



**CONFERENCE ON STRENGTHENING SECTORAL POSITION AND
FLOW DATA IN THE MACROECONOMIC ACCOUNTS**

Jointly organized by the IMF and OECD

February 28–March 2, 2011

IMF Headquarters 2 (HQ2)

Conference Hall 1 & 2 (lobby level)

1900 Pennsylvania Ave NW, Washington, DC, 20431

**Company Accounts Data of the Central Bank of the Republic of Turkey:
Current Practices and Improvement Directions**

To be presented in Session 4 by Ahmet Samsar

The views expressed in this paper and web links to papers that will be considered at the Conference “*Strengthening Sectoral Position and Flow Data in the Macroeconomic Accounts*” are those of the authors only, and the presence of them, or of links to them, on the IMF website does not imply that the IMF, its Executive Board, or its management endorses or shares the views expressed in the papers.

This paper has been prepared by Ahmet Samsar, The Central Bank of the Republic of Turkey.

CENTRAL BANK OF THE REPUBLIC OF TURKEY



**Company Accounts Data of the Central Bank of the
Republic of Turkey:**

Current Practices and Improvement Directions

Ahmet Samsar

STATISTICS DEPARTMENT

Real Sector Data Division

**CONFERENCE ON STRENGTHENING SECTORAL POSITION AND
FLOW DATA IN THE MACROECONOMIC ACCOUNTS**

Jointly organized by the IMF and OECD
February 28–March 2, 2011

Company Accounts Data of the Central Bank of the Republic of Turkey:

Current Practices and Improvement Directions

1. Purpose

The Central Bank of Turkey (CBRT) has been compiling annual financial accounts of the corporates and producing the aggregated financial accounts data by the economic sectors classified according to NACE Rev.1.1. It has been conducting sectoral analysis based on these data since 1990 to provide systematic and accurate information flow about the real sector to help decision making authorities as well as providing input to the monetary policy decisions.

2. Coverage

The data compiled from the companies comprise annual solo balance sheets and income statements over the last three successive years.

The database includes company name, registry number, address, phone and fax number, e-mail address, legal status, sector, name of directors and shareholders, number of employees, cash and non-cash credit use both in national currency and FX provided from the Risk Centralization Division of CBRT, balance sheet and income statement.

The data are obtained either directly from the companies or from the financial institutions that have credit relationship with the companies.

Scope of the survey units is determined on the basis of credit use from domestic banks and from abroad by the intermediation of domestic banks by cut-off criteria. In addition, the listed companies on the Istanbul Stock Exchange (ISE), the large companies included in the top 1000 industrial enterprises list of Istanbul Chamber of Industry are included regardless of their credit use at the time of the selection of the survey units.

In the 19th Company Accounts publication published by the CBRT in 2010, data from a total of 8,080 firms – 8,062 private companies and 18 public institutions were included. Of which 190 companies were listed on the Istanbul Stock Exchange (ISE)

and 733 were among the top 1,000 companies list of Istanbul Chamber of Industry, namely, "Turkey's Top 500 Industrial Enterprises" and "Turkey's Next 500 Industrial Enterprises" lists.

Table.1.

Sector Share (%)	
Sector	Credits in Cash
All Companies (%)	69.7

For the companies, which submitted data for Company Accounts (2007-2009) publication, the share of All Companies' Credits in Cash was 69.7 percent of whole Credits in Cash extended or intermediated by the resident banks in 2009.

3. Publication

Company Accounts are aggregated according to manufacturing, non-manufacturing sectors, and size groups. Aggregated financial tables of the sectors as well as the financial ratios and standard ratios (quartiles) for the sectors that have the adequate number of firms are published in the annual publication.

The currently available data on sectoral accounts relates to 13 main and 28 2-digits sub-sectors of NACE Rev.1.1. The financial ratios are calculated for 13 main sectors and 162 sub-sectors over 2007-2009 period.

“Aggregated Company Accounts” publication, presents general information, balance sheet, income statement, composition of assets and liabilities, financial ratios together with their quartiles and sources and uses of funds for all companies, for manufacturing sectors and other sectors and in size classes.

“Aggregated Company Accounts” and “Financial Ratios and Quartiles of the Sectors” are published annually on the web sites of CBRT and available on CD-ROM. Academics and policy makers have been closely interested in the data available within the scope of Company Accounts study.

In addition, “Company Evaluation Report” is prepared for the participating companies upon their request. This is a confidential report for comparison that enables the company to evaluate its financial situation in the sector and among all companies.

The reports are posted by mail or e-mail to the participating companies free of charge on their demand.

All data are checked for consistency by sector experts at CBRT and possible inconsistencies are verified or corrected in the process. After aggregation by sectors the results of Company Accounts are published by the end of the year following the reference period.

Real Sector Data Division of CBRT is reporting 3 of the 5 Financial Soundness Indicators (FSIs) for nonfinancial corporations. In addition, longer historical time series is going to be provided.

4. Improvement Directions

- i. The new Statistics Law effective from 2005 particularly made Turkey's statistical framework more robust. In accordance with the Law, Official Statistics Programme was started to be implemented in 2007. Official statistics are standardized, responsible and related institutions are defined, data compilation methodology and the publication periodicity/schedule of official statistics are specified. Company Accounts has become the part of the Official Statistics Programme in 2011. The Statistics Law enforces the confidentiality of the data provided by the statistical units as well as requiring the statistical units to submit accurate and timely information to the institutions producing official statistics.

This regulation is conducive to improve quality and timeliness of the submitted data, especially by small and medium sized companies. Thus, the time lag of the published statistics could be shortened while their representativeness are increased

- ii. Real Sector Data Division of CBRT is planning to change sector classification from NACE Rev.1.1 to NACE Rev.2 for Company Accounts in this year.
- iii. Currently, the scope of the survey units is mainly determined on the basis of credit use. Now, we are working in collaboration with TURSTAT

to extend the scope as to improve the representativeness by the sectors starting from 2011.

- iv. The financial tables submitted by the companies are prepared in accordance with the related Law and Regulations. Thus, improvements in the Regulations related to the companies' reporting procedures have been effective on increasing the data quality. Financial statements in Turkey have traditionally been prepared for use by the fiscal authorities and hence did not contain information pertinent to the needs of other stakeholders. In 1999, the Turkish Accounting Standards Board (TASB) was established by Law No. 4487 with a mandate to issue Turkish Accounting Standards (TASs). The TASB had issued TASs and Turkish Financial Reporting Standards (TFRSs) which "correspond to the respective International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)" and has regulated the accounting and reporting standards for the companies listed on ISE.
- v. As to enhance further improvement of the company account data the New Turkish Commercial Code (TCC) was approved in January 2011. It will be effective by July 1, 2012. This New Code takes into account the requirements of market economy. The new TCC will require all listed and non-listed companies, other than small and medium-sized enterprises (SMEs), to follow TASs issued by the TASB. The New Code will require that all companies have their financial statements audited by the auditors or audit firms authorized by the Code. All capital companies (like Joint-Stock Companies) have to establish an official website. Making capital markets more transparent, the websites would be required to include important information for actors in capital markets, especially small investors, the information would include financial tables, audit reports, reports of boards regarding business and performance and all invitations such as those for a general assembly.