



## **BANK OF THAILAND NEWS**

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### **The Bank of Thailand's Adoption of the Dissemination of the International Investment Position (IIP)**

The Bank of Thailand, on Friday 30<sup>th</sup> June 2000, will disseminate for the first time data on the country's international investment position (IIP) in accordance with the international standard.

The International Investment Position (IIP) dissemination is a standard prescribed by the International Monetary Fund (IMF) for member countries, to ensure that an annual disclosure of such data by each member to investors and analysts will be of the uniform international practice in parallel with the Special Data Dissemination Standard (SDDS). Currently, there are 47 countries including Thailand whose economic data compilation systems reach such level of competence that enable them to comply with SDDS's requirements.

In publishing the country's international investment position in a standard IIP format, data on both external assets and liabilities positions will be made public. On the asset side, the data will include mainly: portfolio investment of Thai financial institutions in the foreign securities, outward direct investment of Thai residents and their lendings abroad, and official reserves. The liabilities are mainly: inward foreign direct investment, foreign loans, and foreign portfolio investment.

The release of IIP, disclosing both external assets and liabilities, is more appropriate than the on-going data dissemination, which is to report only the external debts. This is due to the fact that some investors in Thailand, as well as those in many countries, borrow from abroad, and do not bring in the proceeds. Instead, they invest abroad or service external liabilities, such as payments of import, for instance.

Since this is the first time that Thailand attempts to disclose the international investment position, the data coverage is not 100 percent complete, as some data had never been collected

before. For these items, particularly *foreign direct investment*, and *portfolio investment* in Thai securities by foreigners, survey will have to be conducted to ensure accuracy in line with international practice.

This process will take some time, and the Bank of Thailand expects to be able to make full-coverage dissemination on a regular basis from mid-2002 onwards. Despite the initial partial coverage, this step would still be of great benefit to the general public. The adoption of the International Investment Position (IIP) dissemination standard with regular pre-announced release schedule will foster better data collection and data dissemination in Thailand. This will help facilitate market analysts as well as investors in monitoring Thailand's economic developments.

**Bank of Thailand**

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