

Financial Input-Output Table for Asia-Pacific Region

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Flow of Funds Accounts (FFA hereafter) refer to the statistics that describe how funds are transferred and where assets and liabilities exist in or outside a country from a bird's eye view. When it comes to global FFA, the bird raises the altitude to oversee the world as a whole so that cross-border transfer of funds and asset/liability relationship among countries. Although an original idea of global FFA had already been demonstrated by pioneers of FFA including Ishida (1993), recent currency and financial crises, in particular 2008 global financial crisis, has shed light on the usefulness of global FFA. Based on the fact that 2008 global financial crisis was caused by the inadequacy of statistical information on global financial economy, "The Financial Crisis and Information Gaps, IMF/FSB Report to the G-20" was published and it set the development of global FFA as a core in filling the gap between existing and necessary statistical information. The development of global FFA was pushed forward by the initiative of the International Monetary Fund (IMF hereafter), which monitors the global financial system. For example, Errico (2014) demonstrated the framework of global FFA using existing international statistics. The IMF has been working on the improvement of international statistics such as Coordinated Portfolio Investment Survey (CPIS hereafter) and Coordinated Direct Investment Survey (CDIS hereafter). Actual global FFA data, however, has not been produced yet mainly due to the absence of countries' Financial Input-Output (FIO hereafter) Tables or From-whom-to-whom FFAs, which are indispensable components of global FFA. It is expected that major countries will produce such tables in the near future to comply with IMF's Special Data Dissemination Standards plus. Under such circumstances, this paper tries to produce preliminary global FIO table focusing on Asia-Pacific region, which is a type of global FFA, and to identify its uses. The authors have exchanged the views with experts of the Bank of Japan, Bank of Korea, U.S. Federal Reserve Board and Statistics Canada, who are compilers of countries' FFA, as well as those of the IMF to discuss how to proceed. Based on such discussions, this paper discusses the method of converting countries' FFA into FIO and putting those FIOs, CPIS, CDIS and other international statistics into the framework of global FIO table. Then, it discusses the use of such table by applying the methods of input-output analysis.