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**PROGRESS REPORT ON THE OECD FINANCIAL ACCOUNTS DATABASES:  
CURRENT SITUATION AND REPLIES TO THE QUALITY SURVEY**

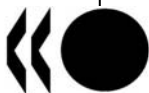
**To be held on 13-14 October 2008  
Tour Europe, Paris la Défense  
Beginning at 9:30 a.m. on the first day**

*This document has been prepared by Michèle Chavoix-Mannato, OECD and will be presented under item 1 of the draft agenda*

For further information please contact:  
Michèle Chavoix-Mannato  
E-mail: [michele.chavoix-mannato@oecd.org](mailto:michele.chavoix-mannato@oecd.org)

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## **PROGRESS REPORT ON THE OECD FINANCIAL ACCOUNTS DATABASES:**

### **CURRENT SITUATION AND REPLIES TO THE QUALITY SURVEY**

#### **I. INTRODUCTION**

1. The main objectives of this document are:

- To thank all delegates and countries' experts for the work carried out during the past year so that the quality of the OECD database on Financial Accounts and Financial Balance Sheets can be improved;
- To inform delegates to the Working Party on Financial Statistics (WPFS) about the situation concerning the Financial Accounts databases;
- To present the results of the quality survey launched during the Summer 2008
- To discuss possible changes in the publication of financial accounts data.

#### **II. COLLECTION AND DISSEMINATION OF ANNUAL FINANCIAL ACCOUNTS**

##### ***II.1 General remarks***

2. The Financial Accounts and Financial Balance Sheets databases contain data for all OECD Member countries except for Iceland and New Zealand. Table 1 summarises the current situation (as of 15 September 2008) with respect to dissemination of flows (in Tables 610 and 620) and stocks (in Tables 710 and 720) up to 2006 and with respect to reception of 2007 data. In 2007, financial accounts data have been published electronically, both on OECD.Stat as soon as data were received, processed and validated (between August 2007 and April 2008), and on Source OECD. A CD-Rom and a printed publication have been prepared and disseminated in April and June 2008 respectively.

3. While improvements have been made in 2007 by

- ♦ Austria (with the provision of historical data as from 1980 for the sector S14-S15),
- ♦ the Czech Republic (with the provision of consolidated data for the sector S13 and its components in addition to non-consolidated accounts provide for all sectors),
- ♦ Switzerland (with the provision of non consolidated financial flows for sector S13 and components, and for sector S14-S15 in addition to non consolidated financial stocks for all sectors),

a few shortcomings regarding

- ♦ the sectoral coverage (only S13 and sub-sectors for Luxembourg, only S121 and S122 for Turkey),
- ♦ the time coverage (Ireland, Korea, Mexico, Switzerland and Turkey for which data are available for 5 to 10 years only)

- ♦ and the timeliness (Japan, Mexico and Switzerland up to 2005 only)

remains in the transmission of data.

4. Regarding most EU countries, both consolidated and non-consolidated data have been transmitted. The Czech Republic, Ireland, and the United Kingdom provide non-consolidated accounts; however, for the sector S13 and its components, the Czech Republic, Ireland and Luxembourg transmit consolidated data.

5. Among non-EU countries, Australia sends consolidated accounts only; Korea, Mexico, Norway and Turkey send both forms of accounts; Canada, Japan, Switzerland and the United-States have non-consolidated data. The United-States, however, provide consolidated data for S13 and its components instead of non-consolidated data. Moreover, Canada has just transmitted a set of consolidated data for the public sector (S13 and sub-sectors), for the first time in September 2008. Switzerland will provide consolidated S13 flows and stocks in February 2009.

## ***II.2 Timeliness of financial accounts***

6. Generally speaking, timeliness has much improved: as a consequence of new rules set up for the European Union, eleven EU countries have sent their data, up to 2007, within a 7-month delay. As of 10 September, nine countries had not yet transmitted any updates of their accounts: Austria, the Czech Republic, Germany, Hungary, Luxembourg, Netherlands, Poland and the Slovak Republic.

7. The 2008 questionnaire for collecting 2007 data on non-European countries was sent out on 28 May 2008. The deadline was 31 August 2008. Six over the nine non European countries have sent their tables with data up to 2007, before the end of August as requested. For Japan, only 2006 data have been received and 2007 data will not be available before February 2009. Australian and Swiss financial accounts have not yet reached the OECD. Unfortunately, Switzerland made less progress than they expected in September 2007 and informed OECD that most 2006 data, plus 2007 data for sector S14-S15, will be sent in November 2008.

Table 1: Inventory of Financial Accounts and Financial Balance Shhets (as of 18 September 2008)

		610 (transactions)	620 (transactions)	710 (stocks)	720 (stocks)
		Consolidated	Non-consolidated	Consolidated	Non-consolidated
<b>Australia</b>	Data published in 2007-2008 <i>new data not yet received</i>	1988-2006		1987-2006	
<b>Austria</b>	Data published in 2007-2008 <i>new data not yet received</i>	1996-2006	1996-2006	1995-2006	1995-2006
<b>Belgium</b>	Data published in 2007-2008 <i>new data received in Apr 2008</i>	1994-2006 1994-2007	1994-2006 1994-2007	1994-2006 1994-2007	1994-2006 1994-2007
<b>Canada</b> <i>All sectors S13 and components only</i>	Data published in 2007-2008 <i>new data received in Aug 2008 new data received in Sept 2008</i>		1970-2006 1970-2007		1970-2006 1970-2007
<b>Czech Republic</b> S13 and components only	Data published in 2007-2008 <i>new data not yet received</i>	2003-2006	1993-2006	2003-2006	1994-2006
<b>Denmark</b>	Data published in 2007-2008 <i>new data received in July 2008</i>	1995-2006 1995-2007	1995-2006 1995-2007	1994-2006 1994-2007	1994-2006 1994-2007
<b>Finland</b>	Data published in 2007-2008 <i>new data received in July 2008</i>	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007
<b>France</b>	Data published in 2007-2008 <i>new data received in May 2008</i>	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007
<b>Germany</b>	Data published in 2007-2008 <i>new data received in Sept 2008</i>	1991-2006 1995-2007	1991-2006 1995-2007	1991-2006 1995-2007	1991-2006 1995-2007
<b>Greece</b>	Data published in 2007-2008 <i>new data received in Apr 2008</i>	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007
<b>Hungary</b>	Data published in 2007-2008 <i>new data not yet received</i>	1990-2006	1990-2006	1989-2006	1989-2006
<b>Ireland</b>	Data published in 2007-2008 <i>new data received in May 2008</i>	1999-2006 1999-2007	1999-2006 1999-2007	1998-2006 1999-2007	1998-2006 1999-2007
<b>Italy</b>	Data published in 2007-2008 <i>new data received in July 2008</i>	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007
<b>Japan</b>	Data published in 2007-2008 <i>new data received in Sept 2008</i>		1990-2005 2005-2006		1980-2005 2005-2006
<b>Korea</b>	Data published in 2007-2008 <i>new data received in Aug 2008</i>		2003-2006 2003-2007		2002-2006 2002-2007
<b>Luxembourg</b> <i>S13 and components only</i>	Data published in 2007-2008 <i>new data not yet received</i>	1995-2006		1995-2006	1995-2006
<b>Mexico</b>	Data published in 2007-2008 <i>new data received in Aug 2008</i>	1998-2005 2005-2007	1998-2005 2005-2007	1997-2005 2005-2007	1997-2005 2005-2007
<b>Netherlands</b>	Data published in 2007-2008 <i>new data not yet received</i>	1990-2006	1990-2006	1990-2006	1990-2006
<b>Norway</b>	Data published in 2007-2008 <i>new data received in May 2008</i>	1996-2006 1996-2007	1996-2006 1996-2007	1995-2006 1995-2007	1995-2006 1995-2007
<b>Poland</b>	Data published in 2007-2008 <i>new data not yet received</i>	1995-2006	1995-2006	1995-2006	1995-2006
<b>Portugal</b>	Data published in 2007-2008 <i>new data received in May 2008</i>	1995-2006 1998-2007	1995-2006 1998-2007	1995-2006 1997-2007	1995-2006 1997-2007
<b>Slovak Republic</b>	Data published in 2007-2008 <i>new data not yet received</i>	1995-2006	1995-2006	1995-2006	1995-2006
<b>Spain</b>	Data published in 2007-2008 <i>new data received in Jun 2008</i>	1990-2006 1990-2007	1990-2006 1990-2007	1990-2006 1990-2007	1990-2006 1990-2007
<b>Sweden</b>	Data published in 2007-2008 <i>new data received in Apr 2008</i>	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007	1995-2006 1995-2007
<b>Switzerland</b> <i>Flows: S13 up to 2005 and S14- S15 up to 2006 only</i>	Data published in 2007-2008 <i>new data not yet received</i>		2000-2005		1999-2005
<b>Turkey</b> <i>S121 &amp; S122 only</i>	Data published in 2007-2008 <i>new data received in Aug 2008</i>	2003-2006 2003-2007	2003-2006 2003-2007	2002-2006 2002-2007	2002-2006 2002-2007
<b>United Kingdom</b>	Data published in 2007-2008 <i>new data received in Mar 2008</i>		1987-2006 1995-2007		1987-2006 1995-2007
<b>United States</b>	Data published in 2007-2008 <i>new data received in Jun 2008</i>		1950-2006 1950-2007		1950-2006 1950-2007

### III. QUALITY SURVEY

#### *III.1 Background*

8. The improvement of the quality of the OECD analytical work and of the statistics that underpin that work is a continuous process, and one of the main objectives of the Statistics Strategy, launched by the OECD in 2001, is the enhancement of the quality of OECD statistics. The OECD Quality Framework for OECD Statistical Activities<sup>1</sup> defines eight dimensions of quality: relevance, accuracy, credibility, timeliness, accessibility, interpretability, coherence, cost-efficiency.

9. While the statisticians in charge of the “Financial Accounts and Financial Balance Sheets” databases devote a large part of their time to improve their quality, the adoption of a formalised approach to quality for statistics can bring important benefits, in particular by providing a systematic mechanism for ongoing identification and resolution of quality problems and by giving a better transparency to the processes used by the OECD to assure quality.

10. Therefore, in accordance with the OECD Statistical Guidelines, the STD/NAD Secretariat<sup>2</sup> has conducted, during the summer 2008, a Quality Review of the “Financial Accounts and Financial Balance Sheets Databases and Publications” which were created in 2003, and are carried out in the OECD Statistics Directorate, under the auspices of the OECD Working Party on Financial Statistics (WPFS) of the Committee on Financial Markets (CMF).

11. A core part of the Quality Survey Review is a survey of users, which was sent to:

#### **External users:**

- members of the Working Party on Financial Statistics (WPFS)
- other official contacts in OECD countries, generally correspondents of the current data collection
- customers and subscribers of the OECD FA & FBS databases/publications
- a selection of other external users

#### **Internal users:**

- STD
- DAF
- ECO

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<sup>1</sup> See <http://www.oecd.org/dataoecd/26/42/21688835.pdf>

<sup>2</sup> Michèle Chavoix-Mannato, Head of the Financial Statistics Section in STD/NAD (National Accounts Division) in conjunction with Isabelle Ynesta, from STD/NAD

12. In the Quality Review of the “Financial Accounts and Financial Balance Sheets Databases and Publications”, the following criteria have been retained, while some others have been considered as not essential:

Criteria retained:

- *Relevance*, which is the degree to which the data serves to address the purposes for which they are sought by users.

Regarding FA & FBS, one additional aspect is specifically submitted to users but also to producers: would an extension of the databases regarding the two additional accumulation sub-accounts be useful and feasible?

- *Accuracy*, which refers to the degree to which the data correctly describe the characteristics they are designed to measure. This criterion refers to the full coverage of assets and liabilities in the context of FA & FBS.
- *Timeliness*, which is an essential dimension of quality for users; efforts will be made to reduce the delay between the reference period and the OECD dissemination.
- *Accessibility*, which reflects how readily the data can be located and accessed by internal and external users. The review should determine if the situation is adequate in this respect.
- *Interpretability*, which reflects essentially if adequate metadata is delivered alongside the data itself. The review will explore whether additional metadata would be useful.
- *Coherence between countries*, which implies that data are based on common definitions, classifications and methodology. The review will explore possible defects in international comparability in the data. In particular, two aspects will more specifically refer to the coherence with the System of National Accounts, in particular in the case of non-EU countries:
  - regarding the definition and classification of assets and liabilities,
  - regarding the accounting rules for financial transactions.

Criteria not retained:

- *Credibility*, which refers to the confidence that users place in the data. In the context of FA & FBS, it is not essential to consider this dimension.
- *Cost-efficiency*, which is a measure of the costs and provider burden relative to the output. This criterion will not be analyzed here, as it essentially relates to the burden born by the provider of the data.

### III.2 Summary of the replies

13. Among the long list of users to which the survey has been sent, only twenty<sup>3</sup> have sent a reply. These twenty responses come solely from official users/producers, either national contacts for the databases, or members of the WPFS. No external users (customers, subscribers and ad hoc) and no OECD internal users have taken time to reply to the survey yet. Three respondents sent back a totally empty survey, three replied to less than 10 questions.

14. Among the respondents which all are official representatives either from Central Banks or from National Statistical Offices, very few persons seem to know that they can access the whole databases via OLIS. As a consequence, they access either a selection of data only, which are called “Core data” and are limited to two sectors S13 and S14-S15 (via <http://stats.oecd.org/wbos/Index.aspx> named OECD.Stat Extracts) or a complete version of the OECD databases, named Beta Version (via <http://stats.oecd.org/wbos/Index.aspx?usercontext=sourceoecd>).

15. Nevertheless, as a general remark, respondents of the survey, who access the OECD databases with a frequency from once a year to once a month, are satisfied with the product that the OECD proposes and most of them use these data to carry out international comparisons. All users of the printed publication or of the electronic products are satisfied with their presentation; however, because some of the users of OECD.stat can access the “Core data” only, they asked for a total coverage of the data (all sectors and sub-sectors and all years available in the database).

16. Considering the criteria mentioned above, the main results can be summarized as follow:

- **Relevance**

- *Current use of OECD data*

While most users are satisfied with data in national currencies, seven convert them into either Euros (including for non European countries), or US dollar and eleven derive numerous indicators from financial accounts and financial balance sheet data for their own needs.

- *Use of other sources*

Twelve respondents use other sources regarding financial transactions and stocks, mainly the Eurostat database (NewCronos), but also national websites, either to obtain additional information (more recent data, more detailed data, quarterly data) or to find data relating to EU countries which are not OECD countries, or to compare and check data provided by various International organisations.

- *Proposals*

- Half of the countries are interested in non-OECD countries, mainly emerging economies, and four of them would appreciate if the OECD database also contains data on these countries (in particular, China, India, Russia and Brazil, but also South Africa and other South American countries).

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<sup>3</sup> Austria, Belgium, Denmark, France, Germany, Italy, Korea, Mexico, Netherlands, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey and Eurostat (see ANNEX 1)

- Regarding derived series to be included in the OECD databases, most respondents would like to find a number of ratios, such as the indicators proposed in the survey, plus a list of additional ratios and graphs. (see paragraph IV below)

- Only three countries need longer time series, as long as possible but at least from 1980 onwards.

- The two accumulation sub-accounts, 'Other changes in volume' and 'Revaluation' accounts, are considered as very useful to contribute to a better understanding of the difference between changes in stocks and transactions and to be able to analyse the impact of the revaluations accounts in the balance sheet accounts.

- **Accuracy**

- *Instrument coverage*

All respondents to the survey consider useful that the Financial Accounts databases systematically cover data on all assets and all liabilities as described in the SNA93. However, even if most of them are the OECD official contacts regarding these databases, this consideration does not mean that all national financial accounts include information on all financial instruments

- *Consolidation*

- Nearly all users find it very important that all sectors and sub-sectors are available on a non-consolidated basis in order to carry out various types of analyses (including the flows of funds and the various sources of financing) as well as to provide a picture of the real economy which is not encompassed with the consolidated data.

- Consolidated accounts of all sectors and sub-sectors are considered as necessary for ten respondents, while five find them very useful for a limited list of sectors (mainly for the General Government sector and its sub-sectors, and for the Financial Corporations sector and its sub-sectors). These consolidated data are needed for international comparisons, and for economic analyses (for example, on the financing of sectors and its origin and on intra-group operation).

- Overall, the combination of both consolidated and non-consolidated financial accounts is judged as very helpful.

- **Accessibility**

A large majority of respondents easily find the data they are looking for on the OECD Website. However, as appears from the answers, the link to be used by official national institutions and any members of these institutions to access OECD.Stat is not well known. Some users find data relating to two sectors only (S13 and S14-S15) and/or for a limited period, which corresponds to the default table (Core data) shown on the Website.

More information or training to help users seems necessary at this stage and might be organised during a special session in the second day of the WPFS meeting (common day with the WPNA meeting) with the aim of explaining delegates how to use OECD.Stat and manipulate data in this OECD statistical portal.

- **Interpretability**



A very large majority of users can easily access the methodological information related to the Financial Accounts databases. However, less than a half of them do use it. Additional metadata would be useful on the national compilation methods and the deviation from the SNA, on the accounting rules and on valuation.

- **Coherence**

Nearly all respondents recommend that:

- the definition and classification of assets and liabilities of OECD financial accounts and financial balance sheets databases correspond more precisely to the SNA concepts, at least when it makes sense and when it is available in countries;

- the accounting rules regarding the valuation of assets and liabilities strictly correspond to the SNA rules (i.e market values), except for those which are not at market prices by definition.

17. A deeper analysis of the replies and conclusions to be drawn from them will be prepared and presented at the CSTAT (Committee of Statistics) and the CMF (Committee on Financial Markets). However, the summary of discussions during the WPFS meeting on the future content of these databases and presentation within related publications will be added and will serve as a basis for the final decisions by both committees.

#### **IV. SELECTION OF PUBLISHABLE INDICATORS**

18. According to the results of the survey on the quality of OECD Financial Accounts and Financial Balance Sheets databases and publications, some changes in the databases themselves and in the printed version of the publications would be welcome.

19. The OECD began to publish the 'Financial accounts - Flows' and 'Financial balance sheets - Stocks' as from 2004. Recognising that officially published data are sometimes difficult to interpret and in order to better meet users' need and to deliver useful and relevant information to analysts and policy makers, the Secretariat was considering it important to look beyond the primary data currently published and to examine situations and trends more closely. The result of the survey confirms the need for changes.

20. Moreover, while elaborating its 2009-2010 Programme of Work, the Working Party on Financial Statistics considered as a high priority to be able to conduct comparisons across OECD countries on topics such as financing patterns, composition of assets and structure of the financial system.

21. The main aim of this project is therefore to agree on a list of indicators, internationally comparable and relevant, that the Secretariat would regularly compile and make available not only to OECD analysts and OECD Committees' experts, but also to policy-makers in OECD countries. These indicators based on financial account and financial balance sheet data would be shown in the OECD publications rather than the primary data. However, the original data would continue to be available on electronic formats and it might be proposed to attach a CD-Rom with these data to the new publication (with indicators and graphs).

22. In order not to duplicate work already done in countries and aware that such indicators are being developed by some OECD countries and internally used by official agencies, the OECD would like to benefit from work carried out by experts in this domain. If conclusions cannot be reached during the meeting, it might be envisaged to continue the discussion using the written procedure or by creating an Expert Group whose mission would be to help the Secretariat to determine the most relevant indicators to measure the financial wealth of OECD economies. (see a list of indicators in ANNEX 2)

## **V. CONCLUSIONS**

23. As every year, the main aim of this document is to make OECD countries conscious of the importance of the quality of the financial accounts data and metadata they provide so that a complete and comparable picture of the financial wealth of all institutional sectors in OECD countries as well as documented methodological information are made available to users of such data.

24. Depending on futures resources given to the Secretariat so that it can carry out this ambitious programme of work and depending on priorities elaborated by delegates of the WPFS and of the CMF (Committee on Financial Markets, which is the parent body of the WPFS), in particular in the context of the preparation of the 2009-2010 Programme of Work, the OECD will continue to spend time and energy as much as possible so that further improvements can be implemented to better meet the needs of both the OECD Secretariat and the countries themselves.

## ANNEX 1

## QUALITY REVIEW OF THE FINANCIAL ACCOUNTS AND FINANCIAL BALANCE SHEETS

## DATABASES AND PUBLICATIONS

*SUMMARY OF REPLIES*Respondents to the survey

Countries	Central Banks	Statistical Institutes	WPFS Member	Correspondent	External user
Australia					
Austria	X		X		
Belgium	X		X	X	
Canada					
Czech Republic					
Denmark		X	X		external user
Finland					
France	X				external user
Germany	X		X		external user
Greece					
Hungary					
Ireland					
Italy	X		X	X	external user
Japan					
Korea	X		X	X	
Luxembourg					
Mexico	X	X		X	
Netherlands		X	X		external user
Norway		X empty	X	X	producer only
Poland	X (quite empty)	X	X		
Portugal	X		X	X	
Slovak Republic	X		X		
Spain	X		X		external user
Sweden		X empty X empty	X X		no use no use
Switzerland	X		X	X	external user
Turkey	X		X	X	external user
United Kingdom					
United States					
Eurostat		X	X	X	

## ANNEX 2

## QUALITY REVIEW OF THE FINANCIAL ACCOUNTS AND FINANCIAL BALANCE SHEETS

## DATABASES AND PUBLICATIONS

*INDICATORS OR GRAPHS**DERIVED FROM FINANCIAL ACCOUNTS DATA****Replies to OECD proposals for international comparisons (in decreasing order)***

<i>Financial net worth, in dollars</i>	13	yes	3	no
<i>Total public debt (sector S13), as a % of GDP</i>	13	yes	3	no
<i>Gross financial wealth of households (sector S14 or S14-S15), as a % of GDI</i>	13	yes	3	no
<i>Share of some financial instruments in total household assets</i>	13	yes	3	no
<i>Net lending/Net borrowing, in dollars</i>	13	yes	3	no
<i>Net financial transactions, in dollars</i>	12	yes	4	no
<i>Share of some financial instruments in the gross public debt</i>	11	yes	5	no
<i>Share of government sub-sectors in the gross public debt</i>	9	yes	7	no

***Some other indicators/types of graphs proposed by users:***

Data in a common currency (Euros and/or US dollars)

Data as a % of GDP

Debt ratios of Households (as a % of GDP and/or as a % of GDI)

Debt ratios of Non-Financial Corporations (e.g. Debt-to-Equity)

Loans granted by financial institutions

For Gross public Debt (as a denominator): both nominal Maastricht definition and SNA definition

Graphs of shares of different instruments as % of National Accounts variables