the question is not applicable.

Table 2.1 Equity held in your entity by non-residents (each owning 10% or more) and transactions in Rwf

No.	Item	Amount Country 1	Amount Country 2	Amount Country 3
1.	Country of residence/ International Organisation			
2.	Direct Investment relationship (DI, DIE or FE)			
3.	Purchases of shares by non-residents in your entity during **2008** (inwards)			
4.	Sales of shares by non-residents in your entity during **2008** (outwards)			
5.	Other Equity Transaction during **2008** (inwards)♣			
6	Other Equity Transaction during **2008** (outwards)			
7.	**Book Value of Equity as at 31st December 2008:**			
	O/w: *Paid-up Share Capital:*			
	Share Premium:			
	Accumulated retained earnings/loss			
	Revaluations:			
	*** Others:*			
8.	Estimated Market Value of Equity at 31st December 2008			
9.	Purchases of shares by non-residents in your entity during 2009 (inwards)			
10.	Sales of shares by non-residents in your entity during 2009 (outwards)			
11.	Other Equity Transaction during 2009 (inwards)♣			
12	Other Equity Transaction during 2009 (outwards)			
13.	**Book Value of Equity as at 31st December 2009:** **= (7 + 9 − *10* +*11*-*12*)**			
	O/w: *Paid-up Share Capital:*			
	Share Premium:			
	Accumulated retained earnings/loss			
	Revaluations:			
	*** Others:*			
14.	Estimated Market Value of Equity at 31st December 2009			

♣ *These should include any transactions related to: new equity issues (Greenfield investment), rights issue of shares, net value from mergers and acquisitions and additional capital contribution by shareholders.*

* *Others - any other equity component e.g. unremitted dividends, equity swaps etc.*

NB: *In case you have more than three countries investing in your entity please provide data on separate page or sheet*

2.2 *Equity (less than 10%) held in your entity by non-residents as at end-2008 and end-2009 and associated transactions during 2008 and 2009.*

Please complete this section if non-resident entities or individuals hold less than 10% equity in your entity:

In the ***Table 2.2***, please enter aggregate data by country, for all non-resident entities each owning less than 10% of the shares or equivalent voting rights in your entity (Foreign Portfolio Equity Investment). To ensure we do not have to get back to you for clarification, enter **N/A** where the question is not applicable.

Table 2.2 Equity held in your entity by non-residents (each owning less than 10%) and transactions in Rwf

No.	Item		Amount Country 1	Amount Country 2	Amount Country 3
1.	Country of residence/ International Organisation				
2.	Purchases of shares by non-residents in your entity during 2008 (inwards)				
3.	Sales of shares by non-residents in your entity during 2008 (outwards)				
4.	Other Equity Transaction during 2008 (inwards)♣				
5.	Other Equity Transaction during 2008 (outwards)				
6		**Book Value of Equity as at 31st December 2008:**			
	O/w:	*Paid-up Share Capital:*			
		Share Premium:			
		Accumulated retained earnings/loss			
		Revaluations:			
		** Others:*			
7.	Estimated Market Value of Equity at 31st December 2008				
8.	Purchases of shares by non-residents in your entity during 2009 (inwards)				
9.	Sales of shares by non-residents in your entity during 2009 (outwards)				
10.	Other Equity Transaction during 2009 (inwards)♣				
11.	Other Equity Transaction during 2008 (outwards)				
12	= (6 + 8 − 9 +10 - 11)	**Book Value of Equity as at 31st December 2009:**			
	O/w:	*Paid-up Share Capital:*			
		Share Premium:			
		Accumulated retained earnings/loss			
		Revaluations:			
		** Others:*			
13	Estimated Market Value of Equity at 31st December 2009				

♣ *These should include any transactions related to: new equity issues (Greenfield investment), rights issue of shares, net value from mergers and acquisitions and additional capital contribution by shareholders.*

* *Others - any other equity component e.g. unremitted dividends, equity swaps etc.*

NB: *In case you have more than three countries investing in your entity please provide data on separate page or sheet*

3.0 Borrowings from non-resident by your entity

Please complete ***Tables 3.1 and 3.2*** for long-term and short-term debt (including any arrears) respectively, if your entity borrows from non-resident entities, individuals or organizations (external borrowings).

- ***<u>Exclude</u> domestic (resident-to-resident) borrowings in both foreign and local currencies.***
- To ensure we do not trouble you for clarification, enter N/A where not applicable.
- In case of recipient sector specify the sector using options provided on pages 2 and 4 of this questionnaire ***i.e. Table 1.5.***

3.1 Long-term External liabilities of loans, trade credits, and debt security (bonds, notes, bills etc.)

Long-term debt liabilities constitute loans and debt securities with original maturity of 12 months or more. Please supply ***total outstanding balances*** for the years as at end-December 2008 and 2009 ***transactions*** during 2009 for each individual non-equity external obligations in **Tranche Currencies.**

Table 3.1: External debt liabilities of loans, trade credits, and debt securities (bonds, notes, bills etc.)

No	Particulars		Debt Instrument 1	Debt Instrument 2	Debt Instrument 3	Debt Instrument 4
1.	Creditor institution group*					
2.	**Debt type****					
3.	Recipient Industrial Classifications					
4.	Creditor country/International organisation					
5.	**Currency of liability**					
6.	Total debt amount					
7.	Interest rate					
8.	**Outstanding balance as at 31st December 2008**					
	O/w:	*Balance of principal*				
		Balance of principal arrears				
		Balance of interest arrears				
9.	Debt received from non-residents during 2009 (Disbursements)					
10.	Debt repaid to non-residents during 2009 (Principal repayments)					
11.	Principal arrears created during 2009					
12.	Principal arrears paid during 2009					
13.	Interest paid during 2009					
14.	Interest arrears created during 2009					
15.	Interest arrears paid during 2009					
16.	Other changes during 2009 (debt forgiveness, re-scheduling, write-off, debt/equity swaps etc.) Please specify…					
17.	Fees and commission paid in 2009:					
18.	**Outstanding balance as at 31st December 2009** = *(8 + 9 − 10 + 11 −12 − 13 + 14 −15 ± 16)*					
	O/w:	*Balance of principal*				
		Balance of principal arrears				
		Balance of interest arrears				

3.2 Short-term External liabilities of loans, trade credits, and Debt securities

Short-term debt liabilities constitute loans, trade credits, and debt securities with original maturity of less than 12 months. Please supply ***total outstanding balances*** for the years as at end-December 2008 and 2009 and ***transactions*** during 2009 for each individual debt contracted in **tranche currency.**

Table 3.2: Short-term External debt liabilities of loans, trade credits, and debt securities

No	Particulars		Debt Instrument 1	Debt Instrument 2	Debt Instrument 3	Debt Instrument 4
1.	Creditor institution group*					
2.	**Debt type****					
3.	Recipient Industrial Classifications					
4.	Creditor country/International organization					
5.	**Currency of liability**					
6.	Total debt amount					
7.	Interest rate					
8.	**Outstanding balance as at 31st Dec 2008**					
	O/w:	*Balance of principal*				
		Balance of principal arrears				
		Balance of interest arrears				
9.	Debt received from non-residents during 2009 (Disbursements)					
10.	Debt repaid to non-residents during 2009 (Principal repayments)					
11.	Principal arrears created during 2009					
12.	Principal arrears paid during 2009					
13.	Interest paid during 2009					
14.	Interest arrears created during 2009					
15.	Interest arrears paid during 2009					
16.	Other changes during 2009 (debt forgiveness, re-scheduling, write-off, debt/equity swaps etc.) Please specify…					
17.	Fees and commission paid in 2009:					
18.	**Outstanding balance as at 31st Dec 2009** *= (8 + 9 − 10 +11 − 12 − 13 + 14 −15 ± 16)*					
	O/w:	*Balance of principal*				
		Balance of principal arrears				
		Balance of interest arrears				

Our Values:

Accountability

Teamwork

Responsiveness

Integrity

Professionalism

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