

# I. INTRODUCTION

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## Purpose of the Guide

1. To increase the analytical power of the statistics available to the variety of users, economies are on the way to move to the implementation of most simplified and clarified System of National Accounts 1993 (SNA 93). SNA 93 consists of a coherent, consistent and integrated set of macroeconomic accounts; balance sheets and tables based on assets of internationally agreed concepts, definitions, classifications and accounting rules. It provides a comprehensive accounting framework in which economic data can be compiled and presented in a format that is designed for the purposes of economic analysis, decision taking and policy making. This guide will provide the conceptual framework for the data collection including definitions and classification of transactions for the compilation of Flow of Funds (FF) Accounts for Pakistan.
2. The Statistics Department of State bank of Pakistan is responsible for the compilation of Flow of Funds (FF) Accounts for Pakistan. Flows of funds arise from the transactions, which take place in an economy – whether involving purchases or sales of goods and services or exchanges of assets and liabilities. These transactions generate flows of funds from one agent to another and from one sector to another. National flow of funds accounts, provide a record of these flows for the whole economy; the accounts covering individual or corporate transactions are more usually called resources-uses. Thus the flow of funds accounts or accounts of financial flows record and summarize in a systematic way the financial transactions of an economy among the nation’s economic decision making units grouped into institutionally homogeneous sectors functioning on broadly similar lines.
3. The scope of FF Accounts is broader than that of National Income and Product Account (NIPA). For example, unlike the NIPA the flow of funds accounts include financial flows among the various sectors of the economy that arise from transfer of existing physical assets as well as shift in the composition of financial portfolios that may be unrelated to or only indirectly relates to current production. Thus, the FF Accounts is an essential tool for studying the effect of combined changes in assets and debt on economic growth.

4. Differences between two stocks are not actual flows. Therefore, SNA 93 recommends capturing actual transactions, exchange rate changes, valuation changes/ price changes or fair value changes and other changes in volume of the assets and liabilities during the reporting period. Thus SNA 93 was built around a sequence of interconnected flow accounts linked to different types of economic activity taking place within a given period of time, together with balance sheets that record the values of stocks of the assets and liabilities held by the institutional units or sectors at the beginning and end of the period. Thus to capture the actual flows, we feel to compile the FF Accounts according to the classification of SNA 93.
5. The IMF developed standards or codes of good practices in its main areas of responsibility in consultation with experts from the member countries and international standard setting bodies to guide member countries in the dissemination of economic data to the public. These standards—the Special Data Dissemination Standard and the General Data Dissemination System—comprise a number of elements of good practices in data dissemination. As an essential complement to, and outgrowth of, these standards, the IMF intensified efforts to assist countries through the development of internationally agreed guidelines on statistical methodology in the field of Balance of Payments, Government Finance, and Monetary and Financial Statistics. The concepts set out by the IMF are harmonized with those of the System of National Accounts 1993.
6. Statistics Department, State Bank of Pakistan is revising the data collection requirements from all sectors of the economy especially the non-financial corporations sector which is a large sector in the economy and is principally engaged in the production of market goods and non-financial services.
7. In line with the SNA 93, to go side by side with the international community, the data collected through the questionnaire basically the sectoral balance sheets attached as **Annexure III** are of much importance for estimating the flow of funds accounts and financial statistics of the economy.
8. The main purpose of the reporting guide is to provide guidelines to the respondents for reporting the data on sectoral balance sheet. It can be useful for other stakeholders since it covers the conceptual framework, definitions, harmonized with the United Nations' System of National Accounts 1993 - SNA93.

9. We assume that the guide would be helpful for reporting data and expect useful suggestions from our stakeholders for further improvements in its contents.

## **Value Addition**

1. This guide is aimed at introducing the data providers with the concepts definitions, and requirements of the data users, so that to ensure:
  - a. Data compatibility
  - b. Data quality and accuracy
  - c. Data consistency
  - d. Data reliability
2. The data compiled and disseminated would meet the international standards of quality and requirements
3. The data thus compiled would be the best indicator of economy's soundness
4. The data would provide good estimates for flow of funds accounts and financial statistics to the policy makers
5. Multidimensional data access to the researchers

## **While reporting, MAKE sure:**

1. To read description of major categories of assets and liabilities given in the **Reporting Guide** before filling the questionnaire (Annexure III). The guide is available at our web site at [http://www.sbp.org.pk/departments/stats/Non\\_financial\\_corporations\\_guide/index.htm](http://www.sbp.org.pk/departments/stats/Non_financial_corporations_guide/index.htm)
2. To fill the amounts in columns where applicable
3. That all items of assets and liabilities are reported in thousands of Pak Rupees
4. Opening stock of the year matched with the closing stock of the preceding year
5. That total assets and liabilities are equal
6. The total of transactions, valuation changes and other changes on volume of assets side are equal to those of liabilities side
7. To get a soft copy of the questionnaire from the Statistics Department, State Bank of Pakistan or locate the Questionnaire available on SBP website at link [http://www.sbp.org.pk/departments/stats/Non\\_financial\\_corporations\\_guide/non-financial-quest.xls](http://www.sbp.org.pk/departments/stats/Non_financial_corporations_guide/non-financial-quest.xls)