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FINANCIAL ACCOUNTS FOR ARGENTINA, BRAZIL, CHINA, INDIA AND INDONESIA: ISSUES AND CHALLENGES

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This document has been prepared by Daniele Fano, Abhishek Gon and Belén Zinni (Pioneer Investments, UniCredit Group and University of Rome Tor Vergata (Financial Accounts course) and will be presented under item 7 of the draft agenda

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Financial Accounts for Argentina, Brazil, China, India and Indonesia: issues and challenges

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Official financial accounts in Argentina, Brazil, China, India and Indonesia are mostly incomplete or not available. The present study aims, first, to document the progress in the implementation of Financial Accounts in these countries; second, to start filling these gaps by ranking, assessing and collecting other official and non-official data.

We base our analysis on the SNA 1993 and 2008 definitions, where financial flows are recorded in the **Financial Account** and financial stocks are recorded in financial section of the **Balance Sheet**. Not all the sources ranked in the tables use a terminology that is SNA compliant. Whenever possible we translate the items in accordance with the SNA definitions (in some cases data are available under the IMF breakdown).

In Table 1 (Financial flows) and Table 2 (Financial stocks) at the end of this document, we rank our sources by degree of completeness and quality as follows:

- 1 – Financial Accounts (*flows*) and Financial Balance Sheets (*stocks*):** we document the availability of these accounts.
- 2 – Partial official data:** it refers to the existence of partial data on financial flows and stocks at the *Central Banks, National Statistics Offices, Regulating Authorities* (e.g. Pension Funds and Insurance Companies regulators, etc) and *Other Government Sources* such as Ministries, Secretariats and Other Government Agencies.
- 3 – Partial counterpart or non-official data:** these comprise data provided by *Professional Associations* such as Mutual Funds Associations, Pension Funds Associations, Banking Associations, etc.
- 4 – International sources:** partial data available in databases published by OECD (e.g. Pensions databases), IMF, World Bank and other international organizations. These data could help to cover or construct just one or maybe more asset categories comprised in Financial Accounts and Financial Balance Sheets.
- 5 – Approximations:** data approximated on the basis of available partial official data and the existing economic and business literature.
- 6 – Estimates:** regression-based estimations are needed whenever the above sources are unavailable or unsatisfactory in order to obtain estimates of the required balancing items.

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Symbols:

P - Full availability of data: covering both all asset categories and all institutional sectors as defined in the System of National Accounts (SNA) 1993 and 2008 guidelines.¹

≈ - Partial availability of data: covering some (not all) asset categories and/or some (not all) institutional sectors

0 - No availability of data: neither for any asset category nor for any institutional sector

u - Under investigation.

(1) Notes on data sources for financial flows:**Argentina.**

1 – **Financial accounts** containing data on financial flows are not constructed in this country.

2 – Partial official data.

National Statistics Office: INDEC (Instituto Nacional de Estadísticas y Censos) publishes data on external financial flows recorded in the Balance of Payments of the banking sector, the public sector and the private sector. See <http://www.indec.gov.ar/>

Regulators: the balance sheet of insurance companies recorded by the Superintendencia de Seguros de la Nación (SSN) contains annual flows of life insurance technical reserves that can be recorded as *Net equity of households in life insurance reserves* in the financial account of the household sector.²

Other government sources: Secretaría de Hacienda, Ministerio de Economía y Finanzas Públicas, publishes the monthly fiscal bulletin (*Boletín Fiscal*) containing data on total government revenues, total government expenditure and primary public deficit/surplus, to be recorded in the financial accounts (flows) of the general government. See <http://www.mecon.gov.ar>

3 – **Partial counterpart data.** There are not public available data on financial flows in any Professional Association.

4 – International sources.

World Bank: the database on financial institutions indicators by Thortsen Beck and Asli Demirgüç-Kunt published by the World Bank records data on life insurance premiums volume over GDP.³ See <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,,contentMDK:20696167~pagePK:64214825~piPK:64214943~theSitePK:469382.00.html>

¹ The institutional sectors are: Non-financial corporations, Financial corporations, General Government, Households, Non-profit institutions serving households and Rest of the world.

² The balance sheets of the insurance companies are not public and were obtained under specific requirement to the SSN.

³ According to the SNA 1993 and SNA 2008 guidelines, life insurance premiums are necessary but not sufficient for constructing the item Net equity of households in life insurance reserves (flows). See para. 11.90 and 11.91 for further details on the construction of financial transactions to be recorded in this item.

The World Development Indicators database publishes public deficit/surplus of the government sector for a few years. See <http://databank.worldbank.org/ddp/home.do>

IMF: the International Financial Statistics database published by the IMF provides data on the external financial transactions of the monetary authorities, the financial sector, public sectors and the rest of the economy.⁴ See <http://www.imf.org/external/data.htm>

Other: ASSAL (Asociación de Supervisores de Seguros de América Latina) publishes data on premiums and costs concerning life insurance policies in Argentina.⁵ See <http://www.assalweb.org/>

Brazil.

1 – **Financial accounts** containing data on financial flows are not available in this country. Official communications from the Central Bank of Brazil and IBGE (National Statistics Office of Brazil) confirm that these accounts should be available by 2012.

2 – **Partial official data.**

Central Bank: it publishes the item net lending/net borrowing concerning the financial flows of the government sector; this institution also publishes the balance of payments containing external financial transactions of the Brazilian economy. See <http://www.bcb.gov.br>

National Statistical Office: IBGE (Instituto Brasileiro de Geografia y Estatística) records data on net lending/net borrowing of each institutional sector derived from the capital accounts. It also records data on government sector revenues and expenditure but for few years.

See <http://www.ibge.gov.br/home/estatistica/economia/contasnacionais/2008/default.shtm>

Regulators: Secretaria de Previdência Complementar, Ministério da Previdência Complementar, publishes data on total contributions to and benefits paid by pension funds in Brazil.⁶

See http://www1.previdencia.gov.br/pg_secundarias/previdencia_complementar.asp

3 – **Partial counterpart data.** There are not public available data on financial flows in any Professional Association.

4 – **International sources.**

OECD: contributions, benefits and operating expenses by pension funds are available for very few years in the Pensions statistics database in the OECD website. See <http://stats.oecd.org/index.aspx?r=375036>

World Bank: the database on financial institutions indicators by Thortsen Beck and Asli Demirgüç-Kunt published by the World Bank records data on life insurance premiums volume over GDP. The World Development Indicators database publishes public deficit/surplus and net lending/net borrowing of the government sector for a few years.⁷

⁴ It is important to stress that these statistics are in accordance with the Balance of Payments manual of 1993, IMF.

⁵ As it was stressed above, premiums and costs are necessary but not sufficient to construct the item Net equity of households in life insurance reserves (flows). See para. 11.90 and 11.91 for further details on the construction of financial transaction data to be recorded in this item.

⁶ Pension funds named *Entidades Fechadas de Previdência Complementar (EFPC)*. This item does not include other type of pension funds named *Entidades Apertas de Previdência Complementar (EAPC)*.

⁷ See the comments presented before about these data and the websites where they are available.

IMF: the International Financial Statistics database published by the IMF provides data on the external financial transactions of the monetary authorities, the financial sector, public sectors and the rest of the economy.⁸ See <http://www.imf.org/external/data.htm>

Other: ASSAL (Asociación de Supervisores de Seguros de América Latina) publishes data on premiums and costs concerning life insurance policies in Brazil.⁹ See <http://www.assalweb.org/>

China.

1 – **Financial accounts** containing data on flow of funds are constructed by the People’s Bank of China providing us with data only for Monetary Authorities and Other Depository Corporations. See <http://www.pbc.gov.cn>

2 – **Partial official data:** Under Investigation.

3 – **Partial counterpart data:** Under Investigation.

4 – **International sources.:** Under investigation.

India.

1 – **Financial accounts** containing data on financial flows are constructed and available by the Reserve Bank of India (RBI). <http://rbi.org.in>

Data are available both item-wise and sector-wise for all 5 sectors. Translations for each items has been done to correspond them with SNA definitions for China, India & Indonesia.

As well known, there is not a full matching between SNA approach and Flow of Funds approach. Furthermore, RBI provides data beyond the SNA definitions such as a full “From whom to whom” Flow Matrix.

Indonesia.

1 – **Financial accounts** containing data on flow of funds are constructed by the Central Bureau of Statistics –Indonesia, (*Budan Pusat Statistik*). See <http://www.bpr.go.id>

Flow of Funds provide us with 4 sectors item-wise financial flows. Households and Non-Financial Corporations are grouped as Other Non-Financial Domestic Sectors.

2 – **Partial official data:** Under investigation.

⁸ These statistics are in accordance with the Balance of Payments manual of 1993, IMF.

⁹ As it was stressed above, premiums and costs are necessary but not sufficient to construct the item Net equity of households in life insurance reserves (flows). See para. 11.90 and 11.91 for further details on the construction of financial transaction data to be recorded in this item.

3 – **Partial counterpart data.**: Under investigation.

4 – **International sources.**: Under investigation.

(2) **Notes on data sources for *financial stocks*:**

Argentina.

1 – **Financial Balance Sheets** containing data on financial stocks are only constructed for the financial corporations sector by the Central Bank of Argentina. However, its structure does not follow any set on international guidelines. See <http://www.bcra.gov.ar/>

2 – **Partial official data.**

Central Bank: as it was said above, this institution records the Consolidated Balance Sheet of financial corporations but its structure does not follow any set of international guidelines.

National Statistics Office: INDEC records data on the International Investment Position of public sector, financial private sector and non financial private sector in Argentina. See <http://www.indec.gov.ar/>

Regulators: Superintendencia de Seguros de la Nación (SSN) construct the balance sheets of the insurance companies operating in Argentina (not public); Net equity of households in pension funds reserves can be obtained from ex-SAJP (ex Superintendencia de Administradoras de Fondos de Jubilaciones y Pensiones).¹⁰

Other government sources: Secretaría de Hacienda and Secretaría de Finanzas, Ministerio de Economía y Finanzas Públicas, publishes the amount of total national public debt. See <http://www.mecon.gov.ar>

3 – **Partial counterpart data.** Asociación Argentina de Compañías de Seguros publishes the amount and structure of financial assets and liabilities of their associates. See <http://www.aacs.org.ar/>. Cámara Argentina de Fondos Comunes de Inversión records data on mutual funds shares held by institutional investors and households separately.¹¹

4 – **International sources.**

IMF: the database International Financial Statistics (IFS) records data on the International Investment Position (IIP) of the total economy in Argentina. See <http://www.imf.org/external/data.htm>. The Historical Public Debt Database by Abbas et.al. (2010) published by the IMF contains time series data on the public debt of Argentina as a percentage of GDP.

See <http://www.imf.org/external/pubs/cat/longres.cfm?sk=24332.0>

Other: ASSAL (Asociación de Supervisores de Seguros de América Latina) publishes data on net equity of household in life insurance reserves in Argentina. See <http://www.assalweb.org/>. CEPALSTAT, database of

¹⁰ As it was said before, the balance sheets of the insurance companies are not public and were obtained under specific requirement to the SSN. The social security system of Argentina was reformed in December 2008. This reform eliminated the already existing funded (capitalization) scheme managed by private companies –pension funds regulated by the SAFJP- which was completely absorbed by the pay-as-you-go scheme currently managed by ANSES (Administración Nacional de la Seguridad Social). Pension funds balance sheets are not publicly available anymore. The statistics describe above were obtained under specific requirement to ANSES.

¹¹ These data are not public and were obtained under specific requirement to the institution.

CEPAL (Comisión Económica para América Latina y el Caribe) publishes data on public sector debt (central, and state and local government) in Argentina.

See <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas&idioma=i>

Brazil.

1 – **Financial Balance Sheets** containing data on financial stocks are not constructed in Brazil. As in the case of the financial account recording financial transactions, official communications from the Central Bank of Brazil and IBGE (National Statistics Office of Brazil) confirm that these accounts will be available by 2012.

2 – Partial official data.

Central Bank: this institution records data on time deposits holdings by the household sector in Brazil; the same institution records the stock of loans as claims on the household sector; the Central Bank also reports the time series of the stock of public debt in this country. See <http://www.bcb.gov.br/>

Regulators: Superintendência de Seguros Privados (SUSEP), authority regulating the activity of insurance companies in Brazil, records data on Net equity of households in life insurance reserves. See <http://www.bcb.gov.br/>. The Comissão de Valores Mobiliários (CVM) regulates the mutual funds industry and records data the balance sheet of each mutual fund company operating in Brazil. See <http://www.cvm.gov.br/>. Secretaria de Previdência Complementar, Ministério da Previdência Complementar, publishes data on total assets of pension funds in Brasil.¹²

See http://www1.previdencia.gov.br/pg_secundarias/previdencia_complementar.asp

3 – **Partial counterpart data.** ABRAPP (Associação Brasileira das Entidades Fechadas de Previdência Complementar) provides data on the Net equity of households in pension funds reserves. See <http://www.abrapp.org.br>. ANBIMA (Associação Brasileira das Entidades dos Mercados Financeiros e de Capitais) records data on the net asset value of equities of mutual funds in Brasil. See <http://www.anbima.com.br/>. FEBRABAN (Federação Brasileira de Bancos) publishes main aggregates of the balance sheet of each bank that operates in Brazil. See <http://www.febraban.org.br/>.¹³

4 – International sources.

World Bank: the World Development Indicators (WDI) records data on central government debt in Brazil for a few years. See <http://databank.worldbank.org/ddp/home.do>

IMF: the database International Financial Statistics (IFS) records data on the International Investment Position (IIP) of the total economy in Brazil. See <http://www.imf.org/external/data.htm>. The Historical Public Debt Database by Abbas et.al. (2010) published by the IMF contains time series data on the public debt of Brazil as a percentage of GDP.

See <http://www.imf.org/external/pubs/cat/longres.cfm?sk=24332.0>

¹² Pension funds named *Entidades Fechadas de Previdência Complementar (EFPC)*. This item does not include other type of pension funds named *Entidades Apertas de Previdência Complementar (EAPC)*

¹³ FEBRABAN cites the Central Bank of Brazil as a source of the their data. However, these data are not reported in the website of the Central Bank of Brazil.

Other: CEPALSTAT, database of CEPAL (Comisión Económica para América Latina y el Caribe) published data on public sector debt (central, state and local government) in Brazil. See <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas&idioma=i>

China.

1 – **Financial Balance Sheets** containing data on financial stocks are constructed by the People’s Bank of China, providing us with data only for Monetary Authorities and Other Depository Corporations. See <http://www.pbc.gov.cn>

2 – **Partial official data:** Under Investigation.

3 – **Partial counterpart data:** Under Investigation.

4 – **International sources.**

IMF: the database International Financial Statistics (IFS) records data on the International Investment Position (IIP) of the total economy in China. See <http://www.imf.org/external/data.htm>. The Historical Public Debt Database published by the IMF contains time series data (1984 to 2009) on the public debt of China as a percentage of GDP.

See <http://www.imf.org/external/pubs>.

Note: Other International Sources are still under investigation.

India.

1 – **Financial Balance Sheets** containing data on financial stocks are not provided by the Reserve Bank of India.

2 – **Partial official data.**

Regulators: the Mutual Fund Regulatory body (AMFI) containing data on Mutual Funds for Households and Financial Corporations sectors. See http://amfiindia.com/AUMReport_Frm_Po.aspx?rpt=fwise
Insurance Regulatory body of India (IRDA) provide us with their Annual reports where we can find the balance sheets for the household sectors investment in insurance funds.

See http://www.irda.gov.in/ADMINCMS/cms/frmGeneral_NoYearList.aspx?DF=AR&mid=11.1

3 – **Partial counterpart data.** IIEF (Invest India Economic Foundation) provides data on pension funds to be recorded as Net equity of households in pension funds reserves. <http://www.iief.com/>

4 – **International sources.**

World Bank: the World Development Indicators (WDI) records data on central government debt in India. <http://databank.worldbank.org>

IMF: the database International Financial Statistics (IFS) records data on the International Investment Position (IIP) of the total economy. See <http://www.imf.org/external/data.htm>. Figures for Government Sector are also available. Complete Public Debt time series database available since 1949.

Indonesia.

1 – **Financial Balance Sheets** containing data on financial stocks are not provided by the Central Bank of Indonesia.

2 – **Partial official data:** Under investigation.

3 – **Partial counterpart data.:** Under investigation.

4 – **International sources.**

IMF: the database International Financial Statistics (IFS) records data on the International Investment Position (IIP) of the total economy of Indonesia. See <http://www.imf.org/external/data.htm>. Public Debt database available from 1971.

Tables.*Table 1. Ranking different data sources of financial flows.*

Rank	Sources	Argentina	Brazil	China	India	Indonesia
1	Financial Accounts - Flows	X	X	≈	P	P
2	Partial Official Data					
	Central Bank	X	≈	≈		≈
	National Statistics Office	≈	≈	≈		≈
	Regulators	≈	≈	U		U
	Other government sources	≈	X	X		X
3	Partial Counterparty Data					
	Trade associations	X	X	U		U
4	International Sources	≈	≈	≈	≈	≈
5	Approximations	U	U	U		U
6	Estimations	U	U	U	U	U

Table 2. Ranking different data sources of financial stocks.

Rank	Sources	Argentina	Brazil	China	India	Indonesia
1	Financial Balance Sheet - Stocks	≈	X	≈	X	X
2	Partial Official Data					
	Central Bank	≈	≈	≈	X	X
	National Statistics Office	≈	X	U	X	X
	Regulators	≈	≈	U	≈	U
	Other government sources	≈	X	X	X	X
3	Partial Counterparty Data					
	Trade associations	≈	≈	U	≈	U
4	International Sources	≈	≈	≈	≈	≈
5	Approximations	≈	≈	U	U	U
6	Estimations	U	U	U	U	U