

ADVANCE NOTICE ON THE CHANGES IN COMPILATION METHODOLOGY OF MONETARY STATISTICS - MFSM

Statistics & DWH Department, State Bank of Pakistan revised the collection and compilation methodology of monetary statistics in line with IMF Monetary and Financial Statistics Manual (MFSM 2000) in 2008, to pace with the international community. The data collected and compiled under MFSM guidelines are of much importance for estimating monetary and financial aggregates as well as to support researchers to explore new areas of activities for the financial sector, to highlight strengths and weaknesses and paving way to new developments and support decisions making by different stakeholders.

The scope of monetary statistics include banks, DFIs, MFIs, NBFCs, insurance and exchange companies where NBFCs include leasing, modaraba, investment banks, discount houses, mutual funds etc. The NBFCs are further divided as depository and non-depository which are grouped with Other Depository Corporations (ODCs) and Other Financial Corporations (OFCs) accordingly. At present the ODCs sector includes Banks, DFIs, MFIs and Depository NBFCs. Rest of the financial corporations are categorized as OFCs.

Another important category included in NBFCs is the mutual funds which are growing with a rapid pace. Mutual funds are generally divided in two subgroups namely (1) Money Market Mutual Funds (MMFs) and (2) Non Money Market Mutual Funds (NMMFs). Mutual Funds are well-established players in the international developed financial markets and increasingly contributing in some emerging economies. Especially, MMFs gained a reputation due to capital security, liquidity and redemptions at low cost. According to IMF guidelines on monetary & financial statistics, all such MMFs should be classified under ODCs subsector of financial sector.

In recent past, the growth of mutual funds industry in Pakistan enhanced the need to assess the current practices of these funds especially the MMFs and classify them according to best international practices under financial sector. Based on the services provided by these MMFs, these institutional units duly qualify for inclusion in ODCs subsector of financial sector. Therefore, SBP has decided to revamp the compilation methodology of monetary statistics with the classification of MMFs as ODCs instead of OFC with effect from April 2017. Consequently, the scope of ODCs survey and Depository Corporations will be enhanced.

In order to provide consistent time series data, the data published under the title “Other Depository Corporations Survey and Depository Corporations Survey” through SBP website and statistical bulletin will also be revised from July 2012.

The summary of major changes and revisions in compilation methodology of monetary statistics – MFSM are given as under:-

Item	Old Methodology	New Methodology	Remarks
1. Scope of the Depository Corporations Survey	Data of Central Bank, Scheduled Banks, DFIs and Depository NBFCs is used to compile Depository Corporations Survey	Data of Central Bank, Scheduled Banks, DFIs and Depository NBFCs and Money Market Mutual Funds will be used to compile Depository Corporations Survey	Scope of the institutional units has been enhanced