

Sectoral Accounts and Balance Sheets

South Africa

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Outline

- ✓ **Sectoral Current and Capital Accounts**
- ✓ **Stocks of Non-Financial Assets**
- ✓ **Sectoral Financial Positions and Flows**
- ✓ **Government Financial Statistics**

Sectoral Current and Capital Accounts

Progress to date

- ❖ Annual sectoral current and capital accounts are published in an aggregated format.
- ❖ Work-in-progress towards having the detailed quarterly and annual sectoral accounts published.

Challenges

- ❖ For the allocation of the primary income account, there is a **quarter lag** of some data pertaining to non-bank financial institutions.
- ❖ Surveys on non-bank financial institutions were revised to cover **detailed data** – timely?
- ❖ **Legal mandate** needs to be established to ensure comprehensive and timely non-bank financial institutions data.

Stocks of Non-Financial Assets

Progress to date

- ❖ In 2010, the asset types of gross fixed capital formation (GFCF) were expanded.
- ❖ Capitalization of expenditure on military equipment and Research & Development is in progress.
- ❖ Since only the acquisition of fixed assets is included in the estimates of GFCF, sourcing data on the disposal of assets is in progress.
- ❖ Service lives of different assets are being reviewed to calculate consumption of fixed capital (CFC).
- ❖ Non-produced assets – StatsSA published mineral accounts in 2012 and 2013 to be used for the stocks of sub-soil assets.

Stocks of Non-Financial Assets *cont.*

Challenges

- ❖ **Opening stock** of military equipment (data from 2003).
- ❖ **Lack of data** on land improvements, entertainment and artistic originals, military inventories, valuables, natural resources other than land and mineral resources, leases and licences, goodwill and marketing assets.
- ❖ StatsSA survey changed to separate disposals from revaluations – **timely?**
- ❖ StatsSA survey changed to include “other volume changes in assets” – **timely?**
- ❖ Compiling separate estimates on CFC pertaining to large and unique assets such as aircraft, rolling stock, nuclear power plant – **historic data?**

Sectoral Financial Positions and Flows

Progress to date

- ❖ Using Flow of funds, the annual and quarterly Financial account is being developed.

Challenges

- ❖ SA Reserve Bank's flow of funds lack **detail** on some instruments (F6 & F7).
- ❖ Lack of **quarterly data** on non-financial private enterprises.
- ❖ **Capacity** to deal with the detail required by the Templates, valuation of instruments, changing methodology to best international practice.
- ❖ StatsSA survey changed to include refined financial instrument breakdowns on non-financial private enterprises – *timely?*

Government Finance Statistics

Progress to date

- ❖ Currently, StatsSA publishes quarterly and annual surveys of local governments with detailed data on non-financial assets, financial assets and liabilities.
- ❖ Local governments and public enterprises data are available annually and quarterly.
- ❖ Working towards having balance sheet data on social security funds and extra budgetary institutions.

Challenges

- ❖ Government data are compiled on a cash basis.
- ❖ Value of land and some buildings owned by government are not registered.

Concluding remarks

Issues going forward:

- ✓ Improving capacity to compile the sectoral accounts and balance sheets.
- ✓ Improving detail regarding financial instruments.
- ✓ Closing the gap on compilation of non-financial assets such as land and valuables.
- ✓ Working towards reporting according to the new Templates for internationally comparable accounts and in line with SDDS plus standards.
- ✓ Work on the process of valuation of assets.
- ✓ Recording of government data on an accrual basis, as opposed to a cash based system.

Thank you!

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