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**Indonesia: Report on the Observance of Standards and Codes—Data Module,
Response by the Authorities, and Detailed Assessments Using the
Data Quality Assessment Framework**

This Report on the Observance of Standards and Codes on Data Module for Indonesia was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on July 20, 2005. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of Indonesia nor the Executive Board of the IMF.

The Response by the Authorities on this report and the Detailed Assessments Using the Data Quality Assessment Framework (DQAF) are also included.

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**International Monetary Fund
Washington, D.C.**

INTERNATIONAL MONETARY FUND

INDONESIA

Report on the Observance of Standards and Codes (ROSC)—Data Module

Prepared by the Statistics Department

Approved by William E. Alexander and David Burton

July 20, 2005

The Report on the Observance of Standards and Codes (ROSC)—Data Module provides an assessment of Indonesia's macroeconomic statistics against the Special Data Dissemination Standard (SDDS) complemented by an assessment of data quality based on the IMF's Data Quality Assessment Framework (DQAF), July 2003. The DQAF lays out internationally accepted practices in statistics, ranging from good governance in data-producing agencies to practices specific to datasets.

The datasets covered in this report are national accounts and government finance, monetary, and balance of payments statistics. The agencies that compile the datasets assessed in this report are Badan Pusat Statistik (BPS), the Ministry of Finance (MoF), and Bank Indonesia (BI).

The datasets to which this report pertains can be accessed in print and on the Internet:

BPS: <http://www.bps.go.id>

MoF: <http://www.Depkeu.go.id>

BI: <http://www.bi.go.id>

This report is based on information provided prior to and during a staff mission from March 28–April 11, 2005 and publicly available information. The mission team comprised Mr. William E. Alexander (Head), and included Messrs. Ulhas Gunjal (both STA), Paijit Habanananda, David Hughes, and Brian Donaghue (Experts), and Ms. Gloria Addison (Administrative Assistant, STA).

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ABBREVIATIONS

1997 Law	<i>Statistics Law of Indonesia No. 16 of 1997</i>
1968 SNA	<i>System of National Accounts 1968</i>
1993 SNA	<i>System of National Accounts 1993</i>
BI	Bank Indonesia
BPM5	<i>Balance of Payments Manual</i> , fifth edition
BPS	Badan Pusat Statistik
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
GDP	Gross domestic product
GFS	Government Finance Statistics
GFSM 1986	<i>A Manual of Government Finance Statistics</i> , 1986
GFSM 2001	<i>Government Finance Statistics Manual 2001</i>
IIP	International Investment Position
I-O	Input-output
ITRS	International Transactions Reporting System
MFSM	<i>Monetary and Financial Statistics Manual</i>
MOHA	Ministry of Home Affairs
MoF	Ministry of Finance
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SUTs	Supply and use tables

I. OVERALL ASSESSMENT

1. Indonesia subscribed to the Special Data Dissemination Standard (SDDS) on September 24, 1996; posted metadata on the Dissemination Standards Bulletin Board (DSBB) on May 21, 1997; and met the SDDS specifications for the coverage, periodicity, and timeliness of the data, as well as for the dissemination of advance release calendars on June 2, 2000. Since then, Indonesia has been in observance of the SDDS, regularly updating its metadata and maintaining its advance release calendar for all data categories. Indonesia currently uses the flexibility option for timeliness and periodicity of the labor market and general government operations data. Appendix I provides an overview of Indonesia's dissemination practices compared to the SDDS.
2. The Report on the Observance of Standards and Codes (ROSC)—Data Module contains the following main observations. The Indonesian statistical system is undergoing fundamental transition. The statistical agencies are dealing with important challenges: they are at various stages of adopting and implementing internationally recognized best practice methodologies for each major macroeconomic dataset; they are seeking to adapt the statistical system to measure ongoing structural change in the economy, including increasing global integration; and they are reforming the statistical system to conform to the new reporting and information requirements of major institutional change, including the decentralization of governmental authority. Indonesia's macroeconomic statistics and statistical base are broadly adequate to conduct effective surveillance at this time. The system is characterized by a strong legal environment that encourages objectivity and professionalism on the part of the statistical agencies and that underpins the overall integrity of the statistical process. The main needs are to widen the scope of the statistical framework to capture insufficiently measured economic activities and structural change, strengthen and expand the collection and analysis of the basic source data that underlie the aggregate macroeconomic statistics, improve and formalize cooperation among the major statistics-producing agencies to foster greater consistency of data among the major datasets, and accelerate the full implementation of best practice methodologies. As the quality of the statistical managers is high, and suitable levels of resources are being allocated to support the system and effect change, prospects are good that the system will adapt successfully to the changing economic environment.
3. In applying the IMF's Data Quality Assessment Framework (DQAF), July 2003, the remainder of this section presents the mission's main conclusions. The presentation is done at the level of the DQAF's quality dimensions, by agency for the first two dimensions and across datasets for the remaining four.
4. With regard to **prerequisites of quality**, various laws and regulations ensure that the Badan Pusat Statistik (BPS), Bank Indonesia (BI), and the Ministry of Finance (MoF) have both responsibility and suitable authority to collect, compile, and disseminate the relevant statistics. Data-sharing arrangements are generally adequate between the primary data-compiling agencies and other data-producing agencies, although local government data can still be supplied under differing account formats, which greatly complicates data processing of government finance statistics (GFS). Resources are broadly commensurate with the needs

of the statistical program. BPS and BI devote considerable attention to monitoring the overall quality of the statistical program and ensure that statistics remain relevant to users' needs through regular contacts with users. In the case of the MoF, and no doubt due to the more nascent state of development of its statistical program, it would be desirable to develop a more explicit focus on the needs of data users in their operations. As to **assurances of integrity**, formal safeguards of the independence of statistical compilers are provided in the *Statistics Law of Indonesia* No. 16 of 1997 (1997 Law) and the *Republic of Indonesia Act No. 23*. While no similar formal arrangements are afforded to compilers of GFS, no evidence of interference exists. Statistical agencies are free to choose methodologies and appropriate data sources. Staff are well-trained, exhibiting a high degree of professionalism in their work. The terms and conditions under which statistics are compiled are generally readily available to the public. The government does not have access to statistics prior to their release, except in the case of GFS. Staff of the statistical agencies are held to a high ethical standard in the conduct of their work.

5. Concepts and definitions, in general, are **methodologically sound**, broadly conforming to internationally accepted standards. Monetary statistics follow the *Monetary and Financial Statistics Manual (MFSM)*. Balance of payments statistics broadly conform to the *Balance of Payments Manual*, fifth edition (*BPM5*). Data on quarterly and annual GDP generally conform to the *System of National Accounts 1968 (1968 SNA)*, with some changes conforming to the *System of National Accounts 1993 (1993 SNA)*. GFS is in the process of transition to the *Government Finance Statistics Manual 2001 (GFSM 2001)*, but local government statistics are at present compiled on a nonstandard basis. Some deficiencies appear in the scope of the datasets. Monetary statistics exclude data on mutual funds that issue deposit-like liabilities; the balance of payments statistics exclude some resident/nonresident transactions; GFS are restricted to the budgetary transactions of the general government. The basis for recording transactions, with the exception of GFS, mostly conforms with internationally accepted methodologies.

6. The **accuracy and reliability** of the macroeconomic statistics, while generally sound, are adversely affected in some instances by weaknesses in source data collection activities. For instance, comprehensive source data for the national accounts are collected from production industries at the expense of the nonfinancial service industries, while more effective use could be made of the International Transactions Reporting System (ITRS) in compiling balance of payments statistics. Procedures for assessing source data are generally adequate. Assessment and validation procedures for intermediate data and statistical outputs are broadly adequate. Statistical techniques include the extensive use of historical benchmarks in the case of the national accounts. Revision studies are mostly undertaken on an ad hoc basis.

7. As to **serviceability**, the periodicity and timeliness of the statistics meet or exceed SDDS standards, with the exception of the timeliness of general government operations. Datasets are generally internally consistent; however, the errors and omissions component of the balance of payments has been persistently large. Inconsistencies arise between merchandise trade data in the national accounts and the balance of payments, between GFS domestic financing data and monetary statistics, and between GFS and the national accounts.

None are reconciled. Preliminary and revised data are clearly identified, but revision studies are only infrequently made public.

8. **Accessibility** of data is good, primarily through the websites of the data-producing agencies and in regular publications. Data for the most part are presented clearly with appropriate detail. Statistical publications and websites identify suitable contact points for user assistance. The lack of detailed metadata, for users of balance of payments and GFS, is a serious shortcoming.

9. Section II provides a summary assessment by agency and dataset based on a four-part scale. This is followed by staff recommendations in Section III. Practices compared to the SDDS are summarized in Appendix I. The authorities' response to this report and a volume of detailed assessments are presented in separate documents.

II. ASSESSMENT BY AGENCY AND DATASET

10. Assessment of the quality of four macroeconomic datasets—national accounts and government finance, monetary, and balance of payments statistics—was conducted using the DQAF, July 2003. In this section, the results are presented at the level of the DQAF elements and using a four-point rating scale (Table 1). Assessments of the prerequisites of data quality and the assurances of integrity (Dimensions “0” and “1” of the DQAF) are presented in Tables 2a–c. For each dataset, the assessment of methodological soundness, accuracy and reliability, serviceability, and accessibility (Dimensions “2” to “5” of the DQAF) are shown in Tables 3a–d.

Table 1. Indonesia: Data Quality Assessment Framework, July 2003—Summary Results

Key to symbols: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; NA = Not Applicable					
	Datasets	National Accounts	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics
Dimensions/Elements					
0. Prerequisites of quality					
0.1	Legal and institutional environment	O	LO	O	O
0.2	Resources	O	LO	O	O
0.3	Relevance	O	LNO	O	O
0.4	Other quality management	O	LNO	O	O
1. Assurances of integrity					
1.1	Professionalism	O	LO	O	O
1.2	Transparency	O	LNO	O	LO
1.3	Ethical standards	LO	O	O	O
2. Methodological soundness					
2.1	Concepts and definitions	LO	LNO	O	LO
2.2	Scope	LO	LNO	LO	LO
2.3	Classification/sectorization	O	LO	O	LO
2.4	Basis for recording	LO	LNO	O	LO
3. Accuracy and reliability					
3.1	Source data	LO	LNO	LO	LO
3.2	Assessment of source data	LO	LO	O	O
3.3	Statistical techniques	LO	LO	O	LO
3.4	Assessment and validation of intermediate data and statistical outputs	LO	LO	LO	O
3.5	Revision studies	LNO	LNO	O	O
4. Serviceability					
4.1	Periodicity and timeliness	O	LO	O	O
4.2	Consistency	LO	LO	LO	LNO
4.3	Revision policy and practice	LO	O	O	O
5. Accessibility					
5.1	Data accessibility	LO	LO	O	O
5.2	Metadata accessibility	O	LNO	O	O
5.3	Assistance to users	O	O	O	O

Practice observed: current practices generally meet or achieve the objectives of DQAF internationally accepted statistical practices without any significant deficiencies. **Practice largely observed:** some departures, but these are not seen as sufficient to raise doubts about the authorities' ability to observe the DQAF practices. **Practice largely not observed:** significant departures and the authorities will need to take significant action to achieve observance. **Practice not observed:** most DQAF practices are not met. **Not applicable:** used only exceptionally when statistical practices do not apply to a country's circumstances.

Table 2a. Indonesia: Assessment of Data Quality—Dimensions 0 and 1—Badan Pusat Statistik

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment The <i>1997 Law</i>, together with Decree No. 6 of 2000, gives the BPS a strong legal basis for compiling statistics. The BPS has reasonable data-sharing and coordination procedures with other government agencies. Confidentiality of respondents' data is guaranteed under the <i>1997 Law</i>. The BPS has effective procedures for protecting and disposing of respondents' data. The <i>1997 Law</i> specifies penalties for respondents who do not supply relevant data. However, BPS prefers to use persuasion in such cases.</p> <p>Resources Staff and computer resources are sufficient to conduct the existing statistical program. Staff are well-trained and turnover is low. The existing accommodation is conducive to good working conditions. Effective procedures ensure the efficient use of resources.</p> <p>Relevance The <i>1997 Law</i> specified the setting up of a Statistics Community Forum, open to any interested person from any walk of life. It meets four times a year and the BPS and other participants can raise any statistical issues. There are mechanisms to raise issues outside this program, if necessary. The BPS is very active internationally, taking part in as many meetings and seminars as possible. The BPS has not undertaken any formal studies to identify new and emerging data requirements. However, they are now planning a survey on the quality of their statistics.</p> <p>Other quality management Management is committed to data quality and cascades this down through the ranks. This issue is also covered in staff training. The BPS also demonstrates its commitment to quality to the wider community. Management monitors quality, and it is integral to the planning process.</p>	<p>Professionalism The <i>1997 Law</i> established the statistical independence of the BPS. The director can only be appointed, and dismissed, by the president. Professionalism is actively promoted and supported within the BPS. For instance, recruitment and promotion are based on ability and expertise. All staff receive internal training in relevant subjects. Every opportunity is also taken to attend international courses and seminars. Peer group reviews of work process are regularly undertaken. Staff are encouraged to write and publish methodological articles. The <i>1997 Law</i> ensures that the BPS is free to choose whatever it considers are appropriate data sources and methodologies. The BPS decides on the method and timing of data dissemination. The BPS undertakes press conferences to explain its data to the media and, thus, reduce the chance of misinterpretation. When such misinterpretation does take place, the BPS will contact the originator to ensure that the mistake is corrected and explained. All media references to statistics are identified and circulated within the BPS.</p> <p>Transparency The <i>1997 Law</i> is included on the BPS website. The BPS publications identify where additional information can be found. There is no government access to statistics prior to their public release. Publications clearly identify the BPS by name and its logo. Whenever BPS data appear in the publications of other bodies, the source must be clearly identified. All major changes to statistics are announced in advance in the relevant BPS publications and on its website. Minor changes will just be noted when they are introduced.</p> <p>Ethical standards There is no written guidance on ethical standards. However, all staff are regularly reminded of the need to keep data confidential. Also, all civil servants are subject to the application of general ethical standards as set out in Government Regulation 30/1980.</p>

Table 2b. Indonesia: Assessment of Data Quality—Dimensions 0 and 1—Ministry of Finance

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment The responsibility for producing GFS is clearly assigned to the MoF by Law 33/2004, which mandates the setting up of a national fiscal database covering all levels of government and dissemination of information from that database to the public. The MoF works closely with the Ministry of Home Affairs (MOHA) to determine accounting standards for local governments. Local government data can be supplied under differing accounting formats, which greatly complicates processing by the MoF. Law 33/2004 gives the MoF authority to collect local government data and provides sanctions for refusal to cooperate. However, there are no arrangements to obtain data for nonbudget transactions.</p> <p>Resources Staff resources are adequate, but computing resources, especially software, impede efficient compilation processes. Staff training is not adequate. Periodic reviews of staff and systems are carried out, but no cost-benefit analysis is applied to statistical analyses. No specific funding is provided for statistical work, which inhibits planning for statistical developments.</p> <p>Relevance The assessment of the relevance and practical utility of statistics in meeting users' needs is based on feedback from users, and no systems are in place to assess the usefulness of statistical products.</p> <p>Other quality management Training programs concentrate on quality issues, but because of the lack of a user orientation, MoF staff tend to focus on procedures rather than products. No processes are in place to specifically monitor the quality of GFS, or obtain information from users on new and emerging data requirements.</p>	<p>Professionalism No laws or other formal arrangements support the professional independence of GFS compilers, but there has been no attempt by the authorities to influence statistical outputs. MoF GFS staff are not professional statisticians, but they have a generally appropriate background to compile and disseminate GFS. The MoF has retained the expertise of staff who have attended GFS training courses in Washington. The data sources used are obvious and appropriate, and the content and format of GFS are based on the IMF's <i>A Manual of Government Finance Statistics</i>, 1986 (GFSM 1986) standards. The MoF can respond to correct misinterpretation or misuse of GFS.</p> <p>Transparency The terms and conditions under which GFS are compiled and disseminated are imbedded in various laws and by-laws, and the internal administrative rules of the MoF and MOHA. No information on the terms and conditions applying to GFS is made public. The government has internal access to GFS prior to their release to the public, but no information regarding this access is made public. The MoF is usually, but not always, identified as the source of GFS in published data. Advanced notice of changes to data sources or methodology is given to the public.</p> <p>Ethical standards GFS staff are subject to the application of general ethical standards applying to all MoF (and other civil service) staff, and these standards are an important part of initial and ongoing staff training. MoF GFS staff are also subject to the provisions of the statistics law, to the extent that these provisions apply to GFS.</p>

Table 2c. Indonesia: Assessment of Data Quality—Dimensions 0 and 1—Bank Indonesia

<p>0. Prerequisites of quality</p> <p>Legal and institutional environment BI collects, compiles, and disseminates monetary and balance of payments statistics. The <i>Republic of Indonesia Act No. 23 (May 17, 1999)</i> endows the BI with the legal authority for collecting data for monetary statistics from banks. Other legislations—namely, <i>Republic of Indonesia Act No. 24</i> and related regulations—similarly endow the BI with the legal authority for collecting data for balance of payments statistics from nonbank financial institutions. These laws and regulations make the reporting of data mandatory for reporting institutions. The <i>Republic of Indonesia Act No. 23 (May 17, 1999)</i> also obliges the BI to safeguard the confidentiality of individual reporters' data, and imposes penalties on those who might disclose those data. BI has broadly adequate data-sharing arrangements with the MoF and BPS and, more recently, with the Directorate General of Customs, which delivers import and export data online to the BI.</p> <p>Resources Staff resources are adequate to compile monetary and balance of payments statistics. The compilation of monetary and (to a less extent) balance of payments statistics is highly automated, and computing resources have been adequately distributed between the staff. BI staff receive formal training in the methodologies by attending the various regional training courses organized by the IMF Statistics Department.</p> <p>Relevance BI monitors the relevance of monetary and balance of payments statistics through a survey form for user satisfaction provided through the BI website and email addresses provided on all BI publications. Staff members participate in statistical meetings/seminars organized by the international and regional organizations or by professional organizations. They also hold press conferences on the usefulness of statistics and visit universities to conduct seminars on statistics, and take these opportunities to identify user needs.</p> <p>Other quality management BI has well-established processes to maintain or improve the quality of its statistical products. These include initiatives taken to enhance the awareness of quality in statistics (Mission and Vision Statement); follow-up actions to verify reported data; and programs for providing various types of training to staff.</p>	<p>1. Assurances of integrity</p> <p>Professionalism Staff at the BI maintain a high degree of professionalism. The <i>Republic of Indonesia Act No. 23 (May 17, 1999)</i> emphasizes the independence of BI in pursuing its goals by prohibiting interference from others, including government agencies. Professionalism is actively promoted and supported within the organization—for example, the process of recruiting and promoting staff, which takes into account a candidate's professional and educational qualifications, is primarily merit-based.</p> <p>Transparency BI's website (www.bi.go.id) publicizes the terms and conditions under which monetary and balance of payments statistics are collected, processed, and disseminated. No internal governmental access to statistics prior to their release exists. BI's statistical publications clearly identify them as the products of the BI. BI informs users in advance of major changes in methodology in the case of monetary statistics, but in the case of balance of payments statistics, it does so concurrently with the publication of such changes.</p> <p>Ethical standards BI's Board of Governors provides guidelines for staff behavior. These guidelines are available also through Job Manuals. Staff behavior is reviewed as one of the aspects of BI's annual performance review.</p>
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Table 3a. Indonesia: Assessment of Data Quality—Dimensions 2 to 5—National Accounts

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The national accounts are broadly in line with the 1968 SNA, but are in the process of being updated to the 1993 SNA.</p> <p>Scope The published data cover annual and quarterly GDP, from both the production and expenditure approaches, and at current and constant prices. Annual supply and use tables (SUTS) are not produced. The production and asset boundaries generally conform to the 1968 SNA, but some 1993 SNA changes have been implemented. Free zones are covered in the production figures, but not in imports.</p> <p>Classification/sectorization All transactions and flows use appropriate international classifications.</p> <p>Basis for recording The valuation rules used for recording flows and stocks are generally in accordance with the 1968 SNA. However, all government data are recorded on a cash, rather than accrual, basis. Also, average monthly, rather than daily midpoint market exchange rates, are used.</p>	<p>Source data There are annual censuses of production establishments with 20 or more employees. However, there is no survey of nonfinancial services. An economic census of businesses is undertaken every 10 years but is not updated in the intervening periods. The household budget survey is weak because it does not cover higher-income households.</p> <p>Assessment of source data The BPS routinely assesses source data whenever possible. Coverage of source data is not routinely assessed.</p> <p>Statistical techniques Extensive use is made of benchmark data from the five-yearly input-output (I-O) tables. Constant price techniques and coverage of informal activities could be improved.</p> <p>Assessment and validation of intermediate data and statistical outputs The five-yearly I-O tables remove the statistical discrepancy, but this is not done for intervening years. The I-O tables introduce large revisions to the annual GDP series.</p> <p>Revision studies Only ad hoc studies of specific activities are undertaken.</p>	<p>Periodicity and timeliness Quarterly GDP estimates are published 45 days after the end of the period, in line with the SDDS.</p> <p>Consistency The quarterly estimates are fully consistent with the annual figures. The current and constant price figures are totally comparable. For the periods following the 2000 I-O tables, the statistical discrepancy has been shown separately in the publications. The policy is only to publish figures from the last I-O year. This means that revisions made to earlier years are not available to users other than the BI. There are inconsistencies with BI in imports and exports; and, possibly, with MoF in respect of local government figures, but these have not been investigated.</p> <p>Revision policy and practice There is an established revision policy, which is always kept and is fully explained to users. Preliminary data are clearly indicated in the publications. The results of the ad hoc revision studies are not published.</p>	<p>Data accessibility The GDP figures are published in a clear manner with different levels of detail, as appropriate to the specific publication. Analysis of the current period developments is also given. Seasonally adjusted quarterly estimates are not published, even though they are available. An advance release calendar is published. The data are available to all users at the same time via a press release and on the BPS website. Some additional breakdowns can be supplied as long as they do not breach the confidentiality rules.</p> <p>Metadata accessibility A comprehensive methodological guide is included in the annual publication, in Indonesian and English. This information is also on the BPS website. The BPS updates the SDDS metadata as soon as a change occurs. Different levels of metadata are produced to meet the needs of the intended audience.</p> <p>Assistance to users All statistical releases identify a relevant contact person. A catalog in Indonesian is published every year. Details in Bahasa and English are also given on the BPS website and this is kept up-to-date.</p>

Table 3b. Indonesia: Assessment of Data Quality—Dimensions 2 to 5—Government Finance Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions GFS is in the process of transition toward <i>GFSM 2001</i>, expected to be completed by 2008. At present, GFS for the central government is on the <i>GFSM 1986</i> basis, but local government is on a nonstandard conceptual and classificatory basis.</p> <p>Scope GFS covers only the central and local government budget sectors, excluding extrabudgetary funds. The MoF does not have a register of public sector units. The full range of <i>GFSM 1986</i> tabulations is not available.</p> <p>Classification/sectorization GFS is based on administrative rather than institutional sectors. The local government sector uses nonstandard classifications. Functional and economic-type classifications based on <i>GFSM 2001</i> come into force in 2005.</p> <p>Basis for recording Nonfinancial assets are valued at historical prices. Recording is done on a cash basis.</p>	<p>Source data GFS are compiled from comprehensive central and local government budget data. Most, but not all, data support the required classifications but not the required valuation and basis for recording.</p> <p>Assessment of source data Routine assessments of source data are carried out for the central government. Local government data are assessed only when output problems are identified.</p> <p>Statistical techniques No statistical techniques are used to assess local government data. Compilation procedures are not documented. Bridge tables have been developed only for the central government.</p> <p>Assessment and validation of intermediate data and statistical outputs Regular meetings are held between the MoF and BI to review the consistency between GFS and monetary and balance of payments data. No reconciliation checks between stocks and flows are carried out.</p> <p>Revision studies No regular revision studies are carried out.</p>	<p>Periodicity and timeliness Periodicity meets SDDS standards, but timeliness of general government operations data does not meet SDDS standards.</p> <p>Consistency Annual and subannual data are consistent. Time-series data are only available from 2001. Discrepancies exist between GFS and monetary data, and between deficit and financing (especially monthly and quarterly).</p> <p>Revision policy and practice Data revision is limited to the preliminary-to-final revision cycle, which is stable and predictable. Preliminary and revised data are clearly identified.</p>	<p>Data accessibility GFS are disseminated mainly through the MoF websites. Central government GFS are disseminated according to <i>GFSM 1986</i> recommendations, but do not provide equivalent coverage or detail. Local government GFS are disseminated in nonstandard formats. There are no preannounced release dates, but the release dates follow a well-established cycle. GFS are made available to official users before they are released to the public. Additional detail is available from the MoF, but its availability is not advertised.</p> <p>Metadata accessibility There is no published document which describes the concepts and methodology of GFS in Indonesia, except for summary information included on the SDDS website.</p> <p>Assistance to users Liaison officers or contact points are included on the websites and in press releases. GFS can only be obtained from the websites or by direct application to the MoF. These services are provided free of charge.</p>

Table 3c. Indonesia: Assessment of Data Quality—Dimensions 2 to 5—Monetary Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The concepts and definitions conform to the methodology of the <i>MFSM</i>.</p> <p>Scope Coverage includes BI, all resident commercial banks (head offices and branches), and rural banks, but it excludes mutual funds that issue deposit-like liabilities.</p> <p>Classification/sectorization Classification and sectorization are in line with the <i>MFSM</i>.</p> <p>Basis for recording The basis for recording (1) uses market prices or fair prices for valuation, (2) relies on accrual accounting, (3) performs grossing and netting operations correctly, and (4) follows the <i>MFSM</i> methodology.</p>	<p>Source data The source data on BI, commercial banks, and rural banks provide sufficient detail to classify sectors and instruments in line with the <i>MFSM</i> methodology. The source data on mutual funds, however, do not meet statistical requirements.</p> <p>Assessment of source data The assessment of source data is sound.</p> <p>Statistical techniques The statistical techniques used are sound.</p> <p>Assessment and validation of intermediate data and statistical outputs The intermediate data are assessed and validated against data from certain sample surveys. Reported interbank positions between the BI and commercial banks are not consistent.</p> <p>Revision studies Revisions are due to the finalization of the rural banks data. The first revision study was prepared in March 2005 and, so far, only one revision study has been prepared.</p>	<p>Periodicity and timeliness The periodicity and timeliness are in line with the SDDS requirements.</p> <p>Consistency Monetary statistics are consistent within the dataset. They are broadly consistent with the balance of payments statistics, but not with GFS.</p> <p>Revision policy and practice Revisions follow a regular and transparent schedule. The revision policy is clearly stated in the BI's publication, <i>Indonesian Financial Statistics</i>, February 2005. Preliminary and revised data are clearly identified.</p>	<p>Data accessibility Dissemination media are adequate. The statistics are released on a preannounced schedule. Nonpublished nonconfidential data are available to users on request.</p> <p>Metadata accessibility Metadata are posted on the IMF's DSBB in the form of SDDS metadata. The DSBB is hyperlinked to the BI website. Metadata are also available from the <i>Indonesian Financial Statistics</i>, February 2005.</p> <p>Assistance to users BI provides adequate assistance to users. The BI publications and website provide contact information and, in addition, the BI website provides catalogs of BI's publications, documents, and other services, which are updated regularly. The Administration Division of the BI's Directorate of Economic and Monetary Statistics provides whatever assistance the potential customers might need in placing orders.</p>

Table 3d. Indonesia: Assessment of Data Quality—Dimensions 2 to 5—Balance of Payments Statistics

<p>2. Methodological soundness</p> <p>Concepts and definitions Balance of payments statistics closely follow the concepts and definitions of <i>BPM5</i> with a few exceptions. Of these exceptions, the most important is that the financial account does not record separately transactions in assets and liabilities.</p> <p>Scope The scope is broadly consistent with international methodology. Not all specified resident/nonresident transactions, however, are covered and shown separately in the balance of payments.</p> <p>Classification/sectorization The sectorization of institutional units follows, but is not fully in accordance with <i>BPM5</i>. Notably, public enterprises are classified in the government sector.</p> <p>Basis for recording The principle of market valuation of the <i>BPM5</i> is applied but not fully used to value transactions. The value of transactions derived from stock data includes valuation and other changes. Transactions are not fully on an accrual basis.</p>	<p>3. Accuracy and reliability</p> <p>Source data Source data for balance of payments statistics are derived from a range of sources, including ITRS. Although ITRS results are collected from commercial banks, no such results for BI are collected.</p> <p>Assessment of source data The assessment of source data is generally sound. BI monitors the accuracy of the data from surveys. Nonresponse to surveys is monitored.</p> <p>Statistical techniques Survey results are adjusted for missing data. However, data on a gross basis are not collected for some items (for example, telecommunications services). Shuttle trade is not estimated.</p> <p>Assessment and validation of intermediate data and statistical outputs Intermediate results are validated against other information, where applicable.</p> <p>Revision studies A study of the revisions to data on direct investment abroad was undertaken in 2001. Another revision was made in 2004 to the data on reserve assets with the inclusion of the Asian Bond. The latest revision was related to the implementation of online reporting of export and import transactions.</p>	<p>4. Serviceability</p> <p>Periodicity and timeliness Periodicity and timeliness are in line with the SDDS requirements.</p> <p>Consistency Errors and omissions are substantial over a long run. Some financial transactions are not consistent with changes in the International Investment Position (IIP). Revisions to data following online reporting of export and import data have not been carried out for historical years. Discrepancies with the BPS trade data have not been reconciled.</p> <p>Revision policy and practice The revision cycle is stable and made known to the public. The data are preliminary when first released, and are identified as preliminary. The quarterly data become final 12 months after the end of the reporting period. More adequate documentation of revisions could be included in the publication of the statistical series in the database accessible to users. While revision studies are not usually made public, the <i>Annual Report</i> of BI has been used to explain the cause of a significant revision.</p>	<p>5. Accessibility</p> <p>Data accessibility The statistics are disseminated according to the standard components of the <i>BPM5</i>, and with time series. Additional series are disseminated to meet a range of users' needs with various levels of detail. The statistics are disseminated in a clear manner, but without charts to facilitate analysis.</p> <p>Metadata accessibility A summary methodology on the concepts, statistical techniques, and coverage is available on BI's SDDS, which is hyperlinked to BI's website. The monthly <i>Indonesian Financial Statistics</i> provides a brief overview of the concepts and definitions employed in the principal balance of payments accounts.</p> <p>Assistance to users Prompt and knowledgeable service and support are available to users of balance of payments statistics. A contact person is identified on the IMF's DSB for the balance of payments data category and the advance release calendar. Contact point, address, phone, fax and e-mail are identified on BI's website for enquiries on all statistics released through the website.</p>
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III. STAFF'S RECOMMENDATIONS

11. Based on the review of Indonesia's statistical practices, discussions with the staff of data-producing agencies, and responses from data users, the mission has developed a set of recommendations. These recommendations—designed to improve Indonesia's adherence to the internationally accepted statistical practices—would enhance the analytical usefulness of the statistics in question. Some additional technical suggestions are included in the Detailed Assessments volume.

Cross-cutting recommendations

- Harmonize macroeconomic statistics across all sectors, in particular, by addressing intersectoral discrepancies between monetary statistics and GFS, as well as those between government finance and balance of payments statistics in balance of payments and national accounts.

National Accounts

- Update census lists of enterprises continuously with registration of new enterprises and exclusion of nonoperating expenses.
- Introduce comprehensive annual establishment surveys for nonfinancial services industries.
- Publish annual GDP estimates with a lengthy time series (e.g., 20 years).
- Develop a set of annual SUTS starting from 2000.
- Expedite the conversion to the *1993 SNA*.
- Publish quarterly seasonally adjusted GDP data.

Government Finance Statistics

- Implement new Government Accounting Standards.
- Strengthen the current management system to track effectively changes in government cash balances.
- Move *gradually* to an accrual accounting system.
- Set up a register of all central government public sector units, classified by institutional sector.
- Amend accounting regulations to ensure that general government units report all transactions and balances over which they exert control.
- Compile and disseminate GFS for the general government sector and its subsectors, within six months after the end of the reference period.
- Set up arrangements to obtain timely preliminary data for local governments.
- Document compilation procedures for central and local government statistics.
- Develop *GFSM 2001* operating statement, statement of sources and uses of cash, and (partial) balance sheets, to the extent possible with available data, and publish these statements on the MoF websites.

Monetary Statistics

- Collect source data on mutual funds in a format that meets statistical requirements.
- Expand the coverage of the monetary statistics to include mutual funds.
- Harmonize reported interbank positions between BI and commercial banks.

Balance of Payments Statistics

- Continue the study of “Errors and Omissions,” in cooperation with BPS and Customs.
- Publish the Balance of Payments Division’s documentation on the methodologies used to solve various problems in the balance of payments statistics.
- Regularize the present information campaign to improve the response rates to various surveys.
- Prepare a study of “shuttle trade.”
- Publish more detailed metadata.

Indonesia: Overview of Current Practices Regarding Coverage, Periodicity, and Timeliness of Macroeconomic Data Compared to the Special Data Dissemination Standard (SDDS)

D=daily; W=weekly; M=monthly; Q=quarterly; A=annual; NA= not applicable; NLT= no later than						
SDDS Data Category	Coverage (Meets SDDS)	Periodicity		Timeliness		Comments
		SDDS	Indonesia	SDDS	Indonesia	
Real Sector						
National accounts	Yes	Q	Q	1Q	Q	
Production index	Yes	M	M	6W	6W	
Employment	Yes	Q	A	1Q	NLT 6M	See Footnote 1.
Unemployment	Yes	Q	A	1Q	NLT 6M	See Footnote 1.
Wages/Earnings	Yes	Q	Q	1Q	15W	See Footnote 2.
Price index: Consumer prices	Yes	M	M	1M	3D	
Price index: Producer prices	Yes	M	M	1M	1M	
Fiscal Sector						
General government or public sector operations	Yes	A	A	2Q	9M	See Footnote 3.
Central government operations	Yes	M	M	1M	1M	
Central government debt	Yes	Q	Q	1Q	NLT 1Q	
Financial Sector						
Analytical accounts of the banking sector	Yes	M	M	1M	NLT 4W	
Analytical accounts of the central bank	Yes	M	W	2W	2W	
Interest rates	Yes	D	D	NA	1W	
Stock market: Share price index	Yes	D	D	NA	D	
External Sector						
Balance of payments	Yes	Q	Q	1Q	3M	
International reserves and foreign currency liquidity (Foreign assets of Bank Indonesia)	Yes	M (W recommended)	W for official reserves. M for reserves template	1W for official reserves. 1M for the reserves template	NLT 5WD for official reserves. NLT 1M for reserves template	
Merchandise trade	Yes	M	M	8W	NLT 1M	
International Investment Position	Yes	A	A	3Q	9M	See Footnote 4.
External debt	Yes	Q	Q	1Q	NLT 3M	
Exchange rates	Yes	D	D	NA	D	
Socio-demographic data						
Population	Yes	A	A	NA	NLT mid-year	

1/ Indonesia is taking flexibility options for the periodicity and timeliness of employment and unemployment data.

2/ Indonesia is taking a flexibility option for the timeliness of the wages and earnings data.

3/ A flexibility option is being taken for the timeliness of the data on general government operations.

4/ Indonesia makes use of the option to publish the IIP with a time lag of nine months while publishing external debt figures on a quarterly basis.

INTERNATIONAL MONETARY FUND

INDONESIA

Report on the Observance of Standards and Codes (ROSC)—Data Module

Response by the Authorities

July 20, 2005

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I. INTRODUCTION

The Indonesian authorities—the Ministry of Finance (MoF), BPS-Statistics Indonesia, and Bank Indonesia (BI)—express their appreciation for the findings presented in the Data Module Report on the Observance of Standards and Codes (ROSC). The mission had made a number of recommendations regarding compilation, dissemination, and methodology for statistics, but it was gratifying to note the mission’s appreciation of the hard work of the authorities to improve the statistical system. These findings represent a “snapshot” as of March 2005, and this document elaborates on the response by the Indonesian authorities to the staff’s recommendations made during the ROSC mission on March 28–April 11, 2005.

Cross-cutting recommendations

Harmonize macroeconomic statistics across all sectors, in particular, by addressing intersectoral discrepancies between monetary statistics and GFS, as well as discrepancies between government finance and BOP statistics in BOP and national accounts.

Efforts have been pursued to build institutional cooperation between BI and the MoF by arranging institutional meetings to harmonize monetary statistics and the GFS post ROSC assessment, and especially to discuss the use of government financing data from BI rather than from the MoF.

II. COMMENTS FROM THE MINISTRY OF FINANCE

A. Government Finance Statistics

Comments on the Detailed DQAF Assessments

Element	Issue(s) Raised	Comments
0.3 Relevance	The MoF is open to feedback from government finance statistics (GFS) users, but no systems are in place to monitor user needs.	Currently, the MoF is open to feedback from GFS users and has made contact persons available to accommodate user needs on the SDDS website. No contact persons are listed on the MoF websites at www.depkeu.go.id and www.djapk.depkeu.go.id . The MoF will arrange for the contact person and also schedule an annual meeting with users.
0.4 Other quality management	GFS compilers lack a user perspective on the outputs of the GFS compilation process. No process is in place to monitor the quality of the GFS program, nor to obtain information from users on new and emerging data requirements.	The MoF compiles only fiscal data into the GFS program. No specific unit in the MoF is responsible for monitoring the GFS program activities.
1.2 Transparency	No information on terms and conditions under which GFS are compiled and disseminated is made public. Internal government access to GFS prior to their release is not available to the public.	The MoF already has published the information on its websites at www.depkeu.go.id and www.djapk.depkeu.go.id , but because the MoF has just completed its reorganization, the data are not complete yet. GFS data are produced by the Directorate General of Treasury Affairs, but there is no access to modify the data, since all data are subject to audit by the Supreme Audit Board (BPK).
2.1 Concept and definitions	The central government is on GFSM 1986 basis. The local government is on a nonstandard basis.	The central government still uses GFSM 1986 and is in the process of converting to GFSM 2001 by 2008. At present, the local government still is not in compliance with either GFSM 1986 nor GFSM 2001. However, local government statistics are now in the development phase. The MoF now is drafting a Government Regulation on Local Government Financial Management in compliance with GFSM 2001, such as in the budget classifications and accounting rules.
2.2 Scope	The GFS covers only budget transactions.	Besides budget transactions, the GFS also covers some, but not all, extrabudgetary transactions.

Element	Issue(s) Raised	Comments
2.4 Basis of recording	Historical prices are used to value nonfinancial assets. Recording is on a cash basis.	The MoF uses historical prices to value the assets, but the MoF will perform asset revaluations based on market prices. For the time being, MoF transaction recording uses the modified cash basis (cash toward accrual) and plans are under way for the implementation of accrual basis accounting in 2008.
3.1 Source data	No data are obtained for government activities outside the budget process.	The government, in this case the MoF, has data on activity outside the budget process.
3.5 Revision studies	Regular revision studies are not carried out.	Regular revision studies will be carried out soon.
5.2 Metadata accessibility	No published documentation describes the concepts and methodology of GFS in Indonesia, apart from material included on the SDDS website.	The MoF has the GFS concept and methodology in Indonesian version, but it is not published yet due to the need for copyright arrangements. The MoF is going to translate the metadata published on the SDDS website.

Plans/status of implementation of ROSC recommendations

Recommendations	Implementation Status/Plans
<ul style="list-style-type: none"> Implement new Government Accounting Standards (GAS). 	New GAS will be implemented as soon as the legal process is complete. At this time, the Law on GAS is still in parliament waiting for approval.
<ul style="list-style-type: none"> Strengthen the management system in place to track effectively changes in government cash balances. 	The MoF has made some efforts to strengthen the management system in past years, and now it has just finished its organizational structure reform. A treasury unit in the new structure is responsible for accrual basis recording of transactions.
<ul style="list-style-type: none"> Move gradually to an accrual accounting system. 	The MoF is already moving gradually toward an accrual accounting system.
<ul style="list-style-type: none"> Set up a register of all central government public sector units, classified by institutional sector. 	For fiscal year 2005, the MoF has set up a comprehensive register of all sector units by organization and function classification.

<ul style="list-style-type: none"> • Amend accounting regulations to ensure that general government units report all transactions and balances over which they exert control. 	<p>The amendment of accounting regulations is fully dependent on the legal process for GAS.</p>
<ul style="list-style-type: none"> • Compile and disseminate GFS for the general government sector and its subsectors within six months after the end of the reference period. 	<p>The compilation and dissemination of GFS for the central government sector can be completed within six months after the reference period, in line with Law No. 17 of 2003 concerning State Finance. However, for local governments, the MoF is considering the development of certain techniques to overcome the time lag problem.</p>
<ul style="list-style-type: none"> • Set up arrangements to obtain timely preliminary data for local governments. 	<p>Indonesia consists of more than 450 autonomous local governments, some located in remote areas. Moreover, most of them have limited human resources capacity. It is difficult to get timely preliminary data, but the MoF will use estimates as preliminary figures.</p>
<ul style="list-style-type: none"> • Document compilation procedures for central and local government statistics. 	<p>The central government already has standards for compilation procedures. In addition, the drafting of a government regulation for local government reporting standard is still in progress.</p>
<ul style="list-style-type: none"> • Develop GFSM 2001 operating statement, statement of sources and uses of cash, and (partial) balance sheets, to the extent possible, with available data, and publish these statements on the MoF websites. 	<p>The operating statement, statement of sources and use of cash, and (partial) balance sheets are under development and will be implemented for fiscal year 2005.</p>

III. COMMENTS FROM BPS-STATISTICS INDONESIA

A. National Accounts

Comments on the Detailed DQAF Assessments

Element	Issue(s) raised	Comment
<p>1.3 Ethical standards</p>	<p>There is no written guidance on ethical standards. However, all staff are regularly reminded of the need to keep data confidential. Also, all civil servants are subject to the application of general ethical standards as set out in the government regulation 30/1980.</p>	<p>A set of ethical standards has been written to guide BPS employees for outlining correct behavior in collecting, processing, analyzing, and disseminating information with reference to the Fundamental Principles of Official Statistics by the United Nations Statistical Commission. All BPS employees are subject to the application of the general ethical standards as set out in government regulations, including all regulations determined by BPS-Indonesia.</p>
<p>2.1 Concepts and definitions</p>	<p>The national accounts are broadly in line with the <i>1968 System of National Accounts (SNA)</i>, but are in the process of being updated to the <i>1993 SNA</i>.</p>	<p>There are two main problems in implementing the 1993 SNA, i.e.: (1) lack of data availability; and (2) low demand for the 1993 SNA because the 1968 SNA is still sufficient for data users. However, BPS insists on gradual implementation of the 1993 SNA—as recommended by the United Nations—by filling in data gaps and educating the data users.</p>
<p>2.2 Scope</p>	<p>The published data cover annual and quarterly GDP, from both the production and expenditure approaches, and at current and constant prices. Annual supply and use tables (SUTs) are not produced. The production and asset boundaries generally conform to the <i>1968 SNA</i>, but some <i>1993 SNA</i> changes have been implemented. Free zones are covered in the production figures, but not in imports.</p>	<p>By conducting special surveys, BPS is able to compile a five-yearly SUT (detailed input-output (I-O) table); however, BPS is not yet able to produce an annual SUT due to the lack of detailed, complete, and periodical data.</p> <p>Through sourcing of various data from BPS and other institutions, in the near future, BPS will gradually develop concise an annual SUT with limited sectors, depending on availability of data. Sectors will be extended gradually as data become available.</p> <p>BPS adheres to the Special Trade System in recording foreign trade statistics where the free area of Batam is treated as <i>Abroad</i>, so that it is not included. Unfortunately, BPS is not able to estimate free zone import data from the insufficient available data.</p>

Element	Issue(s) raised	Comment
<p>2.4 Basis for recording</p>	<p>The valuation rules used for recording flows and stocks are generally in accordance with the 1968 SNA. However, all government data are recorded on a cash, rather than accrual, basis. Also, average monthly, rather than daily, exchange rates are used.</p>	<p>BPS definitely plans to include figures for free import and export ports from various data sources such as BI. Over time, BPS will assume responsibility for collecting its own data.</p> <p>In calculating government consumption, BPS relies heavily on data provided by the MoF, where cash basis is applied. When the MoF applies the accrual basis, BPS will calculate the component of government consumption based on the accrual basis.</p> <p>Daily exchange rates have been used to replace average monthly exchange rates.</p>
<p>3.1 Source data</p>	<p>There are annual censuses of production establishments with 20 or more employees. However, there is no survey of nonfinancial services. An economic census of businesses is undertaken every 10 years, but is not updated in the intervening periods. The household budget survey is weak because it does not cover higher-income households.</p>	<p>BPS has, in fact, been collecting data on nonfinancial services, such as transportation, hotel, tourism, and others. In addition, to capture unincorporated small-scale businesses, BPS conducts the Integrated Small-Scale Business Survey (SUSI).</p> <p>BPS is extremely concerned with its existing data performance, therefore, efforts will be pursued for a gradual improvement in the quality of all data collected by BPS, including the SUSI.</p> <p>With its present limited resources, BPS is not yet able to update the business registers adopted from the economic census in the intervening periods. Nevertheless, BPS performs updates in several important sectors.</p> <p>Improvement is expected in the quality of the Household Budget Survey (NESS - Susenas) through expanded coverage of certain categories of respondents, such as the high-income households, beginning in 2005.</p>

Element	Issue(s) raised	Comment
3.2 Assessment of source data	BPS routinely assesses source data. Coverage of source data is not routinely accessed.	BPS has been holding regular meetings with data producers before estimating the GDP figures. In the near future, BPS will finalize a plan to regularly evaluate all techniques and methodologies of data collection from different sources.
3.3 Statistical techniques	Extensive use is made of benchmark data from the five-yearly I-O tables. Constant price techniques and coverage of informal activities could be improved.	By applying SUT, the problem can be gradually solved (see answer to 2.2). The SUSI results eventually will be utilized to improve the estimation of informal activities.
3.4 Assessment and validation of intermediate data and statistical outputs	The five-yearly I-O tables remove the statistical discrepancy, but this is not done for intervening years. The I-O tables introduce large revisions to the annual GDP series.	Statistical differences between GDP and the I-O figures will be eliminated through backcasting program. Since the year 2001, the differences have been taken into account in the GDP calculation of subsequent reference periods pending the production of the new I-O table.
3.5 Revision studies	Only ad hoc studies of specific activities are undertaken.	BPS will construct a general system for undertaking studies for the revision of published GDP estimates.
4.2 Consistency	The quarterly estimates are fully consistent with the annual figures. The current and constant price figures are totally comparable. For the periods following the 2000 I-O tables, the statistical discrepancy has been shown separately in the publications. The policy is only to publish figures from the last I-O year. This means that revisions made to earlier years are not available to users other than BI. There are inconsistencies with BI in imports and exports and, possibly, with the MoF in respect of local government figures, but these have not been investigated.	BPS is compiling a backcasting of the new GDP series (2000-based year) from 1990 to 1999. The results will be published formally by 2006. BPS affirms that it performs reconciliation activities aimed at harmonizing import and export data which are used by BPS and BI.
4.3 Revision policy and practice	There is an established revision policy, which is always kept and fully explained to users. Preliminary data are clearly indicated in the publications. The results of the ad hoc revision studies are not published.	In general, the data status will be changed based on incoming data. However, the system of data revision is not yet fully documented, so that the results of the revision studies cannot be published at this time. Therefore, BPS will gradually develop and publish the results of the ad hoc revision policy system.
5.1 Data accessibility	The GDP figures are published in a clear manner with different levels of detail, as	The seasonally adjusted quarterly estimates are available, but BPS is not yet disseminating the estimates to avoid misinterpretation among

Element	Issue(s) raised	Comment
	<p>appropriate to the specific publication. An analysis of the developments in the current period is also given. Seasonally adjusted quarterly estimates are not published, even though they are available. An advance release calendar is published. The data are available to all users at the same time via a press release and on the BPS website. Some additional breakdowns can be supplied as long as they do not breach the confidentiality rules.</p>	<p>data users.</p> <p>Therefore, BPS plans to create special programs to educate data users in the interpretation of these data.</p>

Plans/status of ROSC implementation—BPS Indonesia

Recommendations	Implementation Status/Plans
<p>Update census lists of enterprises continuously with registration of new enterprises and exclusion of nonoperating expenses.</p>	<p>At present, BPS can continuously update the list of the medium- and large-scale manufacturing enterprises, but not for small-scale establishments due to the huge number of business enterprises operating in Indonesia.</p>
<p>Introduce comprehensive annual establishment surveys for nonfinancial services industries.</p>	<p>BPS intends to gather data on activities in nonfinancial services by introducing a new annual establishment survey.</p>
<p>Publish annual GDP estimates with a lengthy time series (e.g., 20 years).</p>	<p>BPS will resume the collection of information on nonfinancial services through the quarterly establishment survey no later than the year 2006/2007.</p>
<p>Develop a set of annual SUTs starting from 2000.</p>	<p>BPS has already planned to publish lengthy GDP series data in a wide range of dissemination media. One of these is a special publication titled <i>The 60 Years of Indonesian Independence</i>, which presents the long-time series data for various kinds of statistics, including GDP figures.</p> <p>BPS will use the SUT framework in the annual GDP compilation in the year 2007 in order to assure consistency of the GDP estimation with the demand and supply approach.</p>
<p>Expedite the conversion to the 1993 SNA.</p>	<p>BPS will gradually apply the 1993 SNA, including all accounts and tables recommended by the United Nations. Therefore, the special agenda will be developed to replace the 1968 SNA with the 1993 SNA in the period 2005 to 2008. BPS thus expects the 1993 SNA to be fully applied by 2008.</p>

Recommendations	Implementation Status/Plans
Publish quarterly seasonally adjusted GDP data.	BPS will publish quarterly seasonally adjusted GDP data by the year 2007; however, prior to the publication, BPS will educate data users on the use of the adjusted GDP in order to avoid misinterpretation of the data.

IV. COMMENTS FROM BANK INDONESIA

The report is a fair assessment of standards and codes implemented by BI in its compilation of the monetary and balance of payments statistics. The shortcomings highlighted by the IMF ROSC mission are recognized as challenges. Resources permitting, the authorities are committed to make improvements in the near future in conformity with the internationally accepted standards and codes.

With respect to monetary statistics, staff assessments indicate mostly “observed.” This result was only achieved because of the tireless efforts of BI in developing monetary statistics since 2002, with support from technical assistance teams from the IMF’s Statistics Department in September 2002 and June 2003. Notwithstanding the results of the assessments, some improvements are still needed in some areas of monetary statistics.

For balance of payment statistics, the staff assessments indicate, for the most part, “observed” and “largely observed.” A possible explanation for this result is the intensive work undertaken by BI to improve quality and compilation of data in accordance with BPM5.

A. Monetary Statistics

Comments on the Detailed DQAF Assessments

Element	Issue(s) Raised	Comments
2.2 Scope	2.2.1 Mutual funds (REKSADANA) that issue deposit-like liabilities are excluded from the scope of monetary statistics.	<p>This issue is currently the concern of the Monetary Statistics Division and has already been scheduled in the blueprint for the expansion of monetary statistics coverage. The work has started through the development of institutional cooperation between BI and the MoF, c.q., Directorate General of Financial Institution (DGFI) as the supervisory agency for nonbank financial institutions in Indonesia (including mutual funds).</p> <p>The Memorandum of Understanding (MoU) regarding data collection cooperation between BI and DGFI was issued in mid-2005. Data collection cooperation on finance companies data has begun (2005) and will be followed by insurance companies data (2006), pension funds data (2007), and mutual funds data (2007).</p>
3.1 Source data	3.1.2 Source data collected on REKSADANA do not meet statistical requirements.	<p>Data collection efforts from the above-mentioned institutions is aimed not only at developing a reporting format that meets both statistical and supervisory requirements, but also in designing an online reporting system from each financial institution to DGFI using the BI extranet server. With this reporting system, data submitted by each institution will be received at the same time by DGFI (for supervisory purposes) and BI (for statistical purposes).</p>
3.4 Assessment and validation of intermediate data and statistical outputs	3.4.2 Reported interbank positions are not consistent.	<p>Some interbank positions between BI and commercial banks are acknowledged to be inconsistent in terms of the data sources. These inconsistencies occur due to the time lag of reporting between BI and commercial banks.</p> <p>However, as recommended in the report of the monetary and financial statistics mission (May 21–June 4, 2003), BI has already eliminated this interbank inconsistency in the dissemination of monetary statistics by using only data from BI, which are assumed to be more accurate.</p>

