Collaborative Work with NESDB and UTCC
* Summary of existing FFAs of Thailand

* Collaborative work with the National Economics and Social Development Board (NESDB) and the University of Thai Chamber of Commerce (UTCC)
  - Expanding data input to FFAs
  - Re-organizing and presenting flow of funds data to be more informative

* Concluding remarks
Currently, NESDB is responsible for compilation and publication of Thailand’s FFAs, following SNA standard in annual frequency.

5 major grouping of sectors:

- General Government (GG)
- Financial Corporations (FC)
- Non-financial Corporations (NFC)
- Households and Non-profit Institutions Serving Households (HH & NPISH)
- The Rest of the World (RoW)
* FC is divided to three main sub-sectors:
  - Bank of Thailand
  - Other Depository Corporations
    - Commercial banks and finance companies
    - Saving cooperatives
    - Specialized financial institutions
  - Other Financial Corporations

* NFC comprises:
  - State Enterprises
  - Business Corporations
* 7 major grouping of financial instruments:
  - Monetary gold & SDRs
  - Currency and deposits
  - Securities other than shares
  - Loans
  - Shares and other equities
  - Insurance technical reserves
  - Other account payables or receivables
Thailand’s FFA in 2010

<table>
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<th>Sources of Funds</th>
<th>Total</th>
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Notice: For each instrument,

Total Uses = Total Sources

when summed up across all sectors
* Like many other developing countries, there is a main problem of lacking some data.

* The current main problem is that NFC and HH & NPISH have largely remained the residual sectors due to lack of their financial information.

* NESDB has been preparing a project to improve Thailand’s FFAs with government endorsement and a budget of 25 million Baht ($800,000).
Expanding data input to FFAs by acquiring more financial data of business corporations.

Department of Business Development (DBD), Ministry of Commerce of Thailand has been collecting financial reports of firms registered to do business in Thailand.

The financial reports generally contain financial statements and side notes which are essential to determine transaction partners.
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* Re-organizing and presenting flow of funds data in a more informative way to supplement the existing standard FFAs.

* Trying to accommodate research and policy implementation.

* Starting with some research agendas of CFSP
* CFSP’s vision statement:

A country’s financial system, ideally, ought to achieve efficient mobilization and intermediation of savings. But how well do financial markets and institutions function in practice? How well-connected and well-oiled are the gears that link households, firms, governments and the global economy?

* First, who are the savers in Thailand?
Net Financial Investment
((financial) uses – sources)
* How the formal financial system in Thailand intermediate funds to other sectors?

* Are savings deposited in financial institutions simply held there, intermediated through the rest of the economy, or invested abroad?
FC’s Net Financial Investment by Sectors
(each axis shows uses less sources of FC on the corresponding sector)
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FC’s Flow of Funds by Sectors

FC’s Uses of Funds

FC’s Sources of Funds

NFC  GOVT  HH  RoW
* However, when focusing on low-income countries, there is the challenge that larger shares of transactions may be made through informal financial entities. Direct flow of funds between households and the sectors other than formal financial corporations can also be important.

* We want to compile data on flow of funds between each pair of sectors to complete the flow of funds picture of developing economies like Thailand.
* Next, the problem from aggregation.

* Flow of funds of different groups within a sector may be distinct. Moreover, flow of funds among different groups within a sector can be important.

* Thus, data on flow of funds of sub-sectors should also be published when available, and the way to classify sub-sectors should be helpful for economic analyses.
* With DBD data, we hope to be able to define firms’ sub-sectors by their industries, size, and locations.

* Eg. Policymakers may be interested to see if funds are flowing into some particular industries or regions.

* Eg. In order to better understand development process, CFSP is interested in how savings are invested differently in business and farm enterprises.
* In conclusion, we are attempting to get

- Better estimates of flow of funds of NFC, essentially leaving HH & NPISH as the only residual sector
- Estimates of flow of funds between each pair of sectors
- Estimates of flow of funds of sub-sectors of NFC by meaningful classification like sizes and industries

* Still need more ideas about how flow of funds data could be used for research and policy implementation to help organize the dataset.