# Claims, trade and FDI data set

IBRN Fragmentation – Meta Analysis

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# Overview

The underlying data set (flows.dta) contains bilateral country observations on international claims (stocks), trade (flows) and FDI (stocks). Yearly information is gathered for the period between 2002-2019, but after 2012, the data availability becomes better as more countries started reporting information to the data providers. All data used is publicly available and free of charge.

Bilateral observations are structured as follows: A **reporting country** (A) lends loans or exports goods to a **partner country**. All observations are stored in “long” format. The data set builds on the information on international claims and thus, the highest degree of “completeness” is achieved for countries reporting international claims data to the BIS. Information on partner countries can be incomplete, especially when these countries do not report to the BIS.

For example, we can observe how much international claims were lent from German banks to borrowers in Peru and Colombia. But we cannot observe, how much claims were lent from Peruvian or Colombian banks to German borrowers or what kind of international claims flows existed between the two South American countries, because they do not report to the BIS.

**Important note**: The partner country variable includes a “World” value (iso2 code “wo”). This has to be considered when the data is aggregated.

# Variables

## International claims (BIS)

The main data of the underlying set comes from the Bank of International Settlements’ “[Consolidated banking statistics](https://www.bis.org/statistics/full_data_sets.htm)”. The original data was transformed from wide to long data and from quarterly to yearly data by taking the average by year. Detailed information on the variable values can be found in the [official description](https://www.bis.org/statistics/dsd_cbs.pdf) or on this [researcher’s website](https://fgeerolf.com/data/bis/CBS.html). All observation represent claims stocks.

* year
* reporter\_iso2: ISO2 code of reporting country
* reportingcountry: Name of reporting country
* partner\_iso2: ISO2 code of partner country
* counterpartycountry: Name of partner country
* position\_value: value of position in billion USD (2020)
* cbs\_bank\_type: BIS code for bank type (domestic, foreign, …)
* cbsbanktype: BIS name of bank type
* l\_position: BIS code for balance sheet position (international claims, local claims, equity, capital, …)
* balancesheetposition: BIS name of balance sheet position
* l\_cp\_sector: BIS code of receiving partner’s sector (financial, public, corporate, …)
* counterpartysector: BIS name of counterparty sector
* Instrument: Derivatives and all instruments
* Maturity: type of maturity (character variable)
* currency\_type: Local currency, all currencies
* reporting\_basis: Source, which reports to BIS. Details on differences in abovementioned documentation

## International trade (Baci)

The information on yearly international trade flows is obtained from [CEPII Baci](http://www.cepii.fr/CEPII/en/bdd_modele/presentation.asp?id=37). Originally, the contained bilateral trade flows on product level, but was aggregated to a total trade flow. More information on Baci’s sources and methods are in the [description](http://www.cepii.fr/PDF_PUB/wp/2010/wp2010-23.pdf). The observation were merged to the BIS data by the reporter\_iso2, partner\_iso2 and year.

* exports: Value of bilateral exports in billion USD (2019)
* imports: Value of bilateral exports in billion USD (2019). This variable was imputed according to the Baci instructions. An export from country A to B is counted as import received by B and sent by A. The database states to be as complete as it gets, thus the imputation should have only minor errors.
* total\_exports: The sum of all exports of a reporting country in a year.
* total\_imports: The sum of all imports of a partner country in a year.

## Foreign direct investments (OECD)

Information on yearly, bilateral FDI stocks is obtained from the [OECD database](https://stats.oecd.org/Index.aspx?DataSetCode=FDI_POSITION_PARTNER). The OECD FDI definition has several edition and therefore, there exist several databases on FDI data. For this data set, the 3rd and 4th edition were used. Whenever possible, the 4th was used, but for many reporting countries data up to 2012 was only available in the 3rd edition. Differences between the two editions are rather small and can be found [here](https://www.oecd-ilibrary.org/docserver/9789264045743-11-en.pdf?expires=1630507563&id=id&accname=ocid177286a&checksum=F8ED2F9AE2C7FD68E7AB0BD3DAC929FA). The data on FDI was merged to the BIS data by year, reporter\_iso2 and partner\_iso2.

* FDIOutward: Value of outward FDI in billion USD (2019)
* FDIInward: Value of inward FDI in billion USD (2019). This variable was imputed by reverting the stocks’ direction. An outward FDI from country A in country B is counted as inward FDI received by B and made by A. The inward and outward observations exist for all 37 reporting countries.
* total\_FDIout: The sum of all outward FDI of a reporting country in a year
* total\_FDIin: The sum of all inward FDI of a partner country in a year