

## **Preface**

This document presents *Flow of Funds Accounts of Pakistan* for the year 2004-05 (Revised). It contains a brief description of theoretical framework pertaining to detailed flow of funds, financial and capital accounts. The flow of funds accounts highlights relationship of financial and non-financial activities of all sectors of Pakistan's economy with each other. The system provides extensive sectoral and transactional details of financial developments in the economy, i.e., saving and investment, borrowing and lending.

These accounts report total sources of funds flowing to different economic sectors and each sector's total use of funds. The accounts for FY05 have been prepared on the basis of data collected from all sectors of the economy. The data has been transformed into sectoral balance sheets as per guidelines of SNA-93.

The State Bank of Pakistan reviewed the compilation methodology of FFA in the light of the recent developments in the field of Flow of Funds Accounts. The review process was also assisted by a Consultant, Mr. John F. Wilson who had a vast experience of working with IMF and Federal Reserve, USA in the area of Flow of Funds Accounts. We are grateful to him for his valuable recommendations to improve these accounts. This document could not be compiled without the unwavering commitment and untiring efforts of the Flow of Funds Division.

Statistics & Data Warehouse Department, State Bank of Pakistan is grateful to the institutions and persons for providing basic data and suggestions for improving the Flow of Funds Accounts statistics. We feel that these statistics would be useful for financial analysis, policy formulation, planning, and decision making.

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