

**Bank of Japan's Basic Principles for Statistics:  
"The Basic Principles for the Compilation, Release, and Development of  
Statistics" and Present Priorities in the Development of Statistics**

**I. Introduction**

The Bank of Japan produces numerous statistics, including those for which it collects various data in order to reveal financial and economic developments, and those based on the Bank's daily transactions, all of which are then compiled and released. In compiling, releasing, and developing these statistics, various efforts are being made in accordance with the basic principles stated in "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions," released in August 2002 (Bank of Japan [2002]).<sup>1</sup>

Meanwhile, in May 2007, the Japanese government carried out a full revision of the Statistics Act (Act No. 18 of 1947, hereafter referred to as the "Old Statistics Act") for the first time in 60 years. The revised Statistics Act (Act No. 53 of 2007, hereafter referred to as the "New Statistics Act") will be come into effect from April 1, 2009. The New Statistics Act, "recognizing that official statistics are critical information for the citizens in their reasonable decision making," stipulates that official statistics shall be developed in a systematic and efficient manner. Only a few of the statistics compiled and released by the Bank (hereafter referred to as "Bank of Japan Statistics") were covered by the Old Statistics Act,<sup>2</sup> but the New Statistics Act stipulates that all Bank of Japan Statistics are official statistics and requires that they be in accordance with the fundamental principles of the New

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<sup>1</sup> In 2003, the Bank conducted an examination of its statistics and released its results in "Toukei Tenken no Kekka ni Tsuite (Results of an Examination of Statistics)" (Bank of Japan [2003]) (available only in Japanese). The report summarizes the Bank's "basic principles for the compilation and release of statistics," which are in accordance with "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions" (Bank of Japan [2002]).

<sup>2</sup> The Old Statistics Act covered only three statistical surveys; namely, the *Tankan* (Short-Term Economic Survey of Enterprises in Japan) and surveys for compiling the Corporate Goods Price Index and the Corporate Services Price Index.

Statistics Act.<sup>3</sup>

In March this year, the Cabinet decided on the "Basic Plan concerning the Development of Official Statistics" (hereafter referred to as the "Basic Plan"), in order to comprehensively and systematically promote measures pertaining to the development of official statistics. The Basic Plan outlines in a concrete manner what official statistics should be, the range of obstacles facing the production of official statistics, including the deterioration of the survey environment and resource constraints, and measures to surmount such obstacles.

Under the New Statistics Act, all statistics compiled and released by the Bank are official statistics. In addition, the government has outlined in a concrete manner various problems and priorities pertaining to official statistics and measures to counter them in its Basic Plan. The Bank therefore has decided to examine anew its basic principles for the compilation, release, and development of statistics, and to make them public.

In the following, the Bank will explain in somewhat greater detail its "Basic Principles for the Compilation, Release and Development of Statistics" (hereafter referred to as the "Basic Principles") along with a discussion of its recent actions in this regard and the present priorities in the development of statistics.

## **II. Basic Principles for the Compilation, Release and Development of Statistics<sup>4</sup>**

The Basic Principles are generally in line with "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions," released in October 2002.<sup>5</sup> However, in view of the stipulation of "systematic

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<sup>3</sup> The fundamental principles of the New Statistics Act are as follows:

Article 3

- (1) Official statistics shall be developed systematically through mutual cooperation and the appropriate sharing of roles among administrative organs, etc.
- (2) Official statistics shall be produced with appropriate and reasonable methodologies, so as to ensure neutrality and reliability.
- (3) Official statistics shall be provided widely for the citizens so that they are easily accessible for their effective use.
- (4) Confidential matters concerning individuals or juridical persons, or other organizations that were used for producing official statistics, shall be protected.

<sup>4</sup> For details, see Appendix 1.

<sup>5</sup> The Japanese original was released in August 2002.

development of official statistics" and "secondary use of statistical data" in the New Statistics Act, the Basic Principles have been examined and organized anew. Furthermore, the Bank has added the concept of the "use of private entities" taken up by the government's Basic Plan.

What follows is a concrete explanation of the Bank's Basic Principles, which are broken down into seven categories: (1) provision of accurate and appropriate statistics; (2) improvement of the convenience for statistics users; (3) enhancement of transparency; (4) reduction of the burden on reporting entities and provision of detailed explanations to them to obtain their cooperation with the survey; (5) maintenance of strict confidentiality in data management; (6) rationalization of and improvement in the efficiency of statistics production operations; and (7) mutual cooperation and appropriate sharing of roles with relevant organizations such as administrative organs.

With respect to these seven categories, if the Bank's action should tilt toward some, there might be conflicts in attaining others. The Bank therefore hopes to develop statistics in a manner whereby attainment of the objectives in all these categories is well balanced.

#### **A. Provision of Accurate and Appropriate Statistics**

##### **1. Providing accurate and appropriate statistics reflecting changes in the financial and economic structures**

In recent years, as financial and economic structures have changed dramatically, statistics are required to reveal the realities of the financial and economic situations accurately and in a well-targeted manner. Therefore, the Bank is making efforts to provide accurate and appropriate statistics reflecting the financial and economic structures by regularly reviewing its statistics.

Among the Bank of Japan Statistics, the survey sample enterprises for the *Tankan* are reviewed upon the release of the Establishment and Enterprise Census of Japan, which is being used as the establishment framework data. For statistics relating to prices, various revisions are made every five years when their base year is revised, including improvements in price survey methods and quality adjustment methods, in addition to replacing the survey items with new ones and updating weights. With the Corporate Goods Price Index, the Bank releases chain-linked indices, which can quickly respond to updated weights, as reference indices.

In addition to these regular reviews, the Bank makes timely reviews of its statistics in response to changes in the financial and economic structures. The Flow of Funds Accounts statistics and the Balance of Payments statistics are revised substantially following revisions to and publications of the standards on which they are based (the *System of National Accounts* [SNA], the *Monetary and Financial Statistics Manual* of the International Monetary Fund [IMF], and the IMF's *Balance of Payments Manual*).<sup>6</sup> More recently, in order to respond to changes in financial situations, such as the privatization of Japan Post in October 2007 and the increasing diversification of financial instruments, the indicators of the monetary aggregates were reviewed in June 2008 and the name for the statistics was changed to "Money Stock Statistics" (see Appendix 2).<sup>7</sup>

## 2. Improving the quality of statistics from the viewpoint of statistical methodology

The Bank believes that, in order to improve the reliability of its statistics, it is important not only to respond to changes in the financial and economic structures but also to improve them from the viewpoint of statistical methodology. Such improvement covers a broad range of fields such as sampling theory, imputation of missing values, quality adjustment methods, and seasonal adjustment methods. However, in reviewing its statistics, the Bank endeavors to use them appropriately to reflect the outcomes of the latest studies.

The Bank recently held a study group on the hedonic regression method, a method of performing quality adjustment, to study it from a theoretical aspect and in terms of application. Based on the outcome of this study, the Bank decided to apply the hedonic regression method to copying machines, beginning with the compilation of the 2005 base Corporate Goods Price Index.<sup>8</sup>

## **B. Improvement of the Convenience for Statistics Users**

### 1. Releasing statistical data as early as possible

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<sup>6</sup> In addition to their revisions reflecting changes in the standards on which they are based, the Flow of Funds Accounts statistics are revised retroactively every March, including the revision of the estimation methods for numbers. The Balance of Payments statistics are also subject to partial revisions when deemed necessary (see Appendix 2).

<sup>7</sup> For details, see Bank of Japan, Research and Statistics Department (2008a).

<sup>8</sup> For details, see Bank of Japan, Research and Statistics Department (2007).

There is strong demand from users of statistics that these be compiled and released as early as possible to facilitate a quick grasp of the real financial and economic situations. Therefore, the Bank makes efforts to compile and release its statistics as early as possible while taking into account their nature and characteristics.

For many statistics, the Bank has brought forward the release of statistics by (1) managing their production work by the hour, (2) limiting the contents of materials released to compilation results,<sup>9</sup> and (3) refraining from analyzing or conducting internal briefings prior to the release. In principle, statistics are released on the business day following the day on which the compilation was completed. For example, for "Money Stock" and "Principal Figures of Financial Institutions," data reported from financial institutions and others on the evening of the fourth business day of the month following the month surveyed are examined and compiled by the Bank by the end of the fifth business day of the month, and released at 8:50 a.m. on the sixth business day of the month following the month surveyed.

The Bank has been working to bring forward the timing of releases. A recent example is that in November 2008, in cooperation with the Ministry of Finance, it brought forward the release of the Balance of Payments statistics by two business days. The Bank plans to bring forward the release of "Payment and Settlement Statistics" by seven business days from April 2009, by enlisting the cooperation of relevant settlement organizations.

## 2. Improving the provision methods of statistics

The Bank provides statistics through various media, including its web site, but is making further efforts to increase access in order to enhance the convenience for users. In December 2008, the Bank revised the method by which it provides its time-series statistical data on its web site and launched the "BOJ Time-Series Data Search" page. As a result, users are now able to download data by specifying the types of period or reference periods after selecting necessary statistical data.

The need for hard copies of statistics has declined considerably with the enhancement of the Bank's web site, although there is still strong demand from some users.

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<sup>9</sup> In principle, released materials do not include comments other than tabulation results (which include results obtained through automatic computation, such as the year-on-year changes and the degree of contribution).

Therefore, the Bank is working to enhance the contents of hard copies while reducing the frequency of publication, as detailed in Appendix 2.

### 3. Enhancing the explanatory materials on statistics

Indispensable to effective use of the statistics is an accurate understanding by users of the statistics' characteristics, such as the definitions and compilation methods of statistics, as well as the points they should keep in mind in using the statistics. Therefore, the Bank is making efforts to make public details, such as the definitions of statistics, sample questionnaires, and production methods (including the compilation and estimation methods), by releasing various explanatory papers on its statistics on its web site and in print. In terms of statistics for which there are frequent user inquiries, the Bank has established "frequently asked questions" (FAQs) sections on its web site (available only in Japanese), in addition to detailed explanatory materials, in an effort to facilitate the public's understanding. The Bank plans to further enhance such explanations.

### 4. Responding swiftly to inquiries on statistics

Users of the Bank's statistics are diverse, ranging from experts to the general public. The Bank's statistics inquiry window<sup>10</sup> works as a one-stop center to receive questions, opinions, and comments. In addition to making efforts to answer questions swiftly, staff members at the window pass the opinions and comments received to the departments that produce the statistics, so that such opinions and comments help improve the Bank's statistics.

### 5. Releasing, in principle, the compiled data of the information the Bank collects to implement its business, unless the reporters refuse to give their consent

The data collected by the Bank are basically of two types: those originally

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<sup>10</sup> The Public Relations Department responds to inquiries and provides statistical references. All inquiries in English should be in written form and sent by mail or e-mail to the addresses below.

Public Relations Department  
Bank of Japan  
C.P.O. Box 203, Tokyo 100-8630, Japan  
Tel: +81-3-3279-1111  
E-mail: [prdmail@boj.or.jp](mailto:prdmail@boj.or.jp)

intended for the compilation and release of statistics, such as the *Tankan* and price statistics, and those necessary to the Bank's operations for revealing developments in the financial markets and the financial system, which the Bank collects routinely. In principle, the Bank releases also the data in the latter category if it decides it is appropriate to make them public after taking into account such factors as (1) whether or not reporting entities' consent for data release can be obtained, (2) whether there is strong demand for such data among the public, and (3) the extent to which the accuracy and reliability of the figures are secured.

6. Releasing, to the extent possible, the data generated in the course of the Bank's operations if such data are deemed useful to users

In addition to the above-mentioned data that the Bank collects from external sources, there are data generated in the course of the Bank's transactions with financial institutions. These include the amount outstanding of banknotes in circulation and amounts on payments and settlements. Among these data, the Bank has decided to make public, where possible, those that would benefit the public.

Accordingly, in May 2004 the Bank launched the releases of "Bank of Japan's Transactions with the Government" and "Bank of Japan Operations (Updated every business day)" (for details, see Appendix 2).

7. Meeting requests for the secondary use of statistical data as long as this does not hinder the performance of the Bank's business

The New Statistics Act provides for the secondary use of statistical data (the use of questionnaire information for purposes other than the original purpose of "producing statistics") to promote the utilization of statistical data, while protecting the confidentiality of reporting entities (articles 32-38).<sup>11</sup>

There has been strong demand for the secondary use of statistical data, especially among researchers, but the producers of statistics need to resolve such serious problems as (1) whether it will be possible to protect the confidential information of the reporting

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<sup>11</sup> The New Statistics Act defines statistical data for secondary use as "questionnaire information pertaining to statistical surveys." The Bank's statistical surveys that are covered by the provision for secondary use are the *Tankan* and surveys for the Corporate Goods Price Index and the Corporate Services Price Index.

entities that appears on questionnaires, and (2) how to secure human resources to respond to requests for secondary use, given that they already have a great number of statistics to develop or review. The Bank has carefully studied these questions and has decided to respond to requests for the secondary use of statistical data for academic researches and the development of higher education, within limits that would not hinder the performance of the Bank's business. Specifically, the Bank has decided to accept requests for the production of statistics by entrustment (customized compilation) pertaining to the *Tankan* from fiscal 2009 (details will be discussed in Section III, "Present Priorities in the Development of Statistics").<sup>12</sup>

### **C. Enhancement of Transparency**

#### **1. Making public the rules pertaining to the methods of release**

The Bank has released its rules for the methods of releasing its statistics in the "Basic Principles of Methods of Release and Provision of Information about The Statistics and Its Revisions."<sup>13</sup>

Specifically, (1) statistics will, in principle, be released through the Bank's web site.<sup>14</sup> This is because the web site provides high speed and easy accessibility for many users. With respect to the actual releases, the Bank's standards are that (2) statistics that could have an influence on developments in financial markets will be released at 8:50 a.m. JST, before the markets in Japan open, and (3) no interpretation or judgments from the viewpoint of the Bank's policies will be added upon the release of statistics. This is because the Bank believes the objective of the release of statistics is to provide information that will serve as the basis for citizens to make decisions. The document also states that (4) the schedule for statistical releases will be posted on the Bank's web site in advance. At present, the statistical releases scheduled for the following six months are posted on the

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<sup>12</sup> Article 34 of the New Statistics Act, which provides for customized compilation, stipulates that "the head of an administrative organ or an incorporated administrative agency, etc. under Article 25 may conduct production of statistics, etc. by utilizing questionnaire information pertaining to statistical surveys conducted by himself/herself in response to the request from the citizens, . . . within limits that would not cause any hindrance to the performance of his/her business, when finding that it would contribute to the development of academic researches . . . ."

<sup>13</sup> For details, see Appendix 2 of Bank of Japan (2002).

<sup>14</sup> <http://www.boj.or.jp/en/theme/stat/index.htm>



Bank's web site every three months.

2. Swiftly releasing any corrections to statistics

Sometimes it is necessary to make corrections to statistics for some reason after their release. The reason can be the difference between preliminary and final reports, erroneous or delayed reporting by reporting entities, mistakes by the producer of statistics or many other factors. The Bank is making efforts to reduce corrections due to errors and omissions, but when corrections to statistics are called for, its policy is to promptly release the content of the corrections on its web site.

3. Hearing a variety of outside opinions regarding substantial revisions of statistics

When making substantial revisions to its statistics, the Bank announces their content in advance in order to receive opinions and comments from a broad range of users and reporting entities. In practice, however, it is often difficult for the Bank to incorporate all the opinions and requests it receives, for various reasons. Even in such cases, the Bank discloses these opinions and requests, as well as its reaction to them, in order to increase transparency in the discussion process.

**D. Reduction of the Burden on Reporting Entities and Provision of Detailed Explanations to Them to Obtain Their Cooperation with the Survey**

1. Reducing the burden on reporting entities

The Bank has been reducing the burden on data reporters by discontinuing the production of statistics for which demand has declined, or by dropping survey items. In cases where it is feasible to make a substitution without compromising the quality of data such as accuracy, the Bank is promoting the switch from "data from reporting entities" to "data available on the market." In fact, in compiling the Corporate Goods Price Index and Corporate Services Price Index, an increasing amount of data from other agencies and external databases is being used for survey prices in order to reduce the burden on reporting

entities.<sup>15</sup>

2. Providing detailed explanations to reporting entities to obtain their cooperation with the survey

Indispensable to securing the accuracy required of statistics are a cooperative stance by data reporters, together with their accurate understanding of, for example, the definitions of survey items on which data are required.

In requesting reporting entities' cooperation, the Bank discloses information such as the objective of the production of the statistics and its system for protecting secrecy. To obtain accurate data, the Bank provides detailed instructions for preparing reports, as well as the contents of the statistics, the definitions of the data on which reports are requested, and the compilation methods of the data received. In recent years, firms have become increasingly aware of the need to manage information security and have been further rationalizing their operations. Therefore, the Bank plans to enlist their cooperation with its surveys by providing explanations that are more detailed than in the past.

#### **E. Maintenance of Strict Confidentiality in Data Management**

1. Rigorously managing information security on pre-release survey results and questionnaire data

The Bank believes that maintaining strict confidentiality on the entire process of producing statistics is an extremely important priority in terms of ensuring reliability and preventing the abuse of statistics. Therefore, the Bank follows strict operational procedures to maintain confidentiality of information (e.g., survey results prior to their releases, data on individual reporting entities) by, for instance, designating persons authorized to work in the production of statistics, prohibiting unauthorized persons from entering the work areas, and systematically limiting access to statistical data.

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<sup>15</sup> In the compilation of price indices, the Bank makes quality adjustments when, for example, the items under survey have undergone model changes. In doing so, it is necessary to obtain information on the change in the quality of the product due to the model change (e.g., information on costs required to improve the function). However, unlike other quality adjustment methods, the hedonic regression method does not require additional information from reporting entities. The Bank uses the hedonic regression method for quality adjustment to reduce the burden on data reporters and to improve the accuracy of the indices.

For example, in preparing the *Tankan*, which requires the strictest confidentiality, the work areas are clearly designated and triple barriers are placed to keep unauthorized persons from entering the areas (at the entrance to the building, room, and areas, which are separated with locked partitioning), prohibiting even staff members of the Research and Statistics Department from entering if they are not authorized to work on the *Tankan*. The Bank's system makes access to pre-release data impossible and ensures that no one can have such information prior to the early morning of the day of their release. Moreover, even among staff members who are authorized to work on the *Tankan*, only the few who actually make the release have prior access to the data. Reports to the Governor and other officers of the Bank are made after the statistics have been released.

#### **F. Rationalization of and Improvement in the Efficiency of Statistics Production Operations**

1. Discontinuing the production of statistics and survey items for which demand has declined

In order to compile and release statistics while maintaining and improving their accuracy within the constraints of limited human resources and budgets, rationalizing and improving efficiency is indispensable. Therefore, the Bank has been discontinuing the production of statistics and dropping survey items for which the demand has become relatively small. Since "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions" (Bank of Japan [2002]) was published in August 2002, the production of 12 statistics has been discontinued (see Appendix 3).

2. Utilizing private entities while securing the reliability of statistics

Given the difficulties in securing personnel for the production of statistics, it is necessary to utilize private entities in producing statistics while keeping in mind the need to ensure the reliability of statistics, such as by maintaining their accuracy, and protecting reporting entities' confidential information. At present, the Bank does not entrust private entities with planning and examination work that has a direct bearing on the accuracy of statistics. However, it utilizes private entities for other operations, such as making telephone calls to reporting entities, asking them to fill out questionnaires, and entering data

into the computers for the *Tankan*, and inputting data on individual reports into computers for the Balance of Payments statistics. For hedonic estimation in the price statistics, external human resources are employed for limited periods of time. The Bank hopes to make a careful determination of whether there is further room for utilizing private entities, while securing the reliability of its statistics.

#### **G. Mutual Cooperation and Appropriate Sharing of Roles with Relevant Organizations such as Administrative Organs**

1. Developing statistics with an awareness that the Japanese statistics need to be developed systematically

The New Statistics Act stipulates that "official statistics shall be developed systematically through mutual cooperation and the appropriate sharing of roles among administrative organs, etc." (Article 3). Therefore, the Bank believes that the Bank of Japan Statistics, which are designated as official statistics, need to be generated with an increased awareness of the need to develop Japanese statistics systematically. With respect to price statistics and Flow of Funds Accounts statistics that are used to compute the National Accounts statistics, in particular, the Bank plans to make every effort to contribute to the improved accuracy of the National Accounts by actively exchanging views with relevant ministries and agencies, including the Cabinet Office.

### **III. Present Priorities in the Development of Statistics**

The Bank has long worked to develop improved statistics.<sup>16</sup> For example, since the release of "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions" (Bank of Japan [2002]) in October 2002,<sup>17</sup> all of the Bank's major statistics have been revised substantially, as detailed in Appendix 2. The development of statistics requires much preparation (e.g., identifying users' needs, obtaining cooperation from reporting entities, adjustments with relevant organs, and the building of systems for statistics compilation, and release). Therefore, the Bank often

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<sup>16</sup> For details on the development of statistics by the Bank, see Bank of Japan, Research and Statistics Department (1999), Bank of Japan (2002), and the Bank's *Annual Review*, which is published every year, as well as Appendix 2.

<sup>17</sup> The Japanese original was released in August 2002.

starts such preparatory work several years in advance.

The Bank is working to identify needs for the development of statistics from a medium- and long-term perspective, and is preparing for the realization of plans to meet such needs. The following is a brief description of the Bank's six major priorities.

#### **A. Adoption of the 2008 SNA for the Flow of Funds Accounts Statistics**

In February 2009, the United Nations Statistical Commission adopted and released the final version of the *System of National Accounts, 2008* (2008 SNA), which constitutes the international standards for National Accounts statistics. Accordingly, Japan's National Accounts statistics are also scheduled to adopt the 2008 SNA. As a result, the Bank intends to make the switchover from the present 1993 SNA standards to the 2008 SNA standards for its Flow of Funds Accounts statistics, which constitutes a part of the National Accounts statistics.

Questions raised pertaining to the switchover to the 2008 SNA are numerous even with respect only to financial matters related to the Flow of Funds Accounts statistics. In addition, there are many technical issues regarding, for example, employers' pension schemes and government transactions with public corporations: earnings from equity investment and capital injection. The Bank plans to examine these questions one by one to determine whether they should be applied to the Flow of Funds Accounts statistics, while exchanging views with the Cabinet Office.

#### **B. Adoption of the *Balance of Payments and International Investment Position Manual, Sixth Edition* (BPM6)**

In November 2008, the IMF's Balance of Payments Statistics Commission approved and released the BPM6, which embodies the principles for entries in the Balance of Payments statistics. Accordingly, Japan's Balance of Payments statistics are to adopt the BPM6 standards. The issues that have been raised in the BPM6 concern placing emphasis on the outstanding balance (international investment position), enhancing the BPM6's compatibility with the SNA, and grasping the situations pertaining to globalization and to new types of transactions, as well as many others. Including technical matters, the issues are diverse. The Bank intends to study its policies in responding to these issues jointly with the Ministry of Finance.

### **C. Introduction of Electronic Data Collection for the *Tankan***

In recent years, there have been mounting requests for reducing the burden on reporting entities. At the same time, it is important to take all necessary measures to manage the confidentiality of reported data.

Given these changes in the environment for conducting surveys, the Bank is planning to launch electronic data collection for the *Tankan* by 2011, in addition to the present method of using the postal services.

### **D. Secondary Use of Statistical Data**

As mentioned earlier, the Bank has decided to receive requests for the "production of statistics by entrustment, which would contribute to the development of academic researches or the advancement of higher education (customized compilation)" of the *Tankan* data starting in fiscal 2009. However, the *Tankan* data require utmost care in maintaining strict confidentiality of the information from reporting entities, while the Bank now has a long list of plans for the development of statistics. Therefore, in the first year, the Bank will respond to such requests only to the extent that the performance of its business is not hindered. Detailed information on the customized compilation of statistics (e.g., the period for accepting requests; the scopes of compilations that can/cannot be accepted) will be made public in April 2009 and after.

### **E. Introduction of the 2005 Base Corporate Services Price Index<sup>18</sup>**

By around the end of 2009, the Bank will rebase the Corporate Services Price Index from 2000 to 2005. To take into account the increasing diversity of corporate services, the Bank will adopt new items such as Internet-based services and hotel services, while items such as "machinery repair and maintenance" and "temporary employment agency services" will be broken down further. The Bank will also improve the accuracy of statistics (specifically, by adding or replacing sample prices, expanding and elaborating the use of model pricing methods for cellular phone services and toll roads, etc.,<sup>19</sup> adopting

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<sup>18</sup> For details, see Bank of Japan, Research and Statistics Department (2008b).

<sup>19</sup> For cellular phone services, the latest outcomes of studies and breadth of experience in compiling the Consumer Price Index will be used.

price data from competitive biddings conducted by the government, improving the methods for quality adjustment, etc.), and will release additional reference indices such as leasing fees. Furthermore, the Bank will give consideration to the needs of the Corporate Services Price Index as deflators for the National Accounts.

#### **F. Response to the Introduction of the Economic Census**

The Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry are preparing for the introduction of the Economic Census, a statistical survey for revealing the activities of establishments and enterprises of all industries (with a plan to conduct the Economic Census for Business Frame in fiscal 2009 and the Economic Census for Business Activity in fiscal 2011).

In response to this step, the establishment framework data for the Tankan will be changed from the Establishment and Enterprise Census to the Economic Census. At the same time, there is a possibility of a substantial change to the Input-Output Tables for Japan, which serve as the basis on which the weighting of the Corporate Services Price Index is computed. The introduction of the Economic Census will affect the Bank of Japan Statistics in many ways, and the Bank intends to review the compilation methods of its statistics from a broad perspective.

#### **VI. Conclusion**

The financial and economic structures of Japan will continue to change dramatically, while information and communications technology will likely make further advances. In this environment, the Bank anticipates many projects going forward for the development of the Bank of Japan Statistics.

The Bank plans to develop its statistics in line with the aforementioned Basic Principles. In doing so, it will make efforts to realize better statistics by exchanging views closely and frankly with statistics users at home and abroad, as well as statistics producers and researchers in other organizations.

The Bank's Basic Principles for the Compilation, Release, and Development of Statistics

- (1) Provision of Accurate and Appropriate Statistics
  - Providing accurate and appropriate statistics reflecting changes in the financial and economic structures
  - Improving the quality of statistics from the viewpoint of statistical methodology
  
- (2) Improvement of the Convenience for Statistics Users
  - Releasing statistical data as early as possible
  - Improving the provision methods of statistics
  - Enhancing the explanatory materials on statistics
  - Responding swiftly to inquiries on statistics
  - Releasing, in principle, the compiled data of the information the Bank collects to implement its business, unless the reporters refuse to give their consent
  - Releasing, to the extent possible, the data generated in the course of the Bank's operations if such data are deemed useful to users
  - Meeting requests for the secondary use of statistical data as long as this does not hinder the performance of the Bank's business
  
- (3) Enhancement of Transparency
  - Making public the rules pertaining to the methods of release
    - Statistics will, in principle, be released through the Bank's web site.
    - Statistics that could have an influence on developments in financial markets will be released at 8:50 a.m. JST.
    - No interpretation or judgments from the viewpoint of the Bank's policies will be added upon the release of statistics.
    - The schedule for statistical releases will be posted on the Bank's web site in advance.
  - Swiftly releasing any corrections to statistics
  - Hearing a variety of outside opinions regarding substantial revisions of statistics



- (4) Reduction of the Burden on Reporting Entities and Provision of Detailed Explanations to Them to Obtain Their Cooperation with the Survey
  - Reducing the burden on reporting entities
  - Providing detailed explanations to reporting entities to obtain their cooperation with the survey
  
- (5) Maintenance of Strict Confidentiality in Data Management
  - Rigorously managing information security on pre-release survey results and questionnaire data
  
- (6) Rationalization of and Improvement in the Efficiency of Statistics Production Operations
  - Discontinuing the production of statistics and survey items for which demand has declined
  - Utilizing private entities while securing the reliability of statistics
  
- (7) Mutual Cooperation and Appropriate Sharing of Roles with Relevant Organizations such as Administrative Organs
  - Developing statistics with an awareness that Japanese statistics need to be developed systematically

Developments in Bank of Japan Statistics  
Since 2002 (Major Examples)<sup>20</sup>

1. Revision of the Standards for the Wholesale Price Index and Switchover to the Corporate Goods Price Index (December 2002)
  - (1) Improvement of the accuracy of the statistics (a sharp increase in the number of prices surveyed, and the introduction of average prices and of chain-linked indices [reference indices]); and a change in the name due to the increase in the ratio of price surveys at the producers' level
  
2. Revision of the *Tankan* (April 2004)
  - (1) A review of the industry classification; an increase in the number of industrial categories covered by the survey; the addition of new industrial categories; a change in the criteria for classification by enterprise size (from the number of full-time employees to the amount of capital); and the revision of survey items
  
3. Revision of the Balance of Payments Related Statistics (at the Time of the Release of Figures for January 2005)
  - (1) An increase in the frequency of releases and earlier releases; the addition of release items pertaining to direct investment and securities investment, etc.; and reorganization and consolidation of related statistics and a change in the entry method
  
4. Revision of "Money Stock Statistics" (June 2008)
  - (1) A review of the system of indicators reflecting the privatization of Japan Post and the diversification of financial instruments, and a partial revision of the definition of money holders; and a change of the Japanese name of the statistics

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<sup>20</sup> A list of actions taken since the release of "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions" (October 2002). Additional releases of further breakdowns of industrial categories or survey items are not included.

5. The Inauguration of the Releases of New Financial and Economic Statistics (In Addition to the Above)
  - (1) "Bank of Japan's Transactions with the Government" (May 2004)
  - (2) "Bank of Japan Operations (Updated every business day)" (May 2004)
  
6. A Review of the Method of Provision of Time-Series Statistical Data on the Web Site (December 2008)
  - (1) The launch of the "BOJ Time-Series Data Search" page
  
7. Reviews of Statistics in Printed Form
  - (1) A review of "Financial and Economic Statistics Monthly" (July 2005); the launch of "Bank of Japan Statistics" (August 2005); a review of the latter's content and the changing of the latter from a quarterly to an annual publication (scheduled for April 2009)
  - (2) A review of the content of "Price Indexes Monthly" and the changing of it from a monthly to a quarterly publication (March 2008)
  - (3) A review of the content of "Balance of Payments Monthly" and the changing of it into a quarterly publication (July 2007)

Bank of Japan Statistics Discontinued  
Since 2002 (Major Examples)<sup>21</sup>

1. Investment Management Contracts (second quarter of 2002 [final data, the same applies to the rest of this list])
2. Loans and Discounts Outstanding by Sector and Prefecture (March 2003)
3. Deposits of Japanese Residents at Overseas Branches of Private Financial Institutions (December 2003)
4. Changes in Money Stock (M2+CDs) and Credit Statistics (December 2003)
5. Principal Assets and Liabilities of Securities Finance Companies (December 2003)
6. Principal Enterprises' TANKAN (Short-Term Economic Survey of Principal Enterprises in Japan) (December 2003)
7. Yields to Subscribers and Issue Terms of Interest-Bearing Government Bonds (January 2004)
8. Government Bonds Sales Over the Counter (January 2004)
9. Financial Statements of Japanese Banks (first half of fiscal 2003)
10. Japan Premium (December 2004)
11. Payments and Amount Outstanding of New Series Bank of Japan Notes (March 2007)
12. Figures on Reserves (August 2007)
13. In addition to the above, the following revisions have been made:
  - (1) Discontinuation of the updating of interest rates on postal savings (March 2003)
  - (2) Discontinuation of the telephone service for information on foreign exchange rates (December 29, 2006)
  - (3) Discontinuation of the release of information on foreign exchange rates through news agencies (December 29, 2006)
  - (4) Discontinuation of the compilation of the repo rate, and its replacement by the

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<sup>21</sup> A list of actions taken since the release of "Toward Further Improvement of Financial and Economic Statistics: The Bank's Basic Principles and Its Recent Actions" (October 2002). The discontinuation of the compilation of industrial classification sub-categories and sub-categories of survey items is not included.

Tokyo Repo Rate, which features improved accuracy (October 31, 2007).

- (5) Transfer of the production of statistics on Loans Syndicated and Loans Transferred to the Japanese Bankers Association (first quarter of 2008)
- (6) Transfer of the production of statistics on Average Yields on Newly Issued Domestic Commercial Paper to the Japan Securities Depository Center and improvement of the content of the statistics (scheduled for autumn 2009)

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