

## **Global Flow-of-Funds: Measuring Bilateral Geographic Flows**

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### **Abstract**

The main purpose of this paper is to map, conceptually, financial interlinkages which are reflected in the balance of payments and international investment position statistics and in the “rest-of-the-world” accounts of the national accounts framework. These datasets provide invaluable information for the analysis of: interconnectedness; global liquidity flows; and global financial interdependencies. The paper sets out the concepts and existing data sources. A three-dimensional matrix, the Balance Sheet Approach will be used in breaking down the rest of the world by components of the international investment position (IIP). An external template (metadata) exercise shows what external sector financial data are available by IIP category. The main outcome is a matrix of balance of payments flows data geographically broken down by national/regional economies.

**Key Words:** Interconnectedness, interdependencies, balance sheet approach, and bilateral balance of payments flows.