

IFC – Central Bank of the Republic of Turkey Workshop on the “Use of financial accounts”, Istanbul, Turkey, 18-20 March 2019

Opening remarks by Gülbin Şahinbeyoğlu, Executive Director, Statistics Department, Central Bank of the Republic of Turkey

On behalf of the Central Bank of Turkey and the Irving Fisher Committee, I would like to extend my warm welcome to you all to this workshop on the “Use of Financial Accounts”. It is a great pleasure for us to host you once again in İstanbul for another joint event with the IFC on financial accounts. Our first workshop was in May 2014 and the theme was “Developing and Improving Sectoral Financial Accounts”. Even the titles of these two subsequent events denote the progress in this area in the last five years.

Back in those days, we were reviewing the concepts and definitions in financial accounts, trying to learn from the best practices in compiling sectoral data, discussing ways for consistency between data sets, organizational issues and ways to improve coordination between partner institutions. All these efforts were targeted to the construction of the financial accounts statistics.

Although some of these topics are still on our agenda, we now focus much more on the user side of the statistics; hence, with this workshop, we bring together key representatives from central banks and national authorities, standard-setting bodies and leading international organizations. We will review and investigate the extent of the use of financial accounts in assessing financial stability and conduct of monetary policy. I am sure this will be a good opportunity for us, as compilers and users of statistics, to conclude with certain agendas in improving our data provision, also consumption and use.

Having said that, let me now briefly mention the Turkish experience in the production and the use of quarterly financial accounts statistics. As the Central Bank of Turkey, we have been producing the financial accounts statistics since 2012. It has been a long journey. The first publication included only two sectors: the financial sector and the Central Government with limited coverage. The data was annual and publication took place with a long lag. Today, a complete set of indicators covering each individual sector and financial instrument is available on a quarterly and timely basis. I want to highlight that inclusion of the indicators for non-financial corporations and households has been one of the major contributions of financial accounts in the Turkish macroeconomic databases, given that these sectors are not very well captured in other statistics.

All financial accounts compilers are aware that compiling financial accounts for all sectors and reaching a figure for net financial worth is not the end of the story. The challenge then begins to maintain consistency with the non-financial accounts. When the case involves more than one institution, the consistency issue becomes

even more challenging and the process starts from scratch, checking consistency in data sources and methodology and covering all the related accounts to be compared.

For this purpose, the CBRT has initiated a project and is working together with TurkStat on the integration of non-financial and financial accounts. Our aim is to review each data module and set the necessary methodological revisions to ensure consistency between the two fundamental approaches. We plan to produce "integrated sectoral accounts" and publish a joint bulletin by the TurkStat and the CBRT, hopefully by the end of this year. This will be a further attempt to close a substantial data gap in the Turkish economy through strong institutional coordination.

Dear guests,

I believe this two-day workshop will enhance awareness of the importance of financial accounts as a tool for analyzing the linkages between the real economy and the financial system, for understanding interconnectedness across countries, and for constructing indicators of financial vulnerabilities. I should also emphasize the significance of this event for those of us in Turkey who, as national data compilers and producers, want to promote the use of financial accounts in economic analysis such as assessing financial stability.

Finally, before starting this event, I would like to take a few moments to thank the IFC Secretariat for giving us this valuable opportunity to host such an important gathering and give special thanks to the CBRT staff who organized this workshop.

And I should like to once again voice my deep thanks to all of you who have set aside your precious time to take part in this workshop. And although your time in Turkey will be short, I want to wish you all a productive but also enjoyable stay in Istanbul.

Thank you for your attention.