

Measuring Global Flow of Funds and Integrating Real and Financial Accounts

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Paper Abstract:

The main purpose of this paper is to measure Global Flow of Funds (GFF) and apply it to regular monitoring of GFF. Rapid financial globalization has brought benefits from a more efficient intermediation of funds, but it has also increased vulnerabilities from the impact of external shocks into domestic economies and sectors. On the other hand, an awareness of the issues that by the existing statistical data can't control a risk of being inherent in a financial system is internationally shared. Some previous researches have carried out in discussion about the basic concept of GFF and trying to make a statistical framework of GFF. And IMF's Statistics Department have already organized seven economies with systemically important financial centers to construct a global flow of funds mapping domestic and external capital stocks, geographically broken down, etc. This means that the measuring GFF is not only for theoretical methods, but also into the stage of statistical practice.

This paper focused on three main problems on GFF. That is, the definition of GFF, integrating GFF with SNA, data sources and approaches. The main contents of the paper are as follows. Since the definition of GFF is concerned with the range of the measuring, it is necessary to clarify the concept and definition theoretically. Based on this definition, clarify the statistical framework for measuring GFF; integrate the systematic relationship of financial inter-linkages which are reflected in the Balance of Payments(BOP), International Investment Position (IIP), in the "rest-of-the-world" account of the National Accounts (SNA), and the Balance Sheet. And sets out on the GFF's concepts and existing data sources to construct an external statistics' matrix (metadata) exercise shows what external sector financial data are available by GFF concept. The main outcome is a prototype template of stock and flow data, geographically broken down by national/regional economies.