

Measuring Global Flow of Funds: Statistical Framework, Data Sources, and a Country Case

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This paper reviewed the definition of Global Flow of Funds (GFF), clarified the integrated framework for measuring GFF, and attempted to compile the GFFS for external financial positions and flows on a from-whom-to-whom basis. In addition, it addressed some important data gaps in currently available macroeconomic statistics. The paper elaborates on the main attributes of the integrated macroeconomic accounts and the GFF matrix, which allowed it to serve as the framework for compiling sector accounts, including financial positions and flows on a from-whom-to-whom basis. In particular, the GFF integrated framework upholds the following three consistency rules.

The core statistical structure of the GFFS for external financial positions and flows focuses on showing not only who does what, but also who does what with whom. This paper recommends that the GFFS becomes part of the SNA in future to incorporate the from-whom-to-whom relationship as the main underlying principle for compiling and disseminating external financial positions and flows.

The advantage of using IMF and BIS data to compile a GFF matrix within the integrated SNA framework (as opposed to using fragmentary data from different sources) is that such a framework ensures data consistency for all entities and for all economic flows and positions, and thus allows for a systematic understanding of the relationships between economic flows in the real and the financial spheres; financial interconnectedness; and linkages between the domestic economic and external economic matrices (e.g., between savings-investment, financial surplus or deficit, or balance of payment and international capital flows).

Finally, according to the statistical framework, this paper gave an example, clarified the GFF matrices methodology, and outlined the specific data sources. This paper uses a sample of 11 countries that including China to illustrate the actual establishment of the proposed GFF matrix method and summarized the specific source of the data. Influence coefficients of assets and sensitivity coefficients of liabilities calculated using the GFF matrix revealed the foreign financing situation of countries and the proportion and relationship in the international financial market.

This paper suggests that, considering the difficulties countries are likely to face in compiling GFF accounts, implementation could occur in steps depending on a country's current statistical development status, resource requirements, and analytical and policy needs. As GFF statistics are established and perfected in the future.