

Preface

This document presents *Flow of Funds Accounts of Pakistan* for the year 2006-07. It contains a brief description of theoretical framework pertaining to detailed flow of funds, financial and capital accounts. The flow of funds accounts highlights statistical relationship of financial activities of all the sectors of Pakistan's economy with one another and with the non financial activities that generate income and production. The system provides extensive sectoral and transactional coverage 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 FY07 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.

State Bank of Pakistan hired services of a foreign Consultant –Mr. John F Wilson an IMF retiree, to review flow of funds accounts and the methodology used in the compilation. We are grateful to him for 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 institutions and persons for providing basic data and their suggestions in improving the flow of funds accounts compilation. We feel that these statistics would be useful for financial analysis, policy formulation, planning, and decision making.

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