From financial accounts towards integrated accounts:  
the case of Turkey¹

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¹ This presentation was prepared for the meeting. The views expressed are those of the author and do not necessarily reflect the views of the BIS, the IFC or the central banks and other institutions represented at the meeting.
From Financial Accounts Towards Integrated Accounts: Case of Turkey

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March 18-20, 2019 | Workshop on the Use of Financial Accounts, Istanbul
OUTLINE

MOTIVATION AND BACKGROUND

CONSISTENCY ISSUES BY SECTOR

WAY FORWARD
International Initiatives

G 20 DATA GAPS INITIATIVE

Recommendation II.8. Sectoral Accounts

Target: Disseminate non-financial, financial accounts and balance sheet data

- Dissemination of non-financial accounts transactions (Annual data)
- Dissemination of non-financial accounts transactions (Quarterly data)
- Dissemination of stocks of non-financial assets (Annual data)
- Dissemination of financial accounts and balance sheets (Annual data)
- Dissemination of financial accounts and balance sheets (Quarterly data)
Consistency Concern

B9_NON FINANCIAL ACCOUNTS

Net Lending / Borrowing

B9F_FINANCIAL ACCOUNTS

PRODUCTION ACCOUNTS

GENERATION OF INCOME AND CONSUMPTION

CAPITAL ACCOUNTS

FINANCIAL ACCOUNTS
Timeline

- **December 2016**: Institutional Sector Accounts by Turkstat
- **February 2017**: Integrated Accounts Working Group
- **June 2018**: 1st Workshop
- **January 2019**: 2nd Workshop
Integrated Accounts Working Group

- Data Sources
- Sector Coverage
- Methodology

Financial Corporations
General Government
Rest of the World
Nonfinancial Corporations
Households & NPISH
MOTIVATION AND BACKGROUND

WAY FORWARD

CONSISTENCY ISSUES BY SECTOR
Financial Corporations

DIFFERENT DATA SOURCES

WORK AT SUBSECTOR LEVEL
NFA sub sector breakdown is not sufficient

IMPROVEMENT IN DATA COVERAGE

• Investment funds
• Financial auxiliaries

PILOT STUDY AND CONSULTANCE

INSURANCE SECTOR TASK FORCE

• Eliminate discrepancies in FA and NFA
• Data warehouse for all financial reports (IIMC)
• Counterpart data of ITC
Financial Corporations

Net Lending/Borrowing (thousand TRY)

Coherence Indicator (% GDP)*

* Coherence indicator = (B9F - B9)/GDP

Source: CBRT Financial Accounts
General Government

General Government, Net Worth (% GDP)

Source: CBRT Financial Accounts
General Government

SAME DATA SOURCE

GFS REVISIONS

DATA SHARING

Common Revision Policy

Online Platform for GFS Data

REVIEW BRIDGE TABLES FOR GFS & EDP

REVISE GG DEFINITION
• General government data is revised beginning the 1st Quarter of 2015

• The biggest effect is on central government sector for 2015 and 2016 data periods

• The biggest change is observed in other accounts payable/receivable in all sectors

• Maturity breakdowns are updated for loans and debt securities

• PPPs are the only difference between FA and GFS since 2016 Q4
General Government

Net Lending/Borrowing (thousand TRY)

Coherence Indicator (% GDP)*

* Coherence indicator = (B9F-B9)/GDP

Source: CBRT Financial Accounts
Rest of the World

Net Worth by Sectors (% GDP)

Source: CBRT Financial Accounts
Rest of the World

- DIFFERENT DATA SOURCES
- COMPARE DATA COVERAGE
- ADAPT IIP AND BOP FOR FA
- REVIEW FINANCIAL DERIVATIVES
- BOP-FA BRIDGE TABLE

- FA uses IIP, BOP and Money and Banking statistics as data source
- NFA uses BOP only

Revisions in BOP anf FA
## Rest of the World

### Financial assets
- Monetary gold and SDRs
- Currency and deposits
- Debt securities
- Loans
- Equity and IF Shares/units
- Financial derivatives
- Other accounts receivable
  - Trade credits and advances
  - Other
- Liabilities
  - Currency and deposits
  - Debt securities
  - Loans
  - Equity and IF Shares/units
  - Financial derivatives
  - Other accounts payable
    - Trade credits and advances
    - Other
- Financial net worth

### Instrument

<table>
<thead>
<tr>
<th>Instrument</th>
<th>IIP</th>
<th>FA</th>
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<tbody>
<tr>
<td>Deposits (precious metal deposit account)</td>
<td>Not included</td>
<td>Included</td>
</tr>
<tr>
<td>Equity (shares)</td>
<td>Fully covered</td>
<td>Partially covered</td>
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<tr>
<td>Financial derivatives</td>
<td>Not included</td>
<td>Included</td>
</tr>
<tr>
<td>Other AR/AP-Other</td>
<td>Not included</td>
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</tbody>
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### Cash Base

### Accrual Base
Rest of the World

Net Lending/Borrowing (thousand TRY)

Coherence Indicator (% GDP)*

* Coherence indicator = (B9F-B9)/GDP

Source: CBRT Financial Accounts
Non Financial Corporations

Non Financial Corporations’ Liabilities / GDP, Country Comparison

Source: CBRT Financial Accounts, OECD, Turkstat
Non Financial Corporations

- Same administrative data (Revenue Administration) in FA for some instruments, mainly counterpart data
- Unrecorded economy is included in NFA
- Will be compared after all sectors are consistent
Non Financial Corporations

Net Lending/Borrowing (thousand TRY)

Coherence Indicator (% GDP)*

* Coherence indicator = (B9f-B9)/GDP

Source: CBRT Financial Accounts
Households & NPISH

Households’ Liabilities / GDP, Country Comparison

Source: CBRT Financial Accounts, OECD, Turkstat
Households & NPISH

- Same administrative data in FA (Revenue Administration) for NPISH for some instruments, mainly counterpart data
- Will be compared after all sectors are consistent
Households & NPISH

Net Lending/Borrowing (thousand TRY)

Coherence Indicator (% GDP)*

* Coherence indicator = (B9F-B9)/GDP

Source: CBRT Financial Accounts
Way Forward

Data Sharing
- GFS Online Platform
- Insurance sector data

Consistency & Revisions
Common Revision Policy

Semi Annual Workshops

Bridge Tables
- General Government
- Non Financial Corporations
- Insurance Corporations

Improvement in Coverage
- Investment Funds
- Financial Auxiliaries
Thank you...

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