Compilation and Use of International Financial Input-Output Table

Topic: Financial analysis
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The development of global Flow of Funds Accounts (FFA hereafter) has been primarily driven by the International Monetary Fund (IMF, hereafter), which is responsible for monitoring global financial system functions. For example, in line with the global FFA scheme of Errico et al. (2013, 2014), the IMF has worked on improving relevant international statistics, such as those of the Coordinated Portfolio Investment Survey (CPIS) and the Coordinated Direct Investment Survey (CDIS). Global FFAs, however, have not yet been produced, in a complete form mainly due to the absence of national â€œfrom-whom-to-whomâ€• FFAs to be combined as the integral segments of global FFAs. ã€€

Against this backdrop, this paper term global FFAs international financial input-output table (IFIOT hereafter) and produce trial estimates for the IFIOT covering multiple countries; it compiles and analyzes such accounts with a focus on the global financial crisis. we compile "from-whom-to-whom" financial tables for some countries, and combine these tables to generate a three-area international "from-whom-to-whom" financial table (in other words, IFIOT). Using inputâ€“output analysis method, the power-of dispersion indices in liability-oriented system and asset-oriented system are obtained.

Then, we discuss the potential use of an IFIOT. For example, At the 2023 International Input-Output Analysis Association Conference, we tried to analyze the monetary policies of the Federal Reserve Board (FRB hereafter) of the United States using three areas of IFIOT, induced net financial positions and net induced savings are calculated and decomposed by the FRB. At the conference, one participant cast a doubt about the treatment of excess assets and excess liabilities as exogenous sector, indicating that by expanding the country coverage, excess assets and excess liability become endogenous sector. Our reflection on above-mention problem is that the exaggeration is due to the treatment of treating the rest of the world as endogenous sector. As to the framework of IFIOT, we revisited the issue of how the rest of the world should be treated in the calculation of inverse matrices. Another participant suggested us to create the IFIOTs for long-term which covering more couintries (or areas). We revised our tables and analysis methods adopting helpful advices and suggestions. We would like to continue our reflection, referring to the framework of industrial input-output analysis. â€ƒ