SURVEY OF COUNTRY PRACTICES IN COMPILING BALANCE-SHEET STATISTICS

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From a survey of the 150 members of the United Nations it appears that only one country could at present provide the full range of balance-sheet statistics called for in the United Nations guidelines on this topic. Seven countries could compile balance sheets confined to conventional types of assets and liabilities—excluding assets like consumer durables and mineral deposits. A further 31 countries presently publish some statistics on certain balance sheet items, but as the data have generally not been collected with a view to constructing national balance sheets they tend to be deficient for such purposes both in coverage and valuation. In other countries only rather trivial kinds of balance-sheet data are available, such as certain banking statistics collected by the central monetary authority for purposes of bank regulation.

A review of sources and methods shows that for financial assets and liabilities extensive use is made of company accounts and enterprise surveys. The estate multiplier method is used in several countries for measuring household assets and net worth. As regards producers' fixed assets, countries with centrally-planned economies generally take direct surveys of assets, while in countries with market economies the perpetual inventory method is preferred.

It is noted that many of the purposes for which balance-sheet statistics are used can be adequately served without constructing a complete set of accounts. To date balance-sheet statistics have therefore tended to be developed in a piecemeal fashion with priority going to those parts of the accounts whose uses for economic analysis are most obvious. Chief among these are statistics on the financial assets and liabilities of corporate enterprises and statistics on the stock of producers' fixed assets. These two areas also predominate in countries' plans for the future development of balance-sheet statistics.

INTRODUCTION

The main purpose of this paper is to review the availability of balance-sheet statistics and the sources and methods used in their compilation. First, however, it will be useful to explain what kinds of balance sheets are being considered here, and to briefly consider the main uses to which they may be put.

Balance-sheet statistics

Table 1, which is reproduced from the recently issued United Nations guidelines on balance-sheet statistics,[1] shows the kind of statistics which are the subject of this paper. It contains illustrative figures in order to indicate equalities between various entries in the accounts.

There are two special features of Table 1 that should be noted. First, all entries in the table are at market prices—either actual market prices in the case of

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[1] *Provisional International Guidelines on the National and Sectoral Balance-Sheet and Reconciliation Accounts of the System of National Accounts, Series M, No.* 60, United Nations, New York, 1977.

TABLE 1

BALANCE-SHEET ACCOUNTS

	Non-financial enterprises	Financial institutions	General government	Households	Private non-profit institutions	All institutional sectors	Rest of the world	Total
Financial assets								
Currency and deposits	23	68	12	170	2	275	52	327
Securities	32	153	9	250	13	457	36	493
Other	126	120	125	144	2	517	77	594
Net tangible and non-financial intangible assets	304	18	133	193	13	661		661
Total	485	359	279	757	30	1,910	165	2,075
Financial liabilities, share capital and net worth								
Currency and deposits	8	184	103	1	0	296	31	327
Securities	235	62	145			442	51	493
Other	151	102	141	82	3	479	115	594
Net worth	91	11	−110	674	27	693	−32	661
Total	485	359	279	757	30	1,910	165	2,075

assets for which markets exist, or at imputed market prices for those which are never or only rarely traded. This is an important difference between the national balance sheets which are the subject of this paper and the balance sheets kept by enterprises. In the latter, issue prices (or face values) are generally used to value financial assets, and historic (or acquisition) costs are used in valuing tangible assets.

The second point is that the scope of tangible assets in Table 1 is somewhat broader than in the conventional national accounts. In addition to producers' fixed assets and inventories they include consumers' durable goods—vehicles, household appliances, and the like—and non-reproducible assets such as land and other natural resources.

Uses

The data shown in Table 1 may be used in the following kinds of analysis:

(i) Financial ratios (e.g. ratios of particular types of assets to particular types of liabilities);
(ii) Structure of liabilities and assets (e.g. long versus short-term, real versus financial);
(iii) Monetary policy (e.g. different measures of money supply);
(iv) Fiscal policy (e.g. impact of capital taxes, investment allowances);
(v) National and sectoral "net worth".

This list is no doubt very incomplete but it suffices to bring out some important aspects of balance-sheet statistics. First the emphasis of balance-sheet statistics is on financial analysis; they are not designed to provide direct information about the production and consumption of goods and services—topics that have traditionally occupied the central position in both Western and Marxist economics. In particular it should be noted that the information on tangible assets that is contained in balance sheets is not suitable for production analysis. This is both because in balance sheets assets are assigned to the sectors which own them rather than to the sectors which use them, and because they are valued net of depreciation. While a net valuation is an appropriate measure of what assets are worth to their owners, gross valuation is usually considered more suitable for studying the contribution of assets to production.

A second point is that the uses listed above refer only to the kind of statistics shown in Table 1. The list would be considerably longer if the statistics shown there were complemented by reconciliation accounts showing the relationship between balance sheets and the flows recorded in the national accounts. Balance sheets *plus* reconciliation accounts can be used for many additional kinds of analysis such as the financing of capital formation, the impact of inflation on sectoral wealth distribution, and the effects of monetary and fiscal policies on the structure of assets and liabilities. However, reconciliation accounts are so rare at the present time that they do not merit consideration in a review of country practices.

A final point to be made is that for some of the uses listed above it is not necessary that the balance sheets should be complete. It may suffice for some

purposes to compile a balance-sheet for a single class of assets and liabilities or for a single institutional sector. For example, to calculate different measures of money supply all that is needed are data on holdings of currency and deposits; financial ratios may only be needed for certain types of enterprises; and to measure the net worth of the nation it is only necessary to compile data on net tangible and non-financial intangible assets.

To summarize, balance-sheet statistics provide information about financial aspects of the economy; they do not deal directly with production and consumption which have been the central concern of economists for the last several decades. The analytic uses of balance sheets *per se* are somewhat limited; their usefulness is greatly enhanced if they are combined with reconciliation accounts, but this is a difficult area where progress has hitherto been slow. Finally it is not always necessary to complete the entire balance-sheet; for some purposes all that are required are data for particular lines or columns of Table 1.

These considerations probably account for the scarcity of balance-sheet statistics. Few if any countries could at present compile comprehensive balance sheets as outlined in Table 1. Several countries publish statistics on selected parts of the account, but the data have generally been developed as isolated series rather than as elements of an overall balance. Nowhere do balance-sheet statistics seem to have regained the prestige that they enjoyed during the early years of the present decade when according to Hart they were regarded as "the crown of economic statistics".[2]

Availability of Balance-sheet Statistics

This section presents the results of an enquiry made by the United Nations Statistical Office in early 1979 into the availability of balance-sheet statistics. Short questionnaires were mailed to the 150 members of the United Nations asking countries to indicate what statistics were available on tangible and intangible assets and what institutional sectors were covered by these data. To keep the questionnaire short respondents were not asked about the availability of statistics on liabilities. In practice countries usually collect information about liabilities at the same time and on the same basis as for financial assets. Respondents were also asked about any new balance-sheet statistics that were being developed, and were requested to list publications dealing with sources and methods for these statistics.

Seventy five countries returned questionnaires and some information about a further five countries was obtained from other sources. The remaining 70 countries are known to have relatively under-developed statistical systems. It seems likely that few if any of the non-respondents presently compile balance-sheet statistics and so the tables in this section probably give a fairly complete picture of the current availability of these data.

[2]A. G. Hart, Uses of National Wealth Estimates and the Structure of Claims, *Studies in Income and Wealth*, Volume XII, National Bureau of Economic Research, New York, 1950. Hart offers the interesting suggestion that the decline of balance-sheet statistics and the increasing interest shown in income measurements in the United States may have been due to the declining importance of agriculture. He argues that "wealth is a more natural focus of attention (and income less natural) for a farmer than for a wage earner".

Tables 2 and 3 show the statistics available on intangible and tangible assets according to, respectively, type of asset and institutional sector. Virtually all respondents indicated that they had statistics on certain assets of financial institutions. These were the kinds of data that are almost everywhere collected by the central monetary authority for purposes of bank regulation, and Tables 2 and 3 are confined to the 39 countries which have advanced beyond this elementary step in compiling balance-sheet statistics.

At first glance these tables may give a rather encouraging picture of the availability of balance-sheet statistics, and some words of warning are called for. It should first be noted that a cross in the tables indicates only that *some* data are available for at least *one year* since 1965 for the type of asset or institutional sector concerned. In several cases statistics on financial assets only cover corporate enterprises, sometimes data on tangible assets of government refer only to the central or federal level, in other cases statistics on inventories refer only to those held by companies over a certain size, etc.

A second point is that the data shown as available in these tables are not necessarily compiled as components of balance sheets, and in most cases fall considerably short of what is strictly required in terms of coverage or valuation for the construction of balance sheets as envisaged in Table 1. For some countries the only statistics available refer to the value of assets as recorded in compnay accounts, and are published as components of "enterprise statistics". Insofar as such data are used as management tools by enterprises they may well be relevant as they stand for studying enterprise behaviour, but for use in national balance sheets they will often need substantial adjustments.

A closer inspection of the data published by these 39 countries shows that in reality only a small number are even close to being able to construct the kind of balance sheets shown in Table 1. Japan is the only country which appears to have appropriately valued data on all the cells of Table 1; the United States and the United Kingdom presently lack statistics on non-reproducible assets; Germany (Federal Republic), U.S.S.R., Sweden, and Canada also lack (official) data on stocks of consumer durables. For most of the other 31 countries, Tables 2 and 3 indicate merely the availability of some of the raw materials from which national balance sheets could eventually be constructed, usually after numerous and substantial modifications.

Table 2 shows that data on financial assets are slightly more widely available than on producers' tangible assets. Thirty six countries compile some data for financial assets compared with 32 for producers' tangible assets. Data on non-financial intangibles (patents, mineral concessions, leases, etc.) are available in only 14 countries, and less than a quarter have estimates of consumer durables or "other" non-reproducible assets, i.e. cultivated land and timber tracts. It is interesting to note that the two countries which have made official estimates of the value of sub-soil assets are relatively resource-poor. None of the well endowed countries, such as Canada, U.S.S.R., South Africa, or the United States,[3] have any official series on sub-soil assets, although it is probable that for at least some

[3]Following a recent ruling by the Securities and Exchange Commission certain mining companies operating in the United States are now required to estimate the value of their mineral resources.

TABLE 2

AVAILABILITY OF BALANCE-SHEET TYPE STATISTICS ACCORDING TO TYPE OF ASSETS

×—indicates availability of official estimates; (×) indicates availability of unofficial estimates

Country	Intangible Assets				Tangible Assets						
	Financial				Reproducible					Non-reproducible	
					Producers						
	Currency and deposits	Securities	Other	Non-financial	Dwellings	Other construction	Other fixed assets	Inventories	Consumers	Subsoil	Other
Argentina	×	×	×	×	×	×	×	×			
Australia	×	×	×	×	×		×	×			
Austria	×	×	×	×	×	×	×	×			×
Botswana*	×	×	×	×	×	×	×	×			
Brazil	×	×	×	×	×	×	×	×	×		×
Canada	×	×	×	×	×	×	×	×			
Chile	×	×	×								
Colombia	×	×	×								
Czechoslovakia	×		×		×	×	×	×			
Denmark	×	×	×		×	×		×			×
Finland	×	×	×	×	×	×	×	×			×
France*	×	×	×	×	×	×	×	×			×
Gabon	×	×	×	×	×		×	×			
Germany, (Federal)	×	×	×		×	×	×	×	(×)		(×)
Greece	×					×	×	×			
Hungary					×	×	×	×	×	×	×
India	×	×	×	×	×	×	×	×	×		×
Israel	×	×	×	×		×	×				
Italy	×	×	×		×	×	×	×			
Jordan	×	×	×		×	×	×				

Japan	×	×	×	×	×	×	×	×	×	×	×
Korea	×	×	×								
Malaysia	×	×	×	×	×	×	×	×	(×)	(×)	(×)
Netherlands	×	×	×		×	×	×	×			
New Zealand	×	×	×			×	×	×			
Norway	×	×	×								
Philippines	×	×	×		×	×	×	×			
Portugal					×	×	×	×			
Poland	×	×	×		×	×	×	×			
South Africa	×	×	×		×	×	×	×			
Sweden	×	×	×	×	×	×	×	×			
Tanzania					×	×	×				
Trinidad	×	×	×		×	×	×	×			
Tunisia	×	×	×								
United Kingdom	×	×	×		×	×	×	×	×		
United States	×	×	×		×	×	×	×	×		
U.S.S.R.	×		×		×	×	×	×			
Venezuela	×	×	×								
Zambia	×	×	×						×	(×)	

*Expected availability by end-1979.

TABLE 3

AVAILABILITY OF BALANCE-SHEET TYPE STATISTICS ACCORDING TO INSTITUTIONAL SECTOR COVERED

×—indicates availability

Country	Financial assets				Reproducible tangible assets		
					Enterprises		
	Financial Institutions	Corporate Enterprises[1]	Households and Unincorporated Enterprises	Government	Corporate[1]	Unincorporated[2]	Government
Argentina		×			×	×	
Australia	×	×			×	×	
Austria	×			×	×	×	×
Botswana*		×			×	×	
Brazil	×	×	×	×	×	×	×
Canada	×	×		×	×	×	×
Chile	×	×	×	×			
Colombia	×	×	×	×			
Czechoslovakia		×			×	×	×
Denmark	×				×	×	×
Finland	×	×	×	×	×	×	×
France*	×	×	×	×	×	×	×
Gabon	×	×			×	×	
Germany (FR)	×	×	×	×	×	×	×
Greece	×				×	×	×
Hungary					×	×	×
India	×	×	×	×	×	×	
Israel	×	×			×		
Italy	×	×			×	×	×
Jordan	×				×	×	

Japan	×	×	×	×	×	×	×
Korea	×	×	×	×			
Malaysia	×	×	×	×	×	×	×
Netherlands	×	×		×	×	×	×
New Zealand		×			×		
Norway	×	×	×	×			
Philippines	×	×	×	×	×	×	×
Portugal					×	×	×
Poland	×	×		×	×	×	×
South Africa	×	×		×	×	×	×
Sweden	×	×	×	×	×	×	×
Tanzania					×	×	×
Trinidad	×				×	×	
Tunisia	×	×					
United Kingdom	×	×	×	×	×	×	×
United States	×	×	×	×	×	×	×
U.S.S.R.	×	×		×	×	×	×
Venezuela	×	×					
Zambia	×	×					

*Expected availability by end-1979.
[1]"State enterprises" in the case of centrally-planned economies.
[2]Excluding owner-occupied dwellings.

minerals estimates have been prepared in these countries by private bodies. This is what has happened in Zambia and Malaysia where the unofficial estimates indicated in Table 2 were developed by mining companies for copper and tin, respectively.

Table 3 shows the sector coverage of data on financial assets and producers' tangible reproducible assets. The data most often refer to the corporate enterprise sector, and in the majority of cases the data are shown at book values. Just over half the countries have some data on financial assets of government, although often for central government only. About the same number have compiled estimates of the value of government fixed assets. In a number of cases these statistics have been developed for use in calculating government consumption of fixed capital, and so assets are valued at market prices. Thirty countries have some data on tangible assets of unincorporated enterprises; data on financial assets of households and unincorporated enterprises are available in only 15 countries.

Sources and Methods

The information in this section comes from various sources including direct communications with national statistical offices, published reports on methodology, and a study recently completed at the UN Statistical Office of country practices regarding enterprise statistics. The information assembled from these sources is rather incomplete, and all that can be done in this section is to outline the commonest approaches used for estimating some of the main balance-sheet entries.

Financial Assets and Liabilities

For the enterprise sector the two main approaches are company surveys and analysis of company accounts. The surveys are conducted by mail with the enterprise as the unit of enquiry, and they usually collect the type of information contained in company accounts. Almost always the balance-sheet information collected in enterprise surveys of this kind therefore refers to book values, a partial exception being the United Kingdom where since 1976 financial institutions have been required to report market values of variable-price financial instruments.

When the company accounts are used as a source of balance-sheet statistics they are generally acquired indirectly by the statistical office, either via the tax authorities or from company registrars. As already noted company accounts almost always value assets and liabilities in a way which is not appropriate for national balance sheets.

For financial assets and liabilities of households, the two main approaches are household wealth surveys and the estate-multiplier method. Household wealth surveys have been carried out by several countries including the United States, Sweden, Japan and the United Kingdom. These surveys have, however, generally produced rather unsatisfactory results and at the present time Canada appears to

be the only country which makes extensive use of surveys for collecting data on household assets and net wealth. Podoluk[4] has described the problems encountered in the Canadian surveys. These include large response errors through concealment of assets and through under-valuation of the assets that are reported. In addition, there are certain types of assets such as trust funds, claims on pension funds, and equities in insurance policies which respondents could not easily value even if they were willing to do so.

In the estate-multiplier method, age-specific mortality rates are applied to the estates of deceased persons to obtain estimates of the asset holdings and net worth of persons still alive. This approach has been used by the tax authorities in the United Kingdom and the United States and by private researchers in several other countries including Australia and Ireland.[5] An advantage of the estate-multiplier method is that it produces not just totals but also estimates of the distribution of wealth, and this has in practice been its main attraction.

Apart from these sources, data on financial assets and liabilities may be obtained by various indirect means. Lists of debt holders may be analysed to determine the sectoral distribution of assets. In the United Kingdom for example, share-registers of corporate enterprises have been analysed to allocate holdings of securities between the enterprise, household, and government sectors. Financial institutions usually have sufficient information about their assets and liabilities so that their counterparts can be allocated by sector.

Fixed Assets

Statistics on the stock of dwellings are available in many countries, usually from physical counts at intervals of 5 or 10 years up-dated by information on new construction and on demolition of existing units. Since in most countries there is an active second-hand housing market, valuation at market prices does not present any great problem. A few countries, however, including Trinidad and the United Kingdom, have preferred to value the stock of dwellings by applying capitalization factors to estimated rents.

For other construction, plant and machinery, several methods are in use. Enterprise surveys of the kind discussed above in connexion with financial assets are used to collect book values of fixed assets in about a dozen countries, including Botswana, Italy, Netherlands, and Norway. In all cases, the book values refer to historic (or "acquisition") costs. A number of countries including Denmark, Greece, India, Israel and New Zealand publish statistics on the value of fixed assets obtained from an analysis of company accounts. Again the same problem arises that without extensive adjustments to bring the values up to market prices, the statistics are not suitable for national balance-sheets.

Estimates of the value of fixed assets on a basis more appropriate for balance-sheet statistics may be obtained either by direct surveys of assets or by the perpetual inventory method. Asset surveys are carried out every 5 years in Japan and at somewhat longer intervals in most centrally-planned economies including

[4] J. R. Podoluk, Measurement of the Distribution of Wealth in Canada, *The Review of Income and Wealth*, June 1974.

[5] *The Review of Income and Wealth*, June 1974, contains articles on the use of this method in the United Kingdom, the United States, and in Ireland.

Poland, Hungary, Czechoslovakia and the U.S.S.R. The survey approach seems to be better suited to centrally-planned than to market economies because the (administered) asset prices in the former are more stable than the (market) asset prices in the latter. A complete census of assets is clearly a massive undertaking; Yezhov[6] wrote of the 1960 census in the U.S.S.R. that "as regards its scale, economic significance and number of participants, this . . . operation probably surpassed, and certainly equalled, even the national population census". All establishments were required to draw up a complete schedule of their assets and value them at replacement-cost using industry-specific price lists supplied by the central statistical organization. To obtain values net of depreciation a large sample of assets was examined to determine their remaining useful lives.

Japan's asset surveys are on a more modest scale. In the 1970 survey for example, only about 1.0 per cent of government establishments were covered and less than 0.5 percent of enterprises. However, because the sample is selected using probabilities proportional to size the survey covers a relatively high proportion of total assets.

The perpetual inventory method—pioneered by Professor Goldsmith—is described in various recent publications.[7] Official series using this method are published by Canada, France, Germany (Federal Republic), Italy, Japan, Norway, Sweden, the United Kingdom, and the United States; official series are compiled but not published in the Netherlands, Greece, Denmark, and Austria; a series has been developed by private researchers for Australia and undoubtedly for other countries too. The principal motivation in compiling these series has usually been to use them in capital-output studies and the chief interest has therefore centered on the gross valuation of the capital stock. In most cases, however, the series are accompanied by estimates of consumption of fixed capital so that the net valuation needed for balance-sheet statistics is available.

Consumer Durables

Table 2 shows that few countries have so far attempted to estimate the value of durable goods owned by households. As with fixed assets the choice is basically between household surveys and the perpetual inventory method. Japan carried out a survey of household assets as part of its 1970 National Wealth Survey but the series has subsequently been up-dated by the perpetual inventory method. The series for the United States and the United Kingdom are based largely on perpetual inventories, although in both cases the estimates for vehicles are calculated from license records on the numbers, ages, and types of privately owned vehicles together with data on new and second-hand car prices.

The definitions of consumer durables vary somewhat between countries. The estimates for Hungary include all household possessions which usually last longer than 12 months. The United Kingdom's series excludes items whose valuation may prove contentious such as jewellery, works of art, antiques, and collectors'

[6]A. Yezhov, *Organization of Statistics in the U.S.S.R.*, Progress Publishers, Moscow, 1967.

[7]See for example, M. Ward, *The Measurement of Capital*, OECD, Paris, 1976 and *Provisional International Guidelines on the National and Sectoral Balance-Sheet and Reconciliation Accounts of the System of National Accounts*, op. cit.

items. The Japanese and United States estimates exclude these items and also clothing and footwear.

Values of consumer durables net of depreciation are required for balance sheets. The United States uses straight line depreciation which means that assets are assumed to decline in value by a constant amount each year; in Japan the declining-balance method is used which means that asset values are reduced by a constant percentage each year. Seeing no reason to prefer one method over the other, the United Kingdom publishes estimates based on both straight-line and declining-balance methods. The estimates of the net stock of consumer durables derived by these alternative methods are strikingly different, with the straight-line estimates nearly twice as high as the declining-balance series.[8]

Sub-soil Assets

Only 2 countries, Japan and Hungary, have any recent official estimates of the value of sub-soil assets. The estimates for Japan cover four types of mines—coal, petroleum, metallic minerals and non-metallic minerals. For each mine the remaining life is estimated by dividing the presently exploitable reserves by the average quantities mined during the last 5 years. The estimated operating surpluses expected over the life of the mine are then converted to present values by discounting them with the rates of interest currently earned by investors in each type of mining venture. Finally, the net value of the fixed assets of mining companies is deducted to obtain the value of the sub-soil assets alone. A similar procedure is used in Hungary, the main difference being that as there is no market in securities, estimated future earnings are discounted by the planned rate of return on industrial investments (currently 8 percent per annum).

Agricultural Land and Timber Tracts

Agricultural land is usually valued at market prices. These may also be used for timber tracts—as is done in Denmark and India for example. In Japan where timber tracts are rarely sold so that there is no real market price, values are estimated from the cost side. The expenses incurred each year to bring each type of forest area to its present age are converted to present-values by "reverse discounting" using the interest rate investors expect to earn on forestry projects.

Future Developments

Out of the 75 countries replying to the UN questionnaire 17 reported that they are currently engaged in developing or expanding their balance-sheet statistics. Table 4 summarizes the areas where this work is being undertaken.

"Producers fixed tangible assets" appears to be the most important area for new developments. For most countries, this involves work on perpetual inventory

[8]The United Kingdom has also published estimates for consumer durables using different length of life assumptions. The lowest estimates (using short-life assumption and declining-balance depreciation) amount to only about a quarter of the highest estimates (using long-life assumption and straight-line depreciation). See J. R. Calder, The Stock of Consumer Durables in the United Kingdom, *Economic Trends*, No. 293, March 1978, Central Statistical Office, London.

TABLE 4

BALANCE-SHEET STATISTICS CURRENTLY BEING DEVELOPED OR EXPANDED

×-indicates work-in-progess

Country	Financial assets and liabilities			Producers' tangible fixed assets		Consumer durable goods
	Public	Private	Rest of the world	Public	Private	
Belgium	×	×				
Brazil	×			×		
Chile				×	×	
Czechoslovakia			×	×		×
Denmark				×	×	
Germany (Federal Rep.)				×	×	
India	×	×				
Korea			×	×	×	
Luxembourg	×	×				
Malta		×				
Norway				×	×	
Philippines	×					
Sri Lanka		×				
Sweden				×	×	
Turkey		×				
United Kingdom	×	×	×	×	×	
United States					×	

models, either to improve existing series (e.g. in Sweden and Germany) or to develop new capital stock estimates (e.g. in Chile and the Philippines). As regards financial assets and liabilities, the new work being undertaken by Belgium, Luxembourg, India and Sri Lanka is in the context of enterprise statistics, and involves assembling statistics on book values from company accounts.

CONCLUSION

All countries place far greater emphasis in their national accounts work on measuring flows rather than stocks, and economists usually feel more at home with statistics of income, production, or consumption than with data on stocks of goods or holdings of financial assets and liabilities. There are however some signs that balance sheet statistics may be emerging from a long period of neglect. The conceptual framework of the revised SNA explicitly incorporates stocks as well as flows, and the United Nations' recent guidelines on balance sheet statistics were issued in response to specific requests from the international statistical community. Moreover, a few statistically-advanced countries are redesigning their accounts so as to show explicitly the links between annual flows and opening and closing assets, and other countries will presumably move in the same direction as economists and other users become more familiar with balance sheet statistics and begin to make more use of them in explaining economic behaviour. At present, however, most countries with an active programme of national accounting still concentrate on the development of flow accounts, and their interest in balance

sheets is limited, quite properly, to a few components such as stocks of producers' durable goods and bank assets and liabilities, which have an established place in economic analysis.